



CONSOLIDATED GENERAL REPORT
on the **PROVINCIAL AUDIT OUTCOMES**
2009-10



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SECTION 1: FOREWORD

It is a great pleasure to present to Parliament the 2009-10 general report which consolidates the results of the audit outcomes of the provincial departments, including legislatures, provincial revenue funds, provincial public entities and trading entities, as well as those public entities whose audits were not conducted by the Auditor-General of South Africa (AGSA), for the financial year ended 31 March 2010.

The audit outcomes of provincial departments for the current year generally showed a steady reduction in audit qualifications. This positive trend is, however, distorted by the continued deterioration in the education, health and public works sectors in five provinces, as evidenced by the disclaimers or adverse opinions of 8% (2008-09: 5%) of departments. Overall the provincial outcomes of departments showed 61% (2008-09: 70%) unqualified opinions with internal control shortcomings (related to reporting on predetermined objectives and/or compliance with laws and regulations) and an improvement in clean audits (financially unqualified with no findings on reporting on predetermined objectives and compliance with laws and regulations) to 11% (2008-09: 4%). With regard to audit qualifications, 20% (2008-09: 25%) of departments received qualified opinions. For public entities the trend is a steady improvement towards clean audits with 28% (2008-09: 16%) achieving this status. This is informed by a reduction in audit qualifications to 12% (2008-09: 25%) and unqualified opinions with internal control shortcomings to 54% (2008-09: 48%). Disclaimers and adverse opinions for public entities improved to 6% (2008-09: 12%).

Capital assets remained the major reason for qualifications, constituting 79% of departments qualified and 58% of public entities qualified. While we appreciate that the work on resolving the matters pertaining to immovable assets by the ministerial task team is still ongoing, it is of concern that the inadequate maintenance of asset registers for movable assets continues to be a problem. Other areas that were qualified and require attention at provincial departments are disclosure notes (59%) and reporting on unauthorised, irregular as well as fruitless and wasteful expenditure (53%). For public entities accounting for revenue remains a problem, with 63% of entities being qualified in this area.

The main internal control shortcomings that limit government from achieving clean audits relate to reporting on predetermined service delivery objectives and compliance with laws and regulations. With regard to predetermined service delivery objectives, 72% of departments and 60% of public entities had findings. Eighty-two per cent of departments and 53% of public entities had findings on compliance with laws and regulations. The most significant non-compliance issues related to supply chain management (SCM) (39%) and the occurrence of material misstatements (70%) in the financial statements submitted for auditing.

The capacity of departments to manage their financial and performance information and compliance with laws and regulations is further eroded by shortcomings in human resource (HR) management in 71% of departments and the lack of information technology (IT) governance frameworks in 88% of departments. Analysis will also be extended to public entities in future.

The audit outcomes are an indicator that the leadership tone on HR capacity and the monitoring of action plans is crucial. Basic reporting disciplines, such as proper record keeping, regular processing of transactions and reconciliations, preparation of monthly reporting, and controls over compliance with fiduciary responsibilities, also require leadership attention. Monthly monitoring of these key controls will enhance the level of accountability to



executive authorities and improve the quality of reporting financial and service delivery information. Strengthening governance structures such as internal audit and audit committees will further complement leadership's monitoring in this regard.

During our engagements with provincial executive councils and legislatures we agreed that these priorities will give impetus to our mutual focus to address the audit outcomes going forward. This will build on the initiatives already in progress regarding the development of the leadership and chief financial officer (CFO) handbook, the integrated financial management system project by the National Treasury and improved accounting for immovable assets (land and property) by the national Departments of Public Works and Rural Development and Land Reform. Going forward, additional initiatives need to be formalised to support the whole of government on matters relating to HR management, IT governance, reporting on predetermined service delivery objectives, and SCM by the Department of Public Service and Administration (DPSA).

As discussed in our engagement with the executive and parliamentary leadership, enhanced coordination of project management at the level of the national and provincial ministries for health and education is required. This should focus on the rising cost of procurement and HR; the management of conditional grants; and the shortcomings in reporting on, and non-achievement of, service delivery objectives. In the provinces, coordination and monitoring at an executive committee level are also required.

These initiatives have proved to be a catalyst spurring action from all levels of leadership and management, with the ultimate aim of achieving clean administration as evidenced by a financially unqualified audit opinion with no findings on reporting of performance against predetermined objectives or compliance with laws and regulations. The AGSA's role in this respect will focus on conducting a risk assessment for the whole of government that will be the foundation of quarterly interactions with the executive authority and oversight bodies, and collaboration with audit committees and internal audit where they are functioning optimally. In most provinces, the strengthening of these governance structures requires urgent attention.

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

Together, we will continue to make every effort to collaborate in order to accelerate the implementation of actions and contribute towards strengthening our country's democracy.

Auditor-General

**Auditor-General
Pretoria
December 2010**

SECTION 2: EXECUTIVE SUMMARY

The purpose of this general report is to provide an analysis of the consolidated provincial audit outcomes regarding provincial departments (including the legislatures and provincial revenue funds) and provincial public entities (including trading and other types of entities) for the 2009-10 financial year. This report summarises information related to audit outcomes contained in the general reports of each province.

The overview of these audit outcomes was presented to Parliament during October 2010 to facilitate dialogue and understanding of the key underlying issues driving these audit outcomes and possible solutions in this regard. The summary that follows contains key issues and conclusions reached, supported by further details in the body of the report.

2.1 Part A – Audits conducted by the AGSA

2.1.1 Overview of audit outcomes

Provincial government comprises 132 departments (including nine provincial legislatures and nine provincial revenue funds) and 130 public entities. The 2009-10 audit outcomes of 123 departments and 108 public entities whose audits had been finalised by 30 September 2010 are analysed in this report.

Highlights of the audit outcomes for the year under review

The number of departments increased from 130 to 132 compared to the previous financial year through the establishment of five new departments and the amalgamation of three other departments. Figures 1 and 2 below present the outcomes of the audits of financial statements, while figures 3 and 4 present an analysis of those entities that had findings arising from the audit of predetermined objectives and compliance with laws and regulations.

Figure 1: Audit outcomes – Departments

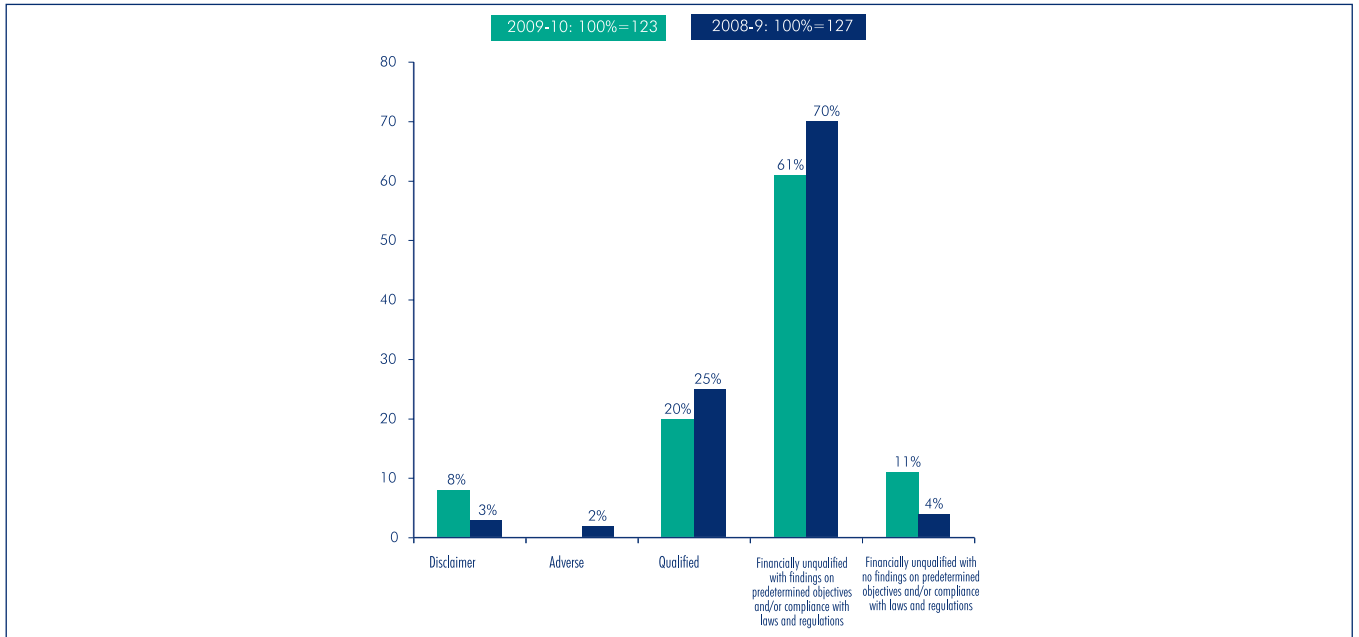


Figure 2: Audit outcomes – Public entities

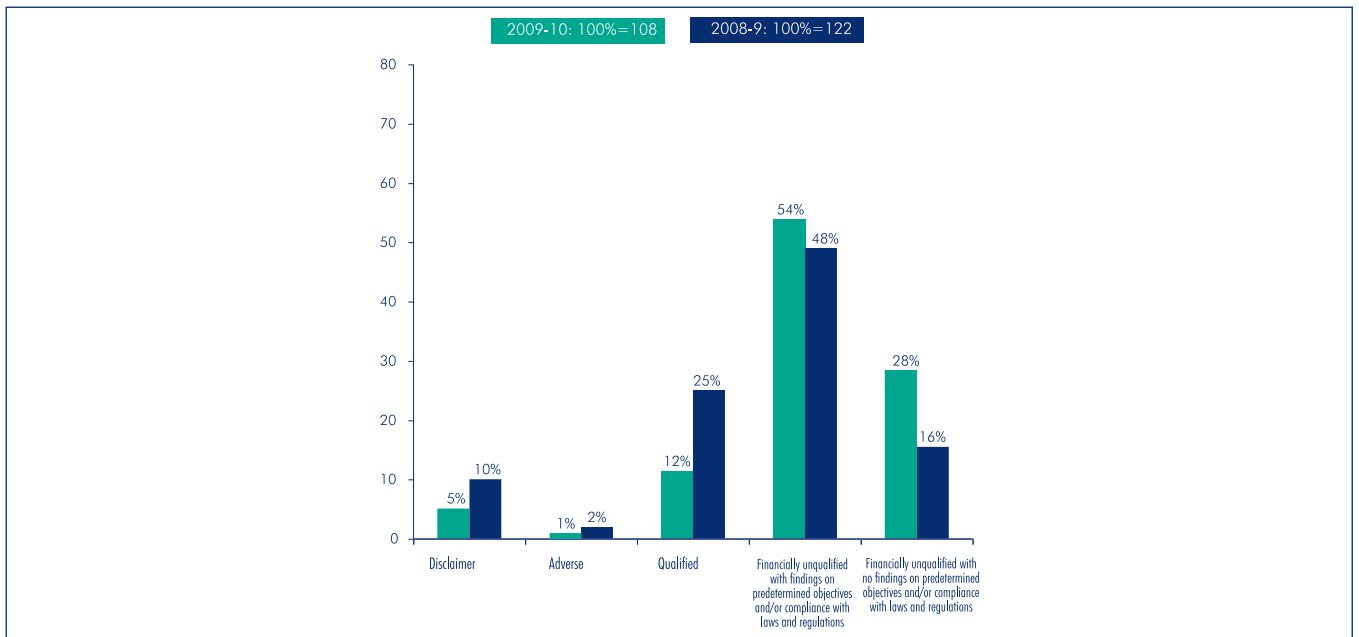


Figure 3: Analysis of departments with findings on predetermined objectives and/or compliance with laws and regulations

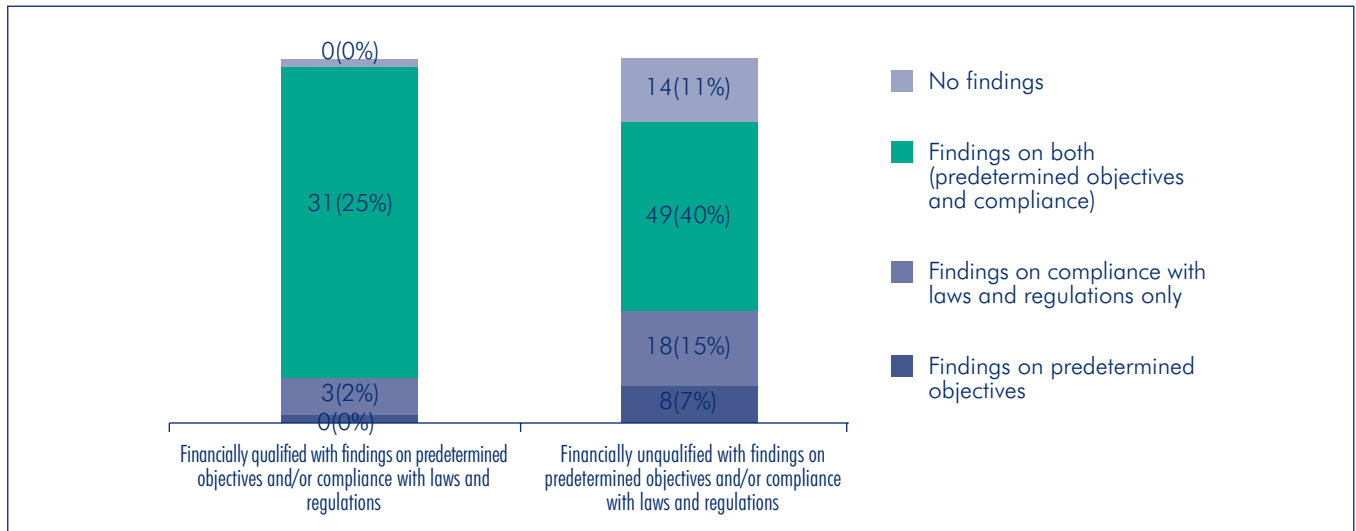
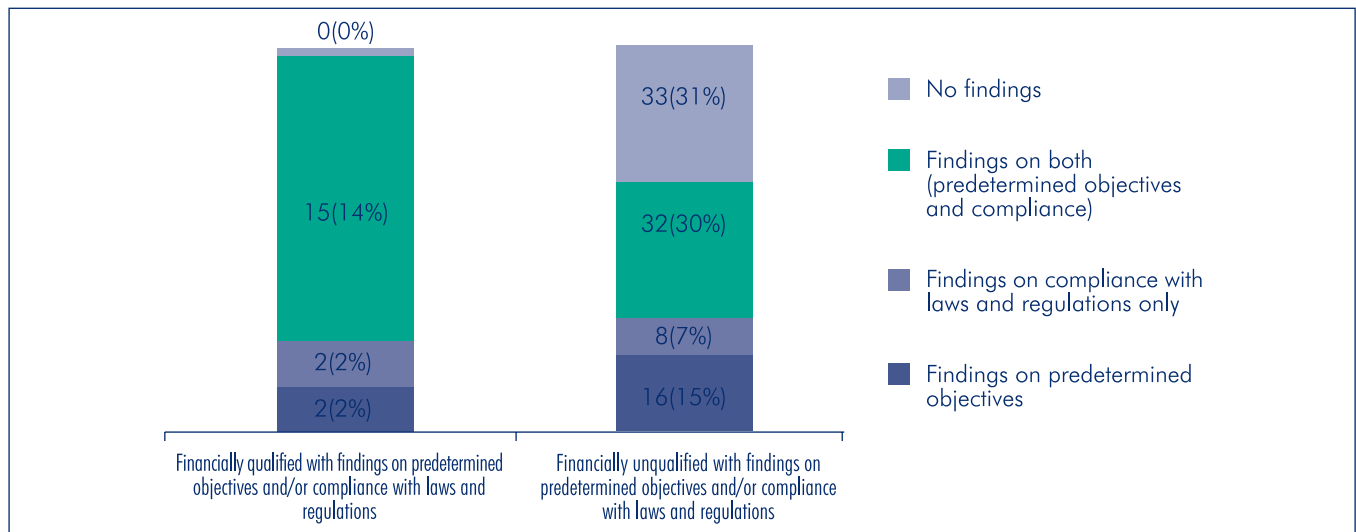


Figure 4: Analysis of public entities with findings on predetermined objectives and/or compliance with laws and regulations



Highlights of the current year's audit outcomes of departments are as follows:

- The departments that were financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations increased from four to 14. There was a 9% reduction in the number of qualified auditor's reports (qualified, adverse and disclaimer of opinions) during the year under review.
- The most notable improvement in the audit outcomes of departments occurred in the Western Cape, where seven departments improved to financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations.
- The highest number of regressions in the audit outcomes of departments occurred in North West, where two departments regressed to a disclaimer of opinion and a further two regressed to a qualified opinion during the



2009-10 financial year, after being financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations during 2008-09.

- The 2007-08 and 2008-09 audits of the Eastern Cape’s provincial revenue fund and the 2008-09 audit of Limpopo’s provincial revenue fund had not been finalised by the date of this report.

Highlights of the current year’s audit outcomes of public entities are as follows:

- A 58% improvement occurred in the number of public entities with no findings on either predetermined objectives or compliance with laws and regulations (increasing from 19 to 30).
- Five public entities in the Western Cape improved to financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations.
- Audit opinions in the disclaimer, adverse and qualified categories declined to constitute 19% (2008-09: 32%) of the entities whose financial statements were financially qualified.
- Of the 108 public entities whose audits had been finalised, 37 improved on their previous year’s audit outcome, while the audit outcomes of nine (8%) regressed.
- The audit outcomes of 61 public entities remained unchanged from the 2008-09 financial year. This includes two that remained disclaimed or adverse and 12 that retained their status as financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations.
- The financial statements of 13 public entities have now been qualified (disclaimer, adverse and qualified) for the third successive year. The names of their parent departments, which should be providing oversight, are provided in section 3.1 of this report.
- The number of qualified audit opinions obtained by public entities decreased by 25. However, the finalisation of the audits of 22 public entities could affect the total decrease in qualified opinions for the year.
- The audits of eight public entities are still outstanding since the 2008-09 financial year.

An overview of the 2009-10 audit outcomes per province is provided below.

Table 1: Movements in audit outcomes of departments and public entities per province

| Province | Disclaimer | | Adverse | | Qualified | | Financially unqualified with findings* | | Financially unqualified with no findings** | | Total number of entities | |
|---|------------|-----------|----------|----------|-----------|-----------|--|------------|--|-----------|--------------------------|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Eastern Cape | 2 | 1 | 0 | 2 | 5 | 5 | 16 | 18 | 3 | 0 | 26 | 26 |
| Free State | 2 | 0 | 0 | 1 | 5 | 7 | 12 | 14 | 8 | 7 | 27 | 29 |
| Gauteng | 4 | 4 | 0 | 0 | 3 | 11 | 23 | 20 | 11 | 4 | 41 | 39 |
| KwaZulu-Natal | 0 | 1 | 0 | 1 | 9 | 13 | 19 | 21 | 6 | 5 | 34 | 41 |
| Limpopo | 1 | 1 | 0 | 0 | 3 | 6 | 12 | 10 | 1 | 1 | 17 | 18 |
| Mpumalanga | 0 | 0 | 0 | 0 | 2 | 3 | 14 | 17 | 3 | 1 | 19 | 21 |
| Northern Cape | 2 | 3 | 1 | 0 | 4 | 6 | 10 | 10 | 0 | 0 | 17 | 19 |
| North West | 4 | 5 | 0 | 0 | 6 | 7 | 15 | 12 | 0 | 5 | 25 | 29 |
| Western Cape | 0 | 1 | 0 | 0 | 0 | 3 | 13 | 23 | 12 | 0 | 25 | 27 |
| Total number of audits reported on | 15 | 16 | 1 | 4 | 37 | 61 | 134 | 145 | 44 | 23 | 231 | 249 |

* Financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations

** Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations



- The financial statements of all the Western Cape’s entities and 83% of entities in Gauteng were financially unqualified.
- The Free State, KwaZulu-Natal, Mpumalanga and North West registered a decrease in the number of entities whose financial statements were financially unqualified.

Common issues that form the basis for the qualified, adverse or disclaimer of opinion on the financial statements

Figures 5 and 6 below depict the 2009-10 movements in the qualification areas for departments and public entities, respectively.

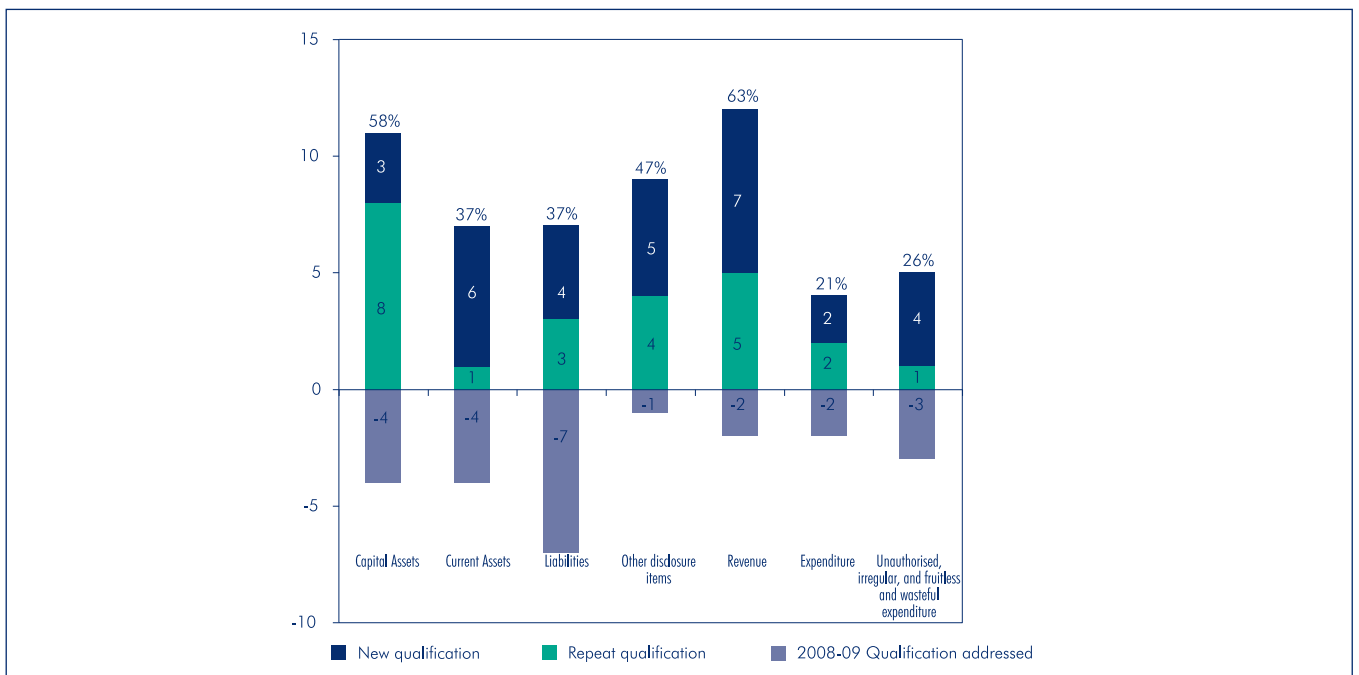
Figure 5: Movement in financial statement qualification areas – Departments



The financial statement qualification areas at departments that showed the greatest increase in 2009-10 was unauthorised, irregular as well as fruitless and wasteful expenditure, followed by other disclosure items.



Figure 6: Movement in financial statement qualification areas – Public entities

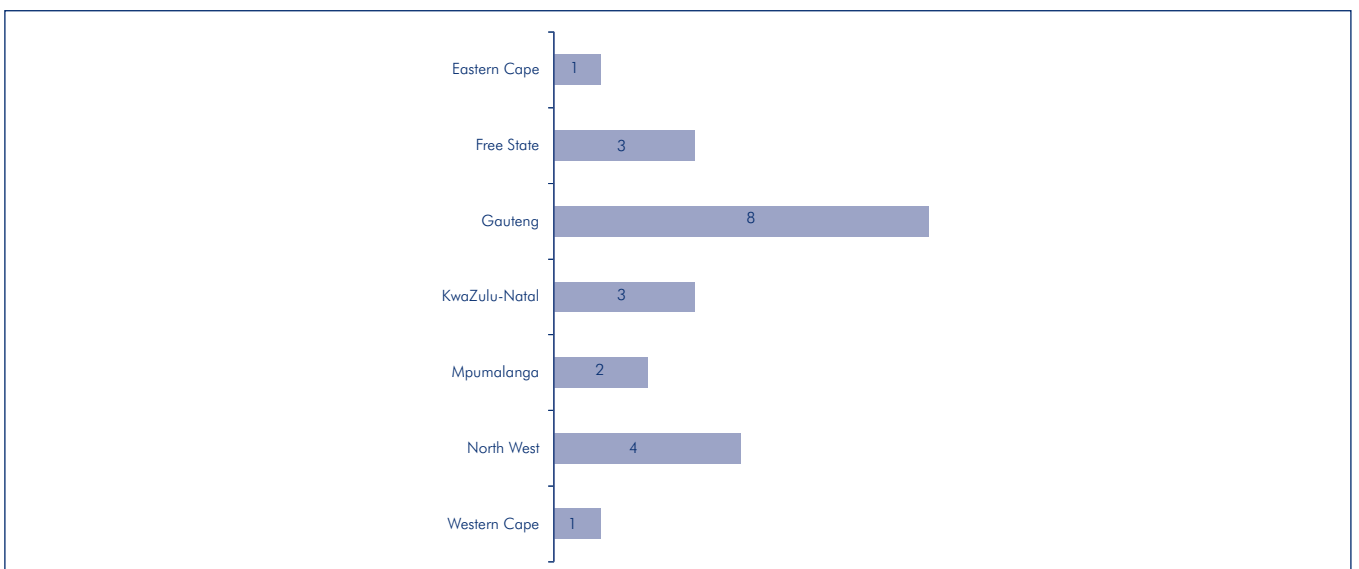


The financial statement qualification area at public entities with the greatest increase in 2009-10 was revenue, followed by current assets.

Funding of operations, financial sustainability and going concern

Concerns regarding the funding of operations, as indicated in the figure below, were identified at 22 public entities. No such public entities were identified in Limpopo or the Northern Cape.

Figure 7: Funding of operations, financial sustainability and going concern

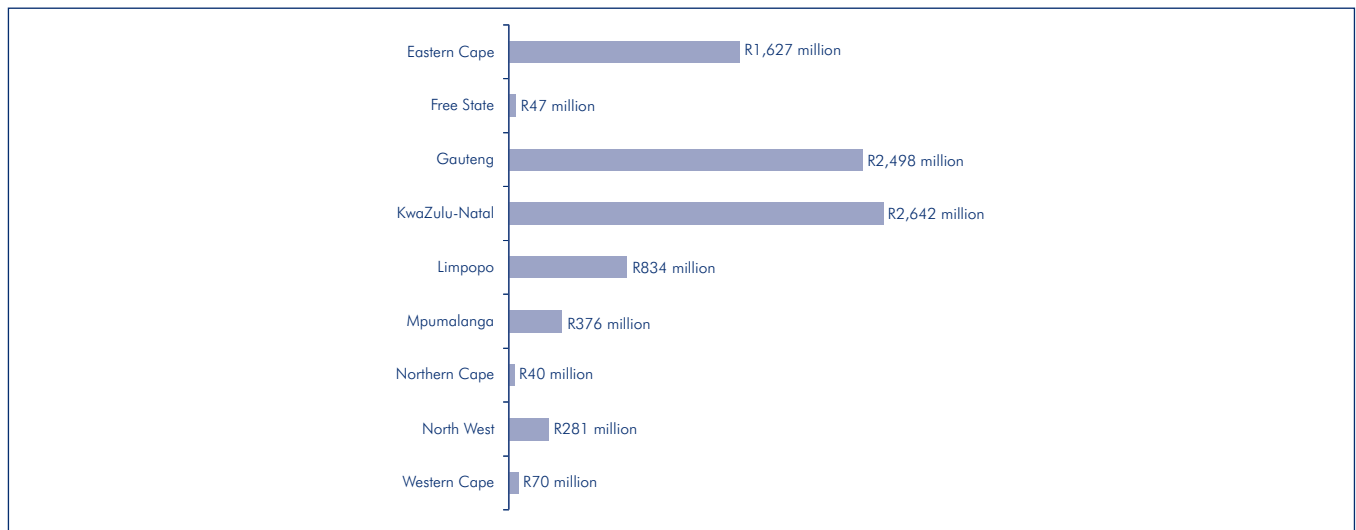


Unauthorised, irregular as well as fruitless and wasteful expenditure

As in prior years, auditees continued to incur unauthorised, irregular as well as fruitless and wasteful expenditure. A summary of such expenditure for the year under review is as follows:

Unauthorised expenditure (applicable to departments only)

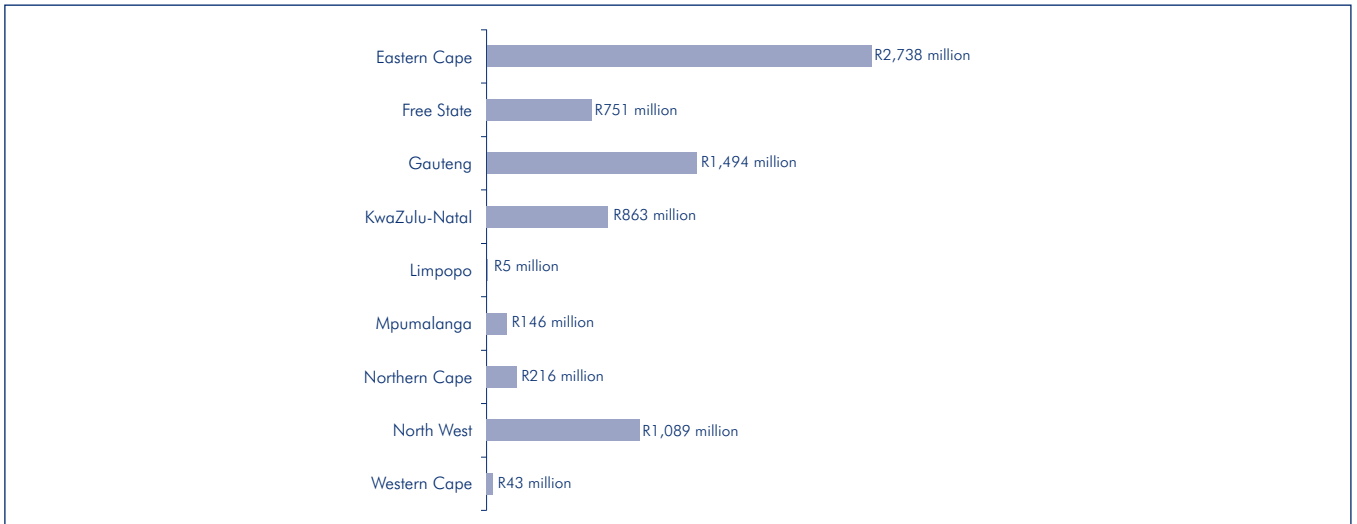
Figure 8: Unauthorised expenditure incurred by departments



- Departments incurred unauthorised expenditure during the financial year through overspending either on their votes or on main divisions within their votes. Departments also expended funds for purposes that were not in accordance with their votes.
- Departments had significant amounts of unauthorised expenditure that had still not been approved. This could result in serious cash-flow constraints for the departments and/or the provincial revenue funds, depending on whether it is condoned with or without funding, and may impact on the ability to deliver the services for which the funds were intended.

Irregular expenditure

Figure 9: Irregular expenditure incurred by departments and Public entities

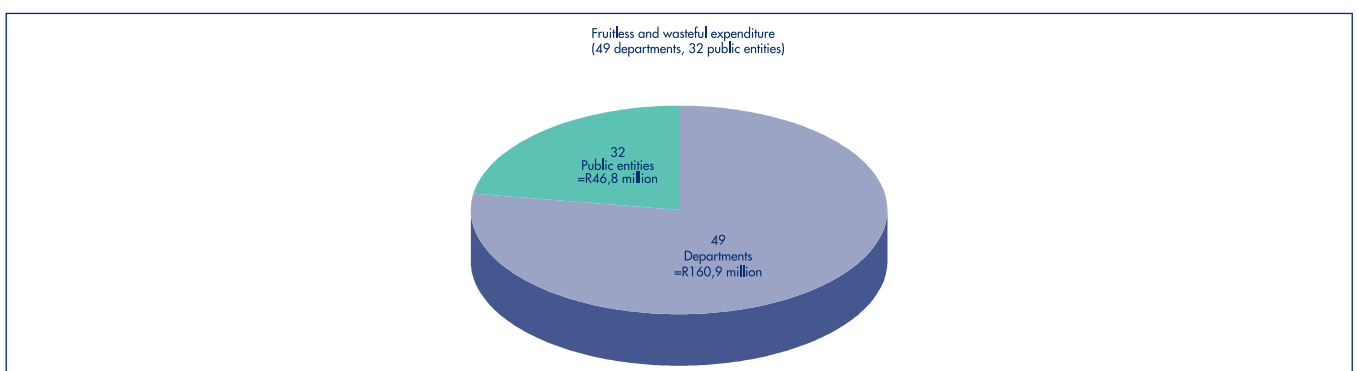


- Departments in all nine provinces incurred irregular expenditure related to SCM, while all provinces, except KwaZulu-Natal, incurred irregular expenditure related to compensation of employees.
- Irregular expenditure was incurred by 30 public entities on SCM, one on compensation of employees, and three on other matters.
- Significant amounts of irregular expenditure were identified during the audit process in addition to those disclosed in the financial statements submitted for audit.

Fruitless and wasteful expenditure

- As depicted in the figure below, 49 departments across the nine provinces incurred fruitless and wasteful expenditure totalling R160,9 million, while 32 public entities in all provinces except one incurred such expenditure, totalling R46,8 million.
- The Eastern Cape, Free State and Gauteng accounted for more than 80% of the total amount of fruitless and wasteful expenditure incurred by the provinces.

Figure 10: Fruitless and wasteful expenditure incurred by departments and public entities



Fruitless and wasteful expenditure incurred mainly related to the following:

- Late cancellation of conferences
- Interest and penalties arising from the late payment of supplier invoices and amounts due to the South African Revenue Service
- Non-utilisation of rental properties
- Payments made to defaulting contractors
- Interest paid on capital projects not fully utilised
- Expired medical stock
- Value-added tax (VAT) payments to vendors not registered for VAT

Material losses, asset impairments and underspending of votes or conditional grants

Losses, asset impairments reported by, and underspending identified at departments and public entities for the year under review are summarised in the figures below.

Figure 11: Material losses, asset impairments and underspending of votes/conditional grants – departments

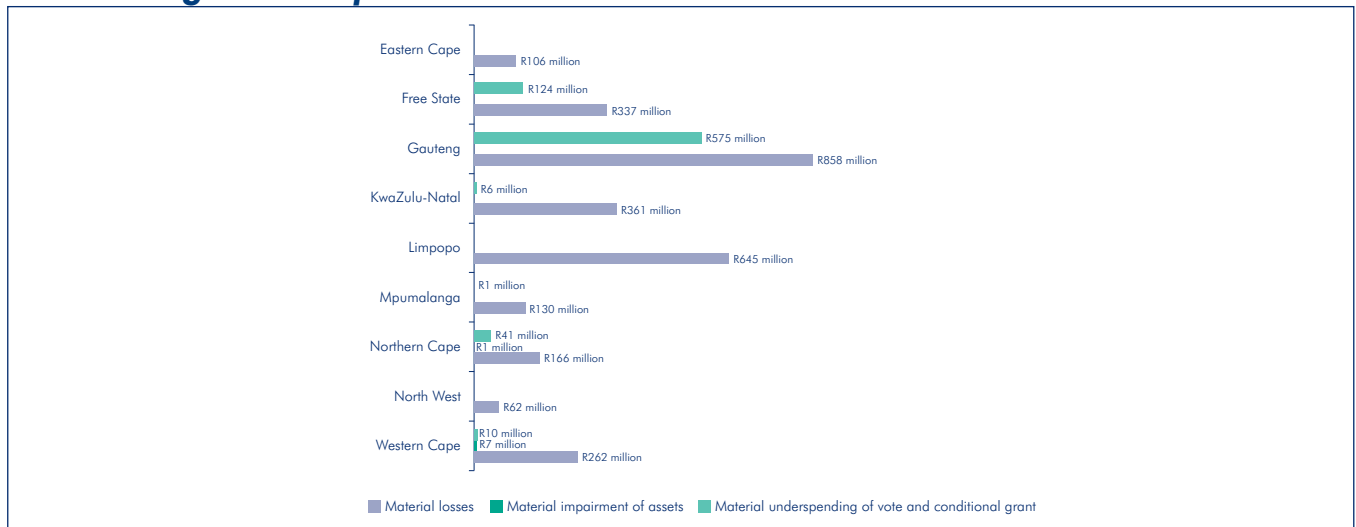
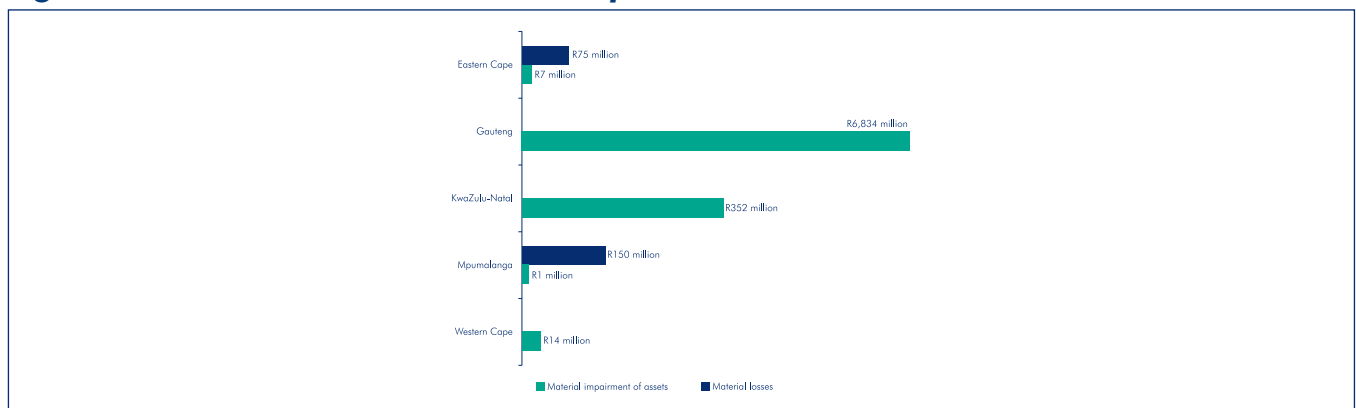


Figure 12: Material losses and asset impairments – Public entities



Material losses primarily resulted from the write-off of irrecoverable debtors (departments) and inter-company loans and advances (entities). Material asset impairments related to a provision for possible irrecoverable debts. No material losses or asset impairments were reported by public entities in the Free State, Limpopo, the Northern Cape or North West.

Transversal material misstatements in financial statements corrected by management during the audit

Ninety-two (2008-09: 94) sets of financial statements submitted for audit by departments and 70 (2008-09: 73) submitted by public entities required material corrections during the audit.

These material misstatements also constitute non-compliance with the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), as internal controls should have been implemented to ensure that the financial statements presented for audit fairly presented the financial results. Such material misstatements could have been detected by the entities had the financial statements been prepared in accordance with the applicable financial reporting frameworks and had they been adequately reviewed by management and those charged with governance. Material misstatements not corrected are reflected as qualifications of the audit opinion. The highest incidence of account balances misstated in financial statements submitted for auditing was in respect of disclosure items (78% of financial statements), capital assets (50%), liabilities (46%) and current assets (43%).

A provincial analysis of material misstatements in financial statements submitted for auditing is provided below.

Figure 13: Provincial analysis of material misstatements corrected as a result of the audit – Departments

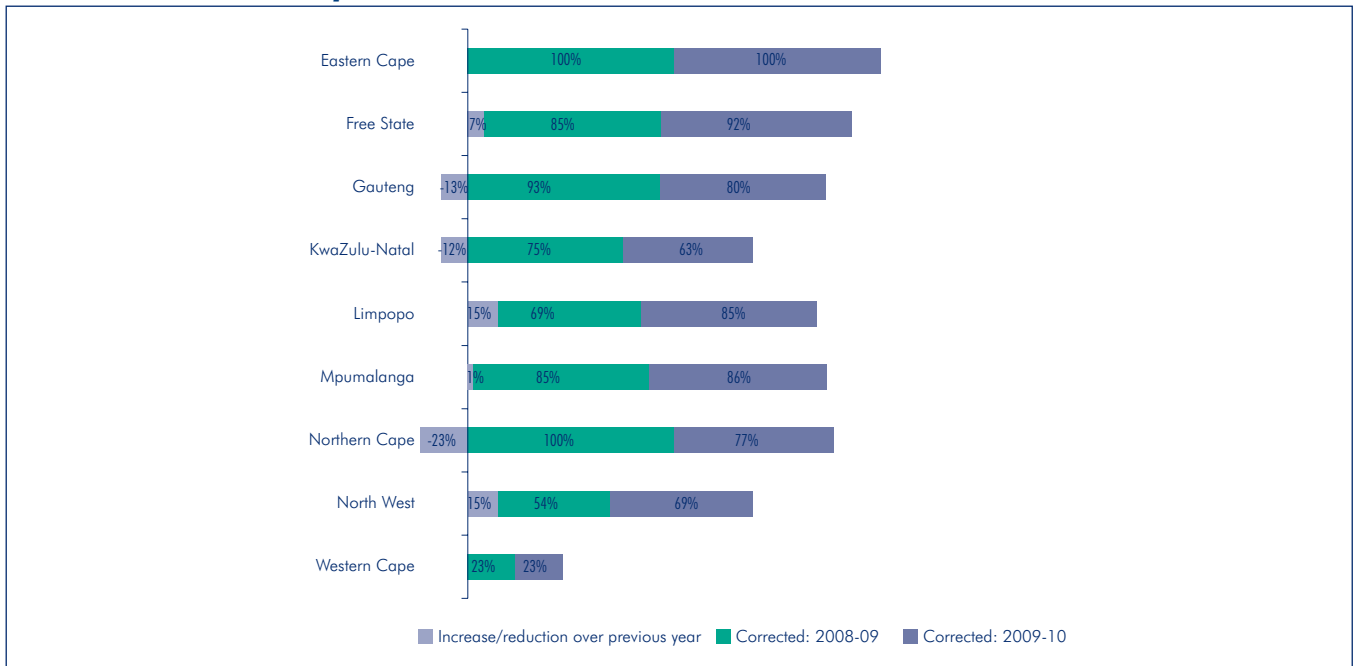
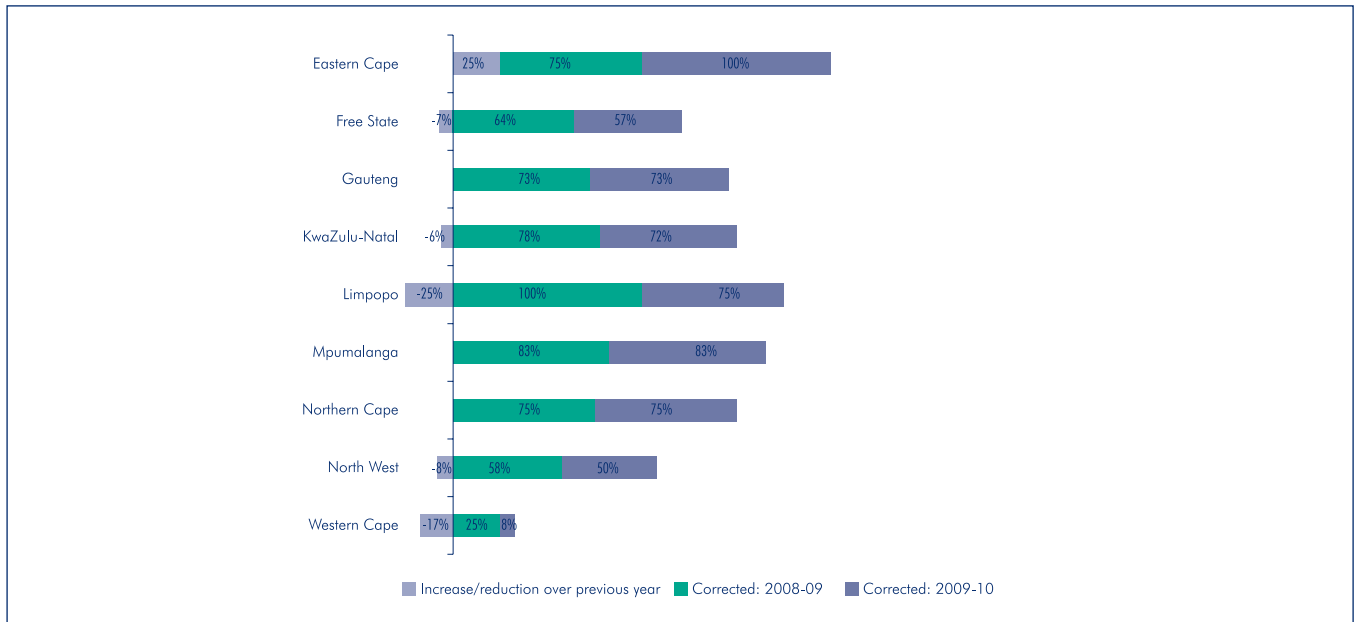


Figure 14: Provincial analysis of material misstatements corrected as a result of the audit – Public entities



Findings on reporting on predetermined objectives

Eighty-eight of 123 (72%) departments and 65 of 108 (60%) public entities had findings on their reporting against predetermined objectives. Information on performance against predetermined objectives was not received in time for audit purposes from two departments and nine public entities. An analysis of the findings is presented below.

Figure 15: Findings on predetermined objectives – Departments

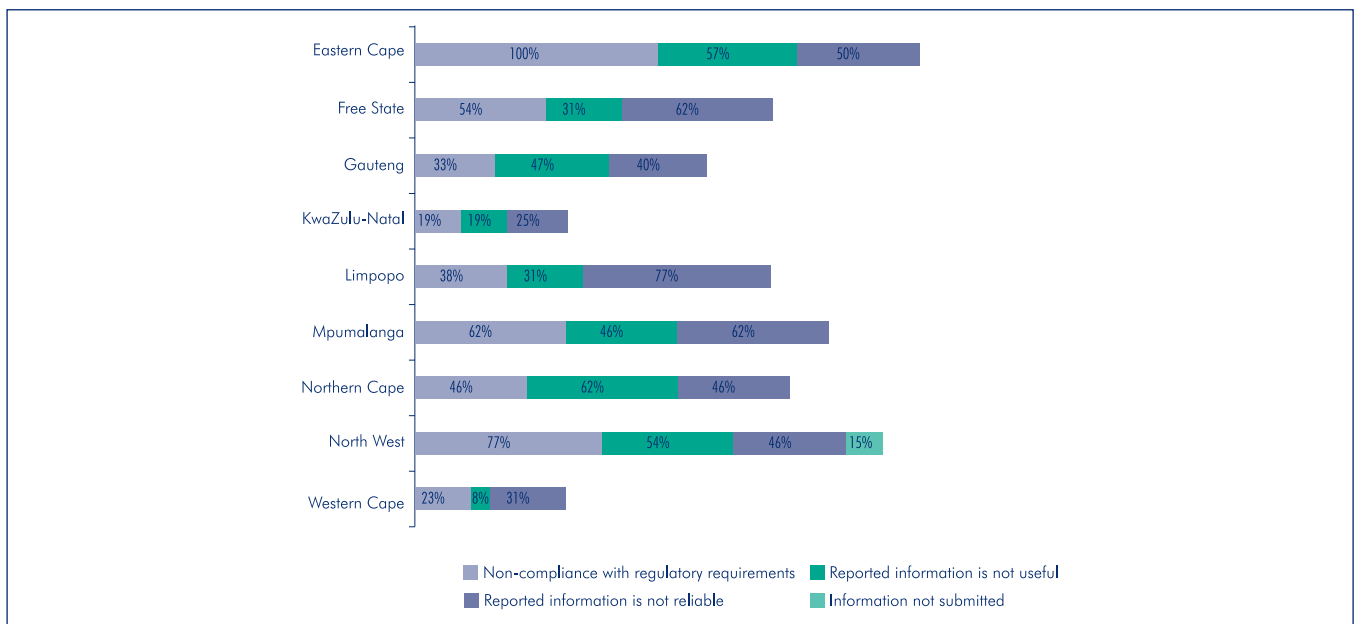
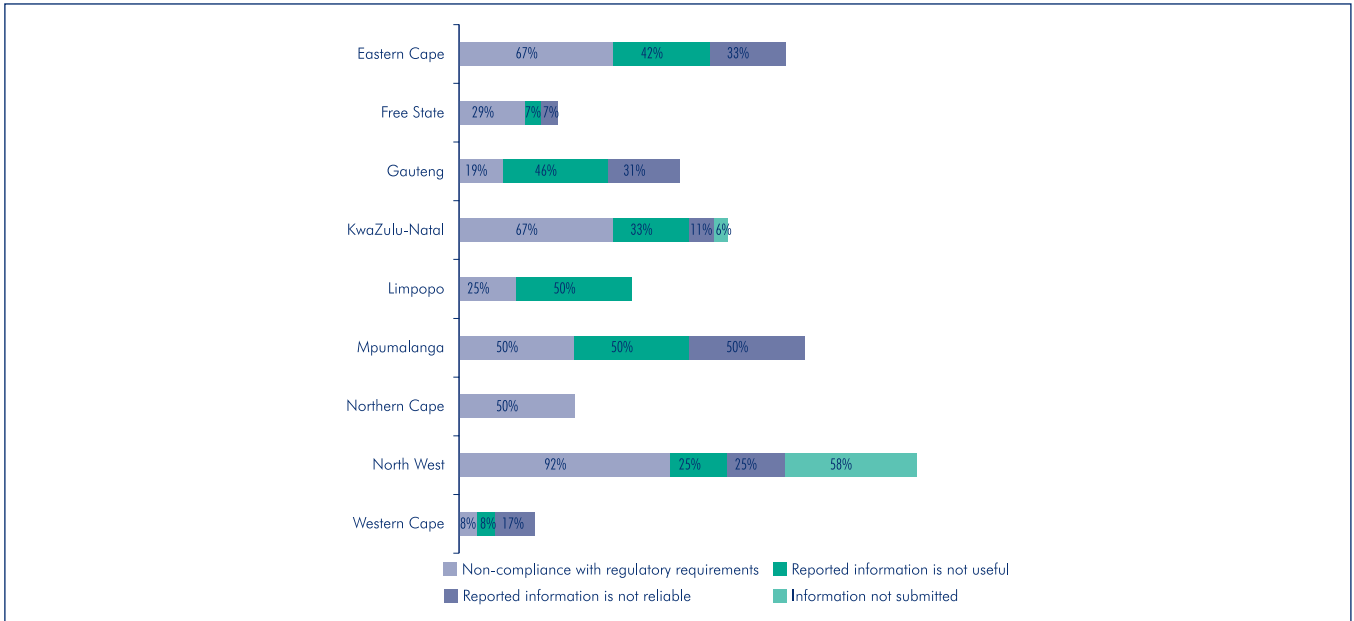


Figure 16: Findings on predetermined objectives – Public entities



Summarised findings from audits of predetermined objectives are as follows:

Non-compliance with regulatory requirements related to performance management

- Non-compliance findings included a lack of predetermined objectives, indicators and targets and a lack of reporting on performance information against such objectives, indicators and targets. In some instances material differences between actual and planned performance were not explained.
- Sixty-one departments (2008-09: 54) and 45 public entities (2008-09: 44) had findings on non-compliance with sections of the PFMA relating to performance information.

Reported information on performance against predetermined objectives not useful

- Findings included objectives not being measurable against indicators and targets and the absence of clear and logical links between the objectives, outcomes, outputs, indicators and performance targets.
- The reported performance against predetermined objectives of 48 departments (2008-09: 39) and 33 public entities (2008-09: 22) had deficiencies in terms of its usefulness.

Reported information on performance against predetermined objectives not reliable

- Findings on reliability included instances where the actual reported performance could not be verified.
- The reported performance information of 59 departments (2008-09: 48) and 23 (2008-09: 10) public entities had findings relating to reliability.

The performance information of many departments and entities attracted audit findings relating to two or more of the broad categories of compliance, usefulness and reliability. In seven provinces the number of findings had increased compared to the previous year for both departments and public entities.



In order to improve the usefulness and reliability of performance information and to meet regulatory requirements, accounting officers or authorities of departments and public entities need to ensure that the budgets and the quarterly and annual reporting of predetermined objectives are aligned to the strategic or corporate plans of these entities. Performance indicators need to be revised to align to the SMART principle as prescribed by the National Treasury’s framework for managing performance information, while documentary evidence must be kept in support of the reported performance against predetermined objectives.

Findings on compliance with laws and regulations

As in previous years, numerous instances occurred where departments and public entities did not comply with applicable laws and regulations. Some of the compliance matters identified related to failure by accounting officers or authorities and other officials to meet their legislated responsibilities, while others involved prohibited transactions.

In total, 101 of 123 departments (82%) and 57 of 108 public entities (53%) had findings on compliance with laws and regulations. This represents a 19% increase for departments and a 5% decrease for public entities compared to the 2008-09 financial year. The number of departments and public entities where instances of non-compliance were identified is provided in the figures below.

Figure 17: Analysis of the most prevalent findings on compliance with laws and regulations – departments

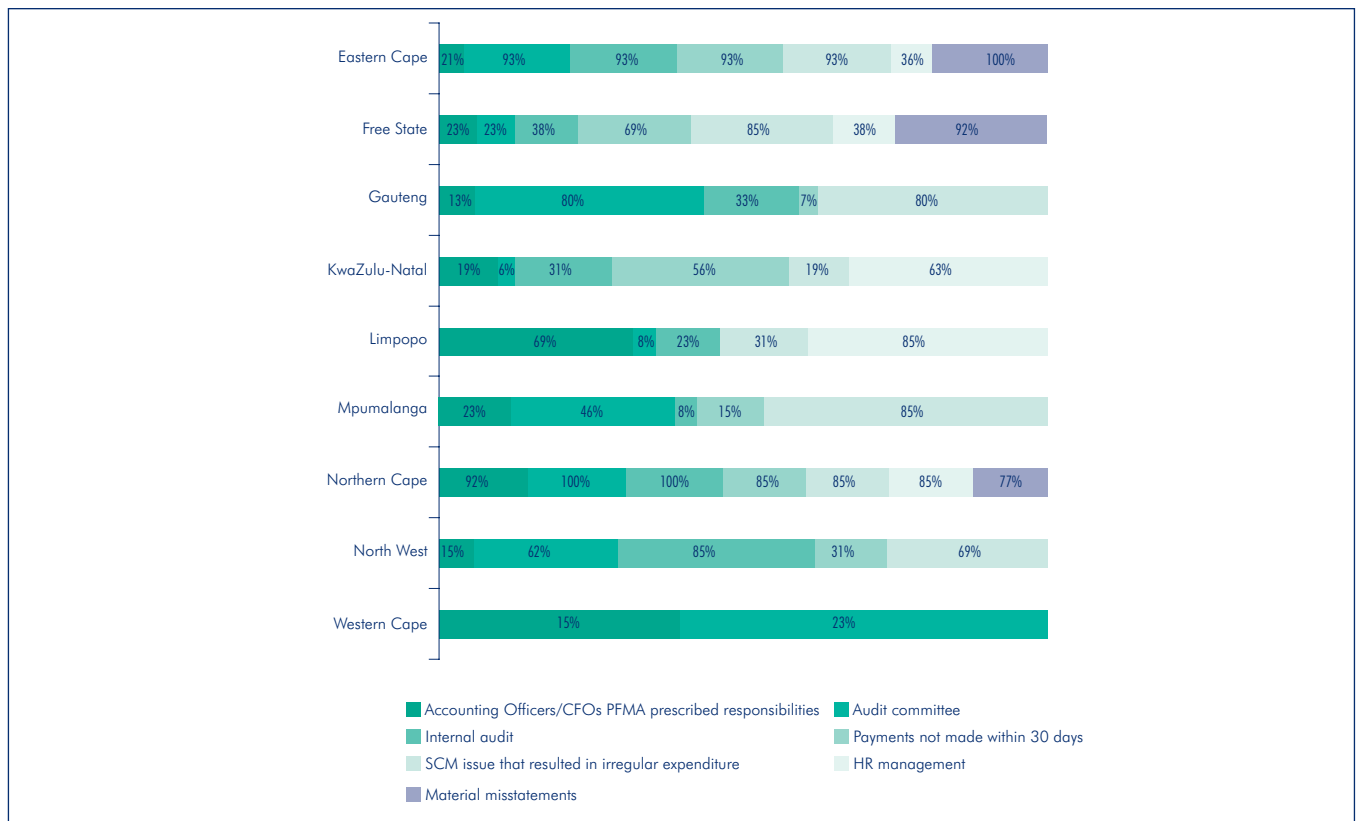
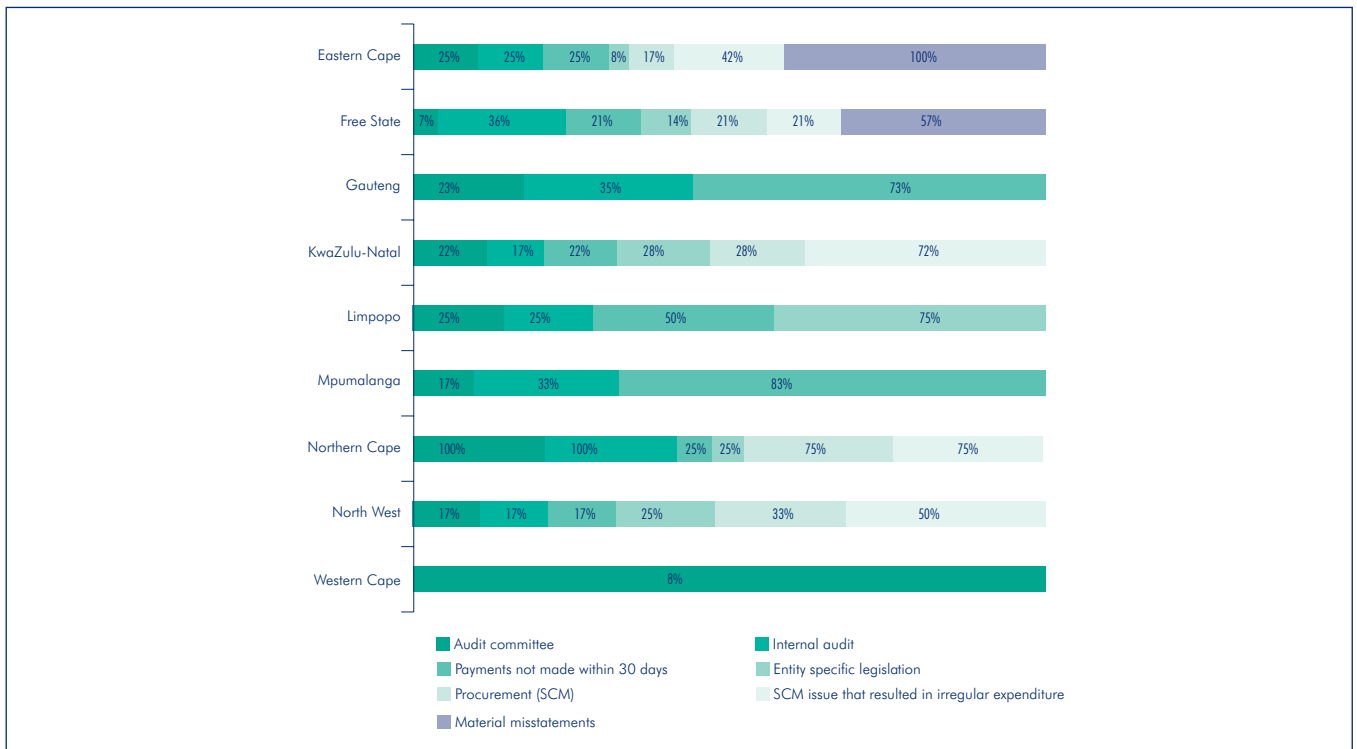


Figure 18: Analysis of the most prevalent findings on compliance with laws and regulations – Public entities



The most significant non-compliance issues related to SCM, which occurred at 39% of departments and public entities, and the correction of material misstatements in financial statements submitted for auditing, which occurred at 70% of departments and public entities. Details of these and other key areas are included in annexure 2 to this report.

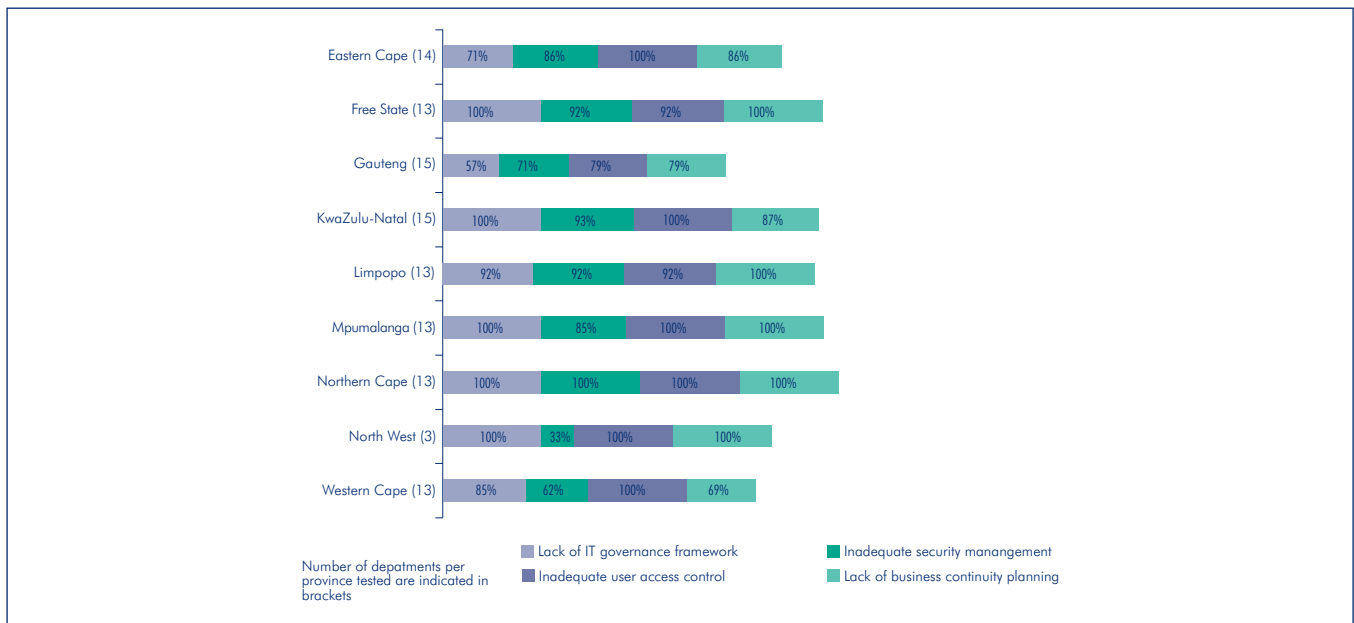
Identified instances of non-compliance with SCM prescripts and HR management legislation and directives are analysed under the specific focus areas of the AGSA section of this report. Material misstatements in financial statements also constitute non-compliance with the PFMA, as internal controls should have been implemented to ensure that the financial statements presented for audit purposes fairly presented the financial results. A summary of the prevalence of material misstatements in financial statements is provided in table 14 of this report.

Significant findings on information systems

Departments are very dependent on computerised information systems, such as the Basic Accounting System (BAS), the Personnel Administration System (Persal) and the Logistical Information System (Logis) or similar systems, to perform their statutory financial management, reporting and administrative functions. The incidence of significant weaknesses identified in the management of these information systems at 112 departments and 38 public entities is reflected in the figure below.

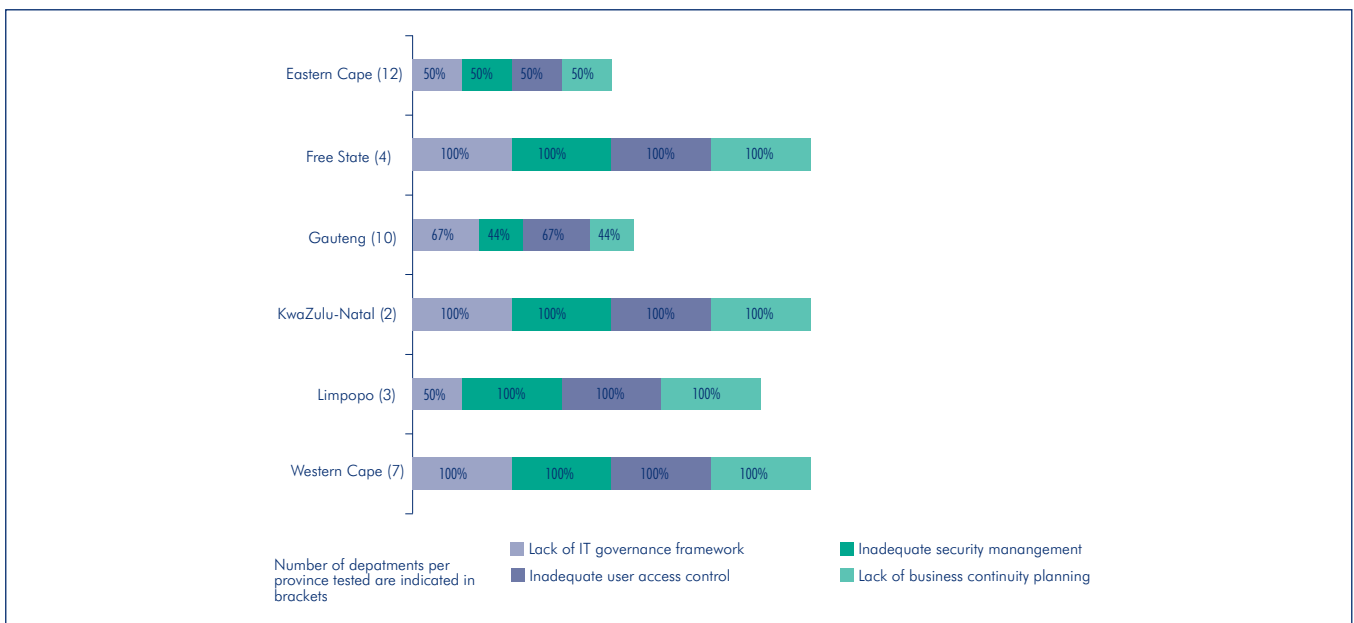


Figure 19: Significant findings on information systems – Departments



The most critical of these issues, the lack of an IT governance framework, occurred at 88% of departments.

Figure 20: Significant findings on information systems – Public entities



Information system audits were not conducted at any of the public entities in Mpumalanga, the Northern Cape and North West.

The most significant weaknesses related to the following:

- Lack of an IT governance framework to direct the positioning of IT, resource requirements, risk management and internal control.



- Inadequate security management controls to prevent unauthorised access to the operating systems that grant access to the application systems.
- Inadequate user access controls to detect and prevent unauthorised access, capturing and approval of transactions on the application systems that are used to prepare the financial statements.
- Lack of business continuity and disaster recovery plans that would ensure the availability of financial and performance information in instances of data loss or disaster.

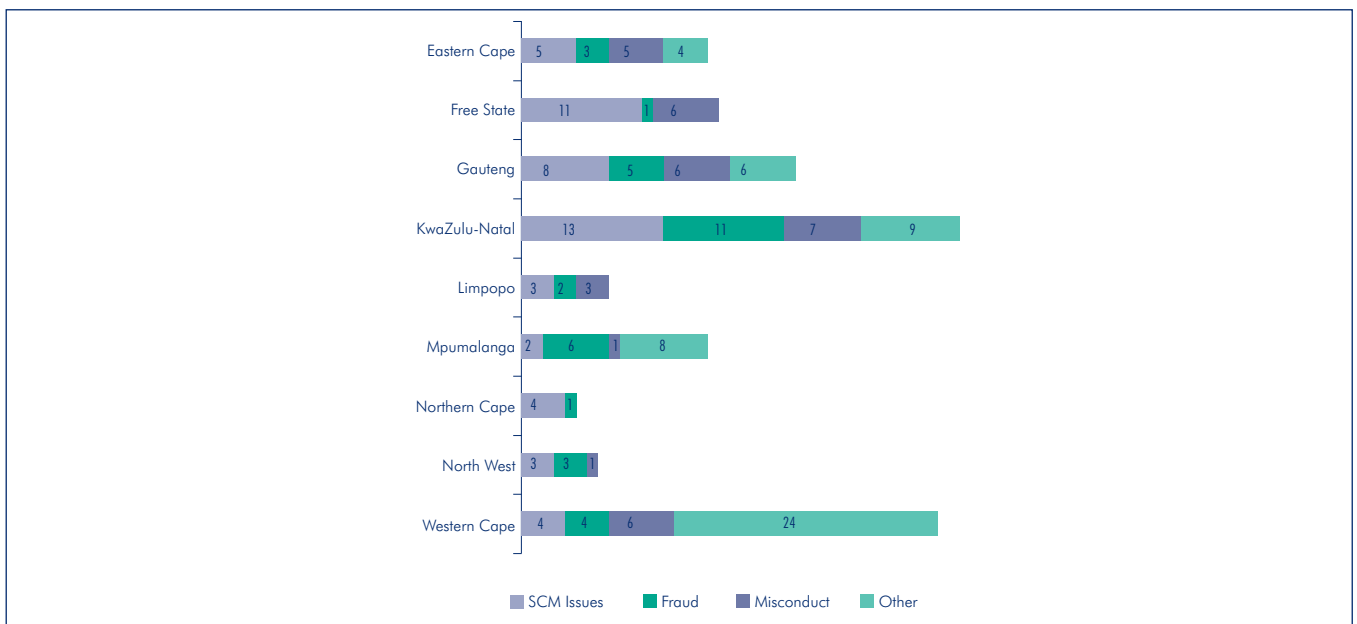
Some of the identified weaknesses were reported in the prior year, but had not been addressed and the risks of fraud and loss therefore remain. Key recommendations to address these weaknesses include the following:

- The DPSA, through the State Information Technology Agency (SITA) and in collaboration with the National Treasury, should prescribe a comprehensive IT governance framework to provide guidance towards strategic alignment and decision-making, resourcing, risk management and internal control.
- Accounting officers should implement the framework.
- In the interim, accounting officers should implement action plans to address findings and implement recommendations.

Investigations and auditee-specific performance audits completed and in progress

An analysis of investigations completed or in progress at 31 March 2010 is presented below. These investigations were not necessarily performed by the AGSA, but were assessed as material for purposes of inclusion in the auditor’s reports of the departments and entities concerned.

Figure 21: Investigations completed or in progress – Departments and public entities



These investigations are indicators that internal controls may either not be functioning or are being overridden. It is important that those charged with governance address the internal control deficiencies identified by these investigations.



Additionally, performance audits were conducted on the use of consultants in three provinces, while a special audit was performed on alleged missing ambulances and vehicles in another province.

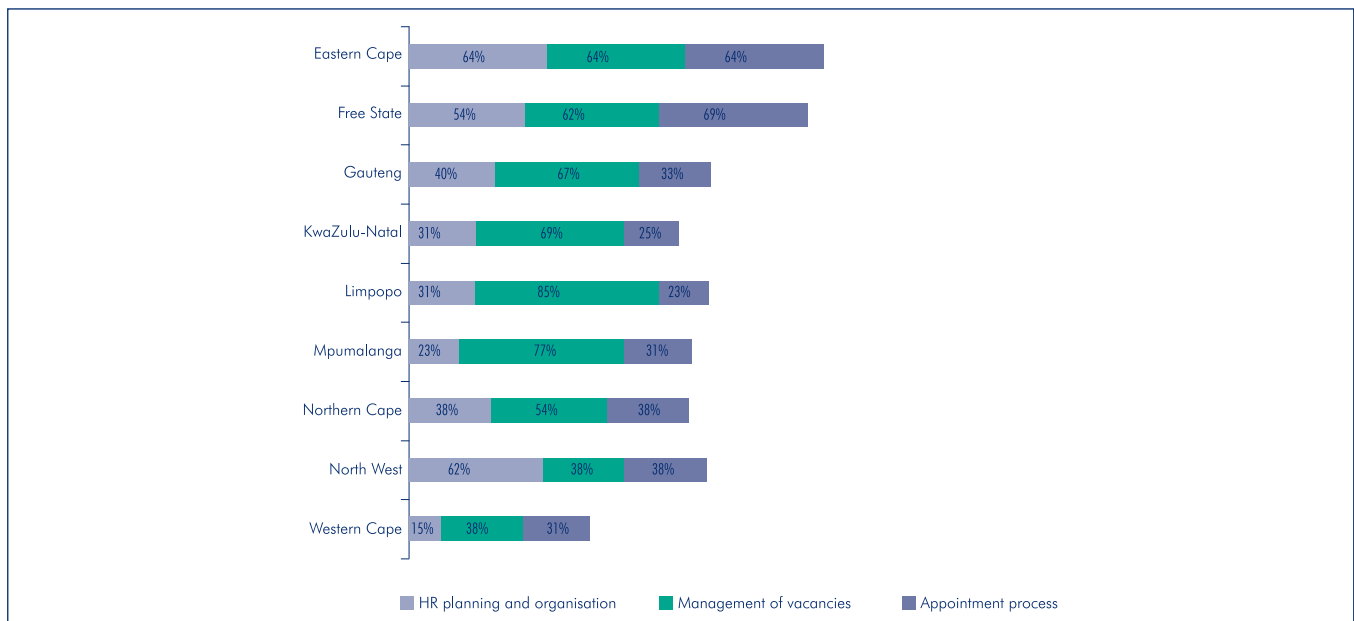
Significant findings from audits of human resource management and compensation of employees (departments only)

Significant findings: Human resource management

The regularity audits of departments included an assessment of compliance with the PFMA, Treasury Regulations, the Public Service Act, 1994 (Act No. 103 of 1994) (PSA), Public Service Regulations, 2001 (PSR), Defence Act, 2002 (Act No. 42 of 2002) and directives or determinations issued by the minister of Public Service and Administration which support effective HR management and controls over compensation of employees.

In total, 111 departments (90%) did not meet all the requirements for effective HR management. These control weaknesses and non-compliance with directives had an impact on departments’ financial management and service delivery. The figure below depicts the percentage of departments where findings were raised on the different aspects of HR management.

Figure 22: Findings arising from audits of human resource management



Overall, shortcomings in the area of HR management occurred in 71% of departments. Findings related to the following:

HR planning and organisation

HR planning is required in terms of PSR 1/III/B2(d) and PSR 1/III/D to ensure that departments obtain the correct number of skilled and experienced staff required to meet their strategic objectives.



Management of vacancies

Heads of department (HoDs) are required to address any gaps that exist between the numbers and competencies required to perform the department’s functions and the existing staff by means of recruitment and retention strategies.

Appointment processes

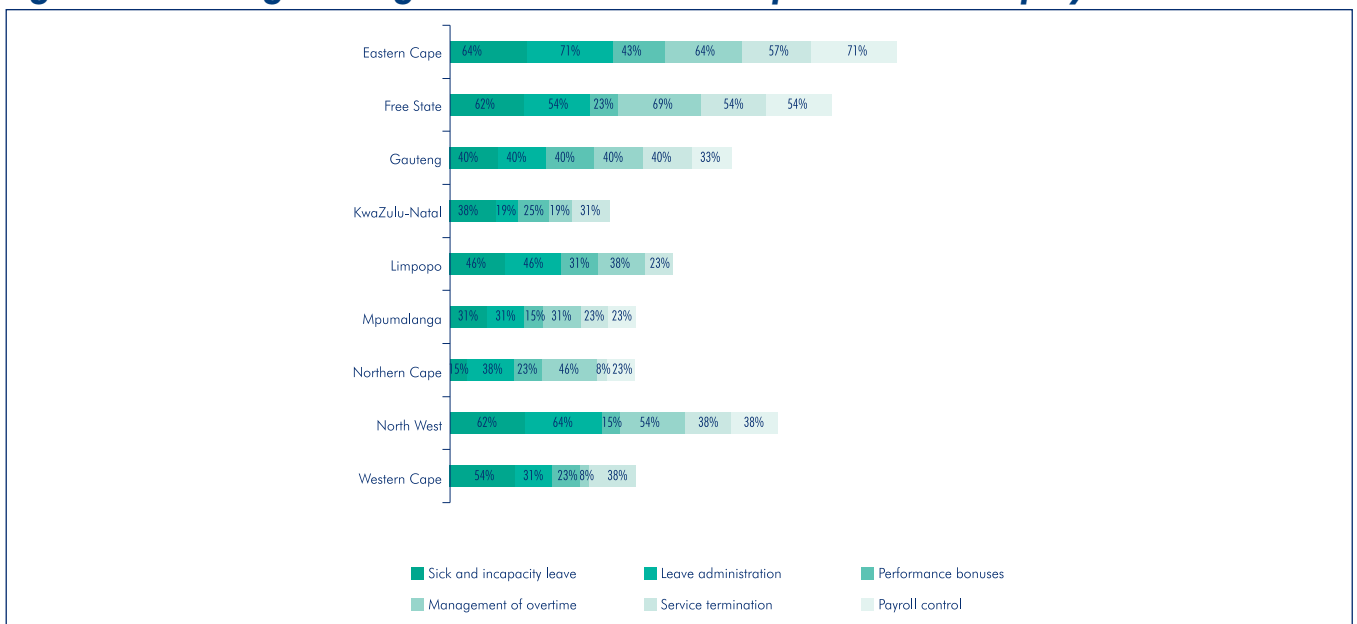
Recruitment and selection processes should ensure that only candidates with the appropriate qualifications and experience to meet the requirements of the specific post are appointed.

Significant findings: Compensation of employees

In general, compensation of employees is not an area of high risk, as remuneration and conditions of service are determined and managed centrally by the DPSA. Furthermore, compensation is implemented and controlled by the National Treasury via Persal, which system is used by all departments.

It is of concern that the weaknesses identified were in respect of those controls prescribed by legislation for implementation by departments. The figure below indicates the number of departments where weaknesses were identified in the control over compensation of employees.

Figure 23: Findings arising from audits of the compensation of employees



Findings related to the following:

Sick and incapacity leave

Findings related to departments that did not comply with the DPSA’s determination on leave of absence in the public service, which requires that medical certificates be submitted, or departments that did not implement



processes and procedures to monitor sick leave in order to prevent the abuse thereof. Temporary or permanent incapacity leave was granted in excess of what employees were entitled to and/or where the requirements of the determination and the policy were not met.

Management of overtime

Departments did not comply with the regulation that sets out the circumstances under which employees may be compensated for overtime worked, while overtime was incorrectly calculated in other instances.

Leave administration

No or inadequate controls were implemented to ensure that all leave taken by employees was captured and that it was done timeously.

Service terminations

Employees whose services had been terminated or who were deceased were not timeously removed from the payroll, resulting in overpayments.

Payroll controls

Monthly payroll reports were not certified, the completeness of certified payroll reports was not checked, and corrective action was not taken timeously where discrepancies were noted.

Performance bonuses

No or insufficient evidence existed that employees were entitled to the performance bonuses paid to them. performance bonuses were in some instances incorrectly calculated.

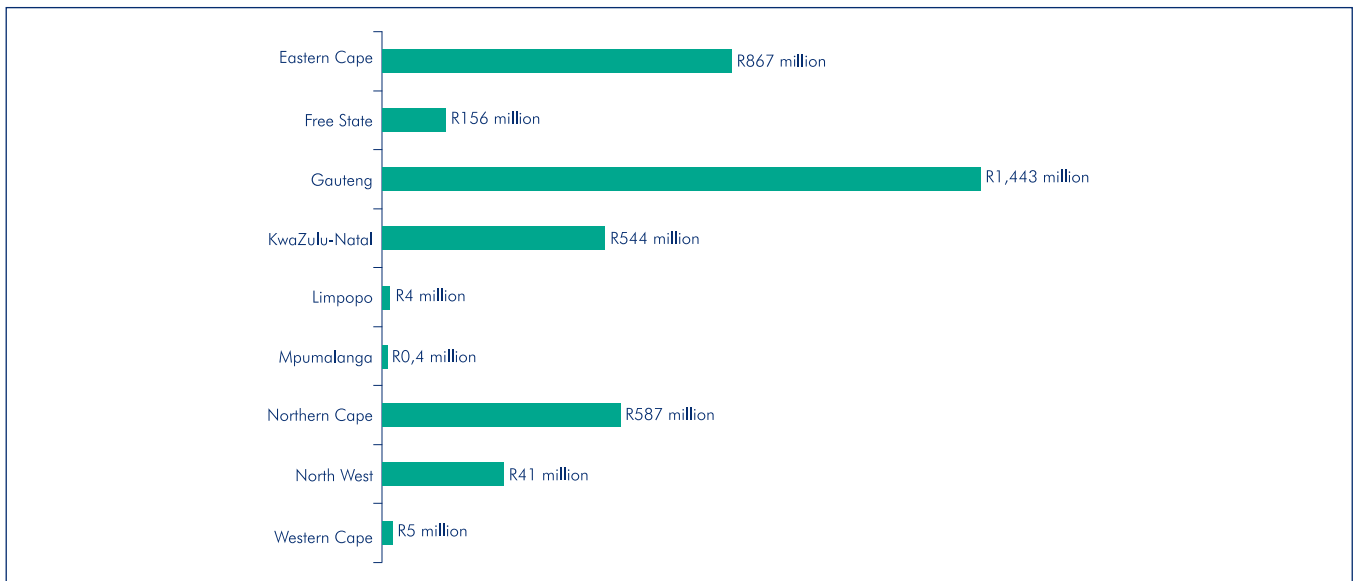
Significant findings from the audits of supply chain management

The regularity audits included an assessment of the procurement processes and contract management at auditees and the controls implemented by them to ensure a fair, equitable, transparent, competitive and cost-effective SCM system that prevents and detects fraud, non-performance by suppliers, and non-compliance with SCM legislation.

Non-compliance with SCM legislation resulting in irregular expenditure

Non-compliance with SCM legislation resulting in irregular expenditure was identified at 68 departments and 33 public entities. Non-compliance with SMC legislation also resulted in 89% of the irregular expenditure incurred in the year under review, as depicted below.

Figure 24: Findings from audits of SCM issues that resulted in irregular expenditure



Interest in suppliers

The audits revealed that employees or their close family members had interests in suppliers to the auditees. The legislation applicable to the disclosure of such interest was not always complied with. In addition, findings from the report entitled Performance audit of entities that are connected with government employees and doing business with departments tabled in August 2008 were not investigated and appropriately dealt with by all departments.

Procurement processes

The following were the most significant findings relating to non-compliance with SCM legislation in the procurement processes:

- Three price quotations were not invited.
- Reasons were not recorded and approved when competitive bidding was not followed.
- Deviations from competitive bidding were not justified.
- Contracts were awarded to suppliers who had not scored the highest points.

Contract management

In terms of Treasury Regulation 8.2.1, an official of an institution may not spend or commit public money except with the approval of the accounting officer or a properly delegated or authorised official.

In terms of sections 38(1)(a)(iii) and 51(a)(iii) of the PFMA, an SCM system should be fair, equitable, transparent, competitive and cost-effective. When a contract expires, a competitive bidding process should be followed to appoint a supplier to provide goods and services.



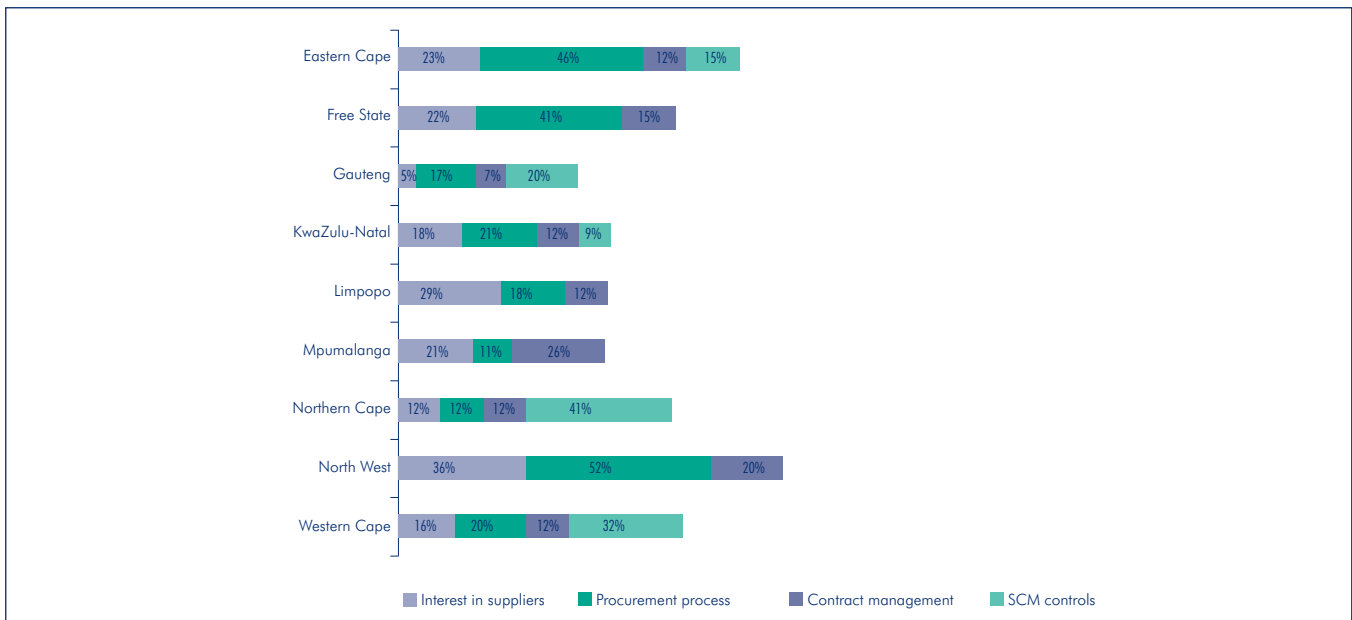
SCM controls

The audit revealed a number of weaknesses in controls related to procurement and SCM. The most significant of these included the following:

- The prohibited supplier database was not always checked.
- SCM officials were not adequately trained.
- The National Treasury’s code of conduct was not adopted for SCM.
- Risk assessments did not address procurement and contract management risks.
- Fraud prevention plans did not include specific measures for procurement.
- No internal audit evaluation was done of SCM compliance.

Key findings are summarised in the figure below.

Figure 25: Findings from audits of supply chain management



Findings from transversal performance audits conducted by the AGSA

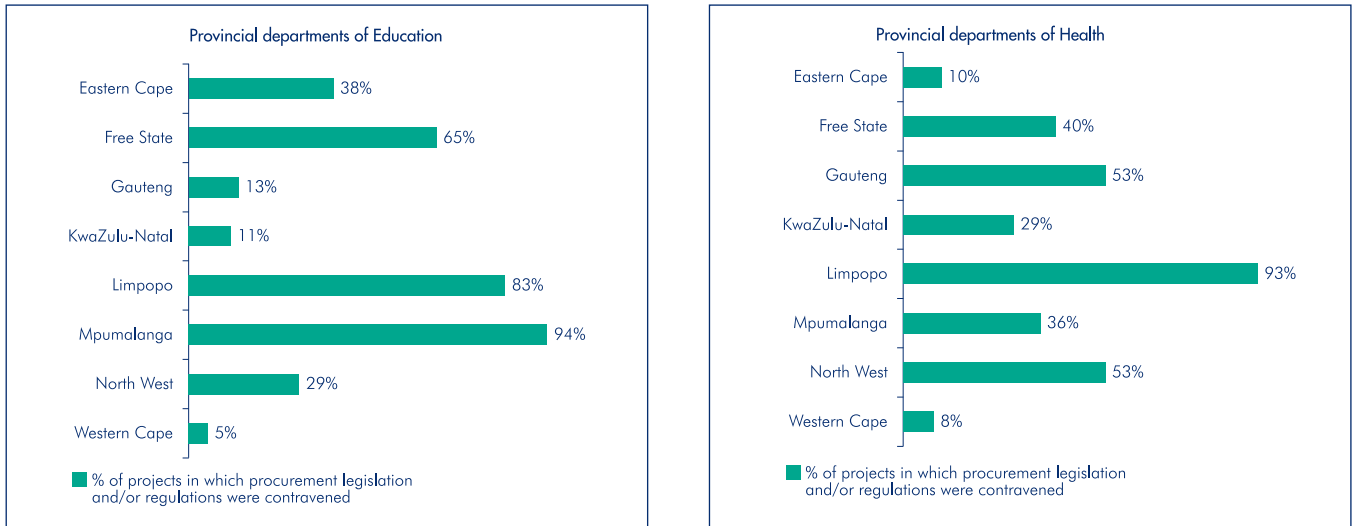
The AGSA conducted performance audits of the infrastructure delivery process at the Departments of Health and Education as part of a transversal performance audit on infrastructure delivery in all provinces except the Northern Cape, where the scope of the audit was very limited. These projects varied in number and size among the provinces.

To enable service delivery in the health and education sector, it is necessary to build hospitals, clinics and schools. Audits revealed that infrastructure projects were not well planned, as the information used was not always complete and accurate. Furthermore, the most needed infrastructure was not always prioritised to be constructed first. Government procurement should be fair, equitable and transparent; therefore, the relevant procurement legislation and regulations should be complied with. Due to a lack of effective supervision and



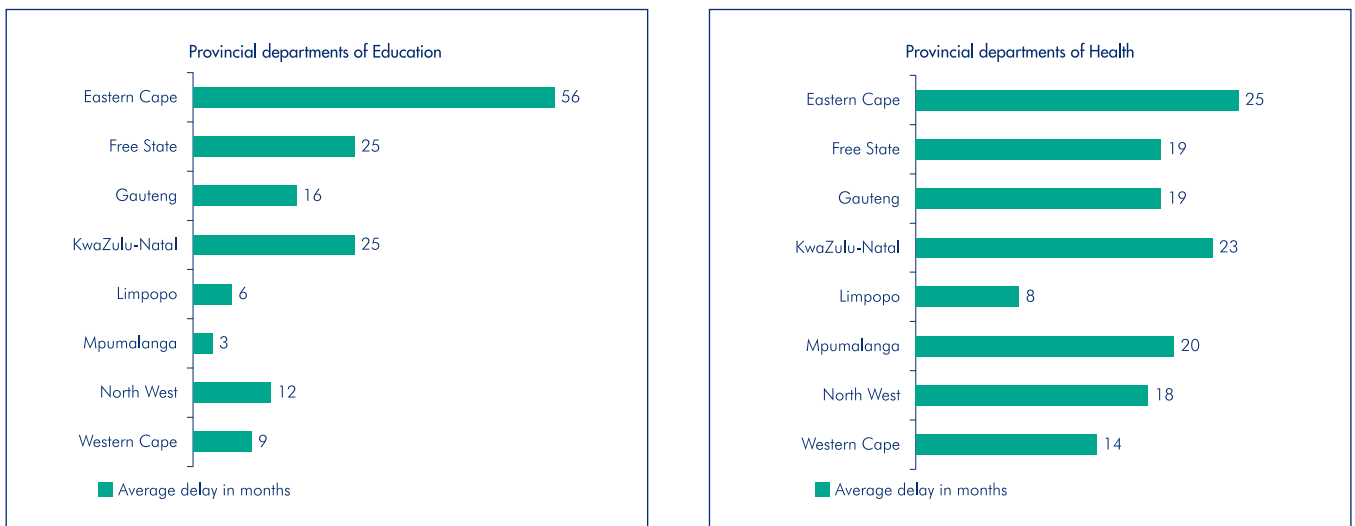
training, the applicable legislation and regulations were not always adhered to during the awarding of contracts, as indicated in the graphs below.

Figure 26: Summary of the applicable legislation and regulations not consistently adhered to during the awarding of contracts



The construction of hospitals, clinics and schools was not completed on time, was behind schedule or was not within the allocated budget and at the required level of quality. The average delay in months per province is illustrated in the graphs below. Delays were calculated between the planned and the actual completion date, or the date of the audit if the construction was still in progress.

Figure 27: Delays (in months) in the completion of construction



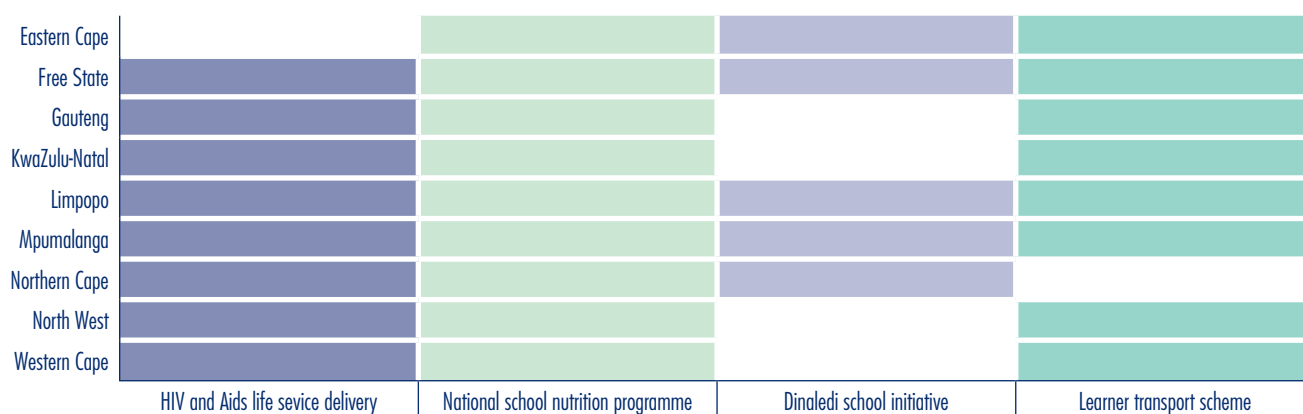
Audit findings relevant to sectors

Since the 2007-08 audit cycle, the regularity audits have included a specific assessment of service delivery aspects relevant to the health, education and human settlements sectors. The social development and public works sectors were added and reported on in the AGSA's 2008-09 general report. The objective of sector auditing is to highlight service delivery issues in addition to the financial statement audit findings raised in the auditor's and management reports.

A detailed analysis, providing a summary of the financial audit outcomes, unauthorised, irregular as well as fruitless and wasteful expenditure; and outcomes on the audits of predetermined objectives of the above-mentioned sectors, is included in the detailed section of this report. It further highlights the main areas of concern for certain service delivery initiatives for each sector in the 2009-10 financial year.

Education – Service delivery findings

Figure 28: Provinces with key findings impacting on the service delivery objectives of the Department of Education's programmes



Legend: Where shaded, findings were raised in the province concerned.

HIV/Aids life skills education grant

Despite the fact that this grant programme has been running for 10 years, the expected outputs of the grant have not been met to the extent intended at the majority of the departments. Based on the findings, it is evident that limited improvements, if any, were achieved because life skills orientation on HIV/Aids was not taking place at schools to the extent planned.

National school nutrition programme

The objective of ensuring that nutritious, balanced meals are made available to identified learners to assist in promoting active participation in classroom activities has not been fully met. The key challenges faced in delivering on this objective were similar to those in previous years and related mainly to a lack of monitoring by departmental officials, a lack of adequate facilities to prepare the meals required, and a lack of progress in establishing sustainable vegetable gardens at schools.

Dinaledi schools initiative

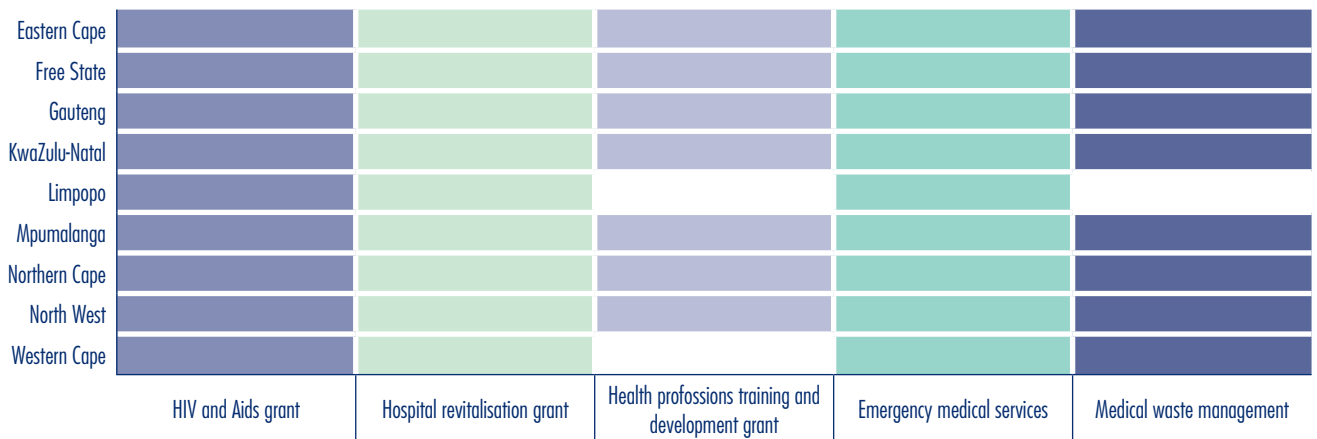
Overall, the major challenge with the Dinaledi schools initiative remains the non-delivery of textbooks and relevant support material to teachers and learners participating in the initiative. Officials at the national Department of Education did not continuously monitor the delivery of textbooks requested by schools participating in this important initiative.

Learner transport scheme

Overall, the major challenge with the scheme remains the lack of approved policy and operating procedures governing the scheme. Uncertainty regarding accountability for the scheme has resulted in the provincial departments of transport taking over this responsibility. Although the learner transport scheme was implemented a number of years ago, it is evident from the findings that the scheme still faces challenges relating to the practical implementation thereof.

Health – Service delivery findings

Figure 29: Provinces with key findings impacting on the service delivery objectives of the Department of Health’s programmes



Legend: Where shaded, findings were raised in the province concerned.

Comprehensive HIV/Aids grant

Although 99% of the actual amount transferred had been spent by the provinces, the health sector only achieved 53% of its targets relating to the HIV/Aids grant for the 2009-10 financial year. As the responsibility for the development of an appropriate monitoring and control framework for the grant rests with the national department, this department must take the lead in developing policies and procedures, designing appropriate internal controls and assisting provincial departments to implement these controls to ensure achievement of the grant outputs and outcomes.

Hospital revitalisation grant

Due to the material underspending of the grant, as well as the weaknesses identified during the audits, the sector



did not achieve its objectives in terms of this grant. Furthermore, the poor performance of contractors delayed the completion of projects in the Free State, Gauteng, KwaZulu-Natal and the Northern Cape, which will have a negative impact on service delivery as the relevant hospitals will not be completed on time.

Health professions training and development grant

Consistent with the audit findings of the previous year, it was generally found during the audits that expenditure on the grant was not separately identifiable on BAS, and as a result it is possible that the grant allocation might have been spent on non-grant-related expenses. Thus, the achievement of objectives and outcomes could not easily be determined and monitored.

Provision of emergency medical services

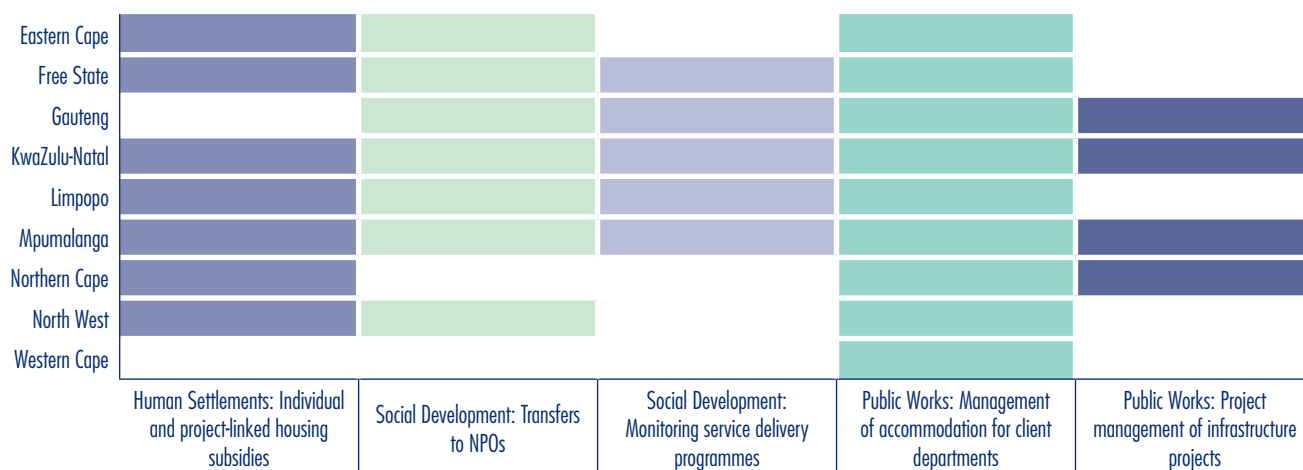
Similar to the findings of the previous year, it is clear that the achievement of one of the predetermined targets of this programme, namely to provide emergency medical services within a response time of 15 minutes for urban areas and 45 minutes for rural areas, was not met in six of the nine provinces. In the case of the other three provinces, information was not submitted for audit purposes to determine whether this target had been met. The response time is defined as the length of time between receiving a call in the communication centre and the arrival of the ambulance staff at the emergency scene.

Medical waste management

In general, the audit findings indicated non-compliance with the National Environmental Management Act, 1998 (Act No. 107 of 1998) and with the minimum requirements as prescribed by the Department of Water Affairs and Forestry, which has the legislative mandate to set a framework for compliance for waste disposal sites. It is clear that monitoring of compliance with the relevant legislation did not take place at hospital and clinic level.

Human settlements, social development and public works – Service delivery findings

Figure 30: Provinces with key findings impacting on the service delivery objectives of the programmes of the Departments of Human Settlements, Social Development and Public Works



Legend: Where shaded, findings were raised in the province concerned.



Human settlements – Service delivery findings

Management of individual and projectlinked housing subsidies

The audit findings generally indicated deficiencies within the internal control environment at the relevant sector departments. To improve internal controls in the human settlements sector, including adherence to controls within the housing subsidy system, management and those charged with governance should identify key controls to be monitored on a regular basis. Of great concern is the opportunity to override the system controls by officials of the provincial departments and the fact that the HSS did not enforce the segregation of duties within the system.

Social development – Service delivery findings

Management of transfers to non-profit organisations

The overall monitoring of compliance with the service contracts with non-profit organisations (NPOs) did not receive the necessary attention, with the result that at the majority of the departments the achievement of social service delivery could not be ascertained and verified by the sector departments.

Monitoring of service delivery programmes

The audits focused on the actual delivery against a total of nine predetermined targets for childcare and protection services as well as home- and community-based care for HIV and Aids. In the case of KwaZulu-Natal, Limpopo and the Free State, supporting documentation to verify the accuracy, validity and completeness of the reported service delivery could not be provided for audit purposes, while in the instance of Gauteng and Mpumalanga, the reliability of the supporting documentation could not be verified.

Public works – Service delivery findings

Management of accommodation for client departments

The management of accommodation for client departments remains a great concern. The fruitless and wasteful expenditure disclosed in the financial statements of individual provinces is evidence of the fact that the sector did not have sufficient procedures to identify vacant buildings; consequently, the department paid rent for buildings that were not occupied.

2.1.2 Drivers of audit outcomes

As is evident from the above analysis of the audit outcomes, there is much that requires attention to achieve clean administration. To this end the drivers of improved audit outcomes are categorised into three fundamental areas of internal control: leadership, financial and performance management, and governance. These controls are three-dimensional and can be directly linked to the bases for the qualified, adverse or disclaimed opinions on the financial statements and the findings on predetermined objectives and compliance with applicable laws and regulations.

Departments and public entities that achieved improvements or maintained positive audit outcomes can attribute these improvements to the implementation and effective monitoring of the three fundamentals of internal control. The overall audit outcomes in the provincial portfolio improved as a result of the executive authorities and accounting officers or authorities playing an active role in monitoring progress made in driving clean administration in their respective portfolios.

The number of departments and public entities that had internal control deficiencies relating to the audit outcomes outlined earlier is depicted in the figure below.

Figure 31: Provincial analysis of key control deficiencies



The findings related to HR management have a direct impact on the capacity of the departments to manage their financial and performance information and compliance with laws and regulations. This is exacerbated by the issues related to the lack of an effective IT governance framework that supports business and other IT-related matters. These are key areas which, when addressed, demonstrate effective leadership by the HoDs or directors-general and the executive authority with regard to ethical business practices and good governance which enhance and protect the interests of the entity.

A number of departments and public entities had findings on issues relating to SCM. For example, three price quotations were not invited, the reasons for not using competitive bidding were not noted, deviations from the competitive bidding process were not justified, and officials had an interest in suppliers. These matters, together with the instances of material misstatements that had to be corrected and the qualifications on the financial statements and findings related to the report on predetermined objectives, indicate that basic disciplines were not in place. These included proper record keeping, regular processing of transactions and reconciliations, preparation of monthly reporting, and controls over compliance with fiduciary responsibilities. These areas should be attended to by the CFO insofar as financial matters are concerned and by the strategic or monitoring and evaluation unit with regard to performance matters. The executive and the HoD or director-general should hold the responsible officials accountable and monitor the achievement of these controls on a regular basis.



Strengthening governance practices is another area that requires attention. There is a need to provide adequate resources to the internal audit function to ensure that it operates effectively by identifying internal control deficiencies in a timely manner and recommending and monitoring corrective action. The practice of shared internal audit services needs to be reviewed to allow for individualised capacity per institution. There is scope for improving the interaction of the executive and the HoD or director-general with a view to providing feedback on the identification of risk areas and an assessment of the effectiveness of the control environment.

Members of the executive council (MECs) should, on a quarterly basis, monitor the development and implementation of action plans, while CFOs and HoDs should be required to report to them on progress made with the implementation of key controls. Addressing the findings on predetermined objectives should be an area of focus for premiers and MECs, who should also oversee the SCM delegations and policies to prevent officials from committing departments and public entities to contracts while not following the SCM process.

Provincial treasuries will continue to assist departments, while the National Treasury is implementing a CFO and leadership handbook to assist role players in fulfilling their functions. In addition, they have implemented a tool for assessing internal control for use by departments (financial capability maturity model) and are in the process of assessing the capabilities of CFOs and other key functions.

The development of an integrated financial management system is also being addressed by the National Treasury. However, this development is running behind schedule and attention needs to be given to ensuring that the controls that should be in place in a system development life cycle are adhered to. The actions and initiatives taken by the National Treasury provided further support to departments and public entities, which led to the improved audit outcomes.

Matters requiring additional guidance or monitoring by the Office of the Accountant General (OAG) to prevent a possible negative impact on the audit outcomes in future can be summarised as follows:

- Changes to the applicable financial reporting frameworks of Generally Recognised Accounting Practice (GRAP)/Generally Accepted Accounting Practice (GAAP) or the International Financial Reporting Standards (IFRS).
- Audit considerations relating to an entity using a service organisation: Departments and public entities should be alert to the fact that certain internal controls and financial transactions in one department or entity might impact on the audit opinion of another department or public entity.
- The transfer of functions as a result of changes in the structures of provincial departments.

The DPSA is playing a role in addressing matters pertaining to measuring and reporting performance on predetermined objectives and providing e-government leadership and coordination to assist departments in ensuring that their IT systems are adequate, effective and efficient. In addition, the DPSA is responsible for developing policies and guidance concerning HR management and will drive the process of improvements in this area. The Departments of Rural Development and Land Reform and Public Works are collaborating with the National Treasury on a project to address matters concerning the vesting, ownership and valuation of immovable assets and matters concerning movable assets. This project was commissioned by the Cabinet and although progress has been made, a concerted and urgent effort is required to ensure that this area, which is a large contributor to the qualifications in departments, is addressed and brought to a conclusion.

An important factor in ensuring the achievement of the above is effective leadership by oversight bodies such as provincial standing committees on public accounts (SCOPAs). This is supported by a reflection on the status of the implementation of SCOPA resolutions where 315 out of a total of 593 had been implemented, while 216 were in progress and 65 had not yet been addressed. SCOPAs can enhance their effectiveness by requesting departments to submit action plans for addressing audit findings and scheduling 'in-year hearings' where departments will be required to report on the status of their action plans.

In line with these initiatives, the Association of Public Accounts Committees (APAC) at its recent annual conference undertook to lead the process towards finalisation of the establishment of an anti-fraud and corruption forum in South Africa.

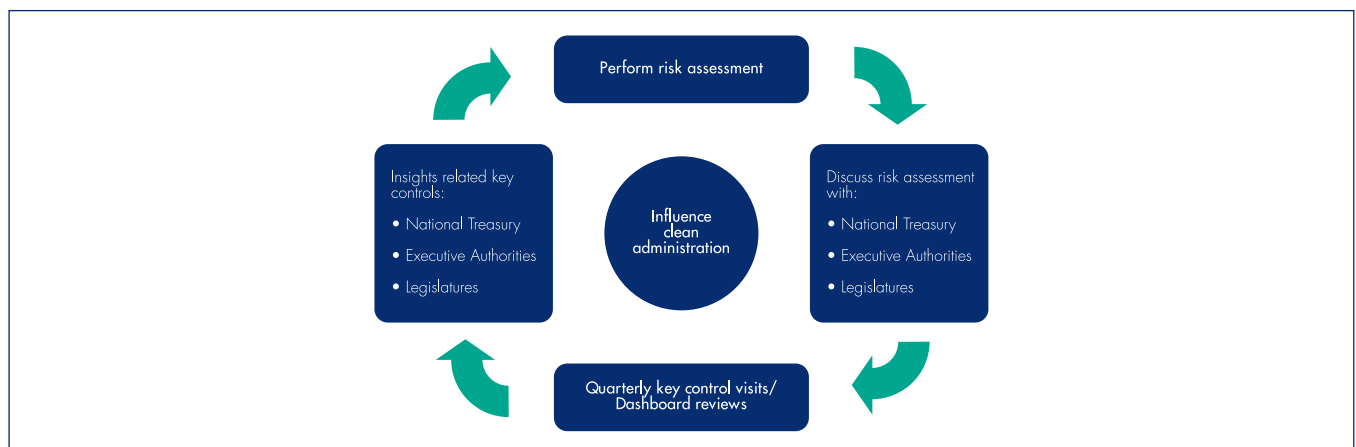
Individual departments and public entities have also undertaken to improve the internal control environment to achieve the ultimate goal of a financially unqualified audit opinion with no findings on the reporting on performance against predetermined objectives and no findings on compliance with applicable laws and regulations.

2.1.3 Overview of initiatives taken by the AGSA to encourage clean administration

In order to guide and encourage the achievement of unqualified audit opinions with no reported findings on predetermined objectives and compliance with laws and regulations, the AGSA leadership embarked on an intensified programme to enhance its visibility in order to improve the effectiveness of the audit process and engage with all role players that could influence clean administration. This included interaction with portfolio committees, the normal SCOPA briefings and attendance at hearings, quarterly visits with the executive authority and accounting officer or authority, in addition to attendance of audit committee and steering committee meetings during the course of the audit process. At these meetings the risks facing the respective entities were discussed and key controls that should be implemented to address these risks and audit outcomes were presented. Commitments to implementing these controls were recorded. The achievement of the key controls was monitored and a dashboard report was presented indicating the current status of the controls. This was followed up at the quarterly meetings during the year leading up to the following reporting cycle.

The key elements of these initiatives are depicted below.

Figure 32: Key elements of the AGSA initiatives to influence audit outcomes through monitoring stakeholder interactions



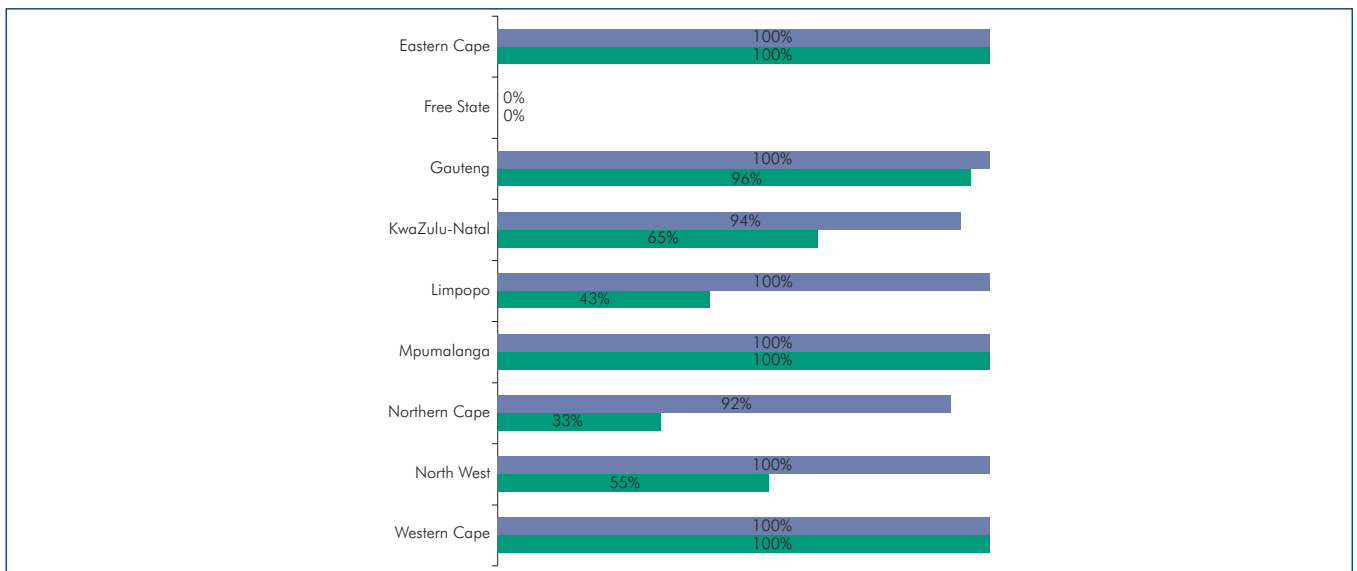
2.1.4 Consolidation of financial statements of departments and public entities

The audits of consolidated financial statements for departments and public entities of two provinces had been completed by 31 August 2010, while the audits of four other provinces were in progress. The audits of the consolidated financial statements for the revenue funds of the Eastern Cape, Limpopo and North West have been outstanding for two years.

These ‘consolidations’ are still in the form of aggregations and the provincial treasuries are urged to implement proper consolidations for departments. The current reporting is only based on factual findings and until the consolidation process is improved, we are unable to express an audit opinion on these consolidations.

2.1.5 Status of tabling of annual reports

Figure 33: Status of tabling of annual reports as at 30 September 2010



The annual reports of 88% of the departments and 67% of the public entities had been tabled by 30 September 2010. The annual reports of the outstanding 12% of the departments and 15% of the public entities were subsequently tabled. All the departments and 82% of the public entities have thus tabled their annual reports.

2.2 Part B – Status of tabling the annual reports

2.2.1 Overview of audit outcomes

In terms of section 25(1)(a) of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the Auditor-General elected not to audit a total of 33 public entities and other entities listed in the PFMA. These entities were permitted to appoint their own auditors, in consultation with the AGSA. The 2009-10 audit outcomes of 18 (55%) public entities completed by the legislated due date of 31 August 2010 are depicted below.



Figure 34: Summary of audit outcomes – audits not conducted by the AGSA

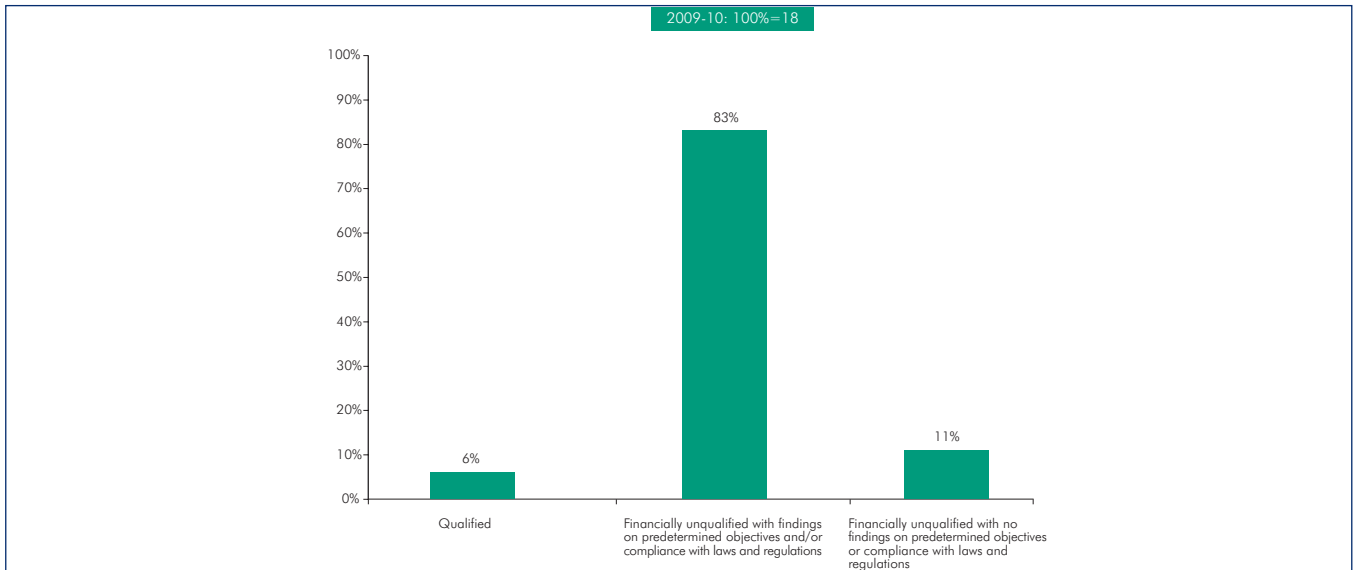
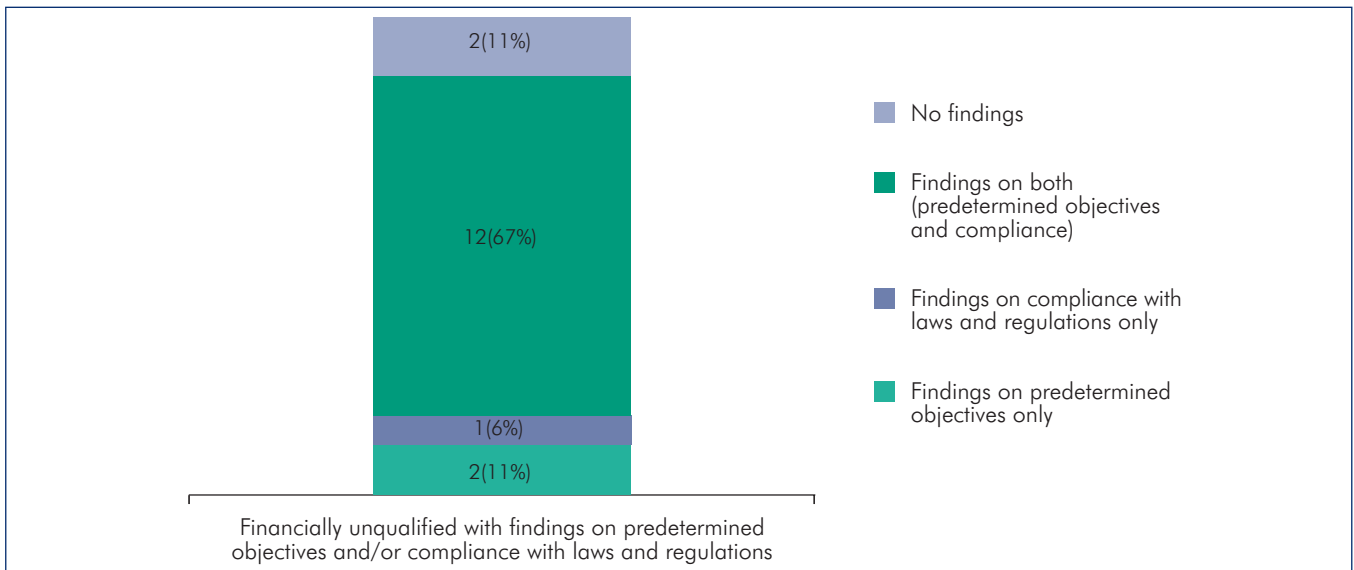


Figure 35: Analysis of entities with findings on predetermined objectives and/or compliance with laws and regulations



- None of these entities received a disclaimer or adverse audit opinion.
- Only one entity in Gauteng (Genesis Fitness (Pty) Ltd) was qualified. No audit was performed on predetermined objectives and compliance with laws and regulations as the entity is being liquidated.
- The audits of 15 (45%) of the entities had not been finalised at the date of this report, mainly due to the financial statements not having been submitted for audit purposes by the legislated date.
- Richards Bay IDZ (Pty) Ltd reported threats to their ability to continue as a going concern in the future.

The reasons included liabilities that exceeded total assets by R2,9 million and a net loss of R7,6 million for the 2009-10 financial year.

- Only four out of the 18 entities audited submitted information on their predetermined objectives. Findings were raised on the reliability of the information of one entity and on the usefulness of the information of the other three entities. None of the 11 entities in KwaZulu-Natal submitted information on their predetermined objectives.
- Thirteen of the 18 entities (72%) had findings on compliance with laws and regulations. Eleven of these entities did not comply with legislation, as they did not submit their reports on performance against predetermined objectives for auditing. Further non-compliance issues related to provisions of the Companies Act.

PART A - AUDITS CONDUCTED BY THE AGSA

SECTION 3: OVERVIEW OF AUDIT OUTCOMES FOR 2009-10

Section 3.1 of the consolidated provincial general report analyses the following matters:

Audit outcomes

- Movements in audit outcomes
- Financial statement areas attracting qualifications
- Funding of operations, financial sustainability and going concern
- Unauthorised, irregular as well as fruitless and wasteful expenditure
- Material losses, impairments and underspending of votes or conditional grants
- Material misstatements in financial statements corrected during the audit

Section 3.2 analyses findings on reporting on predetermined objectives.

Section 3.3 presents an analysis of findings on compliance with laws and regulations.

Section 3.4 analyses findings on information systems.

Section 3.5 provides a high-level analysis of investigations concluded and in progress.

3.1 Summary of audit outcomes

This report presents the 2009-10 audit outcomes of 123 departments and 108 public entities of which the audits were completed by 31 August 2010. These are summarised in table 2 below, while table 3 provides an analysis of audit outcomes by province. Table 2 also reflects the status of completion of the 2009-10 audits as at 31 August 2010.

Table 2: Summary of audit outcomes

| Audit outcomes | Departments (including legislature and revenue funds) | | Public entities (including trading and other types of entities) | |
|---|---|------------|---|------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Opinion on financial statements: | | | | |
| Disclaimer | 10 | 4 | 5 | 12 |
| Adverse | 0 | 2 | 1 | 2 |
| Qualified | 24 | 31 | 13 | 30 |
| Financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations | 75 | 86 | 59 | 59 |
| Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations | 14 | 4 | 30 | 19 |
| Total number of audits reported on | 123 | 127 | 108 | 122 |
| Number of audits not finalised at legislated date for submission to the executive authority - 31 August 2010 | 9 | 3 | 22 | 8 |
| Total number of audits | 132 | 130 | 130 | 130 |
| Entities with findings arising from the AGSA's other legal reporting responsibilities: | | | | |
| Predetermined objectives | 88 | 84 | 65 | 74 |
| Compliance with laws and regulations | 101 | 85 | 57 | 59 |

The number of departments increased from 130 to 132 since the previous financial year through the establishment of five departments, namely Human Settlements (Free State and North West), Infrastructure Development (Gauteng) and Local Government and Traditional Affairs as well as Public Safety (North West), and the amalgamation with other departments of three departments, namely Public Works (Mpumalanga) and Developmental Local Government and Housing as well as Transport, Roads and Community Safety (North West).

Table 3: Movements in audit outcomes per province (departments and public entities)

| Province | Disclaimer | | Adverse | | Qualified | | Financially unqualified with findings* | | Financially unqualified with no findings** | | Total number of entities | |
|---------------|------------|---------|---------|---------|-----------|---------|--|---------|--|---------|--------------------------|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Eastern Cape | 2 | 1 | 0 | 2 | 5 | 5 | 16 | 18 | 3 | 0 | 26 | 26 |
| Free State | 2 | 0 | 0 | 1 | 5 | 7 | 12 | 14 | 8 | 7 | 27 | 29 |
| Gauteng | 4 | 4 | 0 | 0 | 3 | 11 | 23 | 20 | 11 | 4 | 41 | 39 |
| KwaZulu-Natal | 0 | 1 | 0 | 1 | 9 | 13 | 19 | 21 | 6 | 5 | 34 | 41 |

| Province | Disclaimer | | Adverse | | Qualified | | Financially unqualified with findings* | | Financially unqualified with no findings** | | Total number of entities | |
|---|------------|---------|---------|---------|-----------|---------|--|---------|--|---------|--------------------------|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Limpopo | 1 | 1 | 0 | 0 | 3 | 6 | 12 | 10 | 1 | 1 | 17 | 18 |
| Mpumalanga | 0 | 0 | 0 | 0 | 2 | 3 | 14 | 17 | 3 | 1 | 19 | 21 |
| Northern Cape | 2 | 3 | 1 | 0 | 4 | 6 | 10 | 10 | 0 | 0 | 17 | 19 |
| North West | 4 | 5 | 0 | 0 | 6 | 7 | 15 | 12 | 0 | 5 | 25 | 29 |
| Western Cape | 0 | 1 | 0 | 0 | 0 | 3 | 13 | 23 | 12 | 0 | 25 | 27 |
| Total number of audits reported on | 15 | 16 | 1 | 4 | 37 | 61 | 134 | 145 | 44 | 23 | 231 | 249 |
| * Financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations | | | | | | | | | | | | |
| ** Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations | | | | | | | | | | | | |

Significant trends and results from these consolidated outcomes of departments and public entities are as follows:

- The most notable improvement in the audit outcomes of departments occurred in the Western Cape where seven departments and five public entities improved to financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations. This province is the first whose financial statements of all of its departments and public entities are financially unqualified, some with and others with no findings on predetermined objectives or compliance with laws and regulations.
- The North West and Free State recorded the highest number of regressions, of which 50% and 67%, respectively, regressed to the worse category of disclaimers or adverse opinions.
- The province with the lowest number of financially unqualified audit opinions is the Northern Cape, with only 59% of its auditees obtaining financially unqualified audit opinions.
- None of the departments or public entities in the Northern Cape and North West obtained financially unqualified audit opinions with no findings on either predetermined objectives or compliance with laws and regulations.
- One department in Mpumalanga (Finance) and 12 public entities ((Free State (six), Gauteng (four), KwaZulu-Natal (one) and Limpopo (one)) retained their financially unqualified audit opinions with no findings on either predetermined objectives or compliance with laws and regulations from the previous year.
- Sectors in the provinces that obtained the highest number of qualified audit opinions remained education and health.
- Sectors whose financial statements were generally financially unqualified (but with findings on either predetermined objectives or compliance with laws and regulations) were agriculture (89%) and economic development (77%).
- Seventeen departments received a qualified (disclaimer, adverse or qualified) audit opinion for the third successive year, with the Departments of Education and Health accounting for 10 (59%) of these. A further regression occurred in the audit outcomes of three of these departments during the year under review.
- Provinces that had three qualified departments each were the Eastern Cape, Limpopo and the Northern Cape.
- Thirteen public entities failed for the third successive year to obtain financially unqualified audit opinions.



Audits outstanding

The audits of all nine revenue funds were outstanding as at 31 August 2010 due to practical delays caused by the provincial treasuries awaiting completion of the 2009-10 PFMA annual audits. Of concern is that the audits of the provincial revenue funds in the Eastern Cape and Limpopo have not been completed since the 2007-08 and 2008-09 financial years, respectively. The 2008-09 audit outcomes of departments and entities finalised after the cut-off date of the previous general report have been included in the comparative statistics in table 2. The reasons for audits being outstanding at 31 August 2010 are reflected in the table below.

Table 4: Audits outstanding at 31 August 2010

| Reasons | Departments (including legislatures and revenue funds) | Public entities (including trading and other types of entities) |
|---|--|---|
| Financial statements not yet received | 9 | 10 |
| Audit not yet completed due to late receipt of financial statements | 0 | 9 |
| Audit still in progress due to other reasons | 0 | 3 |
| Total number of audits outstanding | 9 | 22 |

Provinces with audits of public entities outstanding from prior years are as follows:

| | |
|----------------|--|
| Free State: | Free State Political Parties Fund |
| Limpopo: | Limpopo Housing Board Limpopo Tribal and Trust Account |
| Northern Cape: | Housing Fund |
| North West: | Dirapeng (Pty) Ltd North West Housing Corporation Signal Development (Pty) Ltd North West Tribal and Trust Fund |

Highlights of the audit outcomes of departments are as follows:

- The number of departments that were financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations increased from four to 14.
- The number of departments that were financially unqualified with or without findings on predetermined objectives and/or compliance with laws and regulations remained static for provincial departments (90 in 2008-09; 89 in 2009-10).
- There was a 23% decrease in the qualified auditor's reports for departments during the year under review.
- There was a 66% increase in the 'worse audit outcomes' category of disclaimed or adverse audit opinions received by departments from six to 10 in 2009-10. Details are as follows:
 - The Department of Education in the Northern Cape is the only entity that improved on its 2008-09 audit opinion – moving from a disclaimer to a qualified opinion in the 2009-10 financial year.
 - Two departments in the Free State (Health as well as Police, Roads and Transport), the Department of Education in Limpopo and the Department of Roads and Public Works in the Northern Cape deteriorated to disclaimers after having been qualified in the 2008-09 financial year.

- The Departments of Education as well as Public Works, Roads and Transport in North West regressed to disclaimers after having been financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations in 2008-09.
- Four departments (two in the Eastern Cape – Education and Health, one in Gauteng – Health, and one in the Northern Cape – Health) remained in the ‘worse audit outcomes’ category in the 2009-10 financial year.
- The Department of Developmental Local Government and Housing in North West, which was disclaimed in 2008-09, was closed down.
- Disclaimed and adverse opinions included four repeats, while 12 departments that were qualified in the previous year were again qualified. Six departments regressed to qualified from having been financially unqualified in the previous financial year.
- The audit outcomes of the provincial legislatures were as follows:
 - Only one provincial legislature (Western Cape) received a financially unqualified auditor’s report with no findings on either predetermined objectives or compliance with laws and regulations.
 - Seven provincial legislatures were financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations.
 - The financial statements of the North West Legislature were qualified.
- The first sets of financial statements of the five newly formed departments were qualified.
- Seventeen departments were qualified (disclaimed, adverse or qualified) for the third consecutive year. The audit outcomes history of these departments is presented in table 5.

Table 5: Departments qualified (disclaimed, adverse or qualified) for the third consecutive year

| Province | Name of department | Audit opinions | | |
|---------------|---|----------------|------------|------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| Eastern Cape | Economic Affairs, Environment and Tourism | Qualified | Qualified | Qualified |
| | Education | Disclaimer | Adverse | Adverse |
| | Health | Disclaimer | Adverse | Adverse |
| Free State | Health | Disclaimer | Qualified | Qualified |
| | Public Works and Rural Development | Qualified | Qualified | Qualified |
| Gauteng | Health | Disclaimer | Disclaimer | Qualified |
| KwaZulu-Natal | Public Works | Qualified | Qualified | Qualified |
| | Social Development | Qualified | Qualified | Qualified |
| Limpopo | Education | Disclaimer | Qualified | Qualified |
| | Health | Qualified | Qualified | Qualified |
| | Public Works | Qualified | Qualified | Qualified |
| Mpumalanga | Education | Qualified | Qualified | Qualified |
| | Health | Qualified | Qualified | Qualified |
| Northern Cape | Education | Qualified | Disclaimer | Disclaimer |
| | Health | Disclaimer | Disclaimer | Disclaimer |
| | Roads and Public Works | Disclaimer | Qualified | Qualified |
| North West | Social Development | Qualified | Qualified | Qualified |



Departments' financial statement areas qualified

Only nine departments were able to address some of the previous year's qualification areas. Education in the Northern Cape showed the greatest improvement by addressing four of the previous year's qualification areas. However, the said department was again qualified on other disclosure items and was also qualified on unauthorised expenditure in the 2009-10 financial year.

The table below depicts the 2009-10 movements in the financial statement qualification areas of departments.

Table 6: Provincial analysis of movements in financial statement qualification areas – Departments

| Province | Capital Assests | | Current Assets | | Liabilities | | Other disclosure items | | Revenue | | Expenditure | | Unauthorised irregular, and fruitless and wasteful expenditure | |
|------------------------------------|-----------------|---------|----------------|---------|-------------|---------|------------------------|---------|---------|---------|-------------|---------|--|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Eastern Cape | 2 | 4 | 2 | 2 | 2 | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 2 | 2 |
| Free State | 5 | 7 | 3 | 4 | 3 | 2 | 3 | 2 | 1 | 1 | 3 | 3 | 5 | 5 |
| Gauteng | 1 | 3 | 1 | 0 | 1 | 1 | 1 | 3 | 1 | 0 | 1 | 2 | 1 | 1 |
| KwaZulu-Natal | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Limpopo | 4 | 5 | 2 | 1 | 1 | 0 | 2 | 0 | 0 | 0 | 1 | 2 | 0 | 0 |
| Mpumalanga | 2 | 3 | 1 | 1 | 1 | 1 | 1 | 2 | 0 | 1 | 1 | 1 | 0 | 0 |
| Northern Cape | 3 | 5 | 1 | 2 | 1 | 3 | 3 | 3 | 0 | 0 | 2 | 2 | 3 | 4 |
| North West | 6 | 2 | 4 | 1 | 3 | 1 | 7 | 1 | 0 | 0 | 2 | 1 | 6 | 2 |
| Western Cape | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total number of audits reported on | 27 | 33 | 14 | 12 | 12 | 10 | 20 | 13 | 3 | 4 | 12 | 14 | 18 | 14 |

Details of the more common financial statement qualification areas are as follows:

Capital assets (movement from 2008-09: 18 repeats, nine newly qualified and two no longer qualified)

Capital assets refer mainly to property, infrastructure and plant and equipment as well as qualifications that arose from the inability to confirm the ownership, existence and value of these assets. Departments did not maintain complete asset registers supported by relevant supporting documentation.

Movements in the number of departments attracting capital asset qualifications

- Overall, there was a reduction of six (22%) (2008-09: 11 (44%)) in the number of auditees that were qualified on capital assets.
- North West had the highest increase in qualifications on capital assets (five departments).
- The education departments in the Eastern Cape and the Northern Cape were able to address their previous qualifications on capital assets.



Current assets (movement from 2008-09: eight repeats, six newly qualified and two no longer qualified)

Current asset qualification audit findings refer mainly to receivables with 14 departments attracting qualifications (2008-09: 12). Qualifications arose from the inability to confirm the valuation and existence of debtor balances.

Movements in the number of departments attracting current asset qualifications

- There was an increase of 14% in the number of auditees with qualifications on current assets by two (2008-09: four (30%)).
- North West had the highest increase in qualifications on current assets with four newly qualified departments.
- The education departments in Mpumalanga and the Northern Cape were able to address their previous qualifications on current assets.

Other disclosure items (movement from 2008-09: 10 repeats, 10 newly qualified and one no longer qualified)

Qualifications on other disclosure items stemmed from, amongst others, the lack of supporting documentation for commitments, contingent liabilities, employee benefits and related-party disclosures.

Movements in the number of departments attracting other disclosure item qualifications

- Overall, there was a 35% increase in the number of auditees (seven) with other disclosure item qualifications.
- Four provinces (Eastern Cape, Free State, Limpopo and North West) attracted new qualifications in this area. North West again had the highest increase in qualifications in this area with six newly qualified departments.
- The education department in Mpumalanga was the only department that was no longer qualified in this area.

Unauthorised, irregular as well as and fruitless and wasteful expenditure (movement from 2008-09: seven repeats, 11 newly qualified and four no longer qualified)

Qualifications stemmed from overspending on the vote (unauthorised expenditure), expenditure incurred without compliance with laws and regulations, especially SCM regulations (irregular expenditure), and interest incurred on the late payment of invoices (fruitless and wasteful expenditure).

Movements in the number of departments with unauthorised, irregular as well as fruitless and wasteful expenditure

An overall increase in audit findings relating to unauthorised, irregular as well as fruitless and wasteful expenditure by four (22%) departments was noted during the 2009-10 financial year.

Highlights of the audit outcomes of public entities are as follows:

- The outcomes of public entities improved by 58% (increasing from 19 to 30) on the number of auditees that were financially unqualified with no findings on either predetermined objectives or compliance with laws and regulations.
- Overall, 37 (34%) of the public entities improved on their 2008-09 audit outcomes, with Gauteng recording

the highest number of improved audit outcomes.

- The number of public entities obtaining disclaimers and adverse opinions declined from 14 to six. Two public entities with disclaimers had remained so since the 2008-09 financial year, while one had regressed from previously having been qualified. Eight public entities remained qualified from the 2008-09 financial year.
- Qualified audit opinions received by public entities declined by 25 (57%) during the year under review. The finalisation of the 22 audits still outstanding as at 31 August 2010 could affect the total decline in qualified opinions for the year.
- Table 7 provides the names of those public entities that failed to obtain financially unqualified financial statements for three or more successive years, together with the names of their controlling departments.

Table 7: Public entities qualified (disclaimed, adverse or qualified) for the third consecutive year

| Province | Name of public entity | Name of controlling department | Audit opinions | | |
|---------------|--|--|----------------|------------|------------|
| | | | 2009-10 | 2008-09 | 2007-08 |
| Eastern Cape | Eastern Cape Appropriate Technology Unit | Office of the Premier | Qualified | Qualified | Disclaimer |
| | Eastern Cape Provincial Arts and Culture Council | Sports, Recreation, Arts and Culture | Qualified | Disclaimer | Qualified |
| Gauteng | Blue IQ Investment Holdings (Pty) Ltd | Economic Development | Qualified | Disclaimer | Disclaimer |
| | Gauteng Housing Fund | Housing | Qualified | Qualified | Qualified |
| KwaZulu-Natal | Amafa aKwazulu-Natali | Office of the Premier | Qualified | Qualified | Qualified |
| | KwaZulu-Natal Nature Conservation Board | Agriculture, Environmental Affairs and Rural Development | Qualified | Qualified | Adverse |
| | KZN Housing Fund | Human Settlements | Qualified | Qualified | Qualified |
| | Traditional Levies and Trust Account | Cooperative Governance and Traditional Affairs | Qualified | Adverse | Adverse |
| | uMsekeli Municipal Support Services | Cooperative Governance and Traditional Affairs | Qualified | Qualified | Qualified |
| Northern Cape | McGregor Museum | Sports, Arts and Culture | Qualified | Qualified | Qualified |
| | Northern Cape Premier Education Trust Fund | Office of the Premier | Qualified | Qualified | Disclaimer |
| | Roads Capital Account | Roads and Public Works | Adverse | Qualified | Qualified |
| North West | Mafikeng Industrial Development Zone (Pty) Ltd | Economic Development and Tourism | Disclaimer | Disclaimer | Qualified |

Public entities' financial statement areas qualified

The table below depicts the 2009-10 movements in the financial statement qualification areas of public entities.

Table 8: Provincial analysis of movements in financial statement qualification areas – Public entities

| Province | Capital Assests | | Current Assets | | Liabilities | | Other disclosure items | | Revenue | | Expenditure | | Unauthorised irregular, and fruitless and wasteful expenditure | |
|---|-----------------|---------|----------------|---------|-------------|---------|------------------------|---------|---------|---------|-------------|---------|--|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Eastern Cape | 1 | 1 | 0 | 2 | 0 | 2 | 2 | 1 | 1 | 1 | 0 | 1 | 0 | 1 |
| Free State | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 |
| Gauteng | 2 | 6 | 3 | 3 | 2 | 2 | 3 | 0 | 3 | 4 | 1 | 3 | 1 | 0 |
| KwaZulu-Natal | 5 | 7 | 2 | 5 | 2 | 3 | 0 | 1 | 4 | 4 | 0 | 2 | 0 | 0 |
| Limpopo | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Mpumalanga | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Northern Cape | 2 | 3 | 1 | 0 | 1 | 1 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |
| North West | 1 | 7 | 1 | 3 | 2 | 3 | 2 | 6 | 2 | 3 | 2 | 4 | 2 | 3 |
| Western Cape | 0 | 3 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 |
| Total number of public entries disclaimed, adverse or qualified | 11 | 30 | 7 | 17 | 7 | 12 | 9 | 13 | 12 | 13 | 4 | 15 | 5 | 6 |

Details of the more common financial statement qualification areas are as follows:

Capital assets (movement from 2008-09: eight repeats, three newly qualified and four no longer qualified)

Public entities that were newly qualified on capital assets were in the Eastern Cape, Gauteng and Northern Cape (one public entity each). Public entities did not maintain complete asset registers supported by relevant supporting documentation.

Other disclosure items (movement from 2008-09: four repeats, five newly qualified and one no longer qualified)

Qualifications on other disclosure items primarily stemmed from a lack of supporting documentation for commitments, contingent liabilities, employee benefits and related-party disclosures.

Overall, there was a 23% decrease in the number of auditees (three) with other disclosure item qualifications. Four provinces (Eastern Cape, Free State, Gauteng and North West) attracted new qualifications in this area. Gauteng had the highest increase in qualifications in this area with two newly qualified public entities.

Revenue (movement from 2008-09: five repeats, seven newly qualified and two no longer qualified)

Revenue refers to the revenue generated from the sale of goods and provision of services. Qualifications arose from the inability to confirm the completeness and occurrence of revenue.



There was an overall decrease in revenue audit findings by 8%. Of the seven newly qualified public entities, Gauteng recorded the highest increase of three public entities. The Eastern Cape, KwaZulu-Natal, North West and the Northern Cape each had one newly qualified entity.

Funding of operations, financial sustainability and going concern

The table below lists the 22 public entities where concerns regarding the funding of operations, financial sustainability or going concern matters were raised.

Table 9: Auditees with concerns related to the funding of operations, financial sustainability or going concern

| Province | Auditee | Controlling department | Reason(s) |
|----------------------|--|---|---|
| Eastern Cape | Eastern Cape Youth Commission (ECYC) | Office of the Premier | Dissolved by way of the enactment of the Promotion of Youth Development Act, 2009 (Act No. 2 of 2009), following the formation of the National Youth Development Agency (NYDA) and the dissolving of the National Youth Commission. The ECYC ceased to exist with effect from 1 April 2010. The functions of the ECYC have been absorbed into the newly formed NYDA while all assets and liabilities as at year-end 2009-10 have been taken over by the Office of the Premier, which served as the controlling department during the period of operation of the ECYC. |
| Free State | Free State Investment Promotion Agency | Economic Development, Tourism and Environmental Affairs | Continued operating losses, current liabilities exceeded its current assets, and pending incorporation of agency into the Free State Development Corporation. |
| | Free State Gambling and Racing Board | Economic Development, Tourism and Environmental Affairs | Liabilities exceeded assets and pending incorporation of the board into the Free State Gambling and Liquor Authority. |
| | The Phakisa Major Sport Events and Development Corporation | Economic Development, Tourism and Environmental Affairs | Financial loss of R6,5 million and uncertainty regarding future funding. |
| Gauteng | Blue Catalyst Investment Company | Economic Development | The board resolved in April 2009 to liquidate the company. |
| | Constitution Hill Development Company | Economic Development | Accumulated loss of R122 640 000 at 31 March 2010. |
| | Gauteng Motorsport Company | Economic Development | The board resolved in December 2009 to liquidate the company. |
| | Greater Newtown Development Company | Economic Development | Shareholders resolved to liquidate the company. |
| | Emoyeni Trading Entity | Infrastructure Development | Office of the Premier Office of the Premier |
| | Gauteng Kapanong Precinct | Infrastructure Development | Executive decision taken to incorporate the trading entity and the operations in the Gauteng Department of Infrastructure Development. |
| | Impophoma Infrastructure Support Entity | Infrastructure Development and Roads and Transport | Executive decision taken to incorporate the trading entity and the respective operations in the Gauteng Departments of Infrastructure Development and Roads and Transport. |
| Urban Transport Fund | Roads and Transport | Executive decision taken to incorporate the trading entity and the operations in the Gauteng Department of Roads and Transport. | |
| KwaZulu - Natal | Ithala Limited | Economic Development and Tourism | A net loss of R46,7 million. |
| | KwaZulu-Natal Nature Conservation Board | Agriculture, Environmental Affairs and Rural Development | A net loss of R29,9 million and the entity's current liabilities exceeded its current assets by R17 million. |
| | uMsekeli Municipal Support Services | Cooperative Governance and Traditional Affairs | A net loss of R2 million during the year ended 31 March 2010 and the entity's current liabilities exceeded its total assets by R79,5 million. |

| Province | Auditee | Controlling department | Reason(s) |
|--------------|---|---|---|
| Mpumalanga | Mpumalanga Agricultural Development Corporation | Agriculture | In June 2009, the premier of the province announced the merger of the Mpumalanga Agricultural Development Corporation and the Mpumalanga Housing Finance Company with the Mpumalanga Economic Growth Agency into one public entity from 1 April 2010. |
| | Mpumalanga Housing Finance Company | Human Settlements | |
| North West | Mafikeng Industrial Development Zone (Pty) Ltd | Economic Development and Tourism | The entity has not obtained an operating licence from the Department of Trade and Industry, current liabilities exceeded current assets, and significant losses for the past financial years. |
| | North West Development Corporation (Pty) Ltd | Economic Development and Tourism | Current liabilities exceeded total assets by R190 million. |
| | North West Provincial Council on Aids | Office of the Premier | The entity's liabilities exceeded its assets by R2,2 million. |
| | Directorate of Entrepreneurial Development in Natural Resources Utilisation (DED) | Agriculture, Conservation Environment and Rural Development | The DED will cease its operations and be dissolved within the next year. The annual financial statements were compiled on the liquidation basis. |
| Western Cape | Western Cape Provincial Development Council | Office of the Premier | A proposal has been approved by the premier and the Cabinet for the repealing of the Western Cape Provincial Development Council Act and the establishment of a non-statutory forum for social dialogue in the province. The Western Cape Provincial Development Council will continue to operate until the end of the financial year ending 31 March 2011. |

Unauthorised, irregular as well as fruitless and wasteful expenditure incurred during the year

Auditees continued to incur unauthorised, irregular as well as fruitless and wasteful expenditure, details of which are summarised in the tables below. In these tables 'No.' indicates the number of departments and % indicates the percentage of departments/entities in the province.

Unauthorised expenditure

Unauthorised expenditure resulted from overspending a vote or a main division within a vote and expenditure that was not in accordance with the purpose of a vote or main division.

The table below depicts the amount of unauthorised expenditure incurred by departments for the financial year ended 31 March 2010.

Table 10: Provincial analysis of unauthorised expenditure incurred by departments

| Province | Nature and extent of unauthorised expenditure | | | | | |
|---------------|---|-----|-----------|---|----|---------|
| | Overspending of vote/main division of vote | | | Spending not in accordance with purpose of vote | | |
| | No. | % | R'000 | No. | % | R'000 |
| Eastern Cape | 4 | 29% | 1,626,711 | | | |
| Free State | 1 | 9% | 277 | 1 | 9% | 46,489 |
| Gauteng | 5 | 33% | 2,495,933 | 1 | 7% | 2,351 |
| KwaZulu-Natal | 3 | 19% | 2,539,495 | 1 | 6% | 102,258 |
| Limpopo | 5 | 38% | 833,697 | | | |
| Mpumalanga | 4 | 31% | 376,343 | | | |
| Northern Cape | 4 | 29% | 40,306 | | | |



| Province | Nature and extent of unauthorised expenditure | | | | | |
|--------------|---|------------|------------------|---|-----------|----------------|
| | Overspending of vote/main division of vote | | | Spending not in accordance with purpose of vote | | |
| | No. | % | R'000 | No. | % | R'000 |
| North West | 2 | 15% | 16,494 | 3 | 23% | 264,821 |
| Western Cape | 1 | 8% | 70,473 | | | |
| Total | 29 | 24% | 7,999,729 | 6 | 5% | 415,919 |

- Thirty-one departments (25%) across all nine provinces incurred unauthorised expenditure during the financial year through overspending either on their votes or main divisions within their votes. Additionally, departments within four provinces expended funds for purposes that were not in accordance with their votes.
- Departments disclosed an amount of R7,8 billion in their financial statements presented for auditing, while a further R616 million was identified during the audit process.
- Individual amounts ranged from R1,5 million to a high of R267 million, incurred by departments in the North West Province.
- Significant amounts of unauthorised expenditure had still not been approved. This could result in serious cash-flow constraints for the departments and/or the provincial revenue funds, depending on whether the amounts are condoned with or without funding and on the ability to provide the services for which the funds were intended.
- Unauthorised expenditure incurred by the departments would possibly have increased further had the accruals at year-end been paid in time.

Irregular expenditure

Irregular expenditure is expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including the PFMA, the State Tender Board Act, 1968 (Act No. 86 of 1968) and any provincial legislation providing for procurement procedures in that provincial department. Table 11 provides an analysis of irregular expenditure incurred by departments and public entities.

Table 11: Provincial analysis of irregular expenditure incurred by departments and public entities

| Province | Nature and extent of irregular expenditure | | | | | | | | |
|---------------------|--|-----|-----------|------------------------------------|-----|---------|-------|-----|---------|
| | Supply chain management-related | | | Compensation of employees -related | | | Other | | |
| | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 |
| Eastern Cape | | | | | | | | | |
| Departments | 13 | 93% | 2,119,994 | 4 | 29% | 307,420 | 9 | 64% | 310,640 |
| Public entities | 5 | 42% | 162,100 | | | | 3 | 25% | 9,449 |
| Free State | | | | | | | | | |
| Departments | 11 | 85% | 657,018 | 7 | 54% | 15,041 | 7 | 54% | 78,758 |
| Public entities | 3 | 21% | 12,740 | | | | | | |

| Province | Nature and extent of irregular expenditure | | | | | | | | |
|------------------------------|--|------------|------------------|------------------------------------|------------|----------------|-----------|------------|----------------|
| | Supply chain management-related | | | Compensation of employees -related | | | Other | | |
| | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 |
| Gauteng | | | | | | | | | |
| Departments | 7 | 47% | 1,492,186 | 1 | 7% | 1,424 | | | |
| Public entities | 9 | 35% | 464,433 | | | | | | |
| KwaZulu-Natal | | | | | | | | | |
| Departments | 9 | 56% | 862,879 | | | | | | |
| Public entities | 5 | 28% | 26,392 | | | | | | |
| Limpopo | | | | | | | | | |
| Departments | 4 | 31% | 4,828 | 2 | 15% | 187 | | | |
| Public entities | 2 | 50% | 1,537 | | | | | | |
| Mpumalanga | | | | | | | | | |
| Departments | 2 | 15% | 8,000 | 2 | 15% | 137,599 | | | |
| Public entities | | | | | | | | | |
| Northern Cape | | | | | | | | | |
| Departments | 11 | 85% | 203,787 | 4 | 31% | 11,936 | | | |
| Public entities | | | | | | | | | |
| North West | | | | | | | | | |
| Departments | 11 | 85% | 1,080,822 | 1 | 8% | 86 | 4 | 31% | 8,528 |
| Public entities | 4 | 33% | 38,092 | 1 | 8% | 91 | | | |
| Western Cape | | | | | | | | | |
| Departments | 9 | 69% | 11,654 | 1 | 8% | 7 | 5 | 38% | 31,786 |
| Public entities | 2 | 17% | 2,195 | | | | | | |
| Total Departments | 77 | 63% | 6,441,168 | 22 | 18% | 473,700 | 25 | 20% | 429,712 |
| Total Public entities | 30 | 28% | 707,489 | 1 | 1% | 91 | 3 | 3% | 9,449 |

The departments disclosed an amount of R2,9 billion in the financial statements submitted for auditing, while a further R5,2 billion was identified during the audit process.

Fruitless and wasteful expenditure

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

Table 12: Provincial analysis of fruitless and wasteful expenditure incurred

| Province | Departments | | | Public entities | | |
|---------------|-------------|-----|--------|-----------------|-----|--------|
| | No. | % | R'000 | No. | % | R'000 |
| Eastern Cape | 7 | 50% | 42,023 | 4 | 33% | 2,135 |
| Free State | 10 | 77% | 51,495 | 4 | 29% | 275 |
| Gauteng | 6 | 40% | 36,625 | 12 | 46% | 37,005 |
| KwaZulu-Natal | 3 | 19% | 1,500 | 1 | 6% | 19 |



| Province | Departments | | | Public entities | | |
|---------------|-------------|-----------|----------------|-----------------|-----------|---------------|
| | No. | % | R'000 | No. | % | R'000 |
| Limpopo | 6 | 46% | 5,952 | | | |
| Mpumalanga | 3 | 23% | 5,000 | 3 | 50% | 6,500 |
| Northern Cape | 2 | 15% | 10,600 | | | |
| North West | 5 | 38% | 3,799 | 6 | 50% | 844 |
| Western Cape | 7 | 54% | 3,300 | 2 | 17% | 100 |
| Total | 49 | 40 | 160,293 | 32 | 30 | 46,877 |

Fruitless and wasteful expenditure incurred related to the following:

- Late cancellation of conferences
- Interest and penalties arising from the late payment of supplier invoices and on taxes due to the South African Revenue Service
- Non-utilisation of rental properties
- Payments made to defaulting contractors
- Interest paid on capital projects not fully utilised
- Expired medical stock
- VAT payments to vendors that are not registered for VAT

Material losses, impairments and underspending of votes or conditional grants

Material losses, impairments and underspending by departments and entities are summarised in table 13 below.

Table 13: Provincial analysis of material losses, impairments and underspending of votes

| Type of auditee | Extent of material losses, impairments and underspending | | | | | | | | | | | |
|----------------------|--|-----|---------|-------------------------------|-----|--------|--------------------------------|-----|---------|---|-----|---------|
| | Material losses | | | Material impairment of assets | | | Material underspending of vote | | | Material underspending of conditional grant | | |
| | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 |
| Eastern Cape | | | | | | | | | | | | |
| Departments | | | | | | | | | | 4 | 29% | 105,600 |
| Public entities | 1 | 8% | 6,600 | 3 | 25% | 75,300 | | | | | | |
| Free State | | | | | | | | | | | | |
| Departments | 2 | 15% | 124,429 | | | | 4 | 31% | 336,910 | | | |
| Public entities | | | | | | | | | | | | |
| Gauteng | | | | | | | | | | | | |
| Departments | 1 | 7% | 575,377 | | | | 5 | 33% | 858,190 | | | |
| Public entities | 2 | 8% | 6,834 | | | | | | | | | |
| KwaZulu-Natal | | | | | | | | | | | | |
| Departments | 1 | 6% | 6,088 | | | | 4 | 25% | 137,231 | 1 | 6% | 224,045 |
| Public entities | 2 | 11% | 351,600 | | | | | | | | | |

| Type of auditee | Extent of material losses, impairments and underspending | | | | | | | | | | | |
|------------------------------|--|------------|----------------|-------------------------------|-----------|----------------|--------------------------------|------------|------------------|---|-----------|----------------|
| | Material losses | | | Material impairment of assets | | | Material underspending of vote | | | Material underspending of conditional grant | | |
| | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 | No. | % | R'000 |
| Limpopo | | | | | | | | | | | | |
| Departments | | | | | | | 5 | 38% | 632,058 | 1 | 8% | 13,000 |
| Public entities | | | | | | | | | | | | |
| Mpumalanga | | | | | | | | | | | | |
| Departments | 1 | 8% | 1,382 | | | | 4 | 31% | 129,615 | | | |
| Public entities | 1 | 17% | 871 | 2 | 33% | 150,000 | | | | | | |
| Northern Cape | | | | | | | | | | | | |
| Departments | 4 | 31% | 40,923 | 1 | 8% | 500 | 5 | 38% | 79,886 | 3 | 23% | 86,228 |
| Public entities | | | | | | | | | | | | |
| North West | | | | | | | | | | | | |
| Departments | | | | | | | 3 | 23% | 61,730 | | | |
| Public entities | | | | | | | | | | | | |
| Western Cape | | | | | | | | | | | | |
| Departments | 4 | 31% | 9,981 | 1 | 8% | 7,347 | 2 | 15% | 177,570 | 1 | 8% | 83,988 |
| Public entities | 1 | 8% | 14,379 | | | | | | | | | |
| Total departments | 13 | 11% | 758,180 | 2 | 2% | 7,847 | 32 | 26% | 2,413,190 | 10 | 8% | 512,861 |
| Total public entities | 7 | 6% | 380,284 | 5 | 5% | 225,300 | 0 | 0% | 0 | 0 | 0% | 0 |

Significant instances of material losses, impairments and underspending during the year under review included the following:

Material losses

- Material losses to the amount of R575,3 million were reported by the Gauteng Department of Health as a result of writing off irrecoverable patient fees.
- Loans and advances amounting to R332 million were written off by the Ithala Development Finance Corporation Limited group, while loans and advances to the amount of R19,6 million were written off by Ithala Limited.

Material impairment of assets

- The Free State Department of Police, Roads and Transport had receivables for vehicle licences totalling R123,5 million at 31 March 2010, which had been outstanding for more than 12 months. The recoverability of these amounts is doubtful.
- The Free State Department of Sport, Arts, Culture and Recreation had staff debtors of R941 000, which are potentially irrecoverable due to poor collection practices in the department.
- The Mpumalanga Agricultural Development Corporation and the Mpumalanga Economic Growth Agency impaired their loan receivables to the amount of R150 million.



Material underspending of the vote or conditional grant

- Provincial health departments materially underspent on their votes as follows:

Free State (R304,5 million), Gauteng (R706,4 million), KwaZulu-Natal (R224 million), Limpopo (R190,4 million), Mpumalanga (R195 million) and Western Cape (R92,7 million)

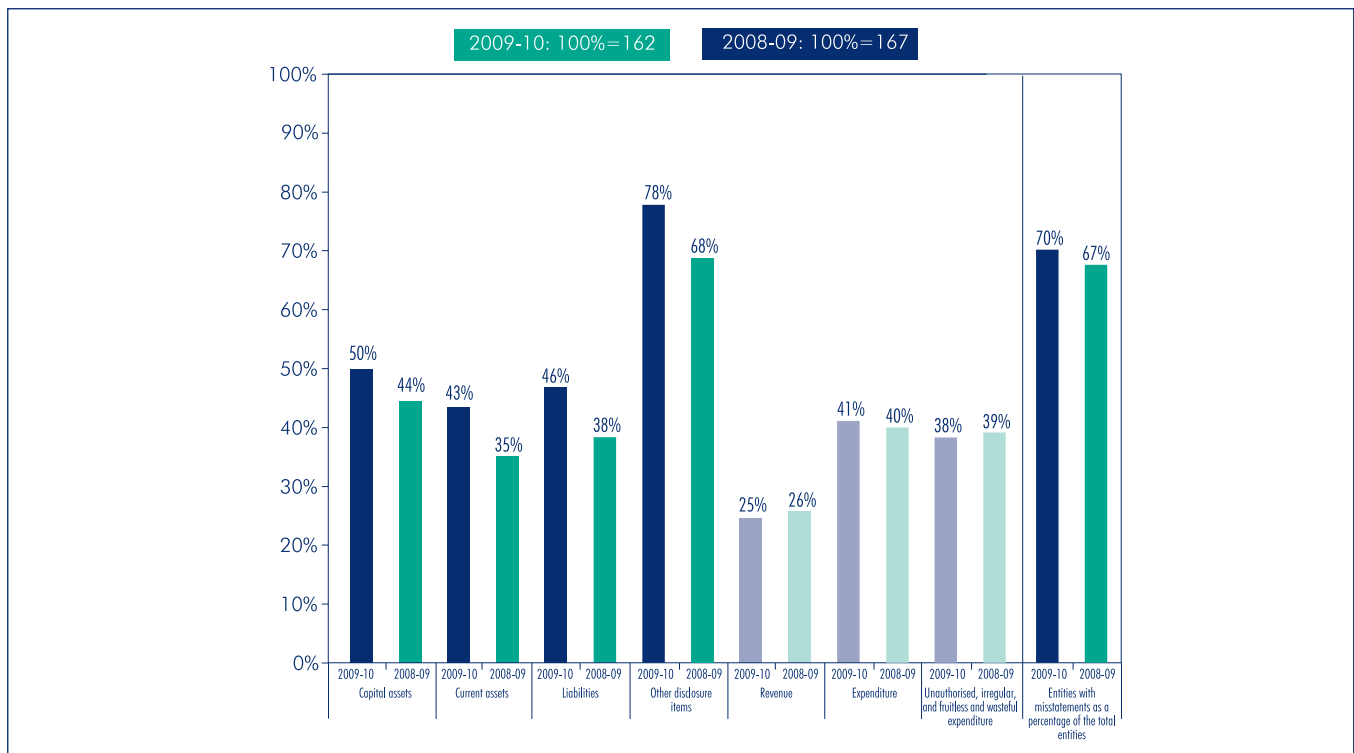
As a consequence, these departments did not achieve their objectives in respect of certain of their programmes.

- The Limpopo Department of Roads and Transport underspent its budget by R387,2 million.

Transversal material misstatements corrected during the audit

Ninety-two (75%) (2008-09: 94 (74%)) of the financial statements submitted by departments and 70 (65%) (2008-09: 73 (60%)) submitted by public entities for audit purposes were subject to material corrections during the audits. The figure below provides an analysis of the areas that required material adjustments.

Figure 36: Analysis of account balances materially misstated in financial statements submitted for audit



Such material misstatements could have been detected by the entities had the financial statements been properly prepared in accordance with the applicable financial reporting frameworks and had they been subject to review by those charged with governance and management.

A provincial analysis of material misstatements for the current and the previous financial year is provided in table 14 below.



Table 14: Provincial analysis of material misstatements in financial statements submitted for audit

| Analysis | Transversal material misstatements in financial statements corrected by management during the | | | | | | | | | |
|--|---|------------|---------|---------------|---------|------------|---------------|------------|--------------|---------|
| | Eastern Cape | Free State | Gauteng | KwaZulu-Natal | Limpopo | Mpumalanga | Northern Cape | North West | Western Cape | Overall |
| Departments (Including legislatures) | | | | | | | | | | |
| Corrected: 2009-10 | 14 | 12 | 12 | 10 | 11 | 11 | 10 | 9 | 3 | 92 |
| Corrected: 2008-09 | 14 | 11 | 14 | 12 | 9 | 11 | 13 | 7 | 3 | 94 |
| % of dept. in the province | 100% | 92% | 80% | 63% | 85% | 85% | 77% | 69% | 23% | 75% |
| Increase/reduction over previous year | 0 | 1 | -2 | -2 | 2 | 0 | -3 | 2 | 0 | |
| Public entities (Including trading and other types of entities) | | | | | | | | | | |
| Corrected: 2009-10 | 12 | 8 | 19 | 13 | 3 | 5 | 3 | 6 | 1 | 70 |
| Corrected: 2008-09 | 9 | 9 | 19 | 14 | 4 | 5 | 3 | 7 | 3 | 73 |
| % of dept. in the province | 100% | 57% | 73% | 72% | 75% | 83% | 75% | 50% | 8% | 65% |
| Increase/reduction over previous year | 3 | -1 | 0 | -1 | -1 | 0 | 0 | -1 | -2 | |

The reasons for the misstatements were largely the same as for the previous year and were again due to the following:

- Monthly financial statements were not prepared throughout the year.
- Financial statements were often submitted simply to meet the legislated deadline.
- There was a lack of skills to interpret and prepare annual financial statements in terms of the required framework, coupled with a lack of ongoing monitoring and supervision.
- Information was not captured in a form and time frame to support financial reporting and disclosure notes were not system-generated and only produced once a year.
- Those charged with governance and management did not adequately review the annual financial statements.

Material misstatements could have been detected by the entities' financial management processes had adequate reviews of the financial statements been undertaken prior to submission for audit purposes. The following measures should be considered:

- Training and recruiting skilled permanent staff to manage the financial process and prepare the financial statements.
- Those charged with governance should ensure that adequate support and capacity are made available to undertake the roles and responsibilities in financial reporting.
- Detailed monthly management accounts and interim financial statements should be prepared.

3.2 Findings on reporting on predetermined objectives

Background to the AGSA's audits of departments' and public entities' reports on their performance against predetermined objectives

The aim of an audit of information on performance against predetermined objectives is to enable the auditor to



conclude whether the reported performance against predetermined objectives is reliable, accurate and complete, in all material respects, based on predetermined criteria.

Scope and results of audits of predetermined objectives

The audits of performance information focused on the following three aspects:

- Compliance with regulatory requirements in the PFMA and Treasury Regulations pertaining to the planning, management, monitoring, review and reporting of performance information.
- The consistency, relevance and measurability of planned and reported achievements against predetermined objectives.
- Whether the reported information on performance against predetermined objectives could be traced back to the source data or documentation and whether the reported information was accurate, complete and valid in relation to the source data, evidence or documentation.

The regulatory requirements for performance information can be summarised as follows:

Non-compliance with regulatory requirements

Non-compliance with regulatory requirements refers to the preparation of the strategic or corporate or annual performance plans, submission to those delegated for approval (depending on the type of institution), the evaluation of the contents for achieving objectives and indicators, and the subsequent reporting.

Performance information not useful

The usefulness of reported information on performance against predetermined objectives refers to the reported performance information being consistent with the planned objectives and targets and whether the targets are clearly linked to the mandate and objective of the institution. It further includes an evaluation of the measurability of targets with reference to specific and clearly identifying the nature and required level of performance, and the indication of specific timelines for delivering on targets.

Reported performance information not reliable

Reported information is not reliable if insufficient appropriate evidence is available in relation to reported performance against predetermined objectives, inappropriate systems exist to generate the performance information, the evidence provided does not support the actual reported performance against predetermined objectives, and the actual reported performance is not accurate and complete.

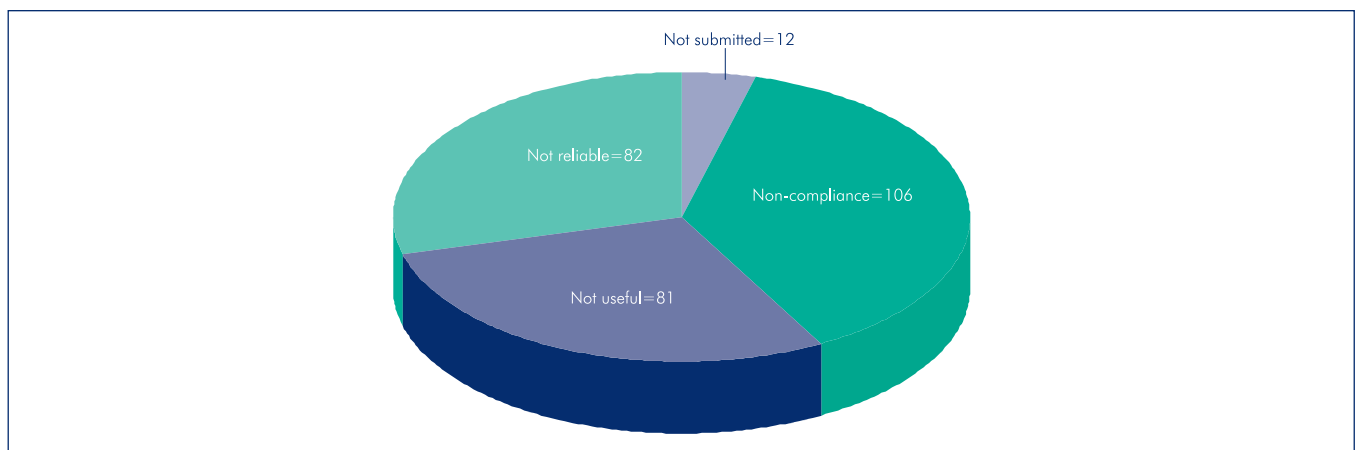
Summary of findings on reporting on predetermined objectives

Eighty-eight departments (72%) (2008-09: 66%) and 65 public entities (60%) (2008-09: 61%) had findings on their reporting against predetermined objectives.

Table 15: Summary of findings on reporting on predetermined objectives

| Category of finding | Departments (including the provincial legislature) | | Public entities (including trading and other types of entities) | |
|---|---|-----------|--|-----------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Non-compliance with regulatory requirements | 69% | 64% | 69% | 59% |
| Reported information not useful | 55% | 46% | 51% | 30% |
| Reported information not reliable | 67% | 57% | 35% | 14% |
| Information not submitted for auditing by 31 May 2010 | 2% | 2% | 15% | 5% |
| Total number of audits with findings | 88 | 84 | 65 | 74 |

Figure 37: Analysis of findings on reporting on predetermined objectives



A provincial analysis of findings is presented in table 16 below.

Table 16: Provincial analysis of findings on reporting on predetermined objectives

| Province | Non-compliance with regulatory requirements | | | | Reported information is not useful | | | | Reported information is not reliable | | | | Total | | | |
|---------------|---|-------|-----------------|-------|------------------------------------|-------|-----------------|-------|--------------------------------------|-------|-----------------|-------|-------------|-------|-----------------|-------|
| | Departments | | Public entities | | Departments | | Public entities | | Departments | | Public entities | | Departments | | Public entities | |
| | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 | 09-10 | 08-09 |
| Eastern Cape | 14 | 9 | 8 | 2 | 8 | 6 | 5 | 1 | 7 | 9 | 4 | 2 | 29 | 24 | 17 | 5 |
| Free State | 7 | 5 | 4 | 6 | 4 | 4 | 1 | 3 | 8 | 6 | 1 | 0 | 19 | 15 | 6 | 9 |
| Gauteng | 5 | 9 | 5 | 12 | 7 | 5 | 12 | 8 | 6 | 6 | 8 | 5 | 18 | 20 | 25 | 25 |
| KwaZulu-Natal | 3 | 2 | 12 | 8 | 3 | 1 | 6 | 3 | 4 | 1 | 2 | 0 | 10 | 4 | 20 | 11 |
| Limpopo | 5 | 7 | 1 | 2 | 4 | 6 | 2 | 1 | 10 | 6 | 0 | 0 | 19 | 19 | 3 | 3 |
| Mpumalanga | 8 | 3 | 3 | 3 | 6 | 3 | 3 | 3 | 8 | 4 | 3 | 1 | 22 | 10 | 9 | 7 |
| Northern Cape | 6 | 6 | 0 | 2 | 8 | 6 | 0 | 0 | 6 | 5 | 0 | 0 | 20 | 17 | 0 | 2 |
| North West | 10 | 8 | 11 | 8 | 7 | 5 | 3 | 2 | 6 | 6 | 3 | 2 | 23 | 19 | 17 | 12 |
| Western Cape | 3 | 5 | 1 | 1 | 1 | 3 | 1 | 1 | 4 | 5 | 2 | 0 | 8 | 13 | 4 | 2 |



3.3 Findings on compliance with laws and regulations

As in previous years, numerous instances occurred where departments and public entities did not comply with the applicable laws and regulations. Some of the compliance matters identified during the audits of financial statements of departments and public entities related to entering into transactions prohibited by legislation, while others involved failure by accounting officers, CFOs and other officials to meet their legislated responsibilities.

Identified instances of non-compliance with SCM prescripts and HR management legislation and directives are analysed under section 5 (specific focus areas of the AGSA) of this report.

Material misstatements in financial statements also constitute non-compliance with the PFMA, as internal controls should have been implemented to ensure that the financial statements presented for auditing fairly presented the financial results.

Table 17 lists the sectors where the highest incidences on non-compliance were identified. Table 18 summarises the findings on non-compliance that were identified at departments, while table 19 indicates the non-compliance findings at public entities for the 2009-10 financial year.

Table 17: Departmental analysis of findings on compliance with laws and regulations

| Name of department | Prohibited action/non-adherence | | | | Number of departments within findings | % of departments | 2008-09 PFMA findings |
|--|---------------------------------|------------------|----------------|----------------------------------|---------------------------------------|------------------|-----------------------|
| | Responsibilities | Audit Committees | Internal Audit | Payments not made within 30 days | | | |
| Agriculture | 2 | 2 | 3 | 6 | 9 | 100% | 7 |
| Cooperative Governance and Tradition Affairs | 2 | 2 | 2 | 4 | 9 | 100% | 5 |
| Economic Development | 2 | 2 | 3 | 5 | 9 | 100% | 3 |
| Education | 5 | 1 | 1 | 7 | 9 | 100% | 7 |
| Health | 6 | 1 | 3 | 5 | 9 | 100% | 8 |
| Human Settlements | 1 | 1 | 1 | 5 | 9 | 100% | 3 |
| Provincial Legislature | 2 | 2 | 2 | 3 | 5 | 56% | 0 |
| Provincial Treasury | 2 | 1 | 2 | 2 | 6 | 67% | 5 |
| Public Works | 1 | 0 | 0 | 5 | 6 | 67% | 6 |
| Roads and Transport | 2 | 2 | 2 | 3 | 4 | 44% | 5 |
| Safety and Liason | 1 | 1 | 1 | 1 | 2 | 22% | 7 |
| Social Development | 1 | 1 | 1 | 2 | 3 | 33% | 7 |
| Sport, Arts and Culture | 1 | 3 | 3 | 2 | 4 | 44% | 6 |
| Other | 9 | 10 | 11 | 17 | 17 | | 16 |
| Total | 37 | 29 | 35 | 67 | 101 | | 85 |
| % of feaprtments audited | 30% | 24% | 28% | 54% | 81% | 54% | 67% |



Table 18: Provincial analysis of findings on compliance with laws and regulations – departments

| Province | Responsibilities | | Audit committee | | Internal Audit | | Payments not made within 30 days | | HR Management | | SCM issues that resulted in irregular expenditure | |
|---------------|------------------|------------|-----------------|------------|----------------|------------|----------------------------------|------------|---------------|------------|---|------------|
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Eastern Cape | 3 | 21% | 13 | 93% | 13 | 93% | 13 | 93% | 5 | 36% | 13 | 93% |
| Free State | 3 | 23% | 3 | 23% | 5 | 38% | 9 | 69% | 5 | 38% | 11 | 85% |
| Gauteng | 2 | 13% | | | | | 12 | 80% | 1 | 7% | 5 | 33% |
| KwaZulu-Natal | 3 | 19% | | | 1 | 6% | 5 | 31% | 3 | 19% | 9 | 56% |
| Limpopo | 9 | 69% | | | 1 | 8% | 3 | 23% | | | 4 | 31% |
| Mpumalanga | 3 | 23% | | | | | 6 | 46% | 2 | 15% | 1 | 8% |
| Northern Cape | 12 | 92% | 13 | 100% | 13 | 100% | 11 | 85% | 11 | 85% | 11 | 85% |
| North West | | | | | 2 | 15% | 8 | 62% | 4 | 31% | 11 | 85% |
| Western Cape | 2 | 15% | | | | | | | | | | |
| Total | 37 | 30% | 29 | 24% | 35 | 28% | 67 | 54% | 31 | 25% | 65 | 53% |

A higher number of the departments (101 out of 123 (82%)) than the previous year had findings on compliance with laws and regulations, which represents an increase of 19% during 2009-10. All the Eastern Cape, Northern Cape and North West departments had findings on compliance with laws and regulations.

Table 19: Provincial analysis of findings on compliance with laws and regulations – public entities

| Province | Audit committee | | Internal audit | | Payments not made within 30 days | | Procurement (SCM) | | Entity specific legislation | | SCM issues that resulted in irregular expenditure | |
|---------------|-----------------|------|----------------|------|----------------------------------|-----|-------------------|-----|-----------------------------|-----|---|-----|
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Eastern Cape | 2 | 17% | 2 | 17% | 3 | 25% | | | | | 7 | 58% |
| Free State | 1 | 7% | 5 | 36% | 3 | 21% | 3 | 21% | 2 | 14% | 3 | 21% |
| Gauteng | | | | | 5 | 19% | | | | | 9 | 35% |
| KwaZulu-Natal | 4 | 22% | 3 | 17% | | | 5 | 28% | 4 | 22% | 5 | 28% |
| Limpopo | | | | | 1 | 25% | | | 1 | 25% | 2 | 50% |
| Mpumalanga | | | 1 | 17% | 2 | 33% | | | | | | |
| Northern Cape | 4 | 100% | 4 | 100% | 1 | 25% | 3 | 75% | 1 | 25% | | |
| North West | 3 | 25% | 3 | 25% | 2 | 17% | 4 | 33% | 1 | 8% | 4 | 33% |



| Province | Audit committee | | Internal audit | | Payments not made within 30 days | | Procurement (SCM) | | Entity specific legislation | | SCM issues that resulted in irregular expenditure | |
|--------------|-----------------|------------|----------------|------------|----------------------------------|------------|-------------------|------------|-----------------------------|-----------|---|------------|
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Western Cape | | | | | | | | | | | | |
| Total | 14 | 13% | 18 | 17% | 17 | 16% | 15 | 14% | 9 | 8% | 30 | 28% |

The following are the most prevalent areas of non-compliance by departments and public entities during the year under review:

- Audit committees and internal audit units not fulfilling their responsibilities as prescribed by the PFMA and Treasury Regulations, which included the following areas:
 - Audit committees' composition was not compliant.
 - Audit committees not operating according to the approved terms of reference.
 - No audit committee-approved internal audit coverage plans.
 - Internal audit units not in operation throughout the year.
- Payments not made to suppliers or creditors within 30 days of receipt of invoices for goods delivered or services rendered.
- Accounting officers or authorities not executing specific duties imposed on them by legislation, including, but not limited to, the maintenance of internal control and the prevention of unauthorised, irregular as well as fruitless and wasteful expenditure.
- SCM, which included SCM officials not being employed by the entity or recognising and disclosing their conflicts of interest (refer to section 5.2 for further detail).
- HR management legislation requirements, which included matters such as not having updated and approved HR plans for the medium-term expenditure framework period, no approved organisational structure, and senior management service (SMS) performance agreements not signed for the 2009-10 financial year by the required date (refer to section 5.1 for further detail).
- Irregular expenditure relating to SCM management issues amounting to R7,2 billion and R695 million was incurred by 65 departments and 28 public entities, respectively.

3.4 Information system matters

Computer general controls are those controls relating to the IT infrastructure and that are imbedded in information system management processes. The objective of audits of general controls is the evaluation of the effectiveness of IT controls to ensure that:

- financial and sensitive computer systems are only accessed by authorised officials
- systems are developed, enhanced, configured and implemented so that they are effective, functional and secure
- critical information is recoverable and usable in the event of disasters and disruptions
- financial information processes as stored in the computer systems are reliable for financial reporting purposes.



Departments rely heavily on computerised information systems (e.g. BAS, Persal and Logis) to perform their statutory financial management, reporting and administrative functions. These transversal systems are centrally supported by the National Treasury. SITA provides important computer networking infrastructure, data storage and retrieval services in this regard; however, there are certain controls that are mainly the responsibility of the departments, namely user access management, security management and IT service continuity.

IT management was evaluated at 112 departments and 38 public entities. The following table indicates the number of common focus area findings raised during those audits:

Table 20: Audit findings raised on common IT focus areas

| General control | Provincial | | | |
|---|-------------|-----|-----------------|-----|
| | Departments | | Public entities | |
| | No | % | No | % |
| Lack of IT governance framework to direct the positioning of IT, resource requirements, risk and internal control management | 98 | 88% | 24 | 63% |
| Inadequate security management controls to prevent unauthorised access to the operating systems (e.g. Windows, Linux, etc.) that grant access to the application systems | 93 | 83% | 23 | 61% |
| Inadequate user access controls to detect and prevent unauthorised access, capturing and approval of transactions on the application systems that are used to prepare the financial statements (BAS, PERSAL, LOGIS) | 106 | 86% | 25 | 66% |
| Lack of business continuity and disaster recovery plans that would ensure the availability of financial and performance information in instances of data loss or disaster | 100 | 89% | 23 | 61% |

Internal control deficiencies to be addressed include the following:

- CFOs have to develop, monitor and enforce user access controls, such as user creation procedures and periodic reviews of the activities of system controllers and users on the applications that generate the financial statements.
- Government information technology officers (GITOs), in consultation with SITA, and chief information officers (CIOs) have to clearly define security roles and responsibilities and implement network and operating system security controls that would detect and prevent unauthorised access to the application systems that generate financial information.
- Departments should have business continuity plans that would enable SITA, GITOs and CIOs to develop disaster recovery plans that are aligned to business requirements.

Accounting officers have to be involved in the oversight of IT governance processes and capacitate IT departments with resources that will ensure the adequate implementation of an IT plan.

3.5 Investigations and performance audits conducted

3.5.1 Investigations

The investigations in table 21 were either in progress or had been completed at the time of finalising the auditor's reports on the individual auditees.



Some of these investigations were not necessarily performed by the AGSA but were assessed as material for purposes of inclusion in the auditor's report. These investigations are indicators of risks that internal controls are either not functioning or are overridden. It is important that those charged with governance pay attention to addressing the internal control deficiencies that are indicated by the results of the investigations.

Table 21: Provincial analysis of investigations completed and in progress

| Province | Nature of investigation | | | | Total |
|---------------|-------------------------|-----------|----------------------|-----------|------------|
| | SCM issues | Fraud | Financial misconduct | Other | |
| Eastern Cape | 5 | 3 | 5 | 4 | 17 |
| Free State | 11 | | 1 | 6 | 18 |
| Gauteng | 8 | 5 | 6 | 6 | 25 |
| KwaZulu-Natal | 13 | 11 | 7 | 9 | 40 |
| Limpopo | 3 | 2 | | 3 | 8 |
| Mpumalanga | 2 | 6 | 1 | 8 | 17 |
| Northern Cape | 4 | 1 | | | 5 |
| North West | 3 | | 3 | 1 | 7 |
| Western Cape | 4 | 4 | 6 | 24 | 38 |
| Total | 53 | 32 | 29 | 61 | 175 |

3.5.2 Performance audits and special audits in progress

Table 22 below depicts the performance and special audits that were conducted during the 2009-10 financial year. These audits were in the reporting phase at the time of this report and the findings will be reported in separate reports.

Table 22: Performance and special audits

| Province | Department | Scope of audit |
|---------------|---------------------|---|
| Eastern Cape | Agriculture | Use of consultants |
| | Roads and Transport | Use of consultants |
| Limpopo | Health | Ambulances and vehicles allegedly missing |
| Northern Cape | Health | Use of consultants |

SECTION 4: DRIVERS OF AUDIT OUTCOMES

This section of the report deals with the following matters that are pertinent to current year and future audit outcomes:

Section 4.1 gives an overview of the drivers of audit outcomes, including an outline of good practices that constitute key controls and how departments and public entities measured up against these good practices.

Section 4.2 summarises action taken or to be taken to address matters previously reported and progress on undertakings given by the oversight bodies to address matters reported.

Section 4.3 outlines initiatives taken by the AGSA to encourage clean administration.

4.1 Analysis of drivers of audit outcomes

The drivers of audit outcomes are analysed under the three fundamentals of internal controls, which are (i) leadership, (ii) financial and performance management and (iii) governance.

The reported internal control deficiencies can be directly linked to the basis for the qualified, adverse or disclaimer of opinions on the financial statements, the findings on predetermined objectives and compliance with applicable laws and regulations as well as material misstatements corrected during the audit process. Departments and public entities that showed improvements in the audit outcomes can attribute these improvements to the implementation and effective monitoring of the three fundamentals of internal controls.

Refer to annexure 2 for a detailed list of drivers of audit outcomes as described below per fundamental of internal control category.

An outline of drivers of audit outcomes is presented below the analysis of the presence or absence of the key controls.

Table 23: Drivers of audit outcomes – Leadership

| Driver no. 1: Leadership | | Auditees who have improved/maintained previous good practices | | Auditees where improvements are required | |
|--------------------------|---|---|-----------------|--|-----------------|
| | | Departments | Public entities | Departments | Public entities |
| 1 | Commitments by those charged with governance at departments and entities to improve on the audit outcomes by creating an environment conducive to sound financial management and improved service delivery: | | | | |
| | • Financial statements | 38 | 48 | 85 | 58 |
| | • Predetermined objectives | 42 | 36 | 81 | 70 |



| Driver no. 1: Leadership | | Auditees who have improved/maintained previous good practices | | Auditees where improvements are required | |
|--------------------------|---|---|-----------------|--|-----------------|
| | | Departments | Public entities | Departments | Public entities |
| 2 | Establish an effective organisational structure that places people with appropriate skills in appropriate positions, especially in SCM, to ensure compliance with applicable laws and regulations | 33 | 68 | 77 | 26 |
| 3 | Review and monitor action plans to address all significant internal control deficiencies | 38 | 57 | 85 | 49 |
| 4 | Ensure that all vacancies in finance and other significant components are filled within a reasonable time period | 43 | 63 | 80 | 14 |
| 5 | Leadership's implementation of action plans to address user access control deficiencies (information systems) | 13 | 60 | 110 | 42 |

Table 24: Drivers of audit outcomes – Financial and performance management

| Driver no. 2: Financial and performance management | | Auditees that have improved/maintained previous good practices | | Auditees where improvements are required | |
|--|---|--|-----------------|--|-----------------|
| | | Departments | Public entities | Departments | Public entities |
| 1 | Proper record keeping and record management ensuring that supporting documents are properly filed and easily retrievable: | | | | |
| | • Financial statements | 57 | 60 | 66 | 48 |
| | • Predetermined objectives | 33 | 44 | 90 | 46 |
| 2 | Ensuring that the asset register reflects the assets owned and that this is agreed to the financial records and financial statements as well as reconciling and clearing suspense accounts on a monthly basis | 57 | 75 | 66 | 33 |
| 3 | Producing accurate financial statements and performance information and continuously monitoring the quality thereof as well as ensuring that performance information is supported by relevant and reliable information: | | | | |
| | • Financial statements | 38 | 40 | 85 | 68 |
| | • Predetermined objectives | 33 | 41 | 90 | 67 |
| 4 | Application systems susceptible to compromised data integrity (information systems): | | | | |
| | • User access control | 4 | 60 | 119 | 44 |
| | • Security management | 13 | 62 | 110 | 42 |
| | • Business continuity | 8 | 57 | 115 | 47 |

Table 25: Drivers of audit outcomes – Governance

| Driver no. 3: Governance | | Auditees that have improved/maintained previous good practices | | Auditees where improvements are required | |
|--------------------------|--|--|-----------------|--|-----------------|
| | | Departments | Public entities | Departments | Public entities |
| 1 | Greater involvement by internal audit and audit committee in monitoring processes: | | | | |
| | • Financial statements | 38 | 60 | 85 | 48 |
| | • Predetermined objectives | 28 | 33 | 95 | 75 |

| Driver no. 3: Governance | | Auditees that have improved/maintained previous good practices | | Auditees where improvements are required | |
|--------------------------|--|--|-----------------|--|-----------------|
| | | Departments | Public entities | Departments | Public entities |
| 2 | Maintaining effective risk management strategies, including fraud prevention plans | 60 | 54 | 63 | 28 |
| 3 | An IT governance framework that directs the positioning of IT, resource requirements, risk and internal control management | 8 | 62 | 115 | 46 |

Below is an outline of good practices that constitute key controls and how departments and public entities measured up against these good practices during the year under review.

4.1.1 Leadership

Effective oversight should be exercised at all levels of those charged with governance and management by:

- providing effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity exercising oversight responsibility regarding financial and performance reporting and compliance with applicable laws and regulations and the related internal controls implementing effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored establishing and communicating policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

The need for competent and skilled staff to support the CFO was not identified at all departments as a priority to improve on the prior year’s audit outcomes and to produce regular and quality financial information. The appointment of competent and skilled staff, together with training interventions, has led to improved audit processes at some departments and entities.

Future improvement in audit outcomes will depend on the stability at CFO level and continued direction provided by the executive authority and accounting officer or authority.

4.1.2 Financial and performance management

The basic controls needed to improve financial and performance management include the following:

- Regular preparation of complete and accurate financial and performance reports that are supported by reliable information.
Review and monitoring of compliance with laws and regulations as well as financial and performance reporting by those charged with governance and management.
Implementing proper record keeping to ensure that complete, relevant and accurate information is accessible and available in a timely manner to support financial and performance reporting.
Implementing controls over daily and monthly processing and reconciling of transactions.
Designing and implementing formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.



Pertinent information was not identified and captured in a form and time frame to support effective financial and performance reporting, which would reduce instances of material amendments resulting from the audit.

The management of very few departments and public entities reviewed financial statements and other information for completeness and accuracy prior to submission for audit purposes.

Adherence to basic financial controls throughout the financial year, i.e. the daily processing of transactions, the monthly reconciliation of accounts and the continuous review thereof, still needs to be actively monitored by management in order to improve audit outcomes.

Some departments and public entities were not able to supply documentation that supported the information in the financial statements or the report on predetermined objectives.

Some departments and public entities did not have adequate systems to facilitate the preparation of financial statements and performance reports. Furthermore, manual or automated controls were not always adequately designed to ensure that the transactions did occur, were authorised and were completely and accurately processed to ensure compliance with all applicable laws and regulations.

4.1.3 Governance

Good governance practices include the following:

- Implementing appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a strategy to address the risks is developed and monitored.
Ensuring that there is an adequately resourced and effectively functioning internal audit unit that identifies internal control deficiencies and recommends corrective action.
Ensuring that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

The awareness created by the prior year's auditor's reports and management reports had a positive impact on the realisation of those charged with governance and management regarding the requirement for effective risk assessments.

In most departments and entities audit committees should play a more active role in monitoring corrective measures on previous modifications to auditor's reports throughout the financial year.

4.2 Action taken or to be taken to address matters reported

Commitments and initiatives in response to the 2008-09 audit outcomes

In many provinces those charged with oversight and governance became more active in fulfilling their monitoring roles and responsibilities, by following up on areas of concern identified by the AGSA and initiating action to address them.

Some MECs participated in the public hearings of the provincial public accounts committees (PPACs) of their departments, during which they pledged support to resolve negative audit findings. MECs also undertook to follow up the commitments made by their management members to remove qualified opinions and the other matters raised in auditor's reports.

Generally, MECs who attended AGSA briefings on the 2008-09 audit outcomes accepted responsibility for their audit opinions and committed to:

- improve any negative audit opinions
- facilitate discussions with departments on repetitive audit findings
- monitor the implementation of action plans to eliminate qualified audit opinions
- oversee the process of filling key vacant positions with suitably skilled persons
- establish teams to address qualifying matters regarding capital assets.

Not all MECs and premiers monitored the implementation of action plans and key controls during the year under review, resulting in a lack of improvement in the overall audit outcomes in some provinces. HoDs and senior officials did not all report to their executive leadership on the progress made on the implementation of action plans.

In some provinces effective communication was evident between the CFO, the HoD and the MEC. The MEC supported the HoDs and CFOs in their commitment to instil discipline in the department, which is required to improve on the audit outcome.

The lack of monitoring of action plans by management, internal audit and the leadership, together with inadequate identification of risks relating to the achievement of financial and performance reporting objectives, has resulted in matters previously reported not being addressed by departments and public entities in the 2009-10 financial year. A number of departments and public entities did not implement adequate action plans to address the prior year's audit findings.

Undertakings given by oversight bodies to address matters previously reported and the extent to which such undertakings were honoured varied among the provinces. Examples of successful interventions and instances where undertakings given were not honoured are given below.

Examples of successful interventions included the following:

The collective leadership under the direction of the provincial cabinet, in conjunction with the provincial treasury, committing to monitoring action plans drawn up by departments, giving technical support, compiling manuals

on financial functions and providing training, as well as regular reporting to the MEC for Finance on financial management in departments.

Examples of undertakings given but not followed through included the following:

Following the presentation by the AGSA on the 2008-09 audits outcomes in each province, the provincial leadership committed to a drive for positive change within departments that received disclaimed, adverse or qualified audit opinions. This included them ensuring that adequate and credible action plans will be designed, implemented and monitored to address all significant findings.

Further specific undertakings that were not executed included the following:

- Addressing the lack of discipline within departments where evident, as well as the issue regarding the unavailability of senior officials during the audits.
- Reconsidering the structure of the shared internal audit units and audit committees to effectively service the large departments.
- CFOs preparing regular financial statements.

Key commitments made by the provincial leadership during the 2009-10 briefings on audit outcomes

Commitments and undertakings given by the provincial leadership at the AGSA's October/November 2010 provincial roadshows included the following:

Leadership

- Enhance accountability and strengthen proactive oversight through a revision of the oversight functions and processes within the legislature.
- Drafting turnaround strategies for key departments and the formal monitoring of action against these plans. This commitment will be included as a standing point on the provincial cabinet agenda.
- SCOPA will enhance its effectiveness by requesting departments to submit action plans for addressing audit findings and scheduling 'in-year hearings' where departments will be required to report on the status of their action plans.
- SCOPA resolutions, action plans and key controls will be monitored and aligned.
- Interactions around audit outcomes will be extended to the various portfolio committees which will be apprised of the key controls to sustain and improve audit outcomes.
- The political leadership will ensure that monthly meetings are held to review the key control matrix and to simplify the process for better understanding by the executive authorities in order to fulfil their political oversight.
- MECs will monitor progress with the development and implementation of action plans each quarter.
- CFOs and HoDs will be required to report on the progress of implementation of key controls to the MECs.
- The provincial cabinet will monitor the financial management implementation plan and the key issues identified by the provincial treasury's red flag team. This includes the key risks that will be reported in the dashboard report, while actions to mitigate those risks will be monitored by the cabinet on a monthly basis.

- Addressing the findings on predetermined objectives will be an area of focus for the premier and MECs.
- MECs will oversee the SCM delegations and policies to prevent officials from committing government to contracts while not following the SCM process.
- Provincial treasuries will play a greater role in assisting departments and public entities in implementing and monitoring action plans to address audit findings.
- The IT risk areas will be a focal point and an IT modernisation process will be put in place to address weaknesses in the IT systems.
- Consultants will be engaged to develop organisational structures based on the available budget to reduce high vacancy rates.

Financial and performance management

- The filing of vacant HoD and CFO positions will be prioritised.
- Six-monthly interim financial statements will be prepared commencing September 2010. Quarterly financial statements will be prepared from December 2010 onwards.
- Quarterly reports on asset management will be produced.
- Intensive training on SCM processes will be rolled out to all departments and entities.

Governance

- The practice of shared internal audit services will be discontinued. This will allow for individualised capacity per institution.
- Internal audit will be directed to monitor SCM processes on a regular basis.
- Audit committee structures will be reviewed for effectiveness

Status of implementation of SCOPA resolutions

The commitment by departments and public entities to address audit outcomes can also be seen by their response to addressing SCOPA resolutions. The status of implementation of SCOPA resolutions in the provinces (where known) is reflected in the table below.

Table 26: Status of implementation of SCOPA oversight resolutions

| Province | Total number of resolutions | Number of resolutions resolved | Number of resolutions in progress | Number of resolutions not implemented |
|--------------------------------------|-----------------------------|--------------------------------|-----------------------------------|---------------------------------------|
| Free State | 99 | 83 | 16 | |
| KwaZulu-Natal | 68 | 44 | 24 | |
| Mpumalanga | 131 | 43 | 76 | 13 |
| Northern Cape | 165 | 69 | 65 | 31 |
| North West | 28 | 18 | 8 | 2 |
| Western Cape | 102 | 58 | 27 | 19 |
| Total known SCOPA resolutions | 593 | 315 | 216 | 65 |

Even though the resolutions have been significantly resolved, some departments and public entities are still qualified, which is an indication that the resolutions do not always address the root cause of the qualifications.



Furthermore, transversal resolutions requiring responses from many departments on the following matters were still in progress:

- Actions taken to clear audit findings relating to reporting on performance objectives
- Actions taken to address key governance responsibilities

Initiatives taken by provincial treasuries in improving financial management practices

Provincial treasuries have continued to play a central role in assisting departments and public entities to improve their audit outcomes through the initiatives that had been established in the previous year as well as the year under review. In some provinces these initiatives, which had a direct impact on the improvement in audit outcomes evidenced by clean administrations in some departments and public entities, included the following:

- Issuing guidance in the areas of SCM as well as accounting for and managing assets, including an audit working paper file to accompany the financial statements submitted for audit purposes.
- Encouraging the preparation of interim (six-monthly) financial statements for departments and public entities. Provincial treasuries will continue to review these statements with the assistance of internal audit in order to identify discrepancies before the final audit process at year-end.

Provincial treasuries continued rolling out the government governance framework, which seeks to establish processes based on strategic and operational risks and sound control principles.

Specific initiatives to improve financial management practices included the following:

- Compiling manuals on financial functions and the use of the financial systems and providing the necessary training.
- Reporting regularly to the MEC for Finance on financial management of departments and public entities, as part of Operation Red Flag.

Remedial action plans were developed for some provinces during March 2010 and most activities only started during April 2010, which consequently would not yet have had an impact on the 2009-10 financial year. These action plans included:

- Facilitating the training of SCM officials and asset management practitioners of departments, public entities and municipalities by the University of Pretoria.
- Issuing guidelines on supporting documents for the audit process for implementation.
- Developing an action plan and strategy to address non-compliance issues and monitoring remedial actions taken.
- Establishing provincial CFO forums where, amongst others, good practices and solutions to common problems experienced were discussed.
- Using the results of a financial management capability maturity model survey to determine the level of support to be offered to various departments. This exercise is intended to bring about support tailor-made to the needs of each department.
- Interacting with the AGSA during the PFMA audit cycle on audit matters that could potentially be of a transversal nature.



Through the above, platforms were created where best practices were shared and implementation was encouraged. The responsibility for implementation resides with each HoD or CFO. The latter initiatives did not bear the expected fruits as not all HoDs or CFOs implemented all the recommended best practices.

Matters that require attention to prevent an impact on audit outcomes in the coming year

The following matters require additional guidance or monitoring by the OAG to prevent a possible negative impact on the audit outcomes of 2010-11.

Accounting matters

All entities should take particular note of any changes to the applicable financial reporting framework and take timely action to put processes in place to ensure compliance with these. It is important that public entities prepare a risk analysis before the new standards become effective.

The following SA Standards of GRAP have been issued by the Accounting Standards Board (ASB), but are not yet effective:

- GRAP 21 *Impairment of Non-cash-generating Units*
- GRAP 23 *Revenue from Non-exchange Transactions*
- GRAP 24 *Presentation of Budget Information in Financial Statements*

In terms of GRAP 24, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts, either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with SA Standards of GRAP. The standard goes further in prescribing the nature and extent of this disclosure. As this disclosure will form part of the financial statements it will be subject to auditing.

- GRAP 25 *Employee Benefits*
- GRAP 26 *Impairment of Cash-generating Units*
- GRAP 103 *Heritage Assets*
- GRAP 104 *Financial Instruments*

Trading entities and schedule 2, 3B and 3D public entities should take note of the following amendments to the SA Standards of GAAP, resulting from the April 2009 annual improvements to the IFRS that may have an impact on the auditor's report in the coming year:

- IAS 1 *Presentation of Financial Statements*
- IAS 7 *Statement of Cash Flows*
- IAS 17 *Leases*
- IAS 36 *Impairment of Assets*
- IAS 39 *Financial Instruments: Recognition and Measurement*

Controls implemented by service organisations on behalf of departments and public entities

Departments and public entities should be alert to the fact that certain internal controls and financial transactions in one department or public entity might be influenced by the controls implemented at another entity where

that entity carries out certain transversal or specific functions on its behalf. Typical instances of this are the procurement processes related to IT by SITA in terms of the State Information Technology Act, 1998 (Act No. 88 of 1998), transversal contracts entered into by the National Treasury in terms of the Treasury Regulations, and the accommodation and maintenance contracts undertaken by the Property Management Trading Entity and the Department of Public Works.

Susceptibility and subjectivity of complex accounting estimates and fair values

Certain of the accounting standards require complex accounting estimates to be made. These typically concern the following:

- Calculations for investment property, properties in possession and investment in subsidiary in terms of the SA Statement of GAAP, International Accounting Standard 36 Impairment of Assets.
- Determining the provision amount for loans and advances in terms of the SA Statement of GAAP, International Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets.
- Assumptions in determining the fair values, residual values and useful lives of assets in terms of the SA Statement of GAAP, International Accounting Standard 16 Property, Plant and Equipment.

Auditees are cautioned that these matters should be supported by clear and available information to avoid qualifications in these areas.

Transfer of functions

One of the very first decisions that followed the inauguration of our current President was the creation of a new set of departments to deal with the day-to-day service delivery challenges. Certain of the premiers made similar changes.

This involved the splitting of existing departments and the creation of new departments. The transfer of all functions resulting in new separately accountable entities was due to become effective on 1 April 2010, unless specifically indicated otherwise. The affected departments should ensure that proper controls and reviews are put in place during the process of splitting, such as implementing a memorandum of agreement between the newly formed departments, which addresses matters such as asset management, accounting for costs and liabilities due to the transfer of functions, and compliance with laws and regulations (section 42 of the PFMA).

4.3 Initiatives taken by the AGSA to encourage clean administration

In support of an ultimate audit outcome of unqualified audit opinions with no reported findings on predetermined objectives or compliance with laws and regulations, the AGSA leadership has embarked on an intensified programme to enhance its visibility in order to improve the effectiveness of the audit process and to engage with all role players that can influence clean administration.

To this end, senior staff from the AGSA regularly visited the audit teams. Audit steering committee meetings were attended by senior members of the auditee and the AGSA, while meetings were held with those charged with governance, not only at the end of the audit cycle, but also during the planning and pre-finalisation stages of the

audit. The engagements focused on simple, clear and relevant information to facilitate an understanding of the audit process, secure buy-in and seek commitment from the auditees to improve identified weaknesses in internal control that will influence clean administration.

Specific matters that the AGSA introduced over the last two years that will have an impact on the success of achieving clean administration comprise the following:

- A clear and specific articulation of the root causes of audit qualifications and findings on predetermined objectives and compliance with laws and regulations so that these can be addressed effectively and timeously.
- Specific focus on HR management and SCM and key national initiatives for five of the major sectors, namely health, education, human settlements, social development and public works (refer to section 5.4 of this report).

SECTION 5: FINDINGS FROM SPECIFIC FOCUS AREAS OF THE AGSA

This section of the general report presents an analysis of findings from the following AGSA focus areas:

Section 5.1 presents an analysis of findings from the audit of HR management and compensation of employees at departments.

Section 5.2 analyses findings related to audits of SCM.

Section 5.3 analyses findings from transversal performance audits on infrastructure.

Section 5.4 summarises the results of audits of selected sectors.

5.1 Significant findings from audits of human resource management and compensation of employees (departments only)

Of the 123 departments audited, 111 departments (90%) did not have all the requirements in place for an effective HR management and compensation of employees system. These weaknesses had an impact on the departments' financial management as well as their ability to deliver services in accordance with their mandates.

Significant weaknesses were identified in the following key areas:

HR management

- No updated and approved HR plan
- No improvement in overall vacancy rate
- No improvement in senior management vacancy rate
- Non-compliance with recruitment time frames
- Verification checks not performed/not complete
- Acting by officials in higher posts
- Senior management performance agreements

Compensation of employees

- Inaccurate leave credits
- Negative capped leave
- Service terminations: overpayments made
- Service terminations: overpayments not recovered/reclassified
- Payroll reports not certified
- Certified payroll reports not returned within 10 days to finance department as required

The detailed findings on HR management and compensation of employees are presented below.

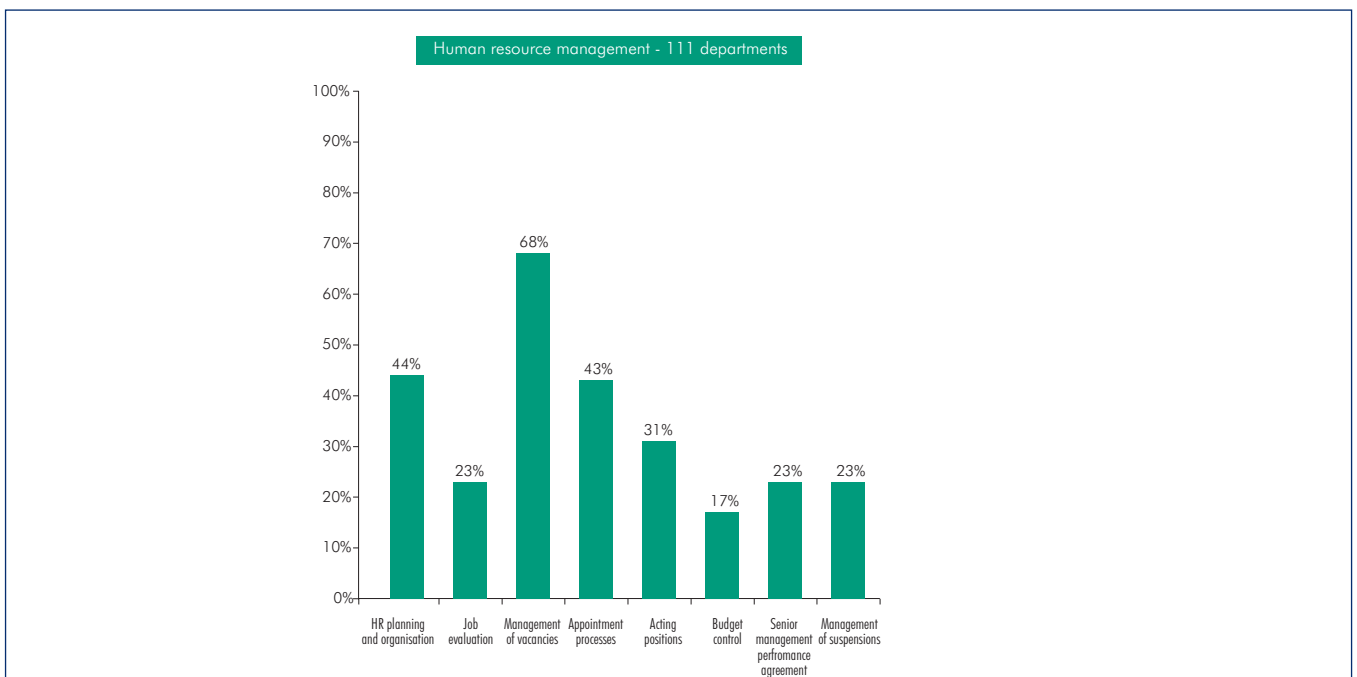


5.1.1 Human resource management

The highest incidences of non-compliance with HR-related legislation, directives or determinations disclosed by the audits were in KwaZulu-Natal (94% of departments in the province), the Eastern Cape (93% of departments in the province) and Gauteng (93% of departments in the province).

The figure below depicts the incidence of findings in the different areas of HR management audited.

Figure 38: Findings on human resource management



The specific regulatory requirements in respect of which findings were raised are summarised in the table below.

Table 27: Provincial analysis of significant findings from audits of human resource management

| Province | Findings from the audits of human resource management (Percentage of departments in the province) | | | | | | | | | |
|---------------|--|-----|-------------------------|-----|-----------------------|-----|-------------------------------------|-----|--|-----|
| | HR planning and organisation | | Management of vacancies | | Appointment processes | | Acting by officials in higher posts | | Senior management performance agreements | |
| | No. | % | No. | % | No. | % | No. | % | No. | % |
| Eastern Cape | 9 | 64% | 9 | 64% | 9 | 64% | 3 | 21% | 4 | 29% |
| Free State | 7 | 54% | 8 | 62% | 9 | 69% | 4 | 31% | 3 | 23% |
| Gauteng | 6 | 40% | 10 | 67% | 5 | 33% | 3 | 20% | 6 | 40% |
| KwaZulu-Natal | 5 | 31% | 11 | 69% | 4 | 25% | 4 | 25% | 2 | 13% |
| Limpopo | 4 | 31% | 11 | 85% | 3 | 23% | 3 | 23% | 1 | 8% |



| Province | Findings from the audits of human resource management (Percentage of departments in the province) | | | | | | | | | |
|---------------|--|------------|-------------------------|------------|-----------------------|------------|-------------------------------------|------------|--|------------|
| | HR planning and organisation | | Management of vacancies | | Appointment processes | | Acting by officials in higher posts | | Senior management performance agreements | |
| | No. | % | No. | % | No. | % | No. | % | No. | % |
| Mpumalanga | 3 | 23% | 10 | 77% | 4 | 31% | 4 | 31% | 2 | 15% |
| Northern Cape | 5 | 38% | 7 | 54% | 5 | 38% | 6 | 46% | 3 | 23% |
| North West | 8 | 62% | 5 | 38% | 5 | 38% | 5 | 38% | 5 | 38% |
| Western Cape | 2 | 15% | 5 | 38% | 4 | 31% | 2 | 15% | 0 | 0% |
| Total | 49 | 40% | 76 | 62% | 48 | 39% | 34 | 28% | 26 | 21% |

HR planning and organisation

HR planning is required in terms of PSR 1/III/B2(d) and PSR 1/III/D to ensure that departments obtain the correct number of skilled and experienced staff required to meet their strategic objectives.

Management of vacancies

HoDs are required to address any gaps between the numbers and competencies required to perform the department's functions and the existing staff by means of recruitment and retention strategies.

Appointment processes

Recruitment and selection processes should ensure that candidates with the appropriate qualifications and experience to meet the requirements of the specific post are appointed.

Acting by officials in higher posts

Departments have the option to temporarily direct an employee to act in a higher vacant position for which the employee is then paid an acting allowance. PSR 1/VII/B5.3, however, restricts the acting period to 12 months to ensure that the permanent appointment of a suitably qualified and experienced person is not delayed.

The DPSA's determination on acting allowances for the SMS further restricts the period for acting in an SMS position to six months, unless prior approval is obtained from the minister or MEC.

Performance agreements with senior managers

In terms of PSR 4/III/B1 and chapter 4 of the SMS handbook, senior management should enter into performance agreements.

5.1.2 Compensation of employees

In general, compensation of employees is not an area of high risk, as remuneration and conditions of service are determined and managed centrally by the DPSA. Furthermore, compensation is implemented and controlled by the National Treasury via PERSAL, which is used by all departments.

However, it is of concern that the weaknesses identified were in respect of those controls prescribed by legislation for implementation by the departments themselves. The figure below indicates the number of departments where weaknesses were identified in control over compensation of employees.



Ninety-four departments (76%) did not comply with all the requirements for control over compensation of employees prescribed by legislation. These weaknesses could result in employees receiving compensation and benefits they are not entitled to.

The specific regulatory requirements in respect of which findings were raised are summarised in the table that follows.

Figure 39: Weaknesses in control over compensation of employees

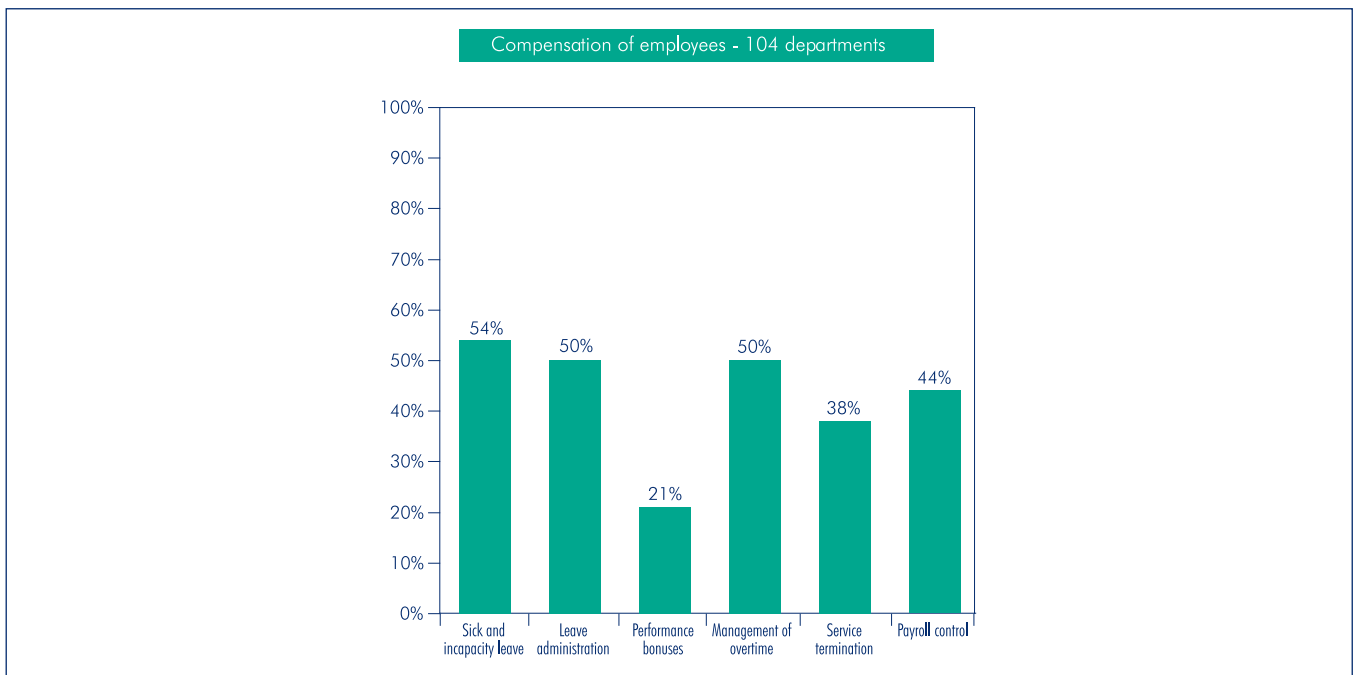


Table 28: Provincial analysis of most significant findings from audits of compensation of employees

| Province | Findings from audits of compensation of employees | | | | | | | | | | | |
|---------------|---|------------|----------------------|------------|---------------------|------------|------------------------|------------|----------------------|------------|-----------------|------------|
| | (Percentage of departments in the province) | | | | | | | | | | | |
| | Sick and incapacity leave | | Leave administration | | Performance bonuses | | Management of overtime | | Service terminations | | Payroll control | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Eastern Cape | 9 | 64% | 10 | 71% | 6 | 43% | 9 | 64% | 8 | 57% | 10 | 71% |
| Free State | 8 | 62% | 7 | 54% | 3 | 23% | 9 | 69% | 7 | 54% | 7 | 54% |
| Gauteng | 6 | 40% | 6 | 40% | 6 | 40% | 6 | 40% | 6 | 40% | 5 | 33% |
| KwaZulu-Natal | 6 | 38% | 3 | 19% | 0 | 0% | 4 | 25% | 3 | 19% | 5 | 31% |
| Limpopo | 6 | 46% | 6 | 46% | 0 | 0% | 4 | 31% | 5 | 38% | 3 | 23% |
| Mpumalanga | 4 | 31% | 4 | 31% | 2 | 15% | 4 | 31% | 3 | 23% | 3 | 23% |
| Northern Cape | 2 | 15% | 5 | 38% | 3 | 23% | 6 | 46% | 1 | 8% | 3 | 23% |
| North West | 8 | 62% | 7 | 54% | 2 | 15% | 7 | 54% | 5 | 38% | 5 | 38% |
| Western Cape | 7 | 54% | 4 | 31% | 0 | 0% | 3 | 23% | 1 | 8% | 5 | 38% |
| Total | 56 | 46% | 52 | 42% | 22 | 18% | 52 | 42% | 39 | 32% | 46 | 37% |



Leave administration

Inaccurate leave credits

In terms of PSR 1/V/F(b), the HoD should record all leave taken by an employee accurately and in full.

Negative capped leave

In terms of the leave determination, an employee may not be granted annual leave with full pay in excess of the annual leave that the employee is entitled to, plus capped leave in respect of persons who had been in service prior to 1 July 2000. If, due to a bona fide error, an employee had been granted annual leave with full pay in excess of the days to his/her credit at that time, such excess should be deducted from the subsequent leave cycle.

Service terminations

In terms of section 38 of the PSA, overpayments should be recovered from an employee by way of a deduction from moneys owing to him/her, except if the amount is written off.

Payroll control

In terms of Treasury Regulation 8.3.4, the person in charge of a pay point should certify that all persons listed on the payroll report are entitled to payment. Treasury Regulation 8.3.5 requires that the payroll report should be returned to the CFO within 10 days of being certified, and that the accounting officer should ensure that all pay-point certificates are received on a monthly basis.

Conclusion on human resource management and compensation of employees

The leadership in government must address deficiencies in HR management and compensation of employees. Directives, regulations and rules are in place but are still not adhered to. The management of vacancies needs to be addressed, as vacant leadership positions also lead to a breakdown of controls within all areas of the departments. These weaknesses impact on departments' leadership oversight and financial management, which in turn impacts on their ability to deliver services in accordance with their mandate.

5.2 Significant findings from audits of supply chain management

The regularity audits included an assessment of the procurement processes and contract management of the auditees as well as the related controls to ensure a fair, equitable, transparent, competitive and cost-effective SCM system that prevents and detects fraud, non-performance by suppliers, and non-compliance with SCM legislation.

The detailed findings of the audits are presented below under the following headings:

- Officials' interest in suppliers
- Irregular expenditure resulting from non-compliance with SCM legislation
- Contract management amendments, extensions or renewals without approval or that resulted in circumvention of competitive bidding
- Summary of key weaknesses identified in SCM controls



5.2.1 Officials' interest in suppliers

Background, objectives and scope of audits

Performance audit reports on entities that are connected with government employees and doing business with provincial departments were issued during the course of the 2009-10 year. These reports disclosed that employees and spouses of employees in the provinces were doing business with their own departments through companies and close corporations in which they were directors or members.

Legislation does not prohibit such practices, but there is legislation that endeavours to ensure that conflicts of interest do not result in the unfair awarding of contracts or acceptance of unfavourable price quotations, and requires employees to obtain approval for performing remunerative work outside their employment. The reports also disclosed non-compliance with this legislation and a number of other irregularities in the SCM process at departments.

The AGSA's 2009-10 regularity audits included a similar assessment of the interests of employees and their close family members in entities that are suppliers to the auditee. Where interests in suppliers were identified, a sample was tested to determine whether legislation applicable to departments, trading entities, constitutional institutions and schedule 3A and 3C public entities was complied with.

Key findings on officials' interest in contracts

The table below presents the findings at departments and public entities in provinces where employees or their close family members were found to have an interest in suppliers.

Table 29: Provincial analysis of officials' interest in suppliers

| Province | Findings from audits of procurement and contract management – interest in suppliers | | | | | | |
|---------------|---|-----------------------------------|---------------------------------------|--|---|--|--|
| | Employees of department/public entity | Close family members of employees | Supplier did not declare the interest | Person with interest was involved in awarding contract to supplier | Person with interest did not declare interest | Employee did not have approval for performing other remunerative work (departments only) | Interest was not included in annual declarations (senior managers at departments only) |
| Eastern Cape | 6 | 2 | 5 | 0 | 1 | 3 | 5 |
| Free State | 6 | 0 | 2 | 1 | 2 | 2 | 3 |
| Gauteng | 2 | 0 | 1 | 0 | 1 | 1 | 0 |
| KwaZulu-Natal | 6 | 6 | 2 | 0 | 2 | 2 | 0 |
| Limpopo | 5 | 0 | 4 | 1 | 2 | 3 | 0 |
| Mpumalanga | 4 | 0 | 4 | 0 | 1 | 3 | 0 |
| Northern Cape | 2 | 0 | 2 | 1 | 1 | 0 | 0 |
| North West | 9 | 0 | 6 | 2 | 9 | 7 | 3 |
| Western Cape | 4 | 0 | 1 | 0 | 1 | 2 | 1 |
| Total | 44 | 8 | 27 | 5 | 20 | 23 | 12 |



The Departments of Education and Health accounted for 32% of the non-compliance with, or deviation from, SCM prescripts.

5.2.2 Irregular expenditure resulting from non-compliance with SCM legislation

The table below indicates the significant incidence of irregular expenditure at departments and public entities as a result of non-compliance with SCM legislation.

Table 30: Provincial analysis of irregular expenditure – significant findings

| Province | Findings from the audit of procurement and contract management (% - percentage of departments in the province) | | | | | | | | | | | | | | |
|---|---|----------------|------------|--|------------------|------------|---|------------------|------------|--|----------------|------------|--|----------------|-----------|
| | Three price quotations not invited - reasons not recorded and approved | | | No competitive bidding - reasons not recorded and approved | | | Competitive bidding deviation not justified | | | Contract amendments/ extensions/renewals resulted in circumvention of competitive bids | | | Awards to suppliers that did not have highest points | | |
| | No. | Amount (R'000) | % | No. | Amount (R'000) | % | No. | Amount (R'000) | % | No. | Amount (R'000) | % | No. | Amount (R'000) | % |
| Departments (including legislatures) | | | | | | | | | | | | | | | |
| Eastern Cape | 9 | 161,974 | 64% | 5 | 637,700 | 36% | 4 | 57,000 | 29% | 3 | 10,553 | 21% | 0 | 0 | 0% |
| Free State | 9 | 17,998 | 62% | 3 | 26,479 | 23% | 4 | 111,584 | 31% | 0 | 0 | 0% | 0 | 0 | 0% |
| Gauteng | 2 | 19,497 | 13% | 2 | 502,430 | 13% | 5 | 669,839 | 33% | 2 | 251,083 | 20% | 2 | 42,825 | 13% |
| KwaZulu-Natal | 3 | 142,145 | 19% | 4 | 181,000 | 24% | 4 | 103,700 | 24% | 4 | 117,200 | 24% | 0 | 0 | 0% |
| Limpopo | 2 | 2,631 | 15% | 0 | 0 | 0% | 1 | 1,402 | 8% | 0 | 0 | 0% | 1 | 772 | 8% |
| Northern Cape | 2 | 6,852 | 15% | 1 | 57,900 | 8% | 2 | 478,800 | 15% | 2 | 43,800 | 15% | 1 | 4,781 | 8% |
| North West | 10 | 8,131 | 77% | 3 | 25,491 | 23% | 0 | 0 | 0% | 4 | 7,313 | 31% | 3 | 246,533 | 23% |
| Western Cape | 3 | 1,058 | 23% | 1 | 571 | 8% | 2 | 2,435 | 8% | 2 | 1,135 | 15% | 0 | 0 | 0% |
| Total | 41 | 360,675 | 33% | 21 | 1,431,572 | 17% | 22 | 1,424,760 | 18% | 17 | 431,085 | 14% | 7 | 294,912 | 6% |

An analysis of the findings is provided under the following headings:

- Three price quotations not invited
- No competitive bidding – reasons not recorded and approved
- Deviation from competitive bidding not justified
- Awarding of contracts to suppliers that did not have the highest scores of the bidders

A summary of key weaknesses in SCM controls identified by the audits is presented in section 5.2.4.

Three price quotations not invited

In terms of Practice Note (PN) 8 of 2007-08, accounting officers or authorities should invite and accept written price quotations for requirements up to an estimated value of R500 000 from as many suppliers as possible. If it is not possible to obtain at least three written price quotations, the reasons should be recorded and approved by the accounting officer or authority or his/her delegate.

The Eastern Cape accounted for 45% and KwaZulu-Natal for 39% of the total irregular expenditure recorded for departments where three price quotations were not invited and the reasons were not recorded and/or approved.



A significant number of instances where three price quotations were not invited and the reasons were not recorded and/or approved were identified at public entities in the following provinces:

- Eastern Cape (three entities) – R143,2 million (27% of the total incurred across all provinces)
- Gauteng (one entity) – R373,8 million (72% of the total incurred across all provinces)

No competitive bidding – reasons not recorded and approved

Treasury Regulation 16A6.4 states that if in a specific case it is impractical to invite competitive bids, the accounting officer or authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids are recorded and approved by the accounting officer or authority.

The Eastern Cape (45%), Gauteng (35%) and KwaZulu-Natal (13%) accounted for the major share of the irregular expenditure incurred at departments as a result of reasons not being recorded and approved when competitive bidding did not take place.

Gauteng incurred a further R99,1 million at two public entities through non-competitive bidding processes.

Deviation from competitive bidding not justified

PN 6 of 2007-08 states that the provision in Treasury Regulation 16A6.4 should be utilised strictly to procure goods and services of critical importance and only in specific cases where it is impractical to invite competitive bids and in cases of emergency where immediate action is necessary or if the goods and services required are produced by, or available from, sole service providers.

The PN further states that an effective SCM system requires an accounting officer or authority to ensure that the resources required to support the strategic and operational commitments of an institution are properly budgeted for and procured at the correct time. Planning for the procurement of such resources should take into account the period required for competitive bidding processes. A lack of proper planning does not constitute a reason for dispensing with prescribed bidding processes.

Accounting officers or authorities should also put in place their own control measures to deal with foreseeable cases of emergency that occur within their area of functionality. These measures may include the arrangement of strategic or specific-term contracts with suitable service providers with a view to ensuring that the required goods or services are available immediately in cases of emergency.

The majority of the irregular expenditure incurred at departments as a result of no justification for deviation from competitive bidding was in Gauteng (47%) and the Northern Cape (34%).

Awarding of contracts to suppliers that did not have the highest scores of the bidders

In terms of section 2(f) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPFA), the contract must be awarded to the tenderer who scores the highest points based on the price, functionality (if applicable) and preference points, unless objective criteria justify the awarding to another tenderer.

Significant occurrences were identified in the following provinces:

- Gauteng (two departments) – R42,8 million (15% of the total incurred across all provinces)
- North West (three departments) – R246,5 million (84% of the total incurred across all provinces)

5.2.3 Contract management amendments, extensions or renewals without approval or that resulted in circumvention of competitive bidding

In terms of Treasury Regulation 8.2.1, an official of an institution may not spend or commit public money except with the approval of the accounting officer or a properly delegated or authorised official.

In terms of sections 38(1)(a)(iii) and 51(a)(iii) of the PFMA, an SCM system should be fair, equitable, transparent, competitive and cost-effective. When a contract expires, it is expected that a competitive bidding process should be followed to appoint a supplier to provide goods and services.

Significant occurrences were identified in the following provinces:

- Gauteng (two departments) – R251,1 million (58% of the total incurred across all provinces)
- KwaZulu-Natal (four departments) – R117,2 million (27% of the total incurred across all provinces)

The table below presents the number of departments with significant findings in sectors across all provinces.

Table 31: Departments with high incidence of procurement or contract management findings

| Name of department | Findings from audits of procurement and contract management (high incidence) | | | | |
|--|--|--|--|---|---|
| | Interest in suppliers | Three price quotations not invited - reasons not recorded and approved | No competitive bidding - reasons not recorded and approved | Competitive bidding deviation not justified | Contract amendments/ extensions/ renewals resulted in circumvention of competitive bids |
| Agriculture | 4 | 3 | 2 | 2 | 4 |
| Community Safety | 1 | 3 | | | 1 |
| Cooperative Governance and Traditional Affairs | 1 | 2 | 3 | 1 | 1 |
| Economic Development | 1 | 3 | 4 | 1 | 1 |
| Education | 5 | 3 | 3 | 2 | 5 |
| Health | 7 | 8 | 4 | 4 | 7 |
| Human Settlements | | 2 | 1 | 5 | |

| Name of department | Findings from audits of procurement and contract management (high incidence) | | | | |
|-------------------------------------|--|--|--|---|---|
| | Interest in suppliers | Three price quotations not invited - reasons not recorded and approved | No competitive bidding - reasons not recorded and approved | Competitive bidding deviation not justified | Contract amendments/ extensions/ renewals resulted in circumvention of competitive bids |
| Office of the Premier | 4 | 2 | 1 | | 4 |
| Provincial Treasury | | 1 | | 1 | |
| Public Works | 3 | 4 | 3 | 1 | 3 |
| Social Development | 5 | 2 | 3 | 1 | 5 |
| Sport, Recreation, Arts and Culture | 2 | 2 | 1 | | 2 |
| Transport | 2 | 3 | | 1 | 2 |
| Total | 35 | 38 | 25 | 19 | 35 |

5.2.4 Summary of key weaknesses identified in SCM controls

The audit disclosed a number of weaknesses in controls related to procurement and SCM. Details of the precise Treasury Regulation requirements, with the provinces recording the most significant weaknesses, are provided below.

Summary of specific Treasury Regulation requirements not met by departments and public entities

Prohibited supplier database not always checked

In terms of Treasury Regulation 16A9.1(c), the National Treasury's database should be checked prior to awarding any contract to ensure that no recommended bidder or any of its directors are listed as companies or persons with whom the public sector is prohibited from doing business.

The most significant incidences were identified in Gauteng at four departments and public entities and in the Northern Cape at two departments and public entities.

SCM officials not adequately trained

In terms of Treasury Regulation 16A5.1, the officials implementing the institution's SCM system should be trained and deployed in accordance with the requirements of the framework for minimum training and deployment issued by the National Treasury.

The most significant incidences were identified in the Western Cape at five departments and public entities and in Gauteng at three departments and public entities.

National Treasury's code of conduct not adopted for SCM

In terms of Treasury Regulation 16A8.2, the National Treasury's code of conduct for SCM practitioners must be adhered to by all officials and other role players involved in SCM.

The most significant incidences were identified in Mpumalanga at five departments and public entities and in Gauteng at three departments and public entities.

Risk assessment did not address procurement and contract management risks

In terms of sections 38(1)(a) and 51(1)(a) of the PFMA, the accounting officer or authority should have and maintain effective, efficient and transparent systems of financial and risk management. Furthermore, Treasury Regulation 16A3.2(d)(v) requires an SCM system to provide for risk management.

At some departments and public entities the risks relating to procurement and contract management were not assessed, although risks were evident.

The most significant incidences were identified in Gauteng at five departments and public entities and in the Northern Cape and the Western Cape at four departments and public entities each.

Fraud prevention plan did not include specific measures for procurement

In terms of Treasury Regulations 3.2.1 and 27.2.1, a risk management strategy, which includes a fraud prevention plan, should be used to direct internal audit effort and priority as well as to determine the skills required of managers and staff to improve controls and to manage these risks. Furthermore, Treasury Regulation 16A9.1(a) requires the accounting officer or authority to take all reasonable steps to prevent abuse of the SCM system.

Even though procurement was a major fraud risk area, the fraud prevention plans of some departments and public entities did not include specific measures for preventing and detecting fraud in the procurement process.

The most significant incidences were identified in Gauteng at six departments and public entities and in the Western Cape at four departments and public entities.

No internal audit evaluation of SCM compliance

In terms of Treasury Regulations 3.2.11 and 27.2.10, the internal audit function should assist the accounting officer or authority in maintaining efficient and effective controls by evaluating controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the safeguarding of assets and compliance with laws and regulations.

At some departments and public entities where a high volume of goods and services were procured, the AGSA identified non-compliance and yet internal audit did not evaluate the controls, processes and compliance with laws and regulations with regard to SCM.

The most significant incidences were identified in the Northern Cape at seven departments and public entities and in the Western Cape at five departments and public entities.

Conclusion on procurement and contract management

Non-compliance with SCM legislation was largely responsible for the irregular expenditure incurred by both the departments and the public entities.

Due to the fact that the irregular expenditure was disclosed as required by the PFMA this did not, in most instances, result in the audit outcomes being modified. However, this does not detract from the severity of the transgressions in this regard. It is also important to note that 65% of the amounts disclosed were identified by the external auditors, indicating that the internal controls of departments and public entities failed to detect these deviations.

The accounting officers or authorities need to focus more on the implementation of controls to prevent irregular expenditure.

For employees or their close family members with an interest in suppliers, the applicable legislation was not always complied with. There was little improvement in respect of the findings of the AGSA's performance audit reports dated August 2008.

Non-compliance with SCM legislation in procurement processes was more prevalent at departments than at public entities due to stricter procurement regulations at departments.

Contract management weaknesses were more prevalent at departments than at public entities, especially regarding the extension, renewal and amendment of contracts and the adequacy of performance management. The internal control deficiency underlying the above findings and weaknesses is the inadequate implementation of internal controls which would prevent and detect non-compliance with SCM legislation.

5.3 Transversal performance audits - infrastructure audit

Background of infrastructure audit

The AGSA conducted performance audits of the infrastructure delivery process at the Departments of Health and Education as part of a transversal performance audit on infrastructure delivery at all the provinces, except the Northern Cape.

Scope of the infrastructure delivery process audited

- Demand management (needs determination, budgeting, planning)
- Acquisition management (tender process, appointment of contractors)
- Project management and information
- Commissioning and utilisation of buildings

Table 32: Summary of findings from transversal performance audits

| Deficiency identified | Province | | | | | | | | |
|--|--------------|------------|---------|----------------|---------|-------------|---------------|------------|--------------|
| | Eastern Cape | Free State | Gauteng | Kwa-Zulu Natal | Limpopo | Mpuma-langa | Northern Cape | North West | Western Cape |
| Demand management | | | | | | | | | |
| Needs are not correctly identified and prioritized | • | • | • | • | • | • | * | • | • |
| Budgeting is not always done accurately | • | • | • | • | • | • | • | • | • |
| Acquisition management | | | | | | | | | |
| Procurement legislation and regulations not consistently applied | • | • | • | • | • | • | * | • | • |
| Capability of the contractors to undertake projects not sufficiently verified | • | • | • | • | • | • | * | • | • |
| Project management | | | | | | | | | |
| Projects are not effectively monitored and corrective actions not instituted in time to | • | • | • | • | • | • | • | • | • |
| Quality of the construction work is unsatisfactory | • | • | • | • | • | • | • | • | • |
| Expenditure not effectively monitored and budgets are exceeded | • | • | • | • | • | • | • | • | • |
| Commissioning and utilisation | | | | | | | | | |
| Lack of effective coordination within and between departments which resulted in facilities not being fully operational | • | • | • | • | • | • | * | • | • |
| Incomplete and/or substandard work identified after commissioning and not corrected by the contractors | • | • | • | • | • | • | * | • | • |

* Limited progress with audit at year-end

Overview of key risks

- Risks are any undesirable events, factors or problems that have a negative impact on the achievement of the objectives of the public sector.
- Lost opportunities can also be regarded as risks. These included opportunities to improve operational performance and policy effectiveness. Risk analysis seeks to determine the probability of negative impacts and their effect.

Key risks and the infrastructure delivery process

- Various insufficient management processes (policy making, planning, organising, coordination and monitoring) were identified during the performance audits of the infrastructure delivery process.
- There is a need in the public sector for management to respond to key risks in a timelier manner.

Key risks – Demand management

- Needs for schools and hospitals were not always correctly identified and prioritised, as the process followed for needs determination was not always well understood and/or inadequate information was used for identifying the needs for facilities. For example, a sewerage treatment plant at a school was only rated to



treat the flow of 300 learners and not the 450 learners enrolled at the school in 2005. The plant has not been operational after the completion thereof in May 2006 as it cannot handle the number of users.

- Budgeting for infrastructure projects was not always done accurately taking all factors impacting on the projects into account. For example, the tender estimate for the construction of a youth centre was 33% below the contract amount. The estimate pricing was done excessively conservative and future cost increases and locality costs were not taken into account.

Key risks – Acquisition management

- The applicable legislation and regulations were not consistently applied by the bid evaluation and adjudication committees during the tender evaluation process. For example, contracts were awarded to contractors that did not qualify in terms of the prescribed legislation, such as the Construction Industry Development Board (CIDB) Act, 2000 (Act No. 38 of 2000).
- All the irregular expenditure due to deviations from the SCM process was not identified and reported by the auditees. For example, tenders for the appointment of contractors were not advertised in at least the Government Tender Bulletin, which contravened Treasury Regulation 16A6.3(c).
- The financial capability of contractors to undertake projects was not sufficiently verified during the bid evaluation process, which contributed to the appointment of contractors that could not complete the projects in time as they experienced financial difficulties. For example, the start of projects was delayed as surety could not be provided on time. Furthermore, contractors experienced financial difficulties during the projects as they did not have the funds available to meet their obligations and pay wages to workers on time.
- Multiple concurrent contracts were awarded to contractors without taking their capacity into account, which contributed to slow progress on projects. For example, the total value of concurrent contracts awarded to one contractor amounted to R305 million. One of the contracts with the contractor to the value of R61 million for the upgrading of a hospital was cancelled owing to, amongst other reasons, slow progress.

Key risks – Project management and information

- Projects were not effectively monitored by staff from the relevant departments and the implementing agents. Corrective actions were not instituted timeously against the contractors concerned. Delays were experienced in the completion of the projects and penalties were not always charged for the late completion of projects. For example, although the construction contracts provided for penalties for the late completion of projects, they were not enforced or sometimes waived and/or applied in an inconsistent manner, while proof could not be provided that steps had been taken against contractors to recover all losses.
- The quality of the construction work was unsatisfactory, additional costs were incurred to complete the projects, and the completion of facilities was delayed. For example, partially completed buildings had to be rebuilt by other contractors due to the poor quality of work done by the first contractor. Replacement contractors were not appointed in time to ensure that projects were completed.

Key risks – Commissioning and utilisation

- Service delivery was delayed due to late payments by departments, which contributed to the cash-flow problems of contractors. For example, late payments hampered contractors' cash flow and also resulted in interest of R801 526 being charged by one contractor for late payments. It is estimated that interest



amounting to R2,2 million in respect of late payments was claimed from the Department of Health during the 2008-09 financial year.

- There was a lack of effective coordination within and between departments, which resulted in facilities not being fully operational as they were not properly equipped and staffed to support effective service delivery. For example, as projects were not completed timeously, equipment was stored in unsecured areas and guarantees on equipment lapsed. Furthermore, staff were not trained in the use of some of the equipment, which resulted in the equipment not being utilised.

5.4 Significant audit findings relevant to sectors

Since the 2007-08 audit cycle, the regularity audits have included a specific assessment of service delivery aspects relevant to the health, education and human settlements sectors. The sectors of social development and public works were added and reported on in the AGSA's 2008-09 general report.

The object of this analysis is to provide a complete picture of the different selected sectors (health, education, human settlements, social development and public works) from a national perspective to concurrent provincial functions that are responsible for service delivery. This part of the report highlights the main areas of concern in service delivery and further provides an overall summary of the financial audit outcomes and findings arising from audits of predetermined objectives and compliance with laws and regulations.

The table below summarises the budget and total expenditure of the sectors (including the nine provincial and one national department) for the 2009-10 financial year compared to the total actual expenditure for the 2008-09 financial year. At provincial level the total budgets for the five sectors represent approximately 88% of the total budget for provincial departments.

Table 33: Budget and actual expenditure per sector

| Sector | Budget | Actual | Actual |
|--------------------|--------------------|--------------------|--------------------|
| | 2009-10 | 2009-10 | 2008-09 |
| | R'000 | R'000 | R'000 |
| Education | 146,810,772 | 147,707,960 | 127,254,008 |
| Health | 87,914,656 | 90,237,621 | 76,497,543 |
| Human settlements | 15,272,797 | 14,765,021 | 11,854,093 |
| Public works | 17,667,576 | 16,719,073 | 14,195,173 |
| Social development | 94,432,234 | 93,065,391 | 83,329,724 |
| Total | 362,098,035 | 362,495,066 | 313,130,541 |

Financial audit outcomes for the sectors

Table 34: Summary of financial audit outcomes

| Sector | Disclaimer | | Adverse | | Qualified | | Financially unqualified with findings | | Financially unqualified with no findings | |
|--------------------|------------|---------|---------|---------|-----------|---------|---------------------------------------|---------|--|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Education | 3 | 1 | 0 | 1 | 3 | 3 | 4 | 5 | 0 | 0 |
| Health | 4 | 2 | 0 | 1 | 3 | 6 | 3 | 1 | 0 | 0 |
| Human settlements | 0 | 1 | 0 | 0 | 3 | 3 | 7 | 6 | 0 | 0 |
| Public works | 2 | 0 | 0 | 0 | 5 | 7 | 3 | 3 | 0 | 0 |
| Social development | 0 | 0 | 0 | 0 | 4 | 4 | 6 | 5 | 0 | 1 |

Note 1: The total for all categories is 10, being the nine provincial departments and one national department

Note 2: 'With findings' means financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations

Highlights of the audit outcomes for the year under review are as follows:

- **Education sector:** The financial audit outcomes of four provincial departments and the national department did not change from the previous year, while Gauteng and the Northern Cape improved from qualified to financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations and from a disclaimer to a qualified opinion, respectively. The financial audit outcomes for the Free State, Limpopo and North West regressed to a disclaimer in the case of Limpopo and North West and to a qualified opinion for the Free State.
- **Health sector:** The audit opinions of seven provincial departments remained unchanged while North West improved to a financially unqualified opinion with findings on predetermined objectives and/or compliance with laws and regulations. The audit opinion for the Free State regressed from qualified to a disclaimer.
- **Human settlements:** The audit opinions of five provincial departments and the national department remained unchanged. The audit opinions of the Gauteng and Northern Cape departments improved to financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations. The audit opinion of the North West department improved from disclaimer to a qualified audit opinion. The audit opinion of the Eastern Cape department regressed to a qualified opinion.
- **Public works:** The audit opinions of four provincial departments and the national department remained unchanged. Both the Eastern and Western Cape departments improved to financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations. Both the North West and Northern Cape departments regressed to disclaimers while the Gauteng department regressed to a qualified audit opinion.
- **Social development:** The audit opinions of six provincial departments remained unchanged, while the Free State and Mpumalanga departments showed an improvement to financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations. The opinion of Limpopo and the national department regressed to a qualified audit opinion.



Unauthorised expenditure

Table 35: Summary of unauthorised expenditure

| Sector | Nature and extent of unauthorised expenditure | |
|--------------------|---|---|
| | Overspending of vote/main division of vote | Spending not in accordance with purpose of vote |
| | R'000 | R'000 |
| Education | 2,198,785 | |
| Health | 5,501,529 | |
| Human settlements | 54,897 | 259,494 |
| Public works | 113,447 | |
| Social development | 30,209 | |
| Total | 7,898,867 | 259,494 |

For all sectors, unauthorised expenditure resulted from overspending the vote or main division of the vote, which was mainly caused by inadequate budgetary processes and inadequate control over spending against budgets. Only in the case of the human settlements sector in the North West, did spending not in accordance with the purpose of the vote result in unauthorised expenditure.

Irregular expenditure

Table 36: Summary of irregular expenditure

| Sector | Nature and extent of irregular expenditure | | |
|--------------------|--|--------------------------------------|----------------|
| | Related to SCM | Related to compensation of employees | Other |
| | R'000 | R'000 | R'000 |
| Education | 1,569,979 | 1,114 | |
| Health | 2,232,182 | | 63,202 |
| Human settlements | 29,176 | 9,148 | 744 |
| Public works | 1,305,754 | 61 | 88,686 |
| Social development | 92,679 | 1,129 | 8,793 |
| Total | 5,229,770 | 11,452 | 161,425 |

In total, 36 (72%) sector departments incurred irregular expenditure to the amount of R5,2 billion as a result of non-adherence to SCM processes.

Fruitless and wasteful expenditure

Thirty (60%) of the sector departments incurred fruitless and wasteful expenditure to the amount of R1 46,8 million. The education sector incurred 72% (R105,8 million) of the total amount for fruitless and wasteful expenditure.

The main causes of the fruitless and wasteful expenditure relevant to the education sector were as follows:



- Payments for employees, goods and services and capital goods not in terms of the policies and procedures of the department (R58 million – Eastern Cape Department of Education)
- Lease payments for unoccupied premises (R20,2 million – Gauteng Department of Education)
- Oversupply of food at schools as part of the national school nutrition programme and costs incurred on capital infrastructure projects where the quality of the work did not comply with the required standards (R18,9 million – Free State Department of Education)

Non-financial information systems

As part of audits of predetermined objectives, an assessment of the non-financial information systems used in the education, health and human settlements sectors was conducted to evaluate the general and application controls within the relevant information systems. The following is a summary of the findings raised:

- The **education management information system (EMIS)** is implemented in the provinces and used for the collection and analysis of statistical education data at local level. The evaluation of the IT general control environment revealed a lack of a robust IT governance structure to ensure the alignment of IT and business objectives, proper management of user access, IT service continuity, and change management to contain risks at acceptable levels. In terms of the application controls, no automated controls had been built into the application to ensure the accuracy, validity and completeness of the captured data. However, a series of manual controls at provincial and national level were designed to satisfy the control objectives.
- The **district health information system (DHIS)** was identified as the primary system used at provincial and national level for the collection and analysis of routine data at local level to record and report on health performance indicators and targets. It was not possible to rely on the general controls (i.e. environmental controls outside the system as such) due to, amongst others, inadequate IT strategic management processes and inadequate information system management practices such as regular backups. A review of the application controls (i.e. the controls built into the system) within DHIS revealed, amongst others, the following significant control weaknesses:
 - Absence of system-enforced segregation of duties
 - Absence of standard naming convention for performance indicators
 - Inadequate data transmission controls
 - Data within the respective provinces not timeously submitted and verification processes in respect of captured data inadequate
 - Performance reporting to the national department not properly aligned and/or coordinated from provincial level
- The **housing subsidy system (HSS)** is implemented as both a centralised and a decentralised system. It is housed at SITA for five provinces and distributed within the other four provinces. The evaluation of the IT general control environment revealed that reliance could not be placed on the general controls. The transaction processing controls embedded within the HSS were inadequate to provide reasonable assurance that the performance data recorded and processed by the system was complete, accurate and valid. This weakness could largely be attributed to inadequate input validation and the override capability granted to the provincial departments. Furthermore, the system had not been set up to enforce segregation of duties, which exposed the data stored therein to the possibility of being compromised by the actions of one individual.

Education – Service delivery findings

For the current year, the focus was on the following service delivery aspects within the education sector:

- Division of Revenue Act – HIV/Aids life skills education grant
- Division of Revenue Act – national school nutrition programme
- Dinaledi schools initiative
- Learner transport scheme

Division of Revenue Act – HIV/Aids life skills education grant

Service delivery objective: This programme was introduced in 2000-01 with the overall purpose of coordinating and supporting the structured integration of life skills and HIV/Aids programmes across all learning areas in the school curriculum and integrating life skills into the school curriculum to achieve a significant change in the learners' behaviour. Furthermore, the grant aims to provide care and support to learners infected and affected by HIV and Aids. The total grant allocation for 2009-10 amounted to R180,8 million. The highest allocations were made to KwaZulu-Natal, the Eastern Cape and Gauteng, with these provinces receiving 52,6% of the total grant.

Conclusion: Despite the fact that this grant programme has been running for 10 years, the expected outputs of the grant have not been met to the extent intended in the majority of the provincial departments. Based on the findings tabulated below, it is evident that limited improvements, if any, were achieved because life skills orientation regarding HIV/Aids was not taking place at schools to the extent planned. This can mainly be ascribed to a lack of implementation of the HIV/Aids life skills education programmes at school level and an overall lack of monitoring by the provincial and district offices in the relevant provinces.

Table 37: HIV/Aids life service delivery

| Findings | | Number of provincial reports affected | | |
|----------|--|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Schools have not developed and adopted an HIV/Aids plan/policy which reflects the needs, ethos and values of the school and its community within the framework of the national/provincial policy | 7 | 9 | 5 |
| 2 | Schools have not implemented the HIV/Aids life skills education programme | 5 | 6 | 5 |
| 3 | The HIV/Aids management unit in the province was not functional | 5 | 4 | Not audited |
| 4 | HIV/Aids learner support material was not: | | | |
| | • available | 6 | 7 | 5 |
| | • distributed | 6 | 8 | 5 |
| | • utilised | 4 | 7 | 5 |

Division of Revenue Act – National school nutrition programme

Service delivery objective: The overall purpose of this grant is to contribute to enhanced learning capacity through school feeding. Through this grant it is envisaged that school attendance will improve and learner enrolment will increase at schools. The total grant allocation for 2009-10 amounted to R2,4 billion and the highest allocations were made to KwaZulu-Natal, the Eastern Cape and Limpopo, with these provinces receiving 61,2% of the total grant.

Conclusion: The objective of ensuring that nutritional, balanced meals are made available to identified learners to assist in promoting active participation by learners in classroom activities has not been fully met. The key challenges faced in delivering on this objective were similar to those experienced in previous years and mainly related to the lack of monitoring by departmental officials, a lack of adequate facilities to prepare the meals required, and a lack of progress in establishing sustainable vegetable gardens at schools, as illustrated in the table below.

Table 38: National school nutrition programme service delivery

| Findings | | Number of provincial reports affected | | |
|----------|---|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | DoRA quarterly monitoring reports were not reviewed and explanations were not provided for variances between actual and desired results | 4 | 3 | 4 |
| 2 | Non-compliance with outputs and conditions of the grant: | | | |
| | • Meals were not served before 10:00 | 4 | 7 | Not audited |
| | • Meals were not prepared as per the recommended menu, nutrition quality and quantities, and food safety standards | 4 | 5 | Not audited |
| | • A vegetable garden was not established at the school | 9 | 8 | Not audited |

Dinaledi schools initiative

Service delivery objective: The overall purpose of this initiative is to enhance performance and participation in mathematics, science and technology in grades 10 to 12. The Dinaledi schools initiative forms part of the national curriculum statement: mathematics, science and technology project.

Conclusion: Overall, the major challenge with the Dinaledi schools initiative remains the non-delivery of textbooks and relevant support material to teachers and learners participating in the Dinaledi schools initiative. In this regard the relevant officials at the national Department of Education did not continuously monitor the delivery of textbooks requested by schools participating in this important initiative, as tabled below.

Table 39: Dinaledi schools initiative service delivery

| Findings | | Number of provincial reports affected | | |
|----------|---|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Textbooks and relevant support material requested through the Dinaledi schools initiative were not delivered to teachers and learners | 5 | 4 | Not audited |



Learner transport scheme

Service delivery objective: The overall purpose of this initiative is to make education accessible to all learners by providing scholar transport to needy learners. The total budgeted funds for this initiative for 2009-10 amounted to R924 million.

Conclusion: Overall, the major challenge with the scheme remains the lack of an approved policy and operating procedures governing the scheme. Another challenge is the uncertainty regarding accountability for the scheme. Recent developments in some provinces resulted in the provincial departments of transport taking over this responsibility. Although the learner transport scheme was implemented a few years ago, it is evident from the findings tabulated below that the scheme still faces challenges relating to the practical implementation thereof.

Table 40: Learner transport scheme service delivery

| | Findings | Number of provincial reports affected | | |
|---|---|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | The provincial department has no written policies and objectives, indicators and targets to manage the scheme in the province | 6 | 5 | Not audited |
| 2 | Tenders were awarded to contractors despite non-compliance with tender requirements and processes | 4 | 7 | Not audited |
| 3 | Bus drivers did not have driver's licences and valid public driver permits | 4 | 4 | Not audited |

Health – Service delivery findings

For the current year, the focus was on the following service delivery aspects within the health sector:

- Division of Revenue Act – comprehensive HIV and Aids grant
- Division of Revenue Act – hospital revitalisation grant
- Division of Revenue Act – health professions training and development grant
- Provision of emergency medical services
- Medical waste management

Division of Revenue Act – Comprehensive HIV and Aids grant

Service delivery objective: The overall purpose of this grant is to enable the health sector to develop an effective response to HIV/Aids and support the implementation of the national operational plan for comprehensive HIV and Aids treatment and care. The total grant allocation for 2009-10 amounted to R4,3 million and the highest allocations were made to KwaZulu-Natal, Gauteng and the Eastern Cape, with these provinces receiving 57,2% of the total grant.

Conclusion: Although 99% of the actual amount transferred had been spent by the provinces, the health sector only achieved 53% of its targets relating to the HIV/Aids grant for the 2009-10 financial year. As the responsibility for the development of an appropriate monitoring and control framework for the grant rests with the national department, this department must take the lead in developing policies and procedures, designing appropriate internal controls and assisting provincial departments to implement these controls to ensure achievement of the grant outputs and outcomes.



Table 41: Comprehensive HIV and Aids grant service delivery

| | Findings | Number of provincial reports affected | | |
|---|---|---------------------------------------|---------|---------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Weaknesses existed in the design and implementation of the information systems that facilitate accurate quarterly reporting on planned targets and outputs | 7 | 6 | 7 |
| 2 | Data used for reporting on anti-retroviral therapy (ART) and voluntary counselling and testing (VCT) interventions was not supported by appropriate source documentation with the result that the accuracy, validity and completeness of the data could not be verified | 8 | 6 | 7 |
| 3 | Material instances were identified of non-compliance with the DoRA requirements for the grant | 7 | 5 | 7 |

Division of Revenue Act – Hospital revitalisation grant

Service delivery objective: The purpose of this grant is to provide funding to enable provinces to plan, modernise, rationalise and transform the infrastructure, health, technology, monitoring and evaluation of hospital management and improve quality of care in line with national policy objectives. The total grant allocation for 2009-10 amounted to R3,3 million and the actual amount spent was R2,5 million, representing a 24% underspending of the total grant. The highest allocations were made to Gauteng, the Western Cape, KwaZulu-Natal and Mpumalanga, with these provinces receiving 61,7% of the total grant.

Conclusion: Due to the material underspending of the grant as well as the weaknesses identified during the audits, the sector did not achieve its objectives in terms of this grant. Furthermore, poor performance of contractors delayed the completion of projects in the Free State, Gauteng, KwaZulu-Natal and the Northern Cape, which will have a negative impact on service delivery as the relevant hospitals will not be completed on time.

Table 42: Hospital revitalisation grant service delivery

| | Findings | Number of provincial reports affected | | |
|---|--|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Weaknesses existed in the quality, approval and timely submission of the relevant project implementation plans | 7 | 4 | Not audited |
| 2 | Poor performance of contractors resulting in delays in the completion of projects and additional costs for the appointment of new contractors | 4 | 7 | Not audited |
| 3 | Changes in technical specifications resulted in additional cost to the department as contractors had to make alterations to the structures that were not originally planned | 4 | 6 | Not audited |
| 4 | Data used to prepare monthly and quarterly reports was not always supported by sufficient appropriate documentation to verify the accuracy, validity and completeness of the information | 8 | 5 | Not audited |
| 5 | Material instances of non-compliance with the DoRA requirements for the grant, e.g. the late submission of project implementation plans | 6 | 5 | Not audited |

Division of Revenue Act – Health professions training and development grant

Service delivery objective: The purpose of this grant is to support provinces with the funding of costs associated with training health professionals, development and recruitment of medical specialists in under-served provinces, and support and strengthen undergraduate and post-graduate teaching and training processes in health facilities. The total grant allocation for 2009-10 amounted to R1,7 million and the highest allocations were made to Gauteng, the Western Cape and KwaZulu-Natal, with these provinces receiving 68% of the total grant.



Conclusion: Consistent with the audit findings of the previous year, it was generally found during the audits that expenditure on the grant was not separately identifiable on BAS, and as a result it was possible that the grant allocation might have been spent on non-grant-related expenses. Thus, the achievement of objectives and outcomes could not easily be determined and monitored.

Table 43: Health professions training and development grant service delivery

| | Findings | Number of provincial reports affected | | |
|---|--|---------------------------------------|---------|-------------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Poor quality business plans prepared by provincial departments, resulting in an inappropriate basis on which decisions were made | 4 | 4 | Not audited |
| 2 | Expenditure incurred in respect of the grant was not allocated in BAS in accordance with the grant objectives and therefore could not accurately be monitored and might have been spent in contravention of grant conditions | 3 | 5 | Not audited |
| 3 | Material instances of non-compliance with the DoRA requirements for the grant | 5 | 4 | Not audited |

Provision of emergency medical services

Service delivery objective: The aim of this programme is to render pre-hospital emergency medical services, including inter-hospital transfers, medical rescue and planned patient transport.

Conclusion: Similar to the findings of the previous year, it is clear that the achievement of one of the predetermined targets of this programme, namely to provide emergency medical services within a response time of 15 minutes in urban areas and 45 minutes in rural areas, was not met in six of the nine provinces. In the case of the other three provinces, information was not submitted for audit purposes to determine whether this target had been achieved. The response time is defined as the length of time between receiving a call in the communication centre and the arrival of the ambulance staff at the emergency scene.

Table 44: Emergency medical service delivery

| | Findings | Number of provincial reports affected | | |
|---|--|---------------------------------------|---------|---------|
| | | 2009-10 | 2008-09 | 2007-08 |
| 1 | Response time for EMS not within the norms | 6 | 8 | 5 |
| 2 | Ambulances and rescue vehicles not available | 7 | 7 | 3 |
| 3 | Communication centre, ambulance and rescue staff not available | 6 | 8 | 4 |
| 4 | Ambulance staff not appropriately trained and qualified | 3 | 9 | 4 |

Medical waste management

Service delivery objective: The audit of medical waste focused on the handling, storage and disposal of medical waste. The audit procedures concentrated on systems and processes in each province to establish whether reasonable measures have been put in place for the appropriate management of medical waste.

Conclusion: In general, the audit findings indicated non-compliance with the National Environmental Management Act, 1998 (Act No. 107 of 1998) and with the minimum requirements as prescribed by the Department of



Water Affairs and Forestry, which has the legislative mandate to set a framework for compliance for waste disposal sites. It is clear that compliance with the relevant legislation is not monitored at hospital and clinic level.

Table 45: Management of medical waste service delivery

| Findings | | Number of provincial reports affected |
|----------|--|---------------------------------------|
| 1 | Medical waste service providers did not adhere to service level agreements with departments | 5 |
| 2 | Medical waste and normal waste were not stored in separate bins | 6 |
| 3 | Access to the collection areas of medical waste was not properly controlled | 6 |
| 4 | Access control to the medical waste storage site was not adequate | 6 |
| 5 | Warning signs were not displayed on or around the medical waste site to warn of the dangers of handling and disposing of medical waste | 6 |
| 6 | Medical waste was dumped in locations other than the designated sites | 4 |
| 7 | Expired pharmaceuticals were not stored adequately and there was no adequate access control to the expired stock | 5 |

Note: Although the management of medical waste was audited in previous years, findings included in this report are only for the 2009-10 financial year

Human settlements – Service delivery findings

For the current year, the focus was on the following service delivery aspect within the human settlements sector:

- Management of individual and project-linked housing subsidies in terms of the conditions of the integrated housing and human settlement grant as well as the requirements of the Housing Act, 1997 (Act No. 107 of 1997) and housing code

Management of individual and project-linked housing subsidies

Service delivery objective: The overall purpose of the integrated housing and human settlement development grant is to facilitate a sustainable housing development process within all spheres of government. The total grant allocation for 2009-10 amounted to R12 435 million and the highest allocations were made to Gauteng, KwaZulu-Natal, the Western Cape and the Eastern Cape, with these provinces receiving 66% of the total grant. One of the objectives of the grant is to provide assistance to qualifying households that wish to acquire an existing house or a vacant residential stand including a house construction contract.

Conclusion: The audit findings generally indicated deficiencies within the internal control environment at the relevant sector departments. To improve internal controls in the human settlements sector, including adherence to controls within the HSS, management and those charged with governance should identify key controls to be monitored on a regular basis. Of great concern is the opportunity to override the system controls by officials of the provincial departments and the fact that the HSS did not enforce the segregation of duties within the system.



Table 46: Management of individual and project-linked housing subsidies

| | Findings | Number of provincial reports affected |
|---|--|--|
| 1 | Material instances of non-compliance with the requirements of the Housing Act, e.g. instances where provincial departments did not coordinate housing developments in the province | 4 |
| 2 | The provincial department did not ensure that houses were built in accordance with the approved standards, e.g. toilets were not built or were not connected to the sewerage system, large cracks in the walls, loose window frames and poor water drainage next to houses | 5 |
| 3 | The provincial departments did not ensure that contractors, developers and professionals appointed were registered with professional bodies | 4 |

Social development – Service delivery findings

For the current year, the focus was on the following service delivery aspects within the social development sector:

- Management of transfers to NPOs
- Monitoring of service delivery programmes

Management of transfers to non-profit organisations

Service delivery objective: Provincial departments provide social welfare services directly to communities or through subsidising NPOs to deliver services on their behalf. The total amount transferred to NPOs for 2009-10 was R3,3 million, with the highest transfers in the Eastern Cape, Gauteng and the Western Cape. Total provincial transfers to NPOs represented 42,5% of the total budgeted expenditure for provincial social development departments.

Conclusion: The overall monitoring of compliance with service contracts with NPOs did not receive the necessary attention, with the result that at the majority of the departments the achievement of social service delivery could not be ascertained and verified by the sector departments.

Table 47: Management of transfers to NPOs

| | Findings | Number of provincial reports affected |
|---|---|--|
| 1 | The department made payments to NPOs before contracts were signed between the parties; consequently, NPOs were not legally bound to deliver services as agreed with the departments | 4 |
| 2 | Registered NPOs did not submit financial statements in all instances as required by the NPO Act, to enable the department to ensure that the entity had implemented effective, efficient and transparent financial management as required by section 38(1)(j) of the PFMA | 5 |
| 3 | Departments transferred funds to NPOs outside the agreed intervals per the contracts, which negatively affected the cash-flow position of the NPOs and their ability to plan and deliver the expected social services | 4 |
| 4 | Departments did not monitor compliance with the service contract nor the expenditure incurred and progress made by the NPOs in delivering services to ensure the delivery of the desired and agreed-upon social service outcomes | 6 |

Monitoring of service delivery programmes

Service delivery objective: More than 65% of the total budgeted expenditure for the social development sector departments is allocated to social welfare service programmes. It is therefore crucial for the sector departments to monitor and track the actual delivery of social welfare services against predetermined sector objectives and targets.

Conclusion: The audits focused on the actual delivery against a total of nine predetermined targets for the childcare and protection services as well as the home- and community-based care for HIV and Aids. In the case of KwaZulu-Natal, Limpopo and the Free State, supporting documentation to verify the accuracy, validity and completeness of the reported service delivery could not be provided for audit purposes, while in the instance of Gauteng and Mpumalanga the reliability of the supporting documentation could not be verified.

Public works – Service delivery findings

For the current year, the focus was on the following service delivery aspects within the public works sector:

- Management of accommodation for client departments
- Project management of infrastructure projects

Management of accommodation for client departments

Service delivery objective: The mandate of the Department of Public Works is articulated in the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007) (GIAMA). The objective of the act is to ensure efficient and effective immovable asset management within government in order to improve service delivery overall. One of the objectives of the sector departments is to provide and manage the accommodation, housing, land and infrastructure needs of user departments.

Conclusion: The management of accommodation for client departments remains a great concern. The fruitless and wasteful expenditure disclosed in the financial statements of individual provinces is evidence of the fact that the sector did not have sufficient procedures to identify vacant buildings; consequently, the department paid rent for buildings that were not occupied.

Table 48: Management of accommodation for client departments

| Management of accommodation for client departments | | Number of provincial reports affected |
|--|---|---------------------------------------|
| 1 | Departments did not have a process to identify owned and leased vacant buildings | 7 |
| 2 | Utilisation inspections during the term of the lease were not carried out by the department to verify that the accommodation was still occupied by the client department and to assess the condition of the building, ultimately enabling effective and efficient use of office accommodation | 7 |
| 3 | The process used by the department to plan for maintenance was not adequate, e.g. the department did not conduct an assessment to determine the condition of the buildings on which the maintenance budget was based | 6 |
| 4 | The approved budget for maintenance did not cover all maintenance needs, with the result that the backlog in maintenance increased | 3 |



Project management of infrastructure projects

The table below lists the most prevalent shortcomings revealed by the audits.

Table 49: Project management findings

| Project management of infrastructure projects | | Number of provincial reports affected |
|--|---|--|
| 1 | Project managers appointed by the department were not registered with the Project and Construction Management Council, resulting in project managers without the appropriate qualifications | 4 |
| 2 | Projects were not completed within the approved time frames due to a shortage of project managers or project managers managing too many projects | 4 |

Overall conclusion for the sectors

This sector report highlights many areas of concern and for improvement in the areas of leadership, financial and performance management, governance, compliance with legislation and SCM, amongst others.

When these findings are considered against the important consideration of adequate, improved and excellent service delivery, it raises questions on whether there is enough coordination and cooperation between the national and provincial sector departments. It is important to keep in mind that both the national and provincial spheres of government exist to complement one another in ensuring effective service delivery to one customer, the South African citizen.

SECTION 6: CONSOLIDATED FINANCIAL STATEMENTS

In terms of section 19 of the PFMA, the provincial treasuries are required to prepare consolidated financial statements for each financial year in accordance with GAAP in respect of the departments and public entities under the ownership control of the provincial executive of the provinces and the provincial legislatures in the provinces.

The AGSA issues separate auditor's reports for consolidated departments and public entities and agreed-upon procedures are performed on the provincial consolidated financial statements.

The status of the agreed-upon procedures engagement for the consolidated financial statements as at 31 March 2010 is depicted in the table below.

Table 50: Status of consolidated audits

| Province | Departments (audit completed) | | Public entities (audit completed) | |
|---------------|----------------------------------|---------|--------------------------------------|---------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| Eastern Cape | No | No | No | No |
| Free State | No | Yes | No | Yes |
| Gauteng | No | Yes | No | Yes |
| KwaZulu-Natal | No | Yes | No | Yes |
| Limpopo | No | No | No | No |
| Mpumalanga | Yes | Yes | Yes | Yes |
| Northern Cape | Yes | Yes | Yes | Yes |
| North West | No | No | No | No |
| Western Cape | No | Yes | No | Yes |

The fact that the 2008-09 financial year's annual financial statements of the provincial revenue funds of three provinces have not been finalised is a cause for concern and should be escalated to the various premiers, cabinets and relevant MECs in the three provinces.

The 2007-08 financial year's consolidated financial statements for departments in Limpopo are also still outstanding.

SECTION 7: STATUS OF TABLING OF ANNUAL REPORTS

7.1 Summary of annual reports tabled

In accordance with section 65 of the PFMA, the executive authority responsible for a department or public entity must table in the provincial legislature the annual report, annual financial statements and auditor's report on those statements.

The table below depicts the percentage of annual reports tabled per province.

Table 51: Annual reports tabled by departments and public entities

| Province | Type of auditee | Percentage of annual reports tabled at 30 September 2010 | |
|------------------------------|-----------------|--|-------------|
| | | 2009-10 | 2008-09 |
| Eastern Cape | Departments | 100% | 100% |
| | Public entities | 100% | 100% |
| Free State | Departments | 0% | 100% |
| | Public entities | 0% | 100% |
| Gauteng | Departments | 100% | 100% |
| | Public entities | 96% | 100% |
| KwaZulu-Natal | Departments | 94% | 100% |
| | Public entities | 65% | 100% |
| Limpopo | Departments | 100% | 100% |
| | Public entities | 43% | 100% |
| Mpumalanga | Departments | 100% | 100% |
| | Public entities | 100% | 100% |
| Northern Cape | Departments | 92% | 100% |
| | Public entities | 33% | 100% |
| North West | Departments | 100% | 100% |
| | Public entities | 55% | 100% |
| Western Cape | Departments | 100% | 100% |
| | Public entities | 100% | 100% |
| Total departments | | 88% | 100% |
| Total public entities | | 67% | 100% |
| Total | | 77% | 100% |

A further 12% of departments and 15% of public entities have subsequently tabled their annual reports. All the departments and 82% of the public entities had thus tabled their annual reports at the date of this report.

7.2 Public entities whose annual reports were not tabled

The annual reports of the following public entities had not been tabled by 30 September 2010:

Table 52: Annual reports not tabled by public entities

| Province | Auditee | Reason for annual report not yet tabled | Anticipated date for tabling of annual report |
|---------------|--|---|---|
| Free State | Free State Development Corporation | No financial statements submitted for auditing | Unknown |
| | Free State Political Parties Fund | No financial statements submitted for auditing | Unknown |
| KwaZulu-Natal | Kwanaloga | Financial statements received late | Unknown |
| | KwaZulu-Natal Agricultural Development Trust | Dormant | Closing down |
| | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | Delays in presenting the annual report to legislature | Unknown |
| | KwaZulu-Natal Planning and Development Commission | Delays in presenting the annual report to legislature | Unknown |
| | uMsekeli Municipal Support Services | Dormant | Closing down |
| Limpopo | Limpopo Housing Board | Financial statements for four years received late | 28-Feb-11 |
| | Limpopo Tourism and Parks Board | Financial statements received late | 31-Mar-11 |
| | Tribal and Trust Account | No financial statements submitted for auditing | Unknown |
| Northern Cape | McGregor Museum | Capacity constraints at auditee | 31-Jan-11 |
| | Northern Cape Arts and Culture Council | Capacity constraints at auditee | 31-Jan-11 |
| | Northern Cape Housing Fund | No financial statements submitted for auditing | Unknown |
| | Northern Cape Premier Education Trust Fund | Financial statements received late | 31-Jan-11 |
| North West | Kgama Wildlife Operations (Pty) Ltd | Delays in presenting the annual report to legislature | 31-Aug-11 |
| | Mafikeng Industrial Development Zone (Pty) Ltd | Delays in presenting the annual report to legislature | 28-Feb-11 |
| | North West Provincial Council on Aids | Delays in presenting the annual report to legislature | 28-Feb-11 |
| | North West Agricultural Bank | Auditor's report signed off on 22 November 2010 | Unknown |
| | North West Directorate of Entrepreneurial Development in Natural Resources | Delays in presenting the annual report to legislature | 28-Feb-11 |
| | North West Housing Corporation | No financial statements submitted for auditing | Unknown |
| | North West Tribal and Trust Fund | No financial statements submitted for auditing | Unknown |
| | North West Youth Development Trust | Audit finalised late | 28-Feb-11 |
| | Signal Developments (Pty) Ltd | No financial statements submitted for auditing | Unknown |



PART B - AUDITS NOT CONDUCTED BY THE AGSA

SECTION 8: OVERVIEW OF AUDIT OUTCOMES FOR 2009-10

Introduction

This section includes a summary of the audit outcomes of public entities that were not audited by the AGSA. The inclusion of these entities in the general report is intended to promote transparency and accountability with regard to their audit outcomes. The extent of the information reported pertaining to these entities will be improved in the years to come. This will be brought about through improved monitoring, as required by the PAA, and improved interaction with all the relevant stakeholders.

Background

The Auditor-General performs his audit functions in terms of the PAA. Section 4(3) of the PAA gives the Auditor-General the authority to audit any public entity listed and other institutions referred to in the PFMA, but in terms of section 25(1)(a) of the PAA the Auditor-General may opt not to perform certain of these audits.

As indicated in paragraph 19 of General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009, issued in terms of section 13(1)(b) of the PAA, these entities may proceed to appoint their own auditors in terms of section 25(1)(b) read with section 25(4) of the PAA, if not advised before the start of the financial year that the AGSA will perform the audit.

Although the Auditor-General has opted not to perform the audits of certain public entities, certain oversight processes have been put in place by the AGSA with regard to these entities. In General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009, the Auditor-General prescribed certain requirements concerning:

- appointment and discharge of the auditors
- duties and powers of the auditors
- requirements regarding auditor's reports
- actions to be taken where the said requirements are not met.

In addition, the AGSA has implemented the following:

- Conducting information sessions with the responsible audit firms on reporting and other requirements
- Attendance at audit committee meetings of the public entities
- Assistance with SCOPA briefings
- Implementation of a monitoring checklist on compliance with the mentioned general notice



8.1 Summary of audit outcomes

The audits of 18 of the schedule 3 entities were completed by the legislated due date of 31 August 2010.

Table 53: Summary of outcomes of audits not conducted by the AGSA

| Audit outcomes | Schedule 3 and other entities |
|---|-------------------------------|
| Opinion on financial statements | |
| Qualified | 1 |
| Financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations | 15 |
| Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations | 2 |
| Total number of audits reported on | 18 |
| Number of audits not finalised at legislated date for submission to the executive authority – 31 August 2010 | 15 |
| Total number of audits | 33 |
| Entities with findings arising from the AGSA's other legal reporting responsibilities | |
| Predetermined objectives | 15 |
| Compliance with laws and regulations | 13 |

None of these entities received a disclaimer or an adverse audit opinion.

Only one entity within Gauteng, Genesis Fitness (Pty) Ltd, was qualified. No audit was performed on predetermined objectives and compliance with laws and regulations as the entity is being liquidated.

The audits of 15 (45%) of the entities had not been finalised at the date of this report, mainly due to the financial statements not yet having been submitted for audit purposes.

8.2 Funding of operations, financial sustainability and going concern

Only one entity, Richards Bay IDZ (Pty) Ltd, reported on their ability to continue as a going concern in the future. The reasons reported were liabilities that exceeded the total assets by R2,9 million and a net loss of R7,6 million recorded during the 2009-10 financial year.

8.3 Findings on reporting on predetermined objectives

Only four of the entities submitted a report on their predetermined objectives. Findings related to the reliability of the information of one entity and the usefulness of the information of the other three entities. Eleven of the entities in KwaZulu-Natal did not submit information on their predetermined objectives.

8.4 Findings on compliance with laws and regulations

In total, 13 out of 18 audits (72%) reported findings on compliance with laws and regulations. The areas of non-compliance related to the PFMA, Treasury Regulations, Companies Act, and entity-specific laws and regulations.



The table below depicts the highest instances of non-compliance disclosed during the audits of the entities' annual financial statements for the 2009-10 financial year.

Table 54: Summary of findings arising from compliance with laws and regulations

| Outline of legislative provisions not adhered to | Number of entities | Percentage |
|---|--------------------|------------|
| Public Finance Management Act | | |
| • No information on reporting on predetermined objectives | 11 | 100% |
| Companies Act | | |
| • Annual general meeting not held | 3 | 27% |
| • Failure to lodge annual returns with CIPRO | 2 | 18% |
| • Special resolutions and minutes not kept | 1 | 9% |

CONCLUSION

The AGSA has embarked on a drive to positively influence the audit outcomes of departments and public entities by promoting the practice of institutionalising, on a daily basis, decisive leadership, quality financial and performance management, and strong governance.

The matters highlighted throughout this report relate to the three fundamentals, which should be addressed to achieve sustained clean administration.

Leadership

Departments and public entities should focus on addressing shortcomings regarding controls over capital assets, both movable and immovable, compliance with legislation, and increasing trends in the incurrence of irregular expenditure.

A number of departments and public entities need to take committed steps towards improving their financial administration to avoid qualified opinions. The immediate focus should be on addressing shortcomings concerning the accuracy of current assets, liabilities and expenditure; the completeness of capital assets and revenue; and other general issues. In addition, a concerted effort should be made to ensure that matters concerning the measurement of, and reporting on, predetermined objectives and compliance with laws and regulations are given attention to prevent recurring findings in this regard.

The executive should also specifically focus on their fiduciary responsibilities concerning public entities where certain entities have not prepared financial statements or reports on predetermined objectives.

Financial and performance management

The quality and completeness of financial information depend on well-designed and secure computerised systems. Matters relating to the transversal systems require specific attention with focus on user access controls, security management and other IT governance matters.

The financial management systems should be enhanced to enable management to produce regular financial statements to ensure that possible material misstatements are detected before the audit commences. Monthly reconciliations should become an embedded discipline for all account balances and this should be monitored at the appropriate level.

It is also important that departments and public entities ensure that the necessary systems and controls are in place that will result in accurate reporting, continuous monitoring of achievements of the measurable objectives and overall compliance with the reporting requirements in respect of predetermined objectives.

Governance

Regular risk assessments should be conducted and strategies put in place to address the risks identified. A



fully operational internal audit function is crucial in assisting management to establish a sound internal control environment and to perform ongoing evaluation and monitoring of management's compliance with predefined controls and progress in implementing the action plans. These governance structures should be critically questioned and monitored by the audit committee to ensure their objectivity.

In conclusion

To reiterate the underlying message of this report to oversight bodies, those charged with governance and management: it is possible to obtain an unqualified auditor's report and achieve clean administration if the fundamentals of internal control are institutionalised and constantly monitored by the leadership. The challenges are not insurmountable and the AGSA's staff remain committed to assisting in the process of identifying and communicating good practices to improve governance and accountability, so as to build public confidence in the government's ability to account for public resources in a transparent manner.

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | | Findings on predetermined objectives | | | | | | | |
|-------------------------------------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|--------------------------------------|-----------------------------------|---|--|--|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | | | |
| Audits conducted by the AGSA | | | | | | | | | | | | | | | | | | | | | |
| Departments | | | | | | | | | | | | | | | | | | | | | |
| 1 | Agriculture | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 2 | Economic Development and Environmental Affairs | EC | Qualified | Qualified | | | | | | | | | | | | | | | | | |
| 3 | Education | EC | Disclaimer | Adverse | | | | | | | | | | | | | | | | | |
| 4 | Health | EC | Disclaimer | Adverse | | | | | | | | | | | | | | | | | |
| 5 | Human Settlements | EC | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 6 | Local Government and Traditional Affairs | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 7 | Office of the Premier | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 8 | Provincial Legislature | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 9 | Provincial Revenue Fund | EC | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | | | | |
| 10 | Provincial Treasury | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | | |
| 11 | Public Works | EC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|---|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 12 | Roads and Transport | EC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 13 | Safety and Liaison | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 14 | Social Development | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 15 | Sport, Recreation, Arts and Culture | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 16 | Agriculture | FS | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 17 | Cooperative Governance and Traditional Affairs | FS | Qualified | Qualified | | | | | | | | | | | | | | | |
| 18 | Economic Development, Tourism and Environmental Affairs | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 19 | Education | FS | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 20 | Free State Legislature | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 21 | Free State Provincial Treasury | FS | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 22 | Health | FS | Disclaimer | Qualified | | | | | | | | | | | | | | | |
| 23 | Human Settlements | FS | Qualified | New department | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|-------------------------------------|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 24 | Police, Roads and Transport | FS | Disclaimer | Qualified | | | | | | | | | | | | | | |
| 25 | Premier | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 26 | Provincial Revenue Fund | FS | Audit not finalised at legislated date | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 27 | Public Works and Rural Development | FS | Qualified | Qualified | | | | | | | | | | | | | | |
| 28 | Social Development | FS | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 29 | Sport, Arts, Culture and Recreation | FS | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 30 | Agriculture and Rural Development | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 31 | Community Safety | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 32 | Economic Development | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 33 | Education | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 34 | Gauteng Provincial Treasury | GP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|--------------------------------------|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 35 | Gauteng Shared Service Centre | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 36 | Health | GP | Disclaimer | Disclaimer | | | | | | | | | | | | | | |
| 37 | Housing | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 38 | Infrastructure Development | GP | Qualified | New department | | | | | | | | | | | | | | |
| 39 | Local Government | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 40 | Office of the Premier | GP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 41 | Provincial Legislature | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 42 | Provincial Revenue Fund | GP | Audit not finalised at legislated date | Unqualified | | | | | | | | | | | | | | |
| 43 | Roads and Transport | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 44 | Social Development | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 45 | Sports, Arts, Culture and Recreation | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | | |
| 46 | Agriculture, Environmental Affairs and Rural Development | KZN | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 47 | Arts and Culture | KZN | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 48 | Community Safety and Liaison | KZN | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 49 | Cooperative Governance and Traditional Affairs | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 50 | Economic Development and Tourism | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 51 | Education | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 52 | Health | KZN | Qualified | Qualified | | | | | | | | | | | | | | | | |
| 53 | Human Settlements | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 54 | KZN Provincial Legislature | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 55 | KZN Provincial Treasury | KZN | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 56 | Office of the Premier | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|---|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 57 | Provincial Revenue Fund | KZN | Audit not finalised at legislated date | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 58 | Public Works | KZN | Qualified | Qualified | Qualified | | | | | | | | | | | | | |
| 59 | Social Development | KZN | Qualified | Qualified | Qualified | | | | | | | | | | | | | |
| 60 | Sport and Recreation | KZN | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 61 | The Royal Household | KZN | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 62 | Transport | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 63 | Agriculture | LP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 64 | Economic Development, Environment and Tourism | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 65 | Education | LP | Disclaimer | Qualified | | | | | | | | | | | | | | |
| 66 | Health | LP | Qualified | Qualified | | | | | | | | | | | | | | |
| 67 | Local Government and Housing | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 68 | Office of the Premier | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 69 | Provincial Legislature | LP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 70 | Provincial Revenue Fund | LP | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 71 | Provincial Treasury | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 72 | Public Works | LP | Qualified | Qualified | | | | | | | | | | | | | | | |
| 73 | Roads and Transport | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 74 | Safety, Security and Liaison | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 75 | Social Development | LP | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 76 | Sport, Arts and Culture | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 77 | Agriculture, Rural Development and Land Administration | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 78 | Community Safety, Security and Liaison | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 79 | Cooperative Governance and Traditional Affairs | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|---|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 80 | Culture, Sports and Recreation | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 81 | Economic Development, Environment and Tourism | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 82 | Education | MP | Qualified | Qualified | | | | | | | | | | | | | | | |
| 83 | Finance | MP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |
| 84 | Health | MP | Qualified | Qualified | | | | | | | | | | | | | | | |
| 85 | Human Settlements | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 86 | Office of the Premier | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 87 | Provincial Legislature | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 88 | Provincial Revenue Fund | MP | Audit not finalised at legislated date | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 89 | Public Works, Roads and Transport | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 90 | Social Development | MP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | |
| 91 | Agriculture and Land Reform | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 92 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | |
| 93 | Economic Development and Tourism | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 94 | Education | NC | Qualified | Disclaimer | | | | | | | | | | | | | |
| 95 | Environmental Affairs and Nature Conservation | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 96 | Health | NC | Disclaimer | Disclaimer | | | | | | | | | | | | | |
| 97 | Office of the Premier | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 98 | Provincial Legislature | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 99 | Provincial Revenue Fund | NC | Audit not finalised at legislated date | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 100 | Provincial Treasury | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 101 | Roads and Public Works | NC | Disclaimer | Qualified | | | | | | | | | | | | | |
| 102 | Social Development | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 103 | Sport, Arts and Culture | NC | Qualified | Qualified | | | | | | | | | | | | | | |
| 104 | Transport, Safety and Liaison | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 105 | Agriculture, Conservation, Environment and Rural Development | NW | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 106 | Economic Development and Tourism | NW | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 107 | Education | NW | Disclaimer | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 108 | Health | NW | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 109 | Human Settlements | NW | Qualified | New department | | | | | | | | | | | | | | |
| 110 | Local Government and Traditional Affairs | NW | Qualified | New department | | | | | | | | | | | | | | |
| 111 | Office of the Premier | NW | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 112 | Provincial Legislature | NW | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 113 | Provincial Revenue Fund | NW | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | |
| 114 | Provincial Treasury | NW | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | | |
| 115 | Public Safety | NW | Qualified | New department | | | | | | | | | | | | | | | | |
| 116 | Public Works, Roads and Transport | NW | Disclaimer | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 117 | Social Development | NW | Qualified | Qualified | | | | | | | | | | | | | | | | |
| 118 | Sport, Arts and Culture | NW | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 119 | Agriculture | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 120 | Community Safety | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 121 | Cultural Affairs and Sport | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 122 | Economic Development and Tourism | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 123 | Education | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 124 | Environmental Affairs and Development Planning | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |
| 125 | Health | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|------------------------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 126 | Local Government and Housing | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 127 | Provincial Parliament | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 128 | Provincial Premier | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 129 | Provincial Revenue Fund | WC | Audit not finalised at legislated date | Unqualified | | | | | | | | | | | | | | | |
| 130 | Provincial Treasury | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 131 | Social Development | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 132 | Transport and Public Works | WC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| Public Entities | | | | | | | | | | | | | | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | Qualified | Qualified | | | | | | | | | | | | | | | |
| 3 | Eastern Cape Development Corporation | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 5 | Eastern Cape Liquor Board | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 6 | Eastern Cape Parks Board | EC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | Qualified | Disclaimer | | | | | | | | | | | | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimbo) | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 10 | Eastern Cape Tourism Board | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 11 | Eastern Cape Youth Commission | EC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 12 | Mayibuye Transport Corporation | EC | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 13 | Central Medical Trading Account | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 14 | Free State Development Corporation | FS | Audit not finalised at legislated date | Adverse | | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | |
| 15 | Free State Fleet Management Trading Entity | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | |
| 16 | Free State Gambling and Racing Board | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 17 | Free State Housing Fund | FS | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 18 | Free State Investment Promotion Agency | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 19 | Free State Liquor Authority | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 20 | Free State Political Parties Fund | FS | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | |
| 21 | Free State Tourism Authority | FS | Qualified | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 22 | Free State Youth Commission | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 23 | James Robertson Bursary Fund | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | |
| 24 | Nature Conservation Trust Fund | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 25 | Phakisa Major Sport Events and Development Corporation | FS | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 26 | Private Patients Fund Trust | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 27 | Recreation Fund Trust | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 28 | Thomas Robertson Bursary Fund | FS | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 29 | Universitas Academic Hospital Board | FS | Audit not finalised at legislated date | New entity | | | | | | | | | | | | | | |
| 30 | AIDC Development Centre | GP | Financially unqualified with findings | New entity | | | | | | | | | | | | | | |
| 31 | Blue Catalyst Investment Company (Pty) Ltd | GP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 32 | Blue IQ Investment Holdings (Pty) Ltd | GP | Qualified | Disclaimer | | | | | | | | | | | | | | |
| 33 | Constitutional Hill Development Company | GP | Financially unqualified with findings | Disclaimer | | | | | | | | | | | | | | |
| 34 | Cost Recovery Trading Entity | GP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 35 | Cradle of Humankind Trading Entity | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 36 | Dinokeng World Heritage Trading Entity | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 37 | Emoyeni Conference Trading Entity | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 38 | Gauteng Economic Development Agency | GP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |
| 39 | Gauteng Enterprise Propeller | GP | Financially unqualified with no findings | Qualified | | | | | | | | | | | | | | | |
| 40 | Gauteng Film Commission | GP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |
| 41 | Gauteng Fund Project Office | GP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 42 | Gauteng Gambling Board | GP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |
| 43 | Gauteng Housing Fund | GP | Qualified | Qualified | | | | | | | | | | | | | | | |
| 44 | Gauteng Liquor Board | GP | Audit not finalised at legislated date | Qualified | | | | | | | | | | | | | | | |
| 45 | Gauteng Medical Supplies Depot | GP | Disclaimer | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 46 | Gauteng Motorsport Company (Pty) Ltd | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | |
|--------|---|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | |
| 47 | Gauteng Partnership Fund | GP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | |
| 48 | Gauteng Tourism Authority | GP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 49 | Gautrain Management Agency | GP | Financially unqualified with no findings | New entity | | | | | | | | | | | | | |
| 50 | g-Fleet Management | GP | Disclaimer | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 51 | Greater Newtown Development Company | GP | Financially unqualified with findings | Disclaimer | | | | | | | | | | | | | |
| 52 | Impophoma Infrastructure Support Entity | GP | Disclaimer | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 53 | Kopanong Precinct | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 54 | Supplier Park Development Co | GP | Financially unqualified with findings | New entity | | | | | | | | | | | | | |
| 55 | The Innovation Hub | GP | Financially unqualified with findings | New entity | | | | | | | | | | | | | |
| 56 | Urban Transport Fund | GP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 57 | Amafa aKwaZulu-Natali | KZN | Qualified | Qualified | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|---|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 58 | Dube TradePort | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 59 | Ithala Development Finance Corporation Limited | KZN | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 60 | Ithala Limited | KZN | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 61 | Kwanolaga | KZN | Audit not finalised at legislated date | New entity | | | | | | | | | | | | | | |
| 62 | KwaZulu-Natal Agricultural Development Trust | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 63 | KwaZulu-Natal Gambling Board | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 64 | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 65 | KwaZulu-Natal Nature Conservation Board | KZN | Qualified | Qualified | | | | | | | | | | | | | | |
| 66 | KwaZulu-Natal Planning and Development Commission | KZN | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 67 | KwaZulu-Natal Sharks Board | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 68 | KwaZulu-Natal Tourism Authority | KZN | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|---|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 69 | KZN Business Rehabilitation Trust Fund | KZN | Audit not finalised at legislated date | Qualified | | | | | | | | | | | | | | |
| 70 | KZN Housing Fund | KZN | Qualified | Qualified | | | | | | | | | | | | | | |
| 71 | KZN Provincial Pharmaceutical Supply Depot | KZN | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 72 | KZN Represented Political Parties' Fund | KZN | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 73 | Mjindi Farming (Pty) Ltd | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 74 | Natal Joint Municipal Pension Fund (Provident) | KZN | Audit not finalised at legislated date | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 75 | Natal Joint Municipal Pension Fund (Retirement) | KZN | Audit not finalised at legislated date | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 76 | Natal Joint Municipal Pension Fund (Superannuation) | KZN | Audit not finalised at legislated date | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 77 | Trade and Investment KwaZulu-Natal | KZN | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 78 | Traditional Levies and Trust Account | KZN | Qualified | Adverse | | | | | | | | | | | | | | |
| 79 | uMsekezi Municipal Support Services | KZN | Qualified | Qualified | | | | | | | | | | | | | | |
| 80 | Gateway Airport Authority Limited | LP | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|---|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 81 | Limpopo Gambling Board | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 82 | Limpopo Housing Board | LP | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | |
| 83 | Limpopo Tourism and Parks Board | LP | Audit not finalised at legislated date | Disclaimer | | | | | | | | | | | | | | |
| 84 | Roads Agency Limpopo (Pty) Ltd | LP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 85 | Tribal and Trust Account | LP | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | |
| 86 | Urban Transport Fund | LP | Financially unqualified with no findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 87 | Mpumalanga Agricultural Development Corporation | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 88 | Mpumalanga Economic Growth Agency | MP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 89 | Mpumalanga Gambling Board | MP | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 90 | Mpumalanga Housing Finance Company | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 91 | Mpumalanga Regional Training Trust | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 92 | Mpumalanga Tourism and Parks Agency | MP | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 93 | McGregor Museum | NC | Qualified | Qualified | | | | | | | | | | | | | | |
| 94 | Northern Cape Arts and Culture Council | NC | Audit not finalised at legislated date | Disclaimer | | | | | | | | | | | | | | |
| 95 | Northern Cape Housing Fund | NC | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | |
| 96 | Northern Cape Premier Education Trust Fund | NC | Qualified | Qualified | | | | | | | | | | | | | | |
| 97 | Northern Cape Tourism Authority | NC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 98 | Roads Capital Account | NC | Adverse | Qualified | | | | | | | | | | | | | | |
| 99 | Agribank Creditors Settlement Trust | NW | Audit not finalised at legislated date | Disclaimer | | | | | | | | | | | | | | |
| 100 | Atteridgeville Bus Services (Pty) Ltd | NW | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |
| 101 | Dirapeng (Pty) Ltd | NW | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | |
| 102 | Golden Leopard Resorts (Pty) Ltd | NW | Audit not finalised at legislated date | Disclaimer | | | | | | | | | | | | | | |
| 103 | Invest North West | NW | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|--|----------|--|---|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 104 | Kgama Wildlife Operations (Pty) Ltd | NW | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 105 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | Disclaimer | Disclaimer | | | | | | | | | | | | | | | |
| 106 | North West Parks and Tourism Board | NW | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 107 | North West Provincial Council on Aids | NW | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 108 | North West Agricultural Bank | NW | Audit not finalised at legislated date | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 109 | North West Development Corporation (Pty) Ltd | NW | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 110 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | | |
| 111 | North West Gambling Board | NW | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | | |
| 112 | North West Housing Corporation | NW | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 113 | North West Provincial Arts and Cultural Council | NW | Disclaimer | Disclaimer | | | | | | | | | | | | | | | |
| 114 | North West Star (Pty) Ltd | NW | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |
| 115 | North West Transport Investments (Pty) Ltd | NW | Financially unqualified with findings | Financially unqualified (with no other matters) | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | |
|--------|--|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | |
| 116 | North West Tribal and Trust Fund | NW | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | |
| 117 | North West Youth Development Trust | NW | Audit not finalised at legislated date | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 118 | Signal Developments (Pty) Ltd | NW | Audit not finalised at legislated date | Audit not finalised at legislated date | | | | | | | | | | | | | |
| 119 | Cape Medical Depot | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 120 | Destination Marketing Organisation (TA Cape Town Routes Unlimited) | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 121 | Government Motor Transport | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 122 | The Heritage Western Cape | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 123 | Western Cape Cultural Commission | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 124 | Western Cape Gambling and Racing Board | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |
| 125 | Western Cape Housing Development Fund | WC | Financially unqualified with findings | Disclaimer | | | | | | | | | | | | | |
| 126 | Western Cape Investment Trade and Promotion Agency | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|---|---|----------|--|--|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 127 | Western Cape Language Committee | WC | Financially unqualified with findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 128 | Western Cape Liquor Board | WC | Financially unqualified with findings | Qualified | | | | | | | | | | | | | | |
| 129 | Western Cape Nature Conservation Board | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| 130 | Western Cape Provincial Development Council | WC | Financially unqualified with no findings | Financially unqualified (with other matters) | | | | | | | | | | | | | | |
| Audits not conducted by the AGSA | | | | | | | | | | | | | | | | | | |
| Schedule 3 and other entities | | | | | | | | | | | | | | | | | | |
| 1 | East London Industrial Development Zone Corporation | EC | Financially unqualified with no findings | | | | | | | | | | | | | | | |
| 2 | Canton Trading 123 (Pty) Ltd t/a Jamago Health | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 3 | Cross Point Trading 23 (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 4 | Highlands Furniture Factory (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 5 | Mafube Risk Insurance Consultants (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 6 | Orofino Africa Jewelry Manufacturers (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 7 | Phiritona Plastics (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 8 | Qwa-Qwa Dairies (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | |



ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | | |
|--------|--|----------|--|-----------------------|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | | |
| 9 | Rumar Manufacturing (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | | |
| 10 | Scopetull 21 (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | | |
| 11 | Twin Cities (Pty) Ltd | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | | |
| 12 | Welkom Diamond Curfing Works | FS | Audit not finalised at legislated date | | | | | | | | | | | | | | | | |
| 13 | Blue Catalyst Matching Fund Trust | GP | Financially unqualified with no findings | | | | | | | | | | | | | | | | |
| 14 | Genesis Fitness (Pty) Ltd | GP | Qualified | | | | | | | | | | | | | | | | |
| 15 | Banzi Pan Devco (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 16 | Cowslip Investments (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 17 | Durban Wharfside Trust | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 18 | Mabibi Development Company (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 19 | Moses Kotana Institute | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 20 | Nongonna Plaza Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 21 | Richards Bay Industrial Development Zone (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 22 | Rocktail Bay Devco (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 23 | Sibaya Conservation Projects (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 24 | Sundumbili Plaza Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |
| 25 | Ubiciko Twines and Fabrics (Pty) Ltd | KZN | Financially unqualified with findings | | | | | | | | | | | | | | | | |

ANNEXURE 1: Listing of audit outcomes, financial statement areas qualified and findings on predetermined objectives

| Number | Auditee | Province | Audit outcome 2009-10 | Audit outcome 2008-09 | Financial statement qualification areas | | | | | | | | Findings on predetermined objectives | | | | | |
|--------|---|----------|--|--------------------------|---|----------------|-------------|----------------------|------------------------|---------|-------------|---|---|---------------------------------|-----------------------------------|---|--|--|
| | | | | | Capital assets | Current assets | Liabilities | Capital and reserves | Other disclosure items | Revenue | Expenditure | Unauthorised, irregular, and fruitless and wasteful expenditure | Non-compliance with regulatory requirements | Reported information not useful | Reported information not reliable | Information not submitted for auditing by 31 May 2010 | | |
| 26 | Limpopo Agribusiness Development Corporation (LADC) | LP | Financially unqualified with findings | | | | | | | | | | | | | | | |
| 27 | Limpopo Business Support Agency | LP | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 28 | Limpopo Development Corporation (LimDev) | LP | Financially unqualified with findings | | | | | | | | | | | | | | | |
| 29 | Trade and Investment Limpopo (TIL) | LP | Financially unqualified with findings | | | | | | | | | | | | | | | |
| 30 | Mmabana Arts, Culture and Sport Foundation | NW | Financially unqualified with findings | | | | | | | | | | | | | | | |
| 31 | North West Eastern Region Entrepreneurial Centre | NW | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 32 | North West Provincial Heritage Resources Authority | NW | Audit not finalised at legislated date | | | | | | | | | | | | | | | |
| 33 | Cassidra (Pty) Ltd | WC | Audit not finalised at legislated date | | | | | | | | | | | | | | | |

Financially unqualified with findings = Financially unqualified with findings on predetermined objectives and/or compliance with laws and regulations

Financially unqualified with no findings = Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|-------------------------------------|---|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| Audits conducted by the AGSA | | | | | | | | | | | | | | | | | | |
| Departments | | | | | | | | | | | | | | | | | | |
| 1 | Agriculture | EC | | | | | | | | | | | | | | | | |
| 2 | Economic Development and Environmental Affairs | EC | | | | | | | | | | | | | | | | |
| 3 | Education | EC | | | | | | | | | | | | | | | | |
| 4 | Health | EC | | | | | | | | | | | | | | | | |
| 5 | Human Settlements | EC | | | | | | | | | | | | | | | | |
| 6 | Local Government and Traditional Affairs | EC | | | | | | | | | | | | | | | | |
| 7 | Office of the Premier | EC | | | | | | | | | | | | | | | | |
| 8 | Provincial Legislature | EC | | | | | | | | | | | | | | | | |
| 9 | Provincial Treasury | EC | | | | | | | | | | | | | | | | |
| 10 | Public Works | EC | | | | | | | | | | | | | | | | |
| 11 | Roads and Transport | EC | | | | | | | | | | | | | | | | |
| 12 | Safety and Liaison | EC | | | | | | | | | | | | | | | | |
| 13 | Social Development | EC | | | | | | | | | | | | | | | | |
| 14 | Sport, Recreation, Arts and Culture | EC | | | | | | | | | | | | | | | | |
| 15 | Agriculture | FS | | | | | | | | | | | | | | | | |
| 16 | Cooperative Governance and Traditional Affairs | FS | | | | | | | | | | | | | | | | |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | | | | | | | | | | | | | | | | |
| 18 | Education | FS | | | | | | | | | | | | | | | | |
| 19 | Free State Legislature | FS | | | | | | | | | | | | | | | | |
| 20 | Free State Provincial Treasury | FS | | | | | | | | | | | | | | | | |
| 21 | Health | FS | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 22 | Human Settlements | FS | | | | | | | | | | | | | | | | |
| 23 | Police, Roads and Transport | FS | | | | | | | | | | | | | | | | |
| 24 | Premier | FS | | | | | | | | | | | | | | | | |
| 25 | Public Works and Rural Development | FS | | | | | | | | | | | | | | | | |
| 26 | Social Development | FS | | | | | | | | | | | | | | | | |
| 27 | Sport, Arts, Culture and Recreation | FS | | | | | | | | | | | | | | | | |
| 28 | Agriculture and Rural Development | GP | | | | | | | | | | | | | | | | |
| 29 | Community Safety | GP | | | | | | | | | | | | | | | | |
| 30 | Economic Development | GP | | | | | | | | | | | | | | | | |
| 31 | Education | GP | | | | | | | | | | | | | | | | |
| 32 | Gauteng Provincial Treasury | GP | | | | | | | | | | | | | | | | |
| 33 | Gauteng Shared Service Centre | GP | | | | | | | | | | | | | | | | |
| 34 | Health | GP | | | | | | | | | | | | | | | | |
| 35 | Housing | GP | | | | | | | | | | | | | | | | |
| 36 | Infrastructure Development | GP | | | | | | | | | | | | | | | | |
| 37 | Local Government | GP | | | | | | | | | | | | | | | | |
| 38 | Office of the Premier | GP | | | | | | | | | | | | | | | | |
| 39 | Provincial Legislature | GP | | | | | | | | | | | | | | | | |
| 40 | Roads and Transport | GP | | | | | | | | | | | | | | | | |
| 41 | Social Development | GP | | | | | | | | | | | | | | | | |
| 42 | Sports, Arts, Culture and Recreation | GP | | | | | | | | | | | | | | | | |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | | | | | | | | | | | | | | | | |
| 44 | Arts and Culture | KZN | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 45 | Community Safety and Liaison | KZN | | | | | | | | | | | | | | | | |
| 46 | Cooperative Governance and Traditional Affairs | KZN | | | | | | | | | | | | | | | | |
| 47 | Economic Development and Tourism | KZN | | | | | | | | | | | | | | | | |
| 48 | Education | KZN | | | | | | | | | | | | | | | | |
| 49 | Health | KZN | | | | | | | | | | | | | | | | |
| 50 | Human Settlements | KZN | | | | | | | | | | | | | | | | |
| 51 | KZN Provincial Legislature | KZN | | | | | | | | | | | | | | | | |
| 52 | KZN Provincial Treasury | KZN | | | | | | | | | | | | | | | | |
| 53 | Office of the Premier | KZN | | | | | | | | | | | | | | | | |
| 54 | Public Works | KZN | | | | | | | | | | | | | | | | |
| 55 | Social Development | KZN | | | | | | | | | | | | | | | | |
| 56 | Sport and Recreation | KZN | | | | | | | | | | | | | | | | |
| 57 | The Royal Household | KZN | | | | | | | | | | | | | | | | |
| 58 | Transport | KZN | | | | | | | | | | | | | | | | |
| 59 | Agriculture | LP | | | | | | | | | | | | | | | | |
| 60 | Economic Development, Environment and Tourism | LP | | | | | | | | | | | | | | | | |
| 61 | Education | LP | | | | | | | | | | | | | | | | |
| 62 | Health | LP | | | | | | | | | | | | | | | | |
| 63 | Local Government and Housing | LP | | | | | | | | | | | | | | | | |
| 64 | Office of the Premier | LP | | | | | | | | | | | | | | | | |
| 65 | Provincial Legislature | LP | | | | | | | | | | | | | | | | |
| 66 | Provincial Treasury | LP | | | | | | | | | | | | | | | | |
| 67 | Public Works | LP | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 68 | Roads and Transport | LP | | | | | | | | | | | | | | | | |
| 69 | Safety, Security and Liaison | LP | | | | | | | | | | | | | | | | |
| 70 | Social Development | LP | | | | | | | | | | | | | | | | |
| 71 | Sport, Arts and Culture | LP | | | | | | | | | | | | | | | | |
| 72 | Agriculture, Rural Development and Land Administration | MP | | | | | | | | | | | | | | | | |
| 73 | Community Safety, Security and Liaison | MP | | | | | | | | | | | | | | | | |
| 74 | Cooperative Governance and Traditional Affairs | MP | | | | | | | | | | | | | | | | |
| 75 | Culture, Sports and Recreation | MP | | | | | | | | | | | | | | | | |
| 76 | Economic Development, Environment and Tourism | MP | | | | | | | | | | | | | | | | |
| 77 | Education | MP | | | | | | | | | | | | | | | | |
| 78 | Finance | MP | | | | | | | | | | | | | | | | |
| 79 | Health | MP | | | | | | | | | | | | | | | | |
| 80 | Human Settlements | MP | | | | | | | | | | | | | | | | |
| 81 | Office of the Premier | MP | | | | | | | | | | | | | | | | |
| 82 | Provincial Legislature | MP | | | | | | | | | | | | | | | | |
| 83 | Public Works, Roads and Transport | MP | | | | | | | | | | | | | | | | |
| 84 | Social Development | MP | | | | | | | | | | | | | | | | |
| 85 | Agriculture and Land Reform | NC | | | | | | | | | | | | | | | | |
| 86 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | | | | | | | | | | | | | | | | |
| 87 | Economic Development and Tourism | NC | | | | | | | | | | | | | | | | |
| 88 | Education | NC | | | | | | | | | | | | | | | | |
| 89 | Environmental Affairs and Nature Conservation | NC | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 90 | Health | NC | | | | | | | | | | | | | | | | |
| 91 | Office of the Premier | NC | | | | | | | | | | | | | | | | |
| 92 | Provincial Legislature | NC | | | | | | | | | | | | | | | | |
| 93 | Provincial Treasury | NC | | | | | | | | | | | | | | | | |
| 94 | Roads and Public Works | NC | | | | | | | | | | | | | | | | |
| 95 | Social Development | NC | | | | | | | | | | | | | | | | |
| 96 | Sport, Arts and Culture | NC | | | | | | | | | | | | | | | | |
| 97 | Transport, Safety and Liaison | NC | | | | | | | | | | | | | | | | |
| 98 | Agriculture, Conservation, Environment and Rural Development | NW | | | | | | | | | | | | | | | | |
| 99 | Economic Development and Tourism | NW | | | | | | | | | | | | | | | | |
| 100 | Education | NW | | | | | | | | | | | | | | | | |
| 101 | Health | NW | | | | | | | | | | | | | | | | |
| 102 | Human Settlements | NW | | | | | | | | | | | | | | | | |
| 103 | Local Government and Traditional Affairs | NW | | | | | | | | | | | | | | | | |
| 104 | Office of the Premier | NW | | | | | | | | | | | | | | | | |
| 105 | Provincial Legislature | NW | | | | | | | | | | | | | | | | |
| 106 | Provincial Treasury | NW | | | | | | | | | | | | | | | | |
| 107 | Public Safety | NW | | | | | | | | | | | | | | | | |
| 108 | Public Works, Roads and Transport | NW | | | | | | | | | | | | | | | | |
| 109 | Social Development | NW | | | | | | | | | | | | | | | | |
| 110 | Sport, Arts and Culture | NW | | | | | | | | | | | | | | | | |
| 111 | Agriculture | WC | | | | | | | | | | | | | | | | |
| 112 | Community Safety | WC | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | | | |
|------------------------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|--|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure | | |
| 113 | Cultural Affairs and Sport | WC | | | | | | | | | | | | | | | | | | |
| 114 | Economic Development and Tourism | WC | | | | | | | | | | | | | | | | | | |
| 115 | Education | WC | | | | | | | | | | | | | | | | | | |
| 116 | Environmental Affairs and Development Planning | WC | | | | | | | | | | | | | | | | | | |
| 117 | Health | WC | | | | | | | | | | | | | | | | | | |
| 118 | Local Government and Housing | WC | | | | | | | | | | | | | | | | | | |
| 119 | Provincial Parliament | WC | | | | | | | | | | | | | | | | | | |
| 120 | Provincial Premier | WC | | | | | | | | | | | | | | | | | | |
| 121 | Provincial Treasury | WC | | | | | | | | | | | | | | | | | | |
| 122 | Social Development | WC | | | | | | | | | | | | | | | | | | |
| 123 | Transport and Public Works | WC | | | | | | | | | | | | | | | | | | |
| Public entities | | | | | | | | | | | | | | | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | | | | | | | | | | | | | | | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | | | | | | | | | | | | | | | | | | |
| 3 | Eastern Cape Development Corporation | EC | | | | | | | | | | | | | | | | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | | | | | | | | | | | | | | | | | | |
| 5 | Eastern Cape Liquor Board | EC | | | | | | | | | | | | | | | | | | |
| 6 | Eastern Cape Parks Board | EC | | | | | | | | | | | | | | | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | | | | | | | | | | | | | | | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimbo) | EC | | | | | | | | | | | | | | | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | | | | | | | | | | | | | | | | | | |
| 10 | Eastern Cape Tourism Board | EC | | | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 11 | Eastern Cape Youth Commission | EC | | | | | | | | | | | | | | | | |
| 12 | Mayibuye Transport Corporation | EC | | | | | | | | | | | | | | | | |
| 13 | Central Medical Trading Account | FS | | | | | | | | | | | | | | | | |
| 14 | Free State Fleet Management Trading Entity | FS | | | | | | | | | | | | | | | | |
| 15 | Free State Gambling and Racing Board | FS | | | | | | | | | | | | | | | | |
| 16 | Free State Housing Fund | FS | | | | | | | | | | | | | | | | |
| 17 | Free State Investment Promotion Agency | FS | | | | | | | | | | | | | | | | |
| 18 | Free State Liquor Authority | FS | | | | | | | | | | | | | | | | |
| 19 | Free State Tourism Authority | FS | | | | | | | | | | | | | | | | |
| 20 | Free State Youth Commission | FS | | | | | | | | | | | | | | | | |
| 21 | James Robertson Bursary Fund | FS | | | | | | | | | | | | | | | | |
| 22 | Nature Conservation Trust Fund | FS | | | | | | | | | | | | | | | | |
| 23 | Phakisa Major Sport Events and Development Corporation | FS | | | | | | | | | | | | | | | | |
| 24 | Private Patients Fund Trust | FS | | | | | | | | | | | | | | | | |
| 25 | Recreation Fund Trust | FS | | | | | | | | | | | | | | | | |
| 26 | Thomas Robertson Bursary Fund | FS | | | | | | | | | | | | | | | | |
| 27 | AIDC Development Centre | GP | | | | | | | | | | | | | | | | |
| 28 | Blue Catalyst Investment Company (Pty) Ltd | GP | | | | | | | | | | | | | | | | |
| 29 | Blue IQ Investment Holdings (Pty) Ltd | GP | | | | | | | | | | | | | | | | |
| 30 | Constitutional Hill Development Company | GP | | | | | | | | | | | | | | | | |
| 31 | Cost Recovery Trading Entity | GP | | | | | | | | | | | | | | | | |
| 32 | Cradle of Humankind Trading Entity | GP | | | | | | | | | | | | | | | | |

ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|------------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidiaries | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 33 | Dinokeng World Heritage Trading Entity | GP | | | | | | | | | | | | | | | | |
| 34 | Emoyeni Conference Trading Entity | GP | | | | | | | | | | | | | | | | |
| 35 | Gauteng Economic Development Agency | GP | | | | | | | | | | | | | | | | |
| 36 | Gauteng Enterprise Propeller | GP | | | | | | | | | | | | | | | | |
| 37 | Gauteng Film Commission | GP | | | | | | | | | | | | | | | | |
| 38 | Gauteng Fund Project Office | GP | | | | | | | | | | | | | | | | |
| 39 | Gauteng Gambling Board | GP | | | | | | | | | | | | | | | | |
| 40 | Gauteng Housing Fund | GP | | | | | | | | | | | | | | | | |
| 41 | Gauteng Medical Supplies Depot | GP | | | | | | | | | | | | | | | | |
| 42 | Gauteng Motorsport Company (Pty) Ltd | GP | | | | | | | | | | | | | | | | |
| 43 | Gauteng Partnership Fund | GP | | | | | | | | | | | | | | | | |
| 44 | Gauteng Tourism Authority | GP | | | | | | | | | | | | | | | | |
| 45 | Gautrain Management Agency | GP | | | | | | | | | | | | | | | | |
| 46 | g-Fleet Management | GP | | | | | | | | | | | | | | | | |
| 47 | Greater Newtown Development Company | GP | | | | | | | | | | | | | | | | |
| 48 | Impophoma Infrastructure Support Entity | GP | | | | | | | | | | | | | | | | |
| 49 | Kopanong Precinct | GP | | | | | | | | | | | | | | | | |
| 50 | Supplier Park Development Co | GP | | | | | | | | | | | | | | | | |
| 51 | The Innovation Hub | GP | | | | | | | | | | | | | | | | |
| 52 | Urban Transport Fund | GP | | | | | | | | | | | | | | | | |
| 53 | Amara atKwaZulu-Natali | KZN | | | | | | | | | | | | | | | | |
| 54 | Dube TradePort | KZN | | | | | | | | | | | | | | | | |
| 55 | Ithala Development Finance Corporation Limited | KZN | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | | | |
|--------|--|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|--|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure | | |
| 79 | Mpumalanga Regional Training Trust | MP | | | | | | | | | | | | | | | | | | |
| 80 | Mpumalanga Tourism and Parks Agency | MP | | | | | | | | | | | | | | | | | | |
| 81 | McGregor Museum | NC | | | | | | | | | | | | | | | | | | |
| 82 | Northern Cape Premier Education Trust Fund | NC | | | | | | | | | | | | | | | | | | |
| 83 | Northern Cape Tourism Authority | NC | | | | | | | | | | | | | | | | | | |
| 84 | Roads Capital Account | NC | | | | | | | | | | | | | | | | | | |
| 85 | Atridgenville Bus Services (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 86 | Invest North West | NW | | | | | | | | | | | | | | | | | | |
| 87 | Kgama Wildlife Operations (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 88 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 89 | North West Parks and Tourism Board | NW | | | | | | | | | | | | | | | | | | |
| 90 | North West Provincial Council on Aids | NW | | | | | | | | | | | | | | | | | | |
| 91 | North West Development Corporation (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 92 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | | | | | | | | | | | | | | | | | | |
| 93 | North West Gambling Board | NW | | | | | | | | | | | | | | | | | | |
| 94 | North West Provincial Arts and Cultural Council | NW | | | | | | | | | | | | | | | | | | |
| 95 | North West Star (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 96 | North West Transport Investments (Pty) Ltd | NW | | | | | | | | | | | | | | | | | | |
| 97 | Cape Medical Depot | WC | | | | | | | | | | | | | | | | | | |
| 98 | Destination Marketing Organisation (TA Cape Town Routes Unlimited) | WC | | | | | | | | | | | | | | | | | | |
| 99 | Government Motor Transport | WC | | | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | SCM issue that resulted in irregular expenditure | | | | | |
|---|---|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|--|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | |
| 100 | The Heritage Western Cape | WC | | | | | | | | | | | | | | | | | |
| 101 | Western Cape Cultural Commission | WC | | | | | | | | | | | | | | | | | |
| 102 | Western Cape Gambling and Racing Board | WC | | | | | | | | | | | | | | | | | |
| 103 | Western Cape Housing Development Fund | WC | | | | | | | | | | | | | | | | | |
| 104 | Western Cape Investment Trade and Promotion Agency | WC | | | | | | | | | | | | | | | | | |
| 105 | Western Cape Language Committee | WC | | | | | | | | | | | | | | | | | |
| 106 | Western Cape Liquor Board | WC | | | | | | | | | | | | | | | | | |
| 107 | Western Cape Nature Conservation Board | WC | | | | | | | | | | | | | | | | | |
| 108 | Western Cape Provincial Development Council | WC | | | | | | | | | | | | | | | | | |
| Audits not conducted by the AGSA | | | | | | | | | | | | | | | | | | | |
| Schedule 3 and other entities | | | | | | | | | | | | | | | | | | | |
| 1 | East London Industrial Development Zone Corporation | EC | | | | | | | | | | | | | | | | | |
| 2 | Genesis Fitness (Pty) Ltd | GP | | | | | | | | | | | | | | | | | |
| 3 | Banzi Pam Devco (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 4 | Cowslip Investments (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 5 | Durban Wharfside Trust | KZN | | | | | | | | | | | | | | | | | |
| 6 | Mabibi Development Company (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 7 | Moses Kotama Institute | KZN | | | | | | | | | | | | | | | | | |
| 8 | Nongoma Plaza Ltd | KZN | | | | | | | | | | | | | | | | | |
| 9 | Richards Bay Industrial Development Zone (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 10 | Rocktail Bay Devco (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 11 | Sibaya Conservation Projects (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |



ANNEXURE 2: Listing of findings related to compliance with laws and regulations

| Number | Auditee | Province | Prohibited action/non-adherence | | | | | | | | | | | | | | | |
|--------|---|----------|---------------------------------|------------------|--------------------------------|-----------------|---------------------|----------|---------------------------------|--|--|---------------------------------|-------------------------|----------------------------|-----------------------------|---------------|-------------------|--|
| | | | Annual budget | Responsibilities | Delegation of responsibilities | Audit committee | Internal audit unit | Payments | Transfer of funds and subsidies | Misconduct / disciplinary / criminal proceedings | Plans (strategic/ corporate/ integrated development) | Management of losses and claims | Conditional allocations | Companies Act requirements | Entity-specific legislation | HR management | Procurement (SCM) | SCM issue that resulted in irregular expenditure |
| 12 | Sundumbili Plaza Ltd | KZN | | | | | | | | | | | | | | | | |
| 13 | Ubiciko Twines and Fabrics (Pty) Ltd | KZN | | | | | | | | | | | | | | | | |
| 14 | Limpopo Agribusiness Development Corporation (LADC) | LP | | | | | | | | | | | | | | | | |
| 15 | Limpopo Development Corporation Limited (LimDev) | LP | | | | | | | | | | | | | | | | |
| 16 | Trade and Investment Limpopo | LP | | | | | | | | | | | | | | | | |
| 17 | Mwabana Arts, Culture and Sport Foundation | NW | | | | | | | | | | | | | | | | |
| 18 | Cassidra (Pty) Ltd | WC | | | | | | | | | | | | | | | | |



ANNEXURE 3: Listing of findings raised on common information system focus areas

| Number | Auditee | Province | Focus areas | | | |
|-------------------------------------|---|----------|---------------|---------------------|---------------------|---|
| | | | IT governance | Security management | User access control | Information technology service continuity |
| Audits conducted by the AGSA | | | | | | |
| Departments | | | | | | |
| 1 | Agriculture | EC | | | | |
| 2 | Economic Development and Environmental Affairs | EC | | | | |
| 3 | Education | EC | | | | |
| 4 | Health | EC | | | | |
| 5 | Human Settlements | EC | | | | |
| 6 | Local Government and Traditional Affairs | EC | | | | |
| 7 | Office of the Premier | EC | | | | |
| 8 | Provincial Legislature | EC | | | | |
| 9 | Provincial Treasury | EC | | | | |
| 10 | Public Works | EC | | | | |
| 11 | Roads and Transport | EC | | | | |
| 12 | Safety and Liaison | EC | | | | |
| 13 | Social Development | EC | | | | |
| 14 | Sport, Recreation, Arts and Culture | EC | | | | |
| 15 | Agriculture | FS | | | | |
| 16 | Cooperative Governance and Traditional Affairs | FS | | | | |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | | | | |
| 18 | Education | FS | | | | |
| 19 | Free State Legislature | FS | | | | |
| 20 | Free State Provincial Treasury | FS | | | | |
| 21 | Health | FS | | | | |
| 22 | Human Settlements | FS | | | | |
| 23 | Police, Roads and Transport | FS | | | | |
| 24 | Premier | FS | | | | |
| 25 | Public Works and Rural Development | FS | | | | |
| 26 | Social Development | FS | | | | |
| 27 | Sport, Arts, Culture and Recreation | FS | | | | |
| 28 | Agriculture and Rural Development | GP | | | | |
| 29 | Community Safety | GP | | | | |
| 30 | Economic Development | GP | | | | |
| 31 | Education | GP | | | | |
| 32 | Gauteng Provincial Treasury | GP | | | | |
| 33 | Gauteng Shared Service Centre | GP | | | | |

ANNEXURE 3: Listing of findings raised on common information system focus areas

| Number | Auditee | Province | Focus areas | | | |
|--------|--|----------|---------------|---------------------|---------------------|---|
| | | | IT governance | Security management | User access control | Information technology service continuity |
| 34 | Health | GP | | | | |
| 35 | Housing | GP | | | | |
| 36 | Infrastructure Development | GP | | | | |
| 37 | Local Government | GP | | | | |
| 38 | Office of the Premier | GP | | | | |
| 39 | Provincial Legislature | GP | | | | |
| 40 | Roads and Transport | GP | | | | |
| 41 | Social Development | GP | | | | |
| 42 | Sports, Arts, Culture and Recreation | GP | | | | |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | | | | |
| 44 | Arts and Culture | KZN | | | | |
| 45 | Community Safety and Liaison | KZN | | | | |
| 46 | Cooperative Governance and Traditional Affairs | KZN | | | | |
| 47 | Economic Development and Tourism | KZN | | | | |
| 48 | Education | KZN | | | | |
| 49 | Health | KZN | | | | |
| 50 | Human Settlements | KZN | | | | |
| 51 | KZN Provincial Legislature | KZN | | | | |
| 52 | KZN Provincial Treasury | KZN | | | | |
| 53 | Office of the Premier | KZN | | | | |
| 54 | Public Works | KZN | | | | |
| 55 | Social Development | KZN | | | | |
| 56 | Sport and Recreation | KZN | | | | |
| 57 | Transport | KZN | | | | |
| 58 | Agriculture | LP | | | | |
| 59 | Economic Development, Environment and Tourism | LP | | | | |
| 60 | Education | LP | | | | |
| 61 | Health | LP | | | | |
| 62 | Local Government and Housing | LP | | | | |
| 63 | Office of the Premier | LP | | | | |
| 64 | Provincial Legislature | LP | | | | |
| 65 | Provincial Treasury | LP | | | | |
| 66 | Public Works | LP | | | | |
| 67 | Roads and Transport | LP | | | | |
| 68 | Safety, Security and Liaison | LP | | | | |
| 69 | Social Development | LP | | | | |



ANNEXURE 3: Listing of findings raised on common information system focus areas

| Number | Auditee | Province | Focus areas | | | |
|--------|--|----------|---------------|---------------------|---------------------|---|
| | | | IT governance | Security management | User access control | Information technology service continuity |
| 70 | Sport, Arts and Culture | LP | | | | |
| 71 | Agriculture, Rural Development and Land Administration | MP | | | | |
| 72 | Community Safety, Security and Liaison | MP | | | | |
| 73 | Cooperative Governance and Traditional Affairs | MP | | | | |
| 74 | Culture, Sports and Recreation | MP | | | | |
| 75 | Economic Development, Environment and Tourism | MP | | | | |
| 76 | Education | MP | | | | |
| 77 | Finance | MP | | | | |
| 78 | Health | MP | | | | |
| 79 | Human Settlements | MP | | | | |
| 80 | Office of the Premier | MP | | | | |
| 81 | Provincial Legislature | MP | | | | |
| 82 | Public Works, Roads and Transport | MP | | | | |
| 83 | Social Development | MP | | | | |
| 84 | Agriculture and Land Reform | NC | | | | |
| 85 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | | | | |
| 86 | Economic Development and Tourism | NC | | | | |
| 87 | Education | NC | | | | |
| 88 | Environmental Affairs and Nature Conservation | NC | | | | |
| 89 | Health | NC | | | | |
| 90 | Office of the Premier | NC | | | | |
| 91 | Provincial Legislature | NC | | | | |
| 92 | Provincial Treasury | NC | | | | |
| 93 | Roads and Public Works | NC | | | | |
| 94 | Social Development | NC | | | | |
| 95 | Sport, Arts and Culture | NC | | | | |
| 96 | Transport, Safety and Liaison | NC | | | | |
| 97 | Economic Development and Tourism | NW | | | | |
| 98 | Office of the Premier | NW | | | | |
| 99 | Public Safety | NW | | | | |
| 100 | Agriculture | WC | | | | |
| 101 | Community Safety | WC | | | | |
| 102 | Cultural Affairs and Sport | WC | | | | |
| 103 | Economic Development and Tourism | WC | | | | |
| 104 | Education | WC | | | | |
| 105 | Environmental Affairs and Development Planning | WC | | | | |

ANNEXURE 3: Listing of findings raised on common information system focus areas

| Number | Auditee | Province | Focus areas | | | |
|------------------------|--|----------|---------------|---------------------|---------------------|---|
| | | | IT governance | Security management | User access control | Information technology service continuity |
| 106 | Health | WC | | | | |
| 107 | Local Government and Housing | WC | | | | |
| 108 | Provincial Parliament | WC | | | | |
| 109 | Provincial Premier | WC | | | | |
| 110 | Provincial Treasury | WC | | | | |
| 111 | Social Development | WC | | | | |
| 112 | Transport and Public Works | WC | | | | |
| Public entities | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | | | | |
| 3 | Eastern Cape Development Corporation | EC | | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | | | | |
| 5 | Eastern Cape Liquor Board | EC | | | | |
| 6 | Eastern Cape Parks Board | EC | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimba) | EC | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | | | | |
| 10 | Eastern Cape Tourism Board | EC | | | | |
| 11 | Eastern Cape Youth Commission | EC | | | | |
| 12 | Mayibuye Transport Corporation | EC | | | | |
| 13 | Free State Gambling and Racing Board | FS | | | | |
| 14 | Free State Liquor Authority | FS | | | | |
| 15 | Free State Tourism Authority | FS | | | | |
| 16 | Phakisa Major Sport Events and Development Corporation | FS | | | | |
| 17 | Cost Recovery Trading Entity | GP | | | | |
| 18 | Cradle of Humankind Trading Entity | GP | | | | |
| 19 | Emoyeni Conference Trading Entity | GP | | | | |
| 20 | Gauteng Film Commission | GP | | | | |
| 21 | Gauteng Housing Fund | GP | | | | |
| 22 | Gauteng Tourism Authority | GP | | | | |
| 23 | g-Fleet Management | GP | | | | |
| 24 | Greater Newtown Development Company | GP | | | | |
| 25 | Impophoma Infrastructure Support Entity | GP | | | | |
| 26 | Kopanong Precinct | GP | | | | |
| 27 | KwaZulu-Natal Nature Conservation Board | KZN | | | | |
| 28 | KwaZulu-Natal Tourism Authority | KZN | | | | |



ANNEXURE 3: Listing of findings raised on common information system focus areas

| Number | Auditee | Province | Focus areas | | | |
|--------|--|----------|---------------|---------------------|---------------------|---|
| | | | IT governance | Security management | User access control | Information technology service continuity |
| 29 | Gateway Airport Authority Limited | LP | | | | |
| 30 | Limpopo Gambling Board | LP | | | | |
| 31 | Roads Agency Limpopo (Pty) Ltd | LP | | | | |
| 32 | Cape Medical Depot | WC | | | | |
| 33 | Government Motor Transport | WC | | | | |
| 34 | The Heritage Western Cape | WC | | | | |
| 35 | Western Cape Cultural Commission | WC | | | | |
| 36 | Western Cape Language Committee | WC | | | | |
| 37 | Western Cape Liquor Board | WC | | | | |
| 38 | Western Cape Nature Conservation Board | WC | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|-------------------------------------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| Audits conducted by the AGSA | | | | | | | | | | | | | | |
| Departments | | | | | | | | | | | | | | |
| 1 | Agriculture | EC | | | | | | | | | | | | |
| 2 | Economic Development and Environmental Affairs | EC | | | | | | | | | | | | |
| 3 | Education | EC | | | | | | | | | | | | |
| 4 | Health | EC | | | | | | | | | | | | |
| 5 | Housing | EC | | | | | | | | | | | | |
| 6 | Local Government and Traditional Affairs | EC | | | | | | | | | | | | |
| 7 | Office of the Premier | EC | | | | | | | | | | | | |
| 8 | Provincial Legislature | EC | | | | | | | | | | | | |
| 9 | Provincial Treasury | EC | | | | | | | | | | | | |
| 10 | Public Works | EC | | | | | | | | | | | | |
| 11 | Roads and Transport | EC | | | | | | | | | | | | |
| 12 | Safety and Liaison | EC | | | | | | | | | | | | |
| 13 | Social Development | EC | | | | | | | | | | | | |
| 14 | Sport, Arts, Culture and Recreation | EC | | | | | | | | | | | | |
| 15 | Agriculture | FS | | | | | | | | | | | | |
| 16 | Department of Cooperative Governance and Traditional Affairs | FS | | | | | | | | | | | | |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | | | | | | | | | | | | |
| 18 | Education | FS | | | | | | | | | | | | |
| 19 | Free State Legislature | FS | | | | | | | | | | | | |
| 20 | Free State Provincial Treasury | FS | | | | | | | | | | | | |
| 21 | Health | FS | | | | | | | | | | | | |
| 22 | Human Settlements | FS | | | | | | | | | | | | |
| 23 | Police, Roads and Transport | FS | | | | | | | | | | | | |
| 24 | Premier | FS | | | | | | | | | | | | |
| 25 | Public Works and Rural Development | FS | | | | | | | | | | | | |
| 26 | Social Development | FS | | | | | | | | | | | | |
| 27 | Sport, Arts Culture and Recreation | FS | | | | | | | | | | | | |
| 28 | Agriculture and Rural Development | GP | | | | | | | | | | | | |
| 29 | Community Safety | GP | | | | | | | | | | | | |
| 30 | Economic Development | GP | | | | | | | | | | | | |
| 31 | Education | GP | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | Improvements required | | | | | | |
|--------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 32 | Gauteng Provincial Treasury | GP | | | | | | | | | | | | |
| 33 | Gauteng Shared Service Centre | GP | | | | | | | | | | | | |
| 34 | Health | GP | | | | | | | | | | | | |
| 35 | Housing | GP | | | | | | | | | | | | |
| 36 | Infrastructure Development | GP | | | | | | | | | | | | |
| 37 | Local Government | GP | | | | | | | | | | | | |
| 38 | Office of the Premier | GP | | | | | | | | | | | | |
| 39 | Provincial Legislature | GP | | | | | | | | | | | | |
| 40 | Roads and Transport | GP | | | | | | | | | | | | |
| 41 | Social Development | GP | | | | | | | | | | | | |
| 42 | Sports, Arts, Culture and Recreation | GP | | | | | | | | | | | | |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | | | | | | | | | | | | |
| 44 | Arts and Culture | KZN | | | | | | | | | | | | |
| 45 | Community Safety and Liaison | KZN | | | | | | | | | | | | |
| 46 | Cooperative Governance and Traditional Affairs | KZN | | | | | | | | | | | | |
| 47 | Economic Development and Tourism | KZN | | | | | | | | | | | | |
| 48 | Education | KZN | | | | | | | | | | | | |
| 49 | Health | KZN | | | | | | | | | | | | |
| 50 | Human Settlements | KZN | | | | | | | | | | | | |
| 51 | KZN Provincial Legislature | KZN | | | | | | | | | | | | |
| 52 | KZN Provincial Treasury | KZN | | | | | | | | | | | | |
| 53 | Office of the Premier | KZN | | | | | | | | | | | | |
| 54 | Public Works | KZN | | | | | | | | | | | | |
| 55 | Social Development | KZN | | | | | | | | | | | | |
| 56 | Sport and Recreation | KZN | | | | | | | | | | | | |
| 57 | The Royal Household | KZN | | | | | | | | | | | | |
| 58 | Transport | KZN | | | | | | | | | | | | |
| 59 | Agriculture | LP | | | | | | | | | | | | |
| 60 | Economic Development, Environment and Tourism | LP | | | | | | | | | | | | |
| 61 | Education | LP | | | | | | | | | | | | |
| 62 | Health | LP | | | | | | | | | | | | |
| 63 | Local Government and Housing | LP | | | | | | | | | | | | |
| 64 | Office of the Premier | LP | | | | | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|--------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 65 | Provincial Legislature | LP | | | | | | | | | | | | |
| 66 | Provincial Treasury | LP | | | | | | | | | | | | |
| 67 | Public Works | LP | | | | | | | | | | | | |
| 68 | Roads and Transport | LP | | | | | | | | | | | | |
| 69 | Safety, Security and Liaison | LP | | | | | | | | | | | | |
| 70 | Social Development | LP | | | | | | | | | | | | |
| 71 | Sport, Arts and Culture | LP | | | | | | | | | | | | |
| 72 | Agriculture, Rural Development and Land Administration | MP | | | | | | | | | | | | |
| 73 | Community Safety, Security and Liaison | MP | | | | | | | | | | | | |
| 74 | Cooperative Governance and Traditional Affairs | MP | | | | | | | | | | | | |
| 75 | Culture, Sports and Recreation | MP | | | | | | | | | | | | |
| 76 | Education | MP | | | | | | | | | | | | |
| 77 | Finance | MP | | | | | | | | | | | | |
| 78 | Health | MP | | | | | | | | | | | | |
| 79 | Human Settlements | MP | | | | | | | | | | | | |
| 80 | Public Works, Roads and Transport | MP | | | | | | | | | | | | |
| 81 | Social Development | MP | | | | | | | | | | | | |
| 82 | Economic Development, Environment and Tourism | MP | | | | | | | | | | | | |
| 83 | Office of the Premier | MP | | | | | | | | | | | | |
| 84 | Provincial Legislature | MP | | | | | | | | | | | | |
| 85 | Agriculture and Land Reform | NC | | | | | | | | | | | | |
| 86 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | | | | | | | | | | | | |
| 87 | Economic Development and Tourism | NC | | | | | | | | | | | | |
| 88 | Education | NC | | | | | | | | | | | | |
| 89 | Environmental Affairs and Nature Conservation | NC | | | | | | | | | | | | |
| 90 | Health | NC | | | | | | | | | | | | |
| 91 | Office of the Premier | NC | | | | | | | | | | | | |
| 92 | Provincial Legislature | NC | | | | | | | | | | | | |
| 93 | Provincial Treasury | NC | | | | | | | | | | | | |
| 94 | Roads and Public Works | NC | | | | | | | | | | | | |
| 95 | Social Development | NC | | | | | | | | | | | | |
| 96 | Sport, Arts and Culture | NC | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|--------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 97 | Transport, Safety and Liaison | NC | | | | | | | | | | | | |
| 98 | Agriculture, Conservation, Environment and Rural Development | NW | | | | | Not performed | | | | | | | Not performed |
| 99 | Department of Human Settlements | NW | | | | | Not performed | | | | | | | Not performed |
| 100 | Department of Local Government and Traditional Affairs | NW | | | | | Not performed | | | | | | | Not performed |
| 101 | Department of Public Safety | NW | | | | | Not performed | | | | | | | Not performed |
| 102 | Economic Development and Tourism | NW | | | | | Not performed | | | | | | | Not performed |
| 103 | Education | NW | | | | | Not performed | | | | | | | Not performed |
| 104 | Health | NW | | | | | Not performed | | | | | | | Not performed |
| 105 | Office of the Premier | NW | | | | | Not performed | | | | | | | Not performed |
| 106 | Provincial Legislature | NW | | | | | Not performed | | | | | | | Not performed |
| 107 | Provincial Treasury | NW | | | | | Not performed | | | | | | | Not performed |
| 108 | Public Works, Roads & Transport | NW | | | | | Not performed | | | | | | | Not performed |
| 109 | Social Development | NW | | | | | Not performed | | | | | | | Not performed |
| 110 | Sport, Arts and Culture | NW | | | | | Not performed | | | | | | | Not performed |
| 111 | Agriculture | WC | | | | | | | | | | | | |
| 112 | Community Safety | WC | | | | | | | | | | | | |
| 113 | Cultural Affairs and Sport | WC | | | | | | | | | | | | |
| 114 | Economic Development and Tourism | WC | | | | | | | | | | | | |
| 115 | Education | WC | | | | | | | | | | | | |
| 116 | Environmental Affairs and Development Planning | WC | | | | | | | | | | | | |
| 117 | Health | WC | | | | | | | | | | | | |
| 118 | Local Government and Housing | WC | | | | | | | | | | | | |
| 119 | Provincial Parliament | WC | | | | | | | | | | | | |
| 120 | Provincial Premier | WC | | | | | | | | | | | | |
| 121 | Provincial Treasury | WC | | | | | | | | | | | | |
| 122 | Social Development | WC | | | | | | | | | | | | |
| 123 | Transport and Public Works | WC | | | | | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|------------------------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| Public entities | | | | | | | | | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | | | | | | | | | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | | | | | | | | | | | | |
| 3 | Eastern Cape Development Corporation | EC | | | | | | | | | | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | | | | | | | | | | | | |
| 5 | Eastern Cape Liquor Board | EC | | | | | | | | | | | | |
| 6 | Eastern Cape Parks Board | EC | | | | | | | | | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | | | | | | | | | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimba) | EC | | | | | | | | | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | | | | | | | | | | | | |
| 10 | Eastern Cape Tourism Board | EC | | | | | | | | | | | | |
| 11 | Eastern Cape Youth Commission | EC | | | | | | | | | | | | |
| 12 | Mayibuye Transport Corporation | EC | | | | | | | | | | | | |
| 13 | Central Medical Trading Account | FS | | | | | | | | | | | | |
| 14 | Free State Fleet Management Trading Entity | FS | | | | | | | | | | | | |
| 15 | Free State Gambling and Racing Board | FS | | | | | | | | | | | | |
| 16 | Free State Housing Fund | FS | | | | | | | | | | | | |
| 17 | Free State Investment Promotion Agency | FS | | | | | | | | | | | | |
| 18 | Free State Liquor Authority | FS | | | | | | | | | | | | |
| 19 | Free State Tourism Authority | FS | | | | | | | | | | | | |
| 20 | Free State Youth Commission | FS | | | | | | | | | | | | |
| 21 | James Robertson Bursary Fund | FS | | | | | | | | | | | | |
| 22 | Nature Conservation Trust Fund | FS | | | | | | | | | | | | |
| 23 | Phakisa Major Sport Events and Development Corporation | FS | | | | | | | | | | | | |
| 24 | Private Patients Fund Trust | FS | | | | | | | | | | | | |
| 25 | Recreation Fund Trust | FS | | | | | | | | | | | | |
| 26 | Thomas Robertson Bursary Fund | FS | | | | | | | | | | | | |
| 27 | AIDC Development Centre | GP | | | | | | | | | | | | |
| 28 | Blue Catalyst Investment Company (Pty) Ltd | GP | | | | | | | | | | | | |
| 29 | Blue IQ Investment Holdings (Pty) Ltd | GP | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|--------|---|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 30 | Constitutional Hill Development Company | GP | | | | | | | | | | | | |
| 31 | Cost Recovery Trading Entity | GP | | | | | | | | | | | | |
| 32 | Cradle of Humankind Trading Entity | GP | | | | | | | | | | | | |
| 33 | Dinokeng World Heritage Trading Entity | GP | | | | | | | | | | | | |
| 34 | Emoyeni Conference Trading Entity | GP | | | | | | | | | | | | |
| 35 | Gauteng Economic Development Agency | GP | | | | | | | | | | | | |
| 36 | Gauteng Enterprise Propeller | GP | | | | | | | | | | | | |
| 37 | Gauteng Film Commission | GP | | | | | | | | | | | | |
| 38 | Gauteng Fund Project Office | GP | | | | | | | | | | | | |
| 39 | Gauteng Gambling Board | GP | | | | | | | | | | | | |
| 40 | Gauteng Housing Fund | GP | | | | | | | | | | | | |
| 41 | Gauteng Medical Supplies Depot | GP | | | | | | | | | | | | |
| 42 | Gauteng Motorsport Company (Pty) Ltd | GP | | | | | | | | | | | | |
| 43 | Gauteng Partnership Fund | GP | | | | | | | | | | | | |
| 44 | Gauteng Tourism Authority | GP | | | | | | | | | | | | |
| 45 | Gautrain Management Agency | GP | | | | | | | | | | | | |
| 46 | g-Fleet Management | GP | | | | | | | | | | | | |
| 47 | Greater Newtown Development Company | GP | | | | | | | | | | | | |
| 48 | Impophoma Infrastructure Support Entity | GP | | | | | | | | | | | | |
| 49 | Kopanong Precinct | GP | | | | | | | | | | | | |
| 50 | Supplier Park Development Co | GP | | | | | | | | | | | | |
| 51 | The Innovation Hub | GP | | | | | | | | | | | | |
| 52 | Urban Transport Fund | GP | | | | | | | | | | | | |
| 53 | Amafa aKwaZulu-Natali | KZN | | | | | | | | | | | | |
| 54 | Dube TradePort | KZN | | | | | | | | | | | | |
| 55 | Ithala Development Finance Corporation Limited | KZN | | | | | | | | | | | | |
| 56 | Ithala Limited | KZN | | | | | | | | | | | | |
| 57 | KwaZulu-Natal Agricultural Development Trust | KZN | | | | | | | | | | | | |
| 58 | KwaZulu-Natal Gambling Board | KZN | | | | | | | | | | | | |
| 59 | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | KZN | | | | | | | | | | | | |
| 60 | KwaZulu-Natal Nature Conservation Board | KZN | | | | | | | | | | | | |
| 61 | KwaZulu-Natal Planning and Development Commission | KZN | | | | | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | |
|--------|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 62 | KwaZulu-Natal Sharks Board | KZN | | | | | | | | | | | | |
| 63 | KwaZulu-Natal Tourism Authority | KZN | | | | | | | | | | | | |
| 64 | KZN Housing Fund | KZN | | | | | | | | | | | | |
| 65 | KZN Provincial Pharmaceutical Supply Depot | KZN | | | | | | | | | | | | |
| 66 | KZN Represented Political Parties' Fund | KZN | | | | | | | | | | | | |
| 67 | Mjindi Farming (Pty) Ltd | KZN | | | | | | | | | | | | |
| 68 | Trade and Investment KwaZulu-Natal | KZN | | | | | | | | | | | | |
| 69 | Traditional Levies and Trust Account | KZN | | | | | | | | | | | | |
| 70 | uMsekeli Municipal Support Services | KZN | | | | | | | | | | | | |
| 71 | Gateway Airport Authority Limited | LP | | | | | | | | | | | | |
| 72 | Limpopo Gambling Board | LP | | | | | | | | | | | | |
| 73 | Roads Agency Limpopo (Pty) Ltd | LP | | | | | | | | | | | | |
| 74 | Urban Transport Fund | LP | | | | | | | | | | | | |
| 75 | Mpumalanga Agricultural Development Corporation | MP | | | | | | | | | | | | |
| 76 | Mpumalanga Economic Growth Agency | MP | | | | | | | | | | | | |
| 77 | Mpumalanga Gambling Board | MP | | | | | | | | | | | | |
| 78 | Mpumalanga Housing Finance Company | MP | | | | | | | | | | | | |
| 79 | Mpumalanga Regional Training Trust | MP | | | | | | | | | | | | |
| 80 | Mpumalanga Tourism and Parks Agency | MP | | | | | | | | | | | | |
| 81 | McGregor Museum | NC | | | | | | | | | | | | |
| 82 | Northern Cape Premier Education Trust Fund | NC | | | | | | | | | | | | |
| 83 | Northern Cape Tourism Authority | NC | | | | | | | | | | | | |
| 84 | Roads Capital Account | NC | | | | | | | | | | | | |
| 85 | Atteridgeville Bus Services (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 86 | Invest North West | NW | | | | | | Not performed | | | | | | Not performed |
| 87 | Kgama Wildlife Operations (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 88 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 89 | North West Development Corporation (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 90 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | | | | | | Not performed | | | | | | Not performed |



ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | Improvements required | | | | | | |
|---|--|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | |
| 91 | North West Gambling Board | NW | | | | | | Not performed | | | | | | Not performed |
| 92 | North West Parks and Tourism Board | NW | | | | | | Not performed | | | | | | Not performed |
| 93 | North West Provincial Arts and Cultural Council | NW | | | | | | Not performed | | | | | | Not performed |
| 94 | North West Provincial Council on Aids | NW | | | | | | Not performed | | | | | | Not performed |
| 95 | North West Star (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 96 | North West Transport Investments (Pty) Ltd | NW | | | | | | Not performed | | | | | | Not performed |
| 97 | Cape Medical Depot | WC | | | | | | | | | | | | |
| 98 | Destination Marketing Organisation (TA Cape Town Routes Unlimited) | WC | | | | | | | | | | | | |
| 99 | Government Motor Transport | WC | | | | | | | | | | | | |
| 100 | The Heritage Western Cape | WC | | | | | | | | | | | | |
| 101 | Western Cape Cultural Commission | WC | | | | | | | | | | | | |
| 102 | Western Cape Gambling and Racing Board | WC | | | | | | | | | | | | |
| 103 | Western Cape Housing Development Fund | WC | | | | | | | | | | | | |
| 104 | Western Cape Investment Trade and Promotion Agency | WC | | | | | | | | | | | | |
| 105 | Western Cape Language Committee | WC | | | | | | | | | | | | |
| 106 | Western Cape Liquor Board | WC | | | | | | | | | | | | |
| 107 | Western Cape Nature Conservation Board | WC | | | | | | | | | | | | |
| 108 | Western Cape Provincial Development Council | WC | | | | | | | | | | | | |
| Audits not conducted by the AGSA | | | | | | | | | | | | | | |
| Schedule 3 and other entities | | | | | | | | | | | | | | |
| 1 | East London Industrial Development Zone Corporation | EC | | | | | | | | | | | | |
| 2 | Genesis Fitness (Pty) Ltd | GP | | | | | | | | | | | | |
| 3 | Banzi Pan Devco (Pty) Ltd | KZN | | | | | | | | | | | | |
| 4 | Cowslip Investments (Pty) Ltd | KZN | | | | | | | | | | | | |
| 5 | Durban Wharfside Trust | KZN | | | | | | | | | | | | |
| 6 | Mabibi Development Company (Pty) Ltd | KZN | | | | | | | | | | | | |
| 7 | Moses Kotana Institute | KZN | | | | | | | | | | | | |
| 8 | Nongoma Plaza Ltd | KZN | | | | | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – leadership

| Number | Auditee | Province | Maintained/improved previous good practices | | | | | | Improvements required | | | | | | | | | | |
|--------|---|----------|---|--------------------------|-------------------------------------|--------------|----------------------|--|---|--------------------------|-------------------------------------|--------------|----------------------|--|--|--|--|--|--|
| | | | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | Environment for financial management and service delivery | | Organisational structure and skills | Action plans | Filling of vacancies | IT systems access control deficiencies | | | | | |
| | | | Financial statements | Predetermined objectives | | | | | Financial statements | Predetermined objectives | | | | | | | | | |
| 9 | Richards Bay Industrial Development Zone (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 10 | Rocktail Bay Devco (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 11 | Sibaya Conservation Projects (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 12 | Sundumbili Plaza Ltd | KZN | | | | | | | | | | | | | | | | | |
| 13 | Ubiciko Twines and Fabrics (Pty) Ltd | KZN | | | | | | | | | | | | | | | | | |
| 14 | Limpopo Agribusiness Development Corporation (LADC) | LP | | | | | | | | | | | | | | | | | |
| 15 | Limpopo Development Corporation (LimDev) | LP | | | | | | | | | | | | | | | | | |
| 16 | Trade and Investment Limpopo (TIL) | LP | | | | | | | | | | | | | | | | | |
| 17 | Mmabana Arts, Culture and Sport Foundation | NW | | | | | | | | | | | | | | | | | |
| 18 | Cassidra (Pty) Ltd | WC | | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | Improvements required | | | | | | | |
|-------------------------------------|--|----------|---|--------------------------|--|--------------------------|---|---------------------|-----------------------------|----------------------|--------------------------------------|----------------------|--|---------------------|---|---------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | |
| | | | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity |
| Audits conducted by the AGSA | | | | | | | | | | | | | | | | |
| Departments | | | | | | | | | | | | | | | | |
| 1 | Agriculture | EC | | | | | | | | | | | | | | |
| 2 | Economic Development and Environmental Affairs | EC | | | | | | | | | | | | | | |
| 3 | Education | EC | | | | | | | | | | | | | | |
| 4 | Health | EC | | | | | | | | | | | | | | |
| 5 | Housing | EC | | | | | | | | | | | | | | |
| 6 | Local Government and Traditional Affairs | EC | | | | | | | | | | | | | | |
| 7 | Office of the Premier | EC | | | | | | | | | | | | | | |
| 8 | Provincial Legislature | EC | | | | | | | | | | | | | | |
| 9 | Provincial Treasury | EC | | | | | | | | | | | | | | |
| 10 | Public Works | EC | | | | | | | | | | | | | | |
| 11 | Roads and Transport | EC | | | | | | | | | | | | | | |
| 12 | Safety and Liaison | EC | | | | | | | | | | | | | | |
| 13 | Social Development | EC | | | | | | | | | | | | | | |
| 14 | Sport, Arts, Culture and Recreation | EC | | | | | | | | | | | | | | |
| 15 | Agriculture | FS | | | | | | | | | | | | | | |
| 16 | Department of Cooperative Governance and Traditional Affairs | FS | | | | | | | | | | | | | | |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | | | | | | | | | | | | | | |
| 18 | Education | FS | | | | | | | | | | | | | | |
| 19 | Free State Legislature | FS | | | | | | | | | | | | | | |
| 20 | Free State Provincial Treasury | FS | | | | | | | | | | | | | | |
| 21 | Health | FS | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | | | Improvements required | | | | | | | | |
|--------|--|----------|---|--------------------------|---------------------------------------|----------------------|---|---------------------|-----------------------------|---------------------|--------------------------------------|--------------------------|---------------------------------------|----------------------|---|---------------------|-----------------------------|---------------------|--|
| | | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | |
| | | | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | |
| 22 | Human Settlements | FS | | | | | | | | | | | | | | | | | |
| 23 | Police, Roads and Transport | FS | | | | | | | | | | | | | | | | | |
| 24 | Premier | FS | | | | | | | | | | | | | | | | | |
| 25 | Public Works and Rural Development | FS | | | | | | | | | | | | | | | | | |
| 26 | Social Development | FS | | | | | | | | | | | | | | | | | |
| 27 | Sport, Arts Culture and Recreation | FS | | | | | | | | | | | | | | | | | |
| 28 | Agriculture and Rural Development | GP | | | | | | | | | | | | | | | | | |
| 29 | Community Safety | GP | | | | | | | | | | | | | | | | | |
| 30 | Economic Development | GP | | | | | | | | | | | | | | | | | |
| 31 | Education | GP | | | | | | | | | | | | | | | | | |
| 32 | Gauteng Provincial Treasury | GP | | | | | | | | | | | | | | | | | |
| 33 | Gauteng Shared Service Centre | GP | | | | | | | | | | | | | | | | | |
| 34 | Health | GP | | | | | | | | | | | | | | | | | |
| 35 | Housing | GP | | | | | | | | | | | | | | | | | |
| 36 | Infrastructure Development | GP | | | | | | | | | | | | | | | | | |
| 37 | Local Government | GP | | | | | | | | | | | | | | | | | |
| 38 | Office of the Premier | GP | | | | | | | | | | | | | | | | | |
| 39 | Provincial Legislature | GP | | | | | | | | | | | | | | | | | |
| 40 | Roads and Transport | GP | | | | | | | | | | | | | | | | | |
| 41 | Social Development | GP | | | | | | | | | | | | | | | | | |
| 42 | Sports, Arts, Culture and Recreation | GP | | | | | | | | | | | | | | | | | |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | | | | | | | | | | | | | | | | | |
| 44 | Arts and Culture | KZN | | | | | | | | | | | | | | | | | |
| 45 | Community Safety and Liaison | KZN | | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | | | Improvements required | | | | | | | | | | |
|--------|--|----------|---|--------------------------|--|--------------------------|---|---------------------|-----------------------------|----------------------|--------------------------------------|--|--|--------------------------|---|----------------------|-----------------------------|---------------------|---------------------|---------------------|--|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | | | |
| | | | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | |
| 46 | Cooperative Governance and Traditional Affairs | KZN | | | | | | | | | | | | | | | | | | | |
| 47 | Economic Development and Tourism | KZN | | | | | | | | | | | | | | | | | | | |
| 48 | Education | KZN | | | | | | | | | | | | | | | | | | | |
| 49 | Health | KZN | | | | | | | | | | | | | | | | | | | |
| 50 | Human Settlements | KZN | | | | | | | | | | | | | | | | | | | |
| 51 | KZN Provincial Legislature | KZN | | | | | | | | | | | | | | | | | | | |
| 52 | KZN Provincial Treasury | KZN | | | | | | | | | | | | | | | | | | | |
| 53 | Office of the Premier | KZN | | | | | | | | | | | | | | | | | | | |
| 54 | Public Works | KZN | | | | | | | | | | | | | | | | | | | |
| 55 | Social Development | KZN | | | | | | | | | | | | | | | | | | | |
| 56 | Sport and Recreation | KZN | | | | | | | | | | | | | | | | | | | |
| 57 | The Royal Household | KZN | | | | | | | | | | | | | | | | | | | |
| 58 | Transport | KZN | | | | | | | | | | | | | | | | | | | |
| 59 | Agriculture | LP | | | | | | | | | | | | | | | | | | | |
| 60 | Economic Development, Environment and Tourism | LP | | | | | | | | | | | | | | | | | | | |
| 61 | Education | LP | | | | | | | | | | | | | | | | | | | |
| 62 | Health | LP | | | | | | | | | | | | | | | | | | | |
| 63 | Local Government and Housing | LP | | | | | | | | | | | | | | | | | | | |
| 64 | Office of the Premier | LP | | | | | | | | | | | | | | | | | | | |
| 65 | Provincial Legislature | LP | | | | | | | | | | | | | | | | | | | |
| 66 | Provincial Treasury | LP | | | | | | | | | | | | | | | | | | | |
| 67 | Public Works | LP | | | | | | | | | | | | | | | | | | | |
| 68 | Roads and Transport | LP | | | | | | | | | | | | | | | | | | | |
| 69 | Safety, Security and Liaison | LP | | | | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | | | Improvements required | | | | | | | | |
|--------|--|----------|---|--------------------------|--|----------------------|---|---------------------|-----------------------------|---------------------|--------------------------------------|--------------------------|--|----------------------|---|---------------------|-----------------------------|---------------------|--|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | |
| | | | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | |
| 70 | Social Development | LP | | | | | | | | | | | | | | | | | |
| 71 | Sport, Arts and Culture | LP | | | | | | | | | | | | | | | | | |
| 72 | Agriculture, Rural Development and Land Administration | MP | | | | | | | | | | | | | | | | | |
| 73 | Community Safety, Security and Liaison | MP | | | | | | | | | | | | | | | | | |
| 74 | Cooperative Governance and Traditional Affairs | MP | | | | | | | | | | | | | | | | | |
| 75 | Culture, Sports and Recreation | MP | | | | | | | | | | | | | | | | | |
| 76 | Education | MP | | | | | | | | | | | | | | | | | |
| 77 | Finance | MP | | | | | | | | | | | | | | | | | |
| 78 | Health | MP | | | | | | | | | | | | | | | | | |
| 79 | Human Settlements | MP | | | | | | | | | | | | | | | | | |
| 80 | Public Works, Roads and Transport | MP | | | | | | | | | | | | | | | | | |
| 81 | Social Development | MP | | | | | | | | | | | | | | | | | |
| 82 | Economic Development, Environment and Tourism | MP | | | | | | | | | | | | | | | | | |
| 83 | Office of the Premier | MP | | | | | | | | | | | | | | | | | |
| 84 | Provincial Legislature | MP | | | | | | | | | | | | | | | | | |
| 85 | Agriculture and Land Reform | NC | | | | | | | | | | | | | | | | | |
| 86 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | | | | | | | | | | | | | | | | | |
| 87 | Economic Development and Tourism | NC | | | | | | | | | | | | | | | | | |
| 88 | Education | NC | | | | | | | | | | | | | | | | | |
| 89 | Environmental Affairs and Nature Conservation | NC | | | | | | | | | | | | | | | | | |
| 90 | Health | NC | | | | | | | | | | | | | | | | | |
| 91 | Office of the Premier | NC | | | | | | | | | | | | | | | | | |
| 92 | Provincial Legislature | NC | | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | Improvements required | | | | | | | | | |
|--------|--|----------|---|--------------------------|--|----------------------|---|---------------------|-----------------------------|---------------------|----------------------|--------------------------------------|--|----------------------|---|---------------------|---------------------|-----------------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | | Record keeping and record management | | | Monitoring quality of financial and performance information | | | Data integrity (IT systems) |
| | | | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | User access control | Security management | Business continuity |
| 93 | Provincial Treasury | NC | | | | | | | | | | | | | | | | |
| 94 | Roads and Public Works | NC | | | | | | | | | | | | | | | | |
| 95 | Social Development | NC | | | | | | | | | | | | | | | | |
| 96 | Sport, Arts and Culture | NC | | | | | | | | | | | | | | | | |
| 97 | Transport, Safety and Liaison | NC | | | | | | | | | | | | | | | | |
| 98 | Agriculture, Conservation, Environment and Rural Development | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 99 | Department of Human Settlements | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 100 | Department of Local Government and Traditional Affairs | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 101 | Department of Public Safety | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 102 | Economic Development and Tourism | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 103 | Education | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 104 | Health | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 105 | Office of the Premier | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 106 | Provincial Legislature | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 107 | Provincial Treasury | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 108 | Public Works, Roads & Transport | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 109 | Social Development | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 110 | Sport, Arts and Culture | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 111 | Agriculture | WC | | | | | | | | | | | | | | | | |
| 112 | Community Safety | WC | | | | | | | | | | | | | | | | |
| 113 | Cultural Affairs and Sport | WC | | | | | | | | | | | | | | | | |
| 114 | Economic Development and Tourism | WC | | | | | | | | | | | | | | | | |
| 115 | Education | WC | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | | | Improvements required | | | | | | | |
|------------------------|--|----------|---|--------------------------|---------------------------------------|----------------------|---|---------------------|-----------------------------|---------------------|--------------------------------------|--------------------------|---------------------------------------|----------------------|---|---------------------|-----------------------------|---------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | |
| | | | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity |
| 116 | Environmental Affairs and Development Planning | WC | | | | | | | | | | | | | | | | |
| 117 | Health | WC | | | | | | | | | | | | | | | | |
| 118 | Local Government and Housing | WC | | | | | | | | | | | | | | | | |
| 119 | Provincial Parliament | WC | | | | | | | | | | | | | | | | |
| 120 | Provincial Premier | WC | | | | | | | | | | | | | | | | |
| 121 | Provincial Treasury | WC | | | | | | | | | | | | | | | | |
| 122 | Social Development | WC | | | | | | | | | | | | | | | | |
| 123 | Transport and Public Works | WC | | | | | | | | | | | | | | | | |
| Public entities | | | | | | | | | | | | | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | | | | | | | | | | | | | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | | | | | | | | | | | | | | | | |
| 3 | Eastern Cape Development Corporation | EC | | | | | | | | | | | | | | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | | | | | | | | | | | | | | | | |
| 5 | Eastern Cape Liquor Board | EC | | | | | | | | | | | | | | | | |
| 6 | Eastern Cape Parks Board | EC | | | | | | | | | | | | | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | | | | | | | | | | | | | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimba) | EC | | | | | | | | | | | | | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | | | | | | | | | | | | | | | | |
| 10 | Eastern Cape Tourism Board | EC | | | | | | | | | | | | | | | | |
| 11 | Eastern Cape Youth Commission | EC | | | | | | | | | | | | | | | | |
| 12 | Mayibuye Transport Corporation | EC | | | | | | | | | | | | | | | | |
| 13 | Central Medical Trading Account | FS | | | | | | | | | | | | | | | | |
| 14 | Free State Fleet Management Trading Entity | FS | | | | | | | | | | | | | | | | |
| 15 | Free State Gambling and Racing Board | FS | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | | | Improvements required | | | | | | | |
|--------|---|----------|---|--------------------------|--|--------------------------|---|---------------------|-----------------------------|----------------------|--------------------------------------|--|--|--------------------------|---|---------------------|-----------------------------|---------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | |
| | | | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts clearing | Financial statements | Predetermined objectives | Monitoring quality of financial and performance information | User access control | Security management | Business continuity |
| 39 | Gauteng Gambling Board | GP | | | | | | | | | | | | | | | | |
| 40 | Gauteng Housing Fund | GP | | | | | | | | | | | | | | | | |
| 41 | Gauteng Medical Supplies Depot | GP | | | | | | | | | | | | | | | | |
| 42 | Gauteng Motorsport Company (Pty) Ltd | GP | | | | | | | | | | | | | | | | |
| 43 | Gauteng Partnership Fund | GP | | | | | | | | | | | | | | | | |
| 44 | Gauteng Tourism Authority | GP | | | | | | | | | | | | | | | | |
| 45 | Gautrain Management Agency | GP | | | | | | | | | | | | | | | | |
| 46 | g-Fleet Management | GP | | | | | | | | | | | | | | | | |
| 47 | Greater Newtown Development Company | GP | | | | | | | | | | | | | | | | |
| 48 | Impophoma Infrastructure Support Entity | GP | | | | | | | | | | | | | | | | |
| 49 | Kapong Precinct | GP | | | | | | | | | | | | | | | | |
| 50 | Supplier Park Development Co | GP | | | | | | | | | | | | | | | | |
| 51 | The Innovation Hub | GP | | | | | | | | | | | | | | | | |
| 52 | Urban Transport Fund | GP | | | | | | | | | | | | | | | | |
| 53 | Amata eKwaZulu-Natali | KZN | | | | | | | | | | | | | | | | |
| 54 | Dube TradePort | KZN | | | | | | | | | | | | | | | | |
| 55 | Ithala Development Finance Corporation Limited | KZN | | | | | | | | | | | | | | | | |
| 56 | Ithala Limited | KZN | | | | | | | | | | | | | | | | |
| 57 | KwaZulu-Natal Agricultural Development Trust | KZN | | | | | | | | | | | | | | | | |
| 58 | KwaZulu-Natal Gambling Board | KZN | | | | | | | | | | | | | | | | |
| 59 | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | KZN | | | | | | | | | | | | | | | | |
| 60 | KwaZulu-Natal Nature Conservation Board | KZN | | | | | | | | | | | | | | | | |
| 61 | KwaZulu-Natal Planning and Development Commission | KZN | | | | | | | | | | | | | | | | |
| 62 | KwaZulu-Natal Sharks Board | KZN | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | Improvements required | | | | | | | | | |
|--------|--|----------|---|--------------------------|---------------------------------------|----------------------|---|---------------------|-----------------------------|---------------------|--------------------------------------|--------------------------|---------------------------------------|----------------------|---|---------------------|---------------------|---------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts | | Monitoring quality of financial and performance information | | | |
| | | | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Asset registers and suspense accounts | Financial statements | Predetermined objectives | User access control | Security management | Business continuity |
| 87 | Kgama Wildlife Operations (Pty) Ltd | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 88 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 89 | North West Development Corporation (Pty) Ltd | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 90 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 91 | North West Gambling Board | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 92 | North West Parks and Tourism Board | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 93 | North West Provincial Arts and Cultural Council | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 94 | North West Provincial Council on Aids | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 95 | North West Star (Pty) Ltd | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 96 | North West Transport Investments (Pty) Ltd | NW | | | | | | Not performed | | | | | | | | | | Not performed |
| 97 | Cape Medical Depot | WC | | | | | | | | | | | | | | | | |
| 98 | Destination Marketing Organisation (TA Cape Town Routes Unlimited) | WC | | | | | | | | | | | | | | | | |
| 99 | Government Motor Transport | WC | | | | | | | | | | | | | | | | |
| 100 | The Heritage Western Cape | WC | | | | | | | | | | | | | | | | |
| 101 | Western Cape Cultural Commission | WC | | | | | | | | | | | | | | | | |
| 102 | Western Cape Gambling and Racing Board | WC | | | | | | | | | | | | | | | | |
| 103 | Western Cape Housing Development Fund | WC | | | | | | | | | | | | | | | | |
| 104 | Western Cape Investment Trade and Promotion Agency | WC | | | | | | | | | | | | | | | | |
| 105 | Western Cape Language Committee | WC | | | | | | | | | | | | | | | | |
| 106 | Western Cape Liquor Board | WC | | | | | | | | | | | | | | | | |
| 107 | Western Cape Nature Conservation Board | WC | | | | | | | | | | | | | | | | |
| 108 | Western Cape Provincial Development Council | WC | | | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – financial and performance management

| Number | Auditee | Province | Maintained / improved previous good practices | | | | | | Improvements required | | | | | | | |
|---|---|----------|---|--------------------------|--|--------------------------|---|---------------------|-----------------------------|----------------------|--------------------------------------|----------------------|--|---------------------|---|---------------------|
| | | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | | Data integrity (IT systems) | | Record keeping and record management | | Asset registers and suspense accounts clearing | | Monitoring quality of financial and performance information | |
| | | | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity | Financial statements | Predetermined objectives | Financial statements | Predetermined objectives | User access control | Security management | Business continuity |
| Audits not conducted by the AGSA | | | | | | | | | | | | | | | | |
| Schedule 3 and other entities | | | | | | | | | | | | | | | | |
| 1 | East London Industrial Development Zone Corporation | EC | | | | | | | | | | | | | | |
| 2 | Genesis Fitness (Pty) Ltd | GP | | | | | | | | | | | | | | |
| 3 | Banzi Pan Devco (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 4 | Cowslip Investments (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 5 | Durban Wharfside Trust | KZN | | | | | | | | | | | | | | |
| 6 | Mabibi Development Company (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 7 | Moses Kotara Institute | KZN | | | | | | | | | | | | | | |
| 8 | Nongoma Plaza Ltd | KZN | | | | | | | | | | | | | | |
| 9 | Richards Bay Industrial Development Zone (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 10 | Rocktail Bay Devco (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 11 | Sibaya Conservation Projects (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 12 | Sundumbili Plaza Ltd | KZN | | | | | | | | | | | | | | |
| 13 | Ujiciko Twines and Fabrics (Pty) Ltd | KZN | | | | | | | | | | | | | | |
| 14 | Limpopo Agribusiness Development Corporation (LADC) | LP | | | | | | | | | | | | | | |
| 15 | Limpopo Development Corporation (LimDev) | LP | | | | | | | | | | | | | | |
| 16 | Trade and Investment Limpopo (TIL) | LP | | | | | | | | | | | | | | |
| 17 | Mwabana Arts, Culture and Sport Foundation | NW | | | | | | | | | | | | | | |
| 18 | Cassidra (Pty) Ltd | WC | | | | | | | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|-------------------------------------|--|----------|---|---------------------------|-----------------|-------------------------|---|---------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Pre-determined objectives | | | Financial statements | Pre-determined objectives | | |
| Audits conducted by the AGSA | | | | | | | | | | |
| Departments | | | | | | | | | | |
| 1 | Agriculture | EC | | | | | | | | |
| 2 | Economic Development and Environmental Affairs | EC | | | | | | | | |
| 3 | Education | EC | | | | | | | | |
| 4 | Health | EC | | | | | | | | |
| 5 | Housing | EC | | | | | | | | |
| 6 | Local Government and Traditional Affairs | EC | | | | | | | | |
| 7 | Office of the Premier | EC | | | | | | | | |
| 8 | Provincial Legislature | EC | | | | | | | | |
| 9 | Provincial Treasury | EC | | | | | | | | |
| 10 | Public Works | EC | | | | | | | | |
| 11 | Roads and Transport | EC | | | | | | | | |
| 12 | Safety and Liaison | EC | | | | | | | | |
| 13 | Social Development | EC | | | | | | | | |
| 14 | Sport, Arts, Culture and Recreation | EC | | | | | | | | |
| 15 | Agriculture | FS | | | | | | | | |
| 16 | Department of Cooperative Governance and Traditional Affairs | FS | | | | | | | | |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | | | | | | | | |
| 18 | Education | FS | | | | | | | | |
| 19 | Free State Legislature | FS | | | | | | | | |
| 20 | Free State Provincial Treasury | FS | | | | | | | | |
| 21 | Health | FS | | | | | | | | |
| 22 | Human Settlements | FS | | | | | | | | |
| 23 | Police, Roads and Transport | FS | | | | | | | | |
| 24 | Premier | FS | | | | | | | | |
| 25 | Public Works and Rural Development | FS | | | | | | | | |
| 26 | Social Development | FS | | | | | | | | |
| 27 | Sport, Arts Culture and Recreation | FS | | | | | | | | |
| 28 | Agriculture and Rural Development | GP | | | | | | | | |
| 29 | Community Safety | GP | | | | | | | | |
| 30 | Economic Development | GP | | | | | | | | |
| 31 | Education | GP | | | | | | | | |
| 32 | Gauteng Provincial Treasury | GP | | | | | | | | |
| 33 | Gauteng Shared Service Centre | GP | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|--------|--|----------|---|--------------------------|-----------------|-------------------------|---|--------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Predetermined objectives | | | Financial statements | Predetermined objectives | | |
| 34 | Health | GP | | | | | | | | |
| 35 | Housing | GP | | | | | | | | |
| 36 | Infrastructure Development | GP | | | | | | | | |
| 37 | Local Government | GP | | | | | | | | |
| 38 | Office of the Premier | GP | | | | | | | | |
| 39 | Provincial Legislature | GP | | | | | | | | |
| 40 | Roads and Transport | GP | | | | | | | | |
| 41 | Social Development | GP | | | | | | | | |
| 42 | Sports, Arts, Culture and Recreation | GP | | | | | | | | |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | | | | | | | | |
| 44 | Arts and Culture | KZN | | | | | | | | |
| 45 | Community Safety and Liaison | KZN | | | | | | | | |
| 46 | Cooperative Governance and Traditional Affairs | KZN | | | | | | | | |
| 47 | Economic Development and Tourism | KZN | | | | | | | | |
| 48 | Education | KZN | | | | | | | | |
| 49 | Health | KZN | | | | | | | | |
| 50 | Human Settlements | KZN | | | | | | | | |
| 51 | KZN Provincial Legislature | KZN | | | | | | | | |
| 52 | KZN Provincial Treasury | KZN | | | | | | | | |
| 53 | Office of the Premier | KZN | | | | | | | | |
| 54 | Public Works | KZN | | | | | | | | |
| 55 | Social Development | KZN | | | | | | | | |
| 56 | Sport and Recreation | KZN | | | | | | | | |
| 57 | The Royal Household | KZN | | | | | | | | |
| 58 | Transport | KZN | | | | | | | | |
| 59 | Agriculture | LP | | | | | | | | |
| 60 | Economic Development, Environment and Tourism | LP | | | | | | | | |
| 61 | Education | LP | | | | | | | | |
| 62 | Health | LP | | | | | | | | |
| 63 | Local Government and Housing | LP | | | | | | | | |
| 64 | Office of the Premier | LP | | | | | | | | |
| 65 | Provincial Legislature | LP | | | | | | | | |
| 66 | Provincial Treasury | LP | | | | | | | | |
| 67 | Public Works | LP | | | | | | | | |
| 68 | Roads and Transport | LP | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|--------|--|----------|---|---------------------------|-----------------|-------------------------|---|---------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Pre-determined objectives | | | Financial statements | Pre-determined objectives | | |
| 69 | Safety, Security and Liaison | LP | | | | | | | | |
| 70 | Social Development | LP | | | | | | | | |
| 71 | Sport, Arts and Culture | LP | | | | | | | | |
| 72 | Agriculture, Rural Development and Land Administration | MP | | | | | | | | |
| 73 | Community Safety, Security and Liaison | MP | | | | | | | | |
| 74 | Cooperative Governance and Traditional Affairs | MP | | | | | | | | |
| 75 | Culture, Sports and Recreation | MP | | | | | | | | |
| 76 | Education | MP | | | | | | | | |
| 77 | Finance | MP | | | | | | | | |
| 78 | Health | MP | | | | | | | | |
| 79 | Human Settlements | MP | | | | | | | | |
| 80 | Public Works, Roads and Transport | MP | | | | | | | | |
| 81 | Social Development | MP | | | | | | | | |
| 82 | Economic Development, Environment and Tourism | MP | | | | | | | | |
| 83 | Office of the Premier | MP | | | | | | | | |
| 84 | Provincial Legislature | MP | | | | | | | | |
| 85 | Agriculture and Land Reform | NC | | | | | | | | |
| 86 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | | | | | | | | |
| 87 | Economic Development and Tourism | NC | | | | | | | | |
| 88 | Education | NC | | | | | | | | |
| 89 | Environmental Affairs and Nature Conservation | NC | | | | | | | | |
| 90 | Health | NC | | | | | | | | |
| 91 | Office of the Premier | NC | | | | | | | | |
| 92 | Provincial Legislature | NC | | | | | | | | |
| 93 | Provincial Treasury | NC | | | | | | | | |
| 94 | Roads and Public Works | NC | | | | | | | | |
| 95 | Social Development | NC | | | | | | | | |
| 96 | Sport, Arts and Culture | NC | | | | | | | | |
| 97 | Transport, Safety and Liaison | NC | | | | | | | | |
| 98 | Agriculture, Conservation, Environment and Rural Development | NW | | | | Not performed | | | | Not performed |
| 99 | Department of Human Settlements | NW | | | | Not performed | | | | Not performed |
| 100 | Department of Local Government and Traditional Affairs | NW | | | | Not performed | | | | Not performed |
| 101 | Department of Public Safety | NW | | | | Not performed | | | | Not performed |
| 102 | Economic Development and Tourism | NW | | | | Not performed | | | | Not performed |



ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|------------------------|--|----------|---|--------------------------|-----------------|-------------------------|---|--------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Predetermined objectives | | | Financial statements | Predetermined objectives | | |
| 103 | Education | NW | | | | Not performed | | | | Not performed |
| 104 | Health | NW | | | | Not performed | | | | Not performed |
| 105 | Office of the Premier | NW | | | | Not performed | | | | Not performed |
| 106 | Provincial Legislature | NW | | | | Not performed | | | | Not performed |
| 107 | Provincial Treasury | NW | | | | Not performed | | | | Not performed |
| 108 | Public Works, Roads & Transport | NW | | | | Not performed | | | | Not performed |
| 109 | Social Development | NW | | | | Not performed | | | | Not performed |
| 110 | Sport, Arts and Culture | NW | | | | Not performed | | | | Not performed |
| 111 | Agriculture | WC | | | | | | | | |
| 112 | Community Safety | WC | | | | | | | | |
| 113 | Cultural Affairs and Sport | WC | | | | | | | | |
| 114 | Economic Development and Tourism | WC | | | | | | | | |
| 115 | Education | WC | | | | | | | | |
| 116 | Environmental Affairs and Development Planning | WC | | | | | | | | |
| 117 | Health | WC | | | | | | | | |
| 118 | Local Government and Housing | WC | | | | | | | | |
| 119 | Provincial Parliament | WC | | | | | | | | |
| 120 | Provincial Premier | WC | | | | | | | | |
| 121 | Provincial Treasury | WC | | | | | | | | |
| 122 | Social Development | WC | | | | | | | | |
| 123 | Transport and Public Works | WC | | | | | | | | |
| Public entities | | | | | | | | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | | | | | | | | |
| 2 | Eastern Cape Appropriate Technology Unit | EC | | | | | | | | |
| 3 | Eastern Cape Development Corporation | EC | | | | | | | | |
| 4 | Eastern Cape Gambling and Betting Board | EC | | | | | | | | |
| 5 | Eastern Cape Liquor Board | EC | | | | | | | | |
| 6 | Eastern Cape Parks Board | EC | | | | | | | | |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | | | | | | | | |
| 8 | Eastern Cape Rural Finance Corporation (Uvimba) | EC | | | | | | | | |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | | | | | | | | |
| 10 | Eastern Cape Tourism Board | EC | | | | | | | | |
| 11 | Eastern Cape Youth Commission | EC | | | | | | | | |
| 12 | Mayibuye Transport Corporation | EC | | | | | | | | |
| 13 | Central Medical Trading Account | FS | | | | | | | | |

ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|--------|--|----------|---|---------------------------|-----------------|-------------------------|---|---------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Pre-determined objectives | | | Financial statements | Pre-determined objectives | | |
| 14 | Free State Fleet Management Trading Entity | FS | | | | | | | | |
| 15 | Free State Gambling and Racing Board | FS | | | | | | | | |
| 16 | Free State Housing Fund | FS | | | | | | | | |
| 17 | Free State Investment Promotion Agency | FS | | | | | | | | |
| 18 | Free State Liquor Authority | FS | | | | | | | | |
| 19 | Free State Tourism Authority | FS | | | | | | | | |
| 20 | Free State Youth Commission | FS | | | | | | | | |
| 21 | James Robertson Bursary Fund | FS | | | | | | | | |
| 22 | Nature Conservation Trust Fund | FS | | | | | | | | |
| 23 | Phakisa Major Sport Events and Development Corporation | FS | | | | | | | | |
| 24 | Private Patients Fund Trust | FS | | | | | | | | |
| 25 | Recreation Fund Trust | FS | | | | | | | | |
| 26 | Thomas Robertson Bursary Fund | FS | | | | | | | | |
| 27 | AIDC Development Centre | GP | | | | | | | | |
| 28 | Blue Catalyst Investment Company (Pty) Ltd | GP | | | | | | | | |
| 29 | Blue IQ Investment Holdings (Pty) Ltd | GP | | | | | | | | |
| 30 | Constitutional Hill Development Company | GP | | | | | | | | |
| 31 | Cost Recovery Trading Entity | GP | | | | | | | | |
| 32 | Cradle of Humankind Trading Entity | GP | | | | | | | | |
| 33 | Dinokeng World Heritage Trading Entity | GP | | | | | | | | |
| 34 | Emoyeni Conference Trading Entity | GP | | | | | | | | |
| 35 | Gauteng Economic Development Agency | GP | | | | | | | | |
| 36 | Gauteng Enterprise Propeller | GP | | | | | | | | |
| 37 | Gauteng Film Commission | GP | | | | | | | | |
| 38 | Gauteng Fund Project Office | GP | | | | | | | | |
| 39 | Gauteng Gambling Board | GP | | | | | | | | |
| 40 | Gauteng Housing Fund | GP | | | | | | | | |
| 41 | Gauteng Medical Supplies Depot | GP | | | | | | | | |
| 42 | Gauteng Motorsport Company (Pty) Ltd | GP | | | | | | | | |
| 43 | Gauteng Partnership Fund | GP | | | | | | | | |
| 44 | Gauteng Tourism Authority | GP | | | | | | | | |
| 45 | Gautrain Management Agency | GP | | | | | | | | |
| 46 | g-Fleet Management | GP | | | | | | | | |
| 47 | Greater Newtown Development Company | GP | | | | | | | | |
| 48 | Impophoma Infrastructure Support Entity | GP | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|--------|---|----------|---|--------------------------|-----------------|-------------------------|---|--------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Predetermined objectives | | | Financial statements | Predetermined objectives | | |
| 49 | Kopanong Precinct | GP | | | | | | | | |
| 50 | Supplier Park Development Co | GP | | | | | | | | |
| 51 | The Innovation Hub | GP | | | | | | | | |
| 52 | Urban Transport Fund | GP | | | | | | | | |
| 53 | Amafa aKwaZulu-Natali | KZN | | | | | | | | |
| 54 | Dube TradePort | KZN | | | | | | | | |
| 55 | Ithala Development Finance Corporation Limited | KZN | | | | | | | | |
| 56 | Ithala Limited | KZN | | | | | | | | |
| 57 | KwaZulu-Natal Agricultural Development Trust | KZN | | | | | | | | |
| 58 | KwaZulu-Natal Gambling Board | KZN | | | | | | | | |
| 59 | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | KZN | | | | | | | | |
| 60 | KwaZulu-Natal Nature Conservation Board | KZN | | | | | | | | |
| 61 | KwaZulu-Natal Planning and Development Commission | KZN | | | | | | | | |
| 62 | KwaZulu-Natal Sharks Board | KZN | | | | | | | | |
| 63 | KwaZulu-Natal Tourism Authority | KZN | | | | | | | | |
| 64 | KZN Housing Fund | KZN | | | | | | | | |
| 65 | KZN Provincial Pharmaceutical Supply Depot | KZN | | | | | | | | |
| 66 | KZN Represented Political Parties' Fund | KZN | | | | | | | | |
| 67 | Mjindi Farming (Pty) Ltd | KZN | | | | | | | | |
| 68 | Trade and Investment KwaZulu-Natal | KZN | | | | | | | | |
| 69 | Traditional Levies and Trust Account | KZN | | | | | | | | |
| 70 | uMsekeli Municipal Support Services | KZN | | | | | | | | |
| 71 | Gateway Airport Authority Limited | LP | | | | | | | | |
| 72 | Limpopo Gambling Board | LP | | | | | | | | |
| 73 | Roads Agency Limpopo (Pty) Ltd | LP | | | | | | | | |
| 74 | Urban Transport Fund | LP | | | | | | | | |
| 75 | Mpumalanga Agricultural Development Corporation | MP | | | | | | | | |
| 76 | Mpumalanga Economic Growth Agency | MP | | | | | | | | |
| 77 | Mpumalanga Gambling Board | MP | | | | | | | | |
| 78 | Mpumalanga Housing Finance Company | MP | | | | | | | | |
| 79 | Mpumalanga Regional Training Trust | MP | | | | | | | | |
| 80 | Mpumalanga Tourism and Parks Agency | MP | | | | | | | | |
| 81 | McGregor Museum | NC | | | | Not performed | | | | Not performed |
| 82 | Northern Cape Premier Education Trust Fund | NC | | | | Not performed | | | | Not performed |
| 83 | Northern Cape Tourism Authority | NC | | | | Not performed | | | | Not performed |

ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|---|--|----------|---|--------------------------|-----------------|-------------------------|---|--------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Predetermined objectives | | | Financial statements | Predetermined objectives | | |
| 84 | Roads Capital Account | NC | | | | Not performed | | | | Not performed |
| 85 | Atteridgeville Bus Services (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 86 | Invest North West | NW | | | | Not performed | | | | Not performed |
| 87 | Kgama Wildlife Operations (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 88 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 89 | North West Development Corporation (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 90 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | | | | Not performed | | | | Not performed |
| 91 | North West Gambling Board | NW | | | | Not performed | | | | Not performed |
| 92 | North West Parks and Tourism Board | NW | | | | Not performed | | | | Not performed |
| 93 | North West Provincial Arts and Cultural Council | NW | | | | Not performed | | | | Not performed |
| 94 | North West Provincial Council on Aids | NW | | | | Not performed | | | | Not performed |
| 95 | North West Star (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 96 | North West Transport Investments (Pty) Ltd | NW | | | | Not performed | | | | Not performed |
| 97 | Cape Medical Depot | WC | | | | | | | | |
| 98 | Destination Marketing Organisation (IA Cape Town Routes Unlimited) | WC | | | | | | | | |
| 99 | Government Motor Transport | WC | | | | | | | | |
| 100 | The Heritage Western Cape | WC | | | | | | | | |
| 101 | Western Cape Cultural Commission | WC | | | | | | | | |
| 102 | Western Cape Gambling and Racing Board | WC | | | | | | | | |
| 103 | Western Cape Housing Development Fund | WC | | | | | | | | |
| 104 | Western Cape Investment Trade and Promotion Agency | WC | | | | | | | | |
| 105 | Western Cape Language Committee | WC | | | | | | | | |
| 106 | Western Cape Liquor Board | WC | | | | | | | | |
| 107 | Western Cape Nature Conservation Board | WC | | | | | | | | |
| 108 | Western Cape Provincial Development Council | WC | | | | | | | | |
| Audits not conducted by the AGSA | | | | | | | | | | |
| Schedule 3 and other entities | | | | | | | | | | |
| 1 | East London Industrial Development Zone Corporation | EC | | | | | | | | |
| 2 | Genesis Fitness (Pty) Ltd | GP | | | | | | | | |
| 3 | Banzi Pan Devco (Pty) Ltd | KZN | | | | | | | | |
| 4 | Cowslip Investments (Pty) Ltd | KZN | | | | | | | | |
| 5 | Durban Wharfside Trust | KZN | | | | | | | | |
| 6 | Mabibi Development Company (Pty) Ltd | KZN | | | | | | | | |
| 7 | Moses Kotana Institute | KZN | | | | | | | | |



ANNEXURE 4: Listing of drivers to improve audit outcomes – governance

| Number | Auditee | Province | Maintained/improved previous good practices | | | | Improvement required | | | |
|--------|---|----------|---|--------------------------|-----------------|-------------------------|---|--------------------------|-----------------|-------------------------|
| | | | Monitoring by internal audit and audit committees | | Risk management | IT governance framework | Monitoring by internal audit and audit committees | | Risk management | IT governance framework |
| | | | Financial statements | Predetermined objectives | | | Financial statements | Predetermined objectives | | |
| 8 | Nongoma Plaza Ltd | KZN | | | | | | | | |
| 9 | Richards Bay Industrial Development Zone (Pty) Ltd | KZN | | | | | | | | |
| 10 | Rocktail Bay Devco (Pty) Ltd | KZN | | | | | | | | |
| 11 | Sibaya Conservation Projects (Pty) Ltd | KZN | | | | | | | | |
| 12 | Sundumbili Plaza Ltd | KZN | | | | | | | | |
| 13 | Ubiciko Twines and Fabrics (Pty) Ltd | KZN | | | | | | | | |
| 14 | Limpopo Agribusiness Development Corporation (LADC) | LP | | | | | | | | |
| 15 | Limpopo Development Corporation (LimDev) | LP | | | | | | | | |
| 16 | Trade and Investment Limpopo (TIL) | LP | | | | | | | | |
| 17 | Mmabana Arts, Culture and Sport Foundation | NW | | | | | | | | |
| 18 | Cassidra (Pty) Ltd | WC | | | | | | | | |

ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|-------------------------------------|---|----------|----------------------------------|
| Audits conducted by the AGSA | | | |
| Departments | | | |
| 1 | Agriculture | EC | 30-Sep-10 |
| 2 | Economic Development and Environmental Affairs | EC | 30-Sep-10 |
| 3 | Education | EC | 30-Sep-10 |
| 4 | Health | EC | 30-Sep-10 |
| 5 | Human Settlements | EC | 30-Sep-10 |
| 6 | Local Government and Traditional Affairs | EC | 30-Sep-10 |
| 7 | Office of the Premier | EC | 30-Sep-10 |
| 8 | Provincial Legislature | EC | 30-Sep-10 |
| 9 | Provincial Treasury | EC | 30-Sep-10 |
| 10 | Public Works | EC | 30-Sep-10 |
| 11 | Roads and Transport | EC | 30-Sep-10 |
| 12 | Safety and Liaison | EC | 30-Sep-10 |
| 13 | Social Development | EC | 30-Sep-10 |
| 14 | Sport, Recreation, Arts and Culture | EC | 30-Sep-10 |
| 15 | Agriculture | FS | 8-Oct-10 |
| 16 | Cooperative Governance and Traditional Affairs | FS | 8-Oct-10 |
| 17 | Economic Development, Tourism and Environmental Affairs | FS | 8-Oct-10 |
| 18 | Education | FS | 8-Oct-10 |
| 19 | Free State Legislature | FS | 8-Oct-10 |
| 20 | Free State Provincial Treasury | FS | 8-Oct-10 |
| 21 | Health | FS | 8-Oct-10 |
| 22 | Human Settlements | FS | 8-Oct-10 |
| 23 | Police, Roads and Transport | FS | 8-Oct-10 |
| 24 | Premier | FS | 8-Oct-10 |
| 25 | Public Works and Rural Development | FS | 8-Oct-10 |
| 26 | Social Development | FS | 8-Oct-10 |
| 27 | Sport, Arts, Culture and Recreation | FS | 8-Oct-10 |
| 28 | Agriculture and Rural Development | GP | 30-Sep-10 |
| 29 | Community Safety | GP | 30-Sep-10 |
| 30 | Economic Development | GP | 30-Sep-10 |
| 31 | Education | GP | 30-Sep-10 |
| 32 | Gauteng Provincial Treasury | GP | 30-Sep-10 |
| 33 | Gauteng Shared Service Centre | GP | 30-Sep-10 |
| 34 | Health | GP | 30-Sep-10 |
| 35 | Housing | GP | 30-Sep-10 |
| 36 | Infrastructure Development | GP | 30-Sep-10 |
| 37 | Local Government | GP | 30-Sep-10 |
| 38 | Office of the Premier | GP | 30-Sep-10 |
| 39 | Provincial Legislature | GP | 30-Sep-10 |
| 40 | Roads and Transport | GP | 30-Sep-10 |



ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|--------|--|----------|----------------------------------|
| 41 | Social Development | GP | 30-Sep-10 |
| 42 | Sports, Arts, Culture and Recreation | GP | 30-Sep-10 |
| 43 | Agriculture, Environmental Affairs and Rural Development | KZN | 3-Sep-10 |
| 44 | Arts and Culture | KZN | 1-Sep-10 |
| 45 | Community Safety and Liaison | KZN | 7-Sep-10 |
| 46 | Cooperative Governance and Traditional Affairs | KZN | 28-Oct-10 |
| 47 | Economic Development and Tourism | KZN | 2-Sep-10 |
| 48 | Education | KZN | 9-Sep-10 |
| 49 | Health | KZN | 31-Aug-10 |
| 50 | Human Settlements | KZN | 1-Sep-10 |
| 51 | KZN Provincial Legislature | KZN | 15-Sep-10 |
| 52 | KZN Provincial Treasury | KZN | 31-Aug-10 |
| 53 | Office of the Premier | KZN | 31-Aug-10 |
| 54 | Public Works | KZN | 15-Sep-10 |
| 55 | Social Development | KZN | 31-Aug-10 |
| 56 | Sport and Recreation | KZN | 1-Sep-10 |
| 57 | The Royal Household | KZN | 31-Aug-10 |
| 58 | Transport | KZN | 7-Sep-10 |
| 59 | Agriculture | LP | 28-Sep-10 |
| 60 | Economic Development, Environment and Tourism | LP | 28-Sep-10 |
| 61 | Education | LP | 28-Sep-10 |
| 62 | Health | LP | 28-Sep-10 |
| 63 | Local Government and Housing | LP | 28-Sep-10 |
| 64 | Office of the Premier | LP | 28-Sep-10 |
| 65 | Provincial Legislature | LP | 28-Sep-10 |
| 66 | Provincial Treasury | LP | 28-Sep-10 |
| 67 | Public Works | LP | 28-Sep-10 |
| 68 | Roads and Transport | LP | 28-Sep-10 |
| 69 | Safety, Security and Liaison | LP | 28-Sep-10 |
| 70 | Social Development | LP | 28-Sep-10 |
| 71 | Sport, Arts and Culture | LP | 28-Sep-10 |
| 72 | Agriculture, Rural Development and Land Administration | MP | 22-Sep-10 |
| 73 | Community Safety, Security and Liaison | MP | 30-Sep-10 |
| 74 | Cooperative Governance and Traditional Affairs | MP | 31-Aug-10 |
| 75 | Culture, Sports and Recreation | MP | 6-Sep-10 |
| 76 | Economic Development, Environment and Tourism | MP | 16-Sep-10 |
| 77 | Education | MP | 7-Sep-10 |
| 78 | Finance | MP | 31-Aug-10 |
| 79 | Health | MP | 31-Aug-10 |
| 80 | Human Settlements | MP | 31-Aug-10 |
| 81 | Office of the Premier | MP | 9-Sep-10 |
| 82 | Provincial Legislature | MP | 31-Aug-10 |

ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|--------|--|----------|----------------------------------|
| 83 | Public Works, Roads and Transport | MP | 31-Aug-10 |
| 84 | Social Development | MP | 28-Sep-10 |
| 85 | Agriculture and Land Reform | NC | 13-Sep-10 |
| 86 | Cooperative Governance, Human Settlement and Traditional Affairs | NC | 30-Sep-10 |
| 87 | Economic Development and Tourism | NC | 29-Sep-10 |
| 88 | Education | NC | 30-Sep-10 |
| 89 | Environmental Affairs and Nature Conservation | NC | 28-Sep-10 |
| 90 | Health | NC | 30-Sep-10 |
| 91 | Office of the Premier | NC | 31-Aug-10 |
| 92 | Provincial Legislature | NC | 1-Oct-10 |
| 93 | Provincial Treasury | NC | 30-Sep-10 |
| 94 | Roads and Public Works | NC | 30-Sep-10 |
| 95 | Social Development | NC | 30-Sep-10 |
| 96 | Sport, Arts and Culture | NC | 30-Sep-10 |
| 97 | Transport, Safety and Liaison | NC | 31-Aug-10 |
| 98 | Agriculture, Conservation, Environment and Rural Development | NW | 21-Sep-10 |
| 99 | Economic Development and Tourism | NW | 21-Sep-10 |
| 100 | Education | NW | 21-Sep-10 |
| 101 | Health | NW | 21-Sep-10 |
| 102 | Human Settlements | NW | 21-Sep-10 |
| 103 | Local Government and Traditional Affairs | NW | 28-Sep-10 |
| 104 | Office of the Premier | NW | 28-Sep-10 |
| 105 | Provincial Legislature | NW | 28-Sep-10 |
| 106 | Provincial Treasury | NW | 28-Sep-10 |
| 107 | Public Safety | NW | 21-Sep-10 |
| 108 | Public Works, Roads and Transport | NW | 28-Sep-10 |
| 109 | Social Development | NW | 21-Sep-10 |
| 110 | Sport, Arts and Culture | NW | 28-Sep-10 |
| 111 | Agriculture | WC | 29-Sep-10 |
| 112 | Community Safety | WC | 22-Sep-10 |
| 113 | Cultural Affairs and Sport | WC | 29-Sep-10 |
| 114 | Economic Development and Tourism | WC | 29-Sep-10 |
| 115 | Education | WC | 22-Sep-10 |
| 116 | Environmental Affairs and Development Planning | WC | 29-Sep-10 |
| 117 | Health | WC | 28-Sep-10 |
| 118 | Local Government and Housing | WC | 30-Sep-10 |
| 119 | Provincial Parliament | WC | 29-Sep-10 |
| 120 | Provincial Premier | WC | 30-Sep-10 |
| 121 | Provincial Treasury | WC | 29-Sep-10 |
| 122 | Social Development | WC | 29-Sep-10 |
| 123 | Transport and Public Works | WC | 28-Sep-10 |



ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|------------------------|--|----------|----------------------------------|
| Public entities | | | |
| 1 | Accelerated Shared Growth Initiative of South Africa | EC | 30-Sep-10 |
| 2 | Eastern Cape Appropriate Technology Unit | EC | 30-Sep-10 |
| 3 | Eastern Cape Development Corporation | EC | 30-Sep-10 |
| 4 | Eastern Cape Gambling and Betting Board | EC | 30-Sep-10 |
| 5 | Eastern Cape Liquor Board | EC | 30-Sep-10 |
| 6 | Eastern Cape Parks Board | EC | 30-Sep-10 |
| 7 | Eastern Cape Provincial Arts and Culture Council | EC | 30-Sep-10 |
| 8 | Eastern Cape Rural Finance Corporation (Uvimba) | EC | 30-Sep-10 |
| 9 | Eastern Cape Socio-Economic Consultative Council | EC | 30-Sep-10 |
| 10 | Eastern Cape Tourism Board | EC | 30-Sep-10 |
| 11 | Eastern Cape Youth Commission | EC | 30-Sep-10 |
| 12 | Mayibuye Transport Corporation | EC | 30-Sep-10 |
| 13 | Central Medical Trading Account | FS | 8-Oct-10 |
| 14 | Free State Development Corporation | FS | Outstanding |
| 15 | Free State Fleet Management Trading Entity | FS | 8-Oct-10 |
| 16 | Free State Gambling and Racing Board | FS | 8-Oct-10 |
| 17 | Free State Housing Fund | FS | 8-Oct-10 |
| 18 | Free State Investment Promotion Agency | FS | 8-Oct-10 |
| 19 | Free State Liquor Authority | FS | 8-Oct-10 |
| 20 | Free State Political Parties Fund | FS | Outstanding |
| 21 | Free State Tourism Authority | FS | 8-Oct-10 |
| 22 | Free State Youth Commission | FS | 8-Oct-10 |
| 23 | James Robertson Bursary Fund | FS | 8-Oct-10 |
| 24 | Nature Conservation Trust Fund | FS | 8-Oct-10 |
| 25 | Phakisa Major Sport Events and Development Corporation | FS | 8-Oct-10 |
| 26 | Private Patients Fund Trust | FS | 8-Oct-10 |
| 27 | Recreation Fund Trust | FS | 8-Oct-10 |
| 28 | Thomas Robertson Bursary Fund | FS | 8-Oct-10 |
| 29 | Universitas Academic Hospital Board | FS | 8-Oct-10 |
| 30 | AIDC Development Centre | GP | 30-Sep-10 |
| 31 | Blue Catalyst Investment Company (Pty) Ltd | GP | 30-Sep-10 |
| 32 | Blue IQ Investment Holdings (Pty) Ltd | GP | 30-Sep-10 |
| 33 | Constitutional Hill Development Company | GP | 30-Sep-10 |
| 34 | Cost Recovery Trading Entity | GP | 30-Sep-10 |
| 35 | Cradle of Humankind Trading Entity | GP | 30-Sep-10 |
| 36 | Dinokeng World Heritage Trading Entity | GP | 30-Sep-10 |
| 37 | Emoyeni Conference Trading Entity | GP | 30-Sep-10 |
| 38 | Gauteng Economic Development Agency | GP | 30-Sep-10 |
| 39 | Gauteng Enterprise Propeller | GP | 30-Sep-10 |
| 40 | Gauteng Film Commission | GP | 30-Sep-10 |

ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|--------|---|----------|----------------------------------|
| 41 | Gauteng Fund Project Office | GP | 30-Sep-10 |
| 42 | Gauteng Gambling Board | GP | 30-Sep-10 |
| 43 | Gauteng Housing Fund | GP | 30-Sep-10 |
| 44 | Gauteng Liquor Board | GP | 30-Sep-10 |
| 45 | Gauteng Medical Supplies Depot | GP | 30-Sep-10 |
| 46 | Gauteng Motorsport Company (Pty) Ltd | GP | 30-Sep-10 |
| 47 | Gauteng Partnership Fund | GP | 30-Sep-10 |
| 48 | Gauteng Tourism Authority | GP | 30-Sep-10 |
| 49 | Gautrain Management Agency | GP | 21-Oct-10 |
| 50 | g-Fleet Management | GP | 30-Sep-10 |
| 51 | Greater Newtown Development Company | GP | 30-Sep-10 |
| 52 | Impophoma Infrastructure Support Entity | GP | 30-Sep-10 |
| 53 | Kopanong Precinct | GP | 30-Sep-10 |
| 54 | Supplier Park Development Co | GP | 30-Sep-10 |
| 55 | The Innovation Hub | GP | 30-Sep-10 |
| 56 | Urban Transport Fund | GP | 30-Sep-10 |
| 57 | Amafa aKwaZulu-Natali | KZN | 30-Aug-10 |
| 58 | Dube TradePort | KZN | 31-Aug-10 |
| 59 | Ithala Development Finance Corporation Limited | KZN | 31-Aug-10 |
| 60 | Ithala Limited | KZN | 31-Aug-10 |
| 61 | Kwanaloga | KZN | Outstanding |
| 62 | KwaZulu-Natal Agricultural Development Trust | KZN | Dormant |
| 63 | KwaZulu-Natal Gambling Board | KZN | 30-Aug-10 |
| 64 | KwaZulu-Natal Growth Fund Managers (Pty) Ltd | KZN | Outstanding |
| 65 | KwaZulu-Natal Nature Conservation Board | KZN | 2-Sep-10 |
| 66 | KwaZulu-Natal Planning and Development Commission | KZN | Outstanding |
| 67 | KwaZulu-Natal Sharks Board | KZN | 2-Sep-10 |
| 68 | KwaZulu-Natal Tourism Authority | KZN | 31-Aug-10 |
| 69 | KZN Business Rehabilitation Trust Fund | KZN | 31-Aug-10 |
| 70 | KZN Housing Fund | KZN | 1-Sep-10 |
| 71 | KZN Provincial Pharmaceutical Supply Depot | KZN | 31-Aug-10 |
| 72 | KZN Represented Political Parties' Fund | KZN | 28-Oct-10 |
| 73 | Mjindi Farming (Pty) Ltd | KZN | 3-Sep-10 |
| 74 | Trade and Investment KwaZulu-Natal | KZN | 31-Aug-10 |
| 75 | Traditional Levies and Trust Account | KZN | 28-Oct-10 |
| 76 | uMsekeli Municipal Support Services | KZN | Dormant |
| 77 | Gateway Airport Authority Limited | LP | 28-Sep-10 |
| 78 | Limpopo Gambling Board | LP | 2-Nov-10 |
| 79 | Limpopo Housing Board | LP | Outstanding |
| 80 | Limpopo Tourism and Parks Board | LP | Outstanding |
| 81 | Roads Agency Limpopo (Pty) Ltd | LP | 28-Sep-10 |



ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|--------|--|----------|----------------------------------|
| 82 | Tribal and Trust Account | LP | Outstanding |
| 83 | Urban Transport Fund | LP | 28-Sep-10 |
| 84 | Mpumalanga Agricultural Development Corporation | MP | 22-Sep-10 |
| 85 | Mpumalanga Economic Growth Agency | MP | 16-Sep-10 |
| 86 | Mpumalanga Gambling Board | MP | 31-Aug-10 |
| 87 | Mpumalanga Housing Finance Company | MP | 31-Aug-10 |
| 88 | Mpumalanga Regional Training Trust | MP | 31-Aug-10 |
| 89 | Mpumalanga Tourism and Parks Agency | MP | 10-Sep-10 |
| 90 | McGregor Museum | NC | Outstanding |
| 91 | Northern Cape Arts and Culture Council | NC | Outstanding |
| 92 | Northern Cape Housing Fund | NC | Outstanding |
| 93 | Northern Cape Premier Education Trust Fund | NC | Outstanding |
| 94 | Northern Cape Tourism Authority | NC | 30-Sep-10 |
| 95 | Roads Capital Account | NC | 30-Sep-10 |
| 96 | Agribank Creditors Settlement Trust | NW | 21-Sep-10 |
| 97 | Atteridgeville Bus Services (Pty) Ltd | NW | 21-Sep-10 |
| 98 | Dirapeng (Pty) Ltd | NW | 21-Sep-10 |
| 99 | Golden Leopard Resorts (Pty) Ltd | NW | 21-Sep-10 |
| 100 | Invest North West | NW | 21-Sep-10 |
| 101 | Kgama Wildlife Operations (Pty) Ltd | NW | Outstanding |
| 102 | Mafikeng Industrial Development Zone (Pty) Ltd | NW | Outstanding |
| 103 | North West Parks and Tourism Board | NW | 28-Sep-10 |
| 104 | North West Provincial Council on Aids | NW | Outstanding |
| 105 | North West Agricultural Bank | NW | Outstanding |
| 106 | North West Development Corporation (Pty) Ltd | NW | 21-Sep-10 |
| 107 | North West Directorate of Entrepreneurial Development in Natural Resources | NW | Outstanding |
| 108 | North West Gambling Board | NW | 21-Sep-10 |
| 109 | North West Housing Corporation | NW | Outstanding |
| 110 | North West Provincial Arts and Cultural Council | NW | 21-Sep-10 |
| 111 | North West Star (Pty) Ltd | NW | 21-Sep-10 |
| 112 | North West Transport Investments (Pty) Ltd | NW | 21-Sep-10 |
| 113 | North West Tribal and Trust Fund | NW | Outstanding |
| 114 | North West Youth Development Trust | NW | Outstanding |
| 115 | Signal Developments (Pty) Ltd | NW | Outstanding |
| 116 | Cape Medical Depot | WC | 28-Sep-10 |
| 117 | Destination Marketing Organisation (TA Cape Town Routes Unlimited) | WC | 30-Sep-10 |
| 118 | Government Motor Transport | WC | 22-Sep-10 |
| 119 | The Heritage Western Cape | WC | 30-Sep-10 |
| 120 | Western Cape Cultural Commission | WC | 30-Sep-10 |
| 121 | Western Cape Gambling and Racing Board | WC | 22-Sep-10 |
| 122 | Western Cape Housing Development Fund | WC | 28-Sep-10 |

ANNEXURE 5: Listing of annual report tabling dates

| Number | Auditee | Province | Date of tabling of annual report |
|--------|--|----------|----------------------------------|
| 123 | Western Cape Investment Trade and Promotion Agency | WC | 30-Sep-10 |
| 124 | Western Cape Language Committee | WC | 30-Sep-10 |
| 125 | Western Cape Liquor Board | WC | 29-Sep-10 |
| 126 | Western Cape Nature Conservation Board | WC | 28-Sep-10 |
| 127 | Western Cape Provincial Development Council | WC | 30-Sep-10 |







RP 02/2011
ISBN: 978-0-621-39850-2



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S O U T H A F R I C A