

Audit outcomes of:

Government Communication Information System
(GCIS)

and

Media Development and Diversity Agency (MDDA)

Financial year ended 31 March 2012

10 October 2012

Auditing to build public confidence



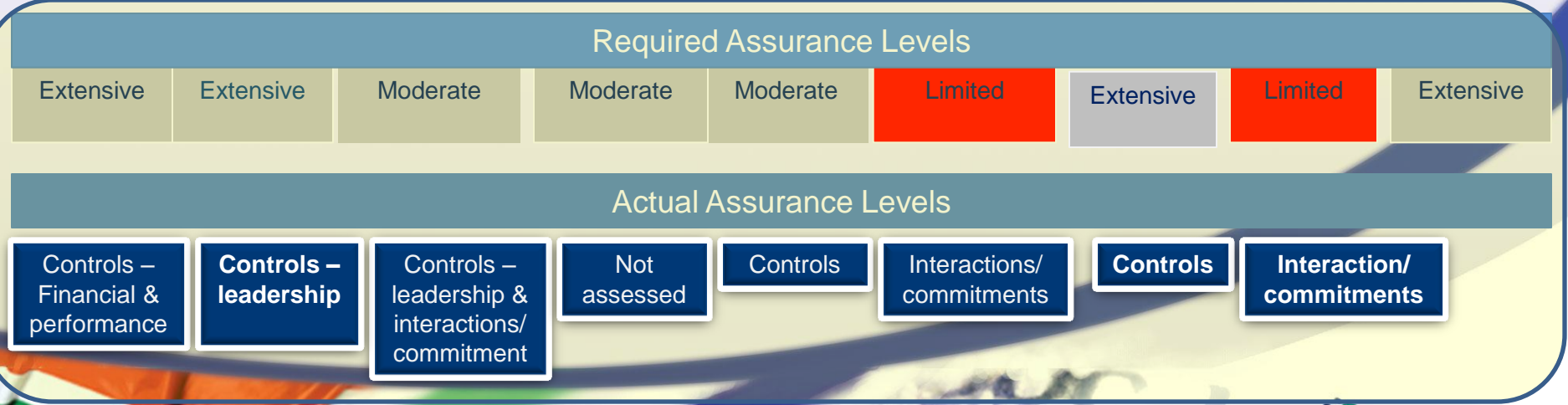
**AUDITOR-GENERAL
SOUTH AFRICA**

Reputation promise/mission

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



Combined Assurance on risk management in the Public Sector

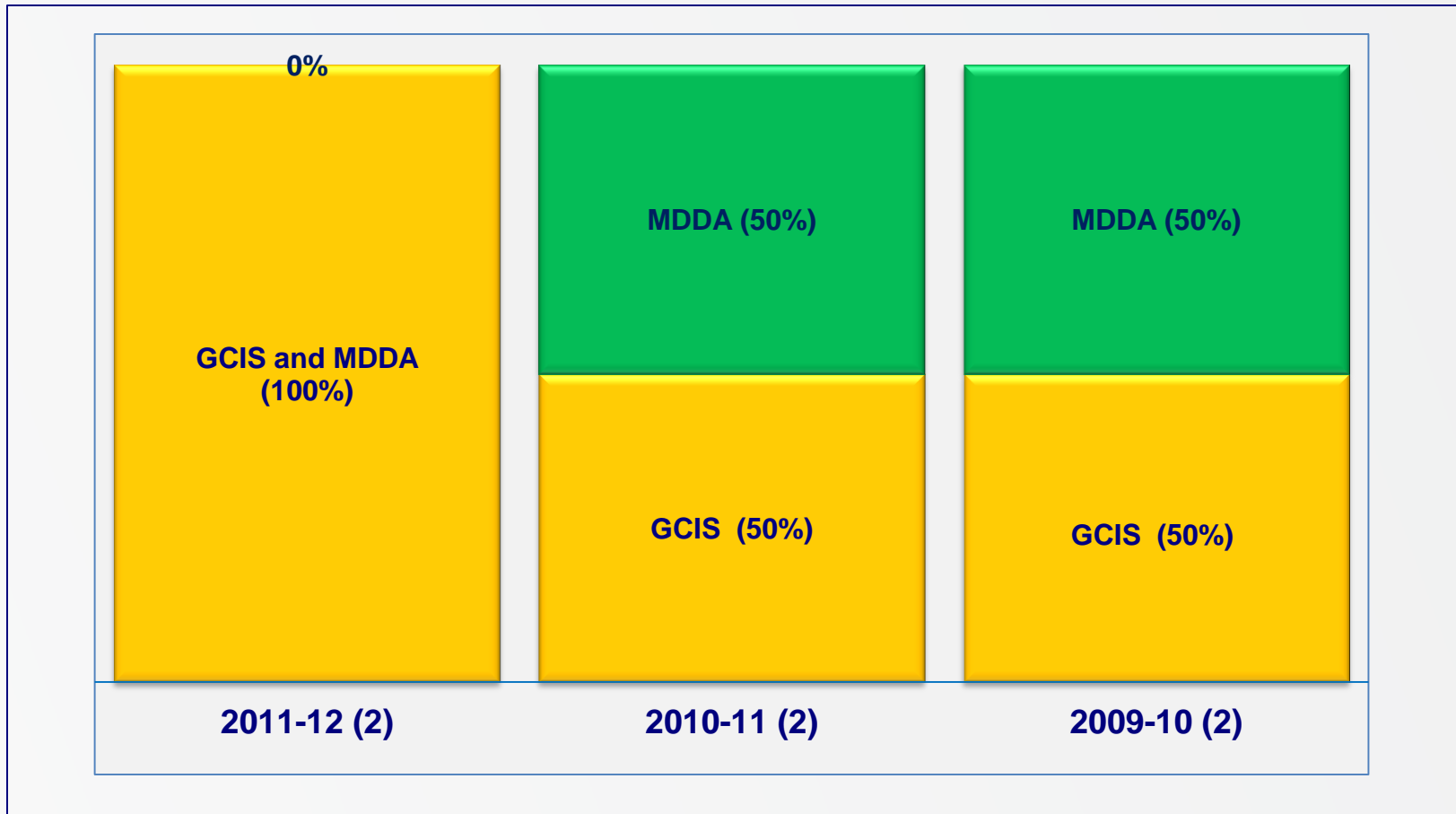


Significantly lower than required level of assurance

Provides some level of the required level of assurance

Meets required level of assurance

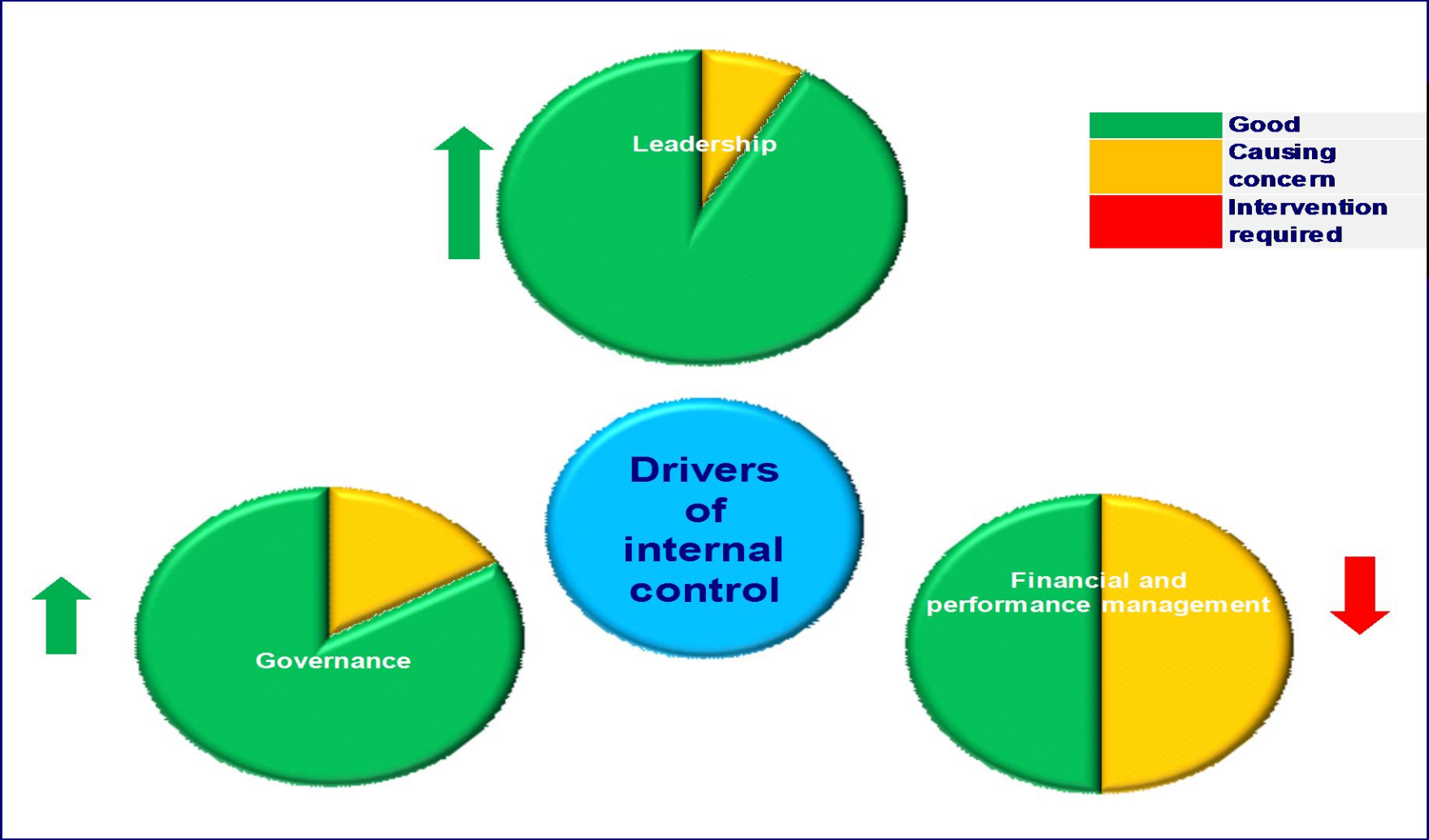
Three year audit outcome



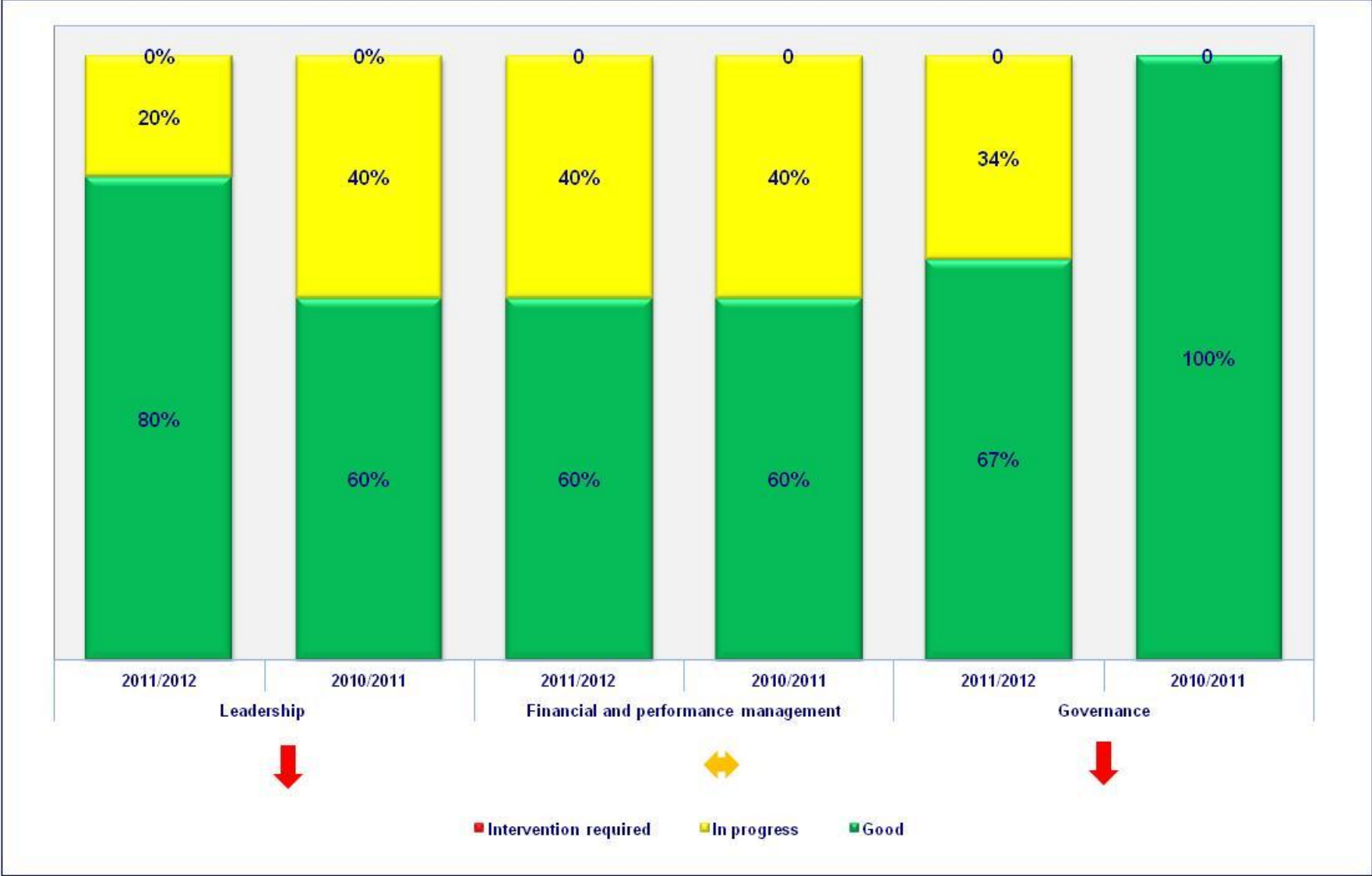
Financially unqualified with no findings Financially unqualified with findings



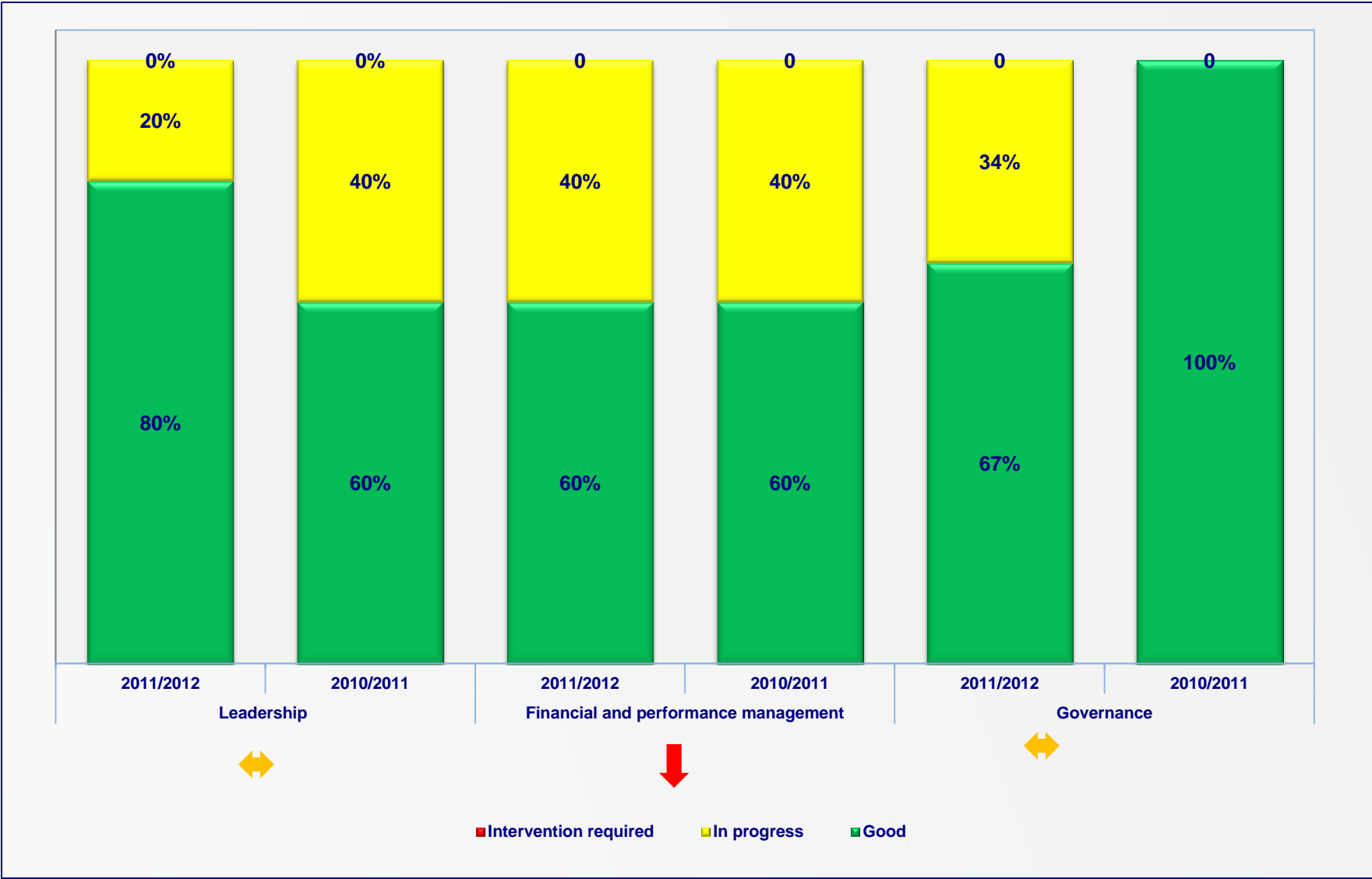
Drivers of Internal Control



Movement in key controls - GCIS



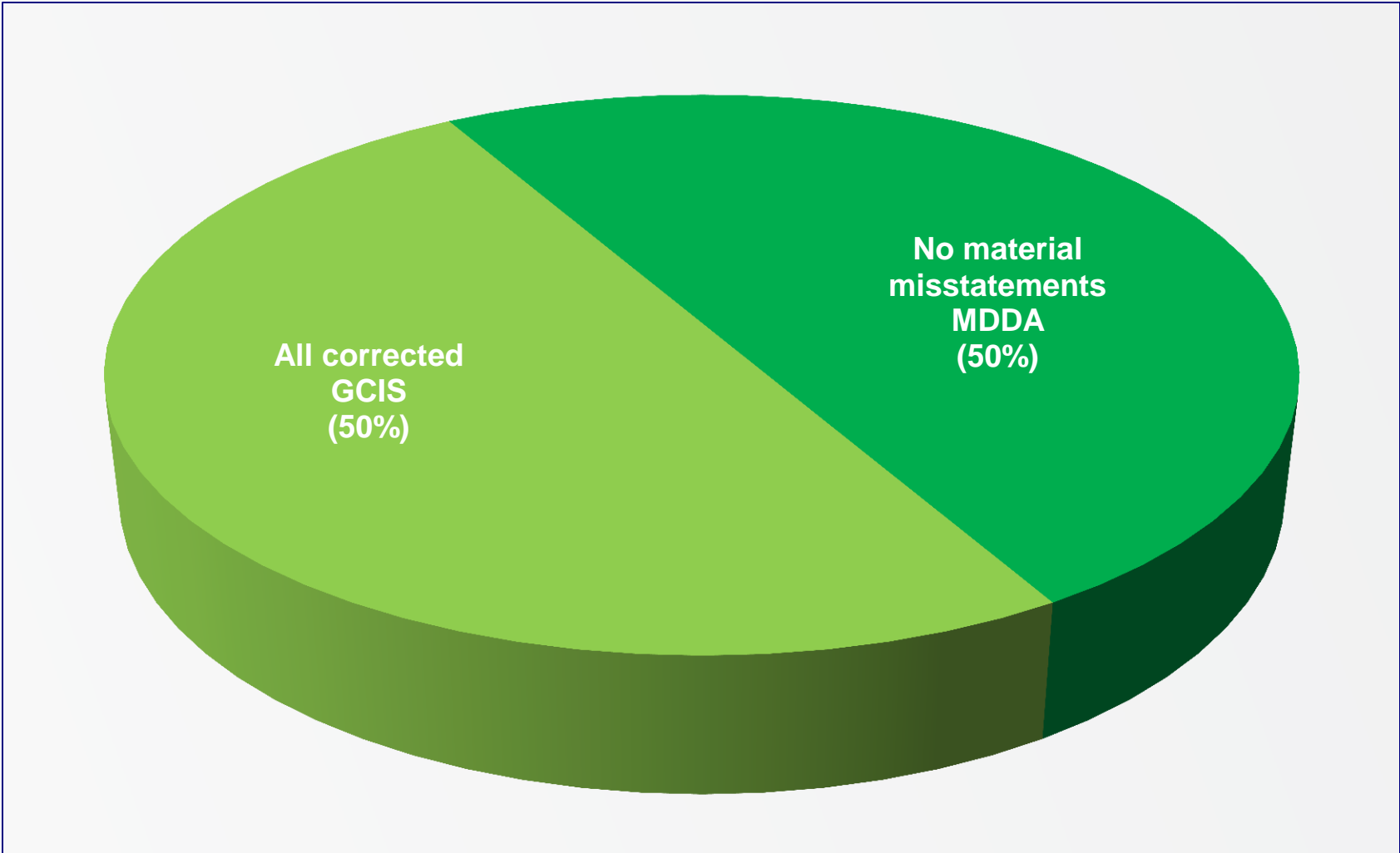
Movement in key controls MDDA



Status of focus area



Material misstatements in submitted financial statements



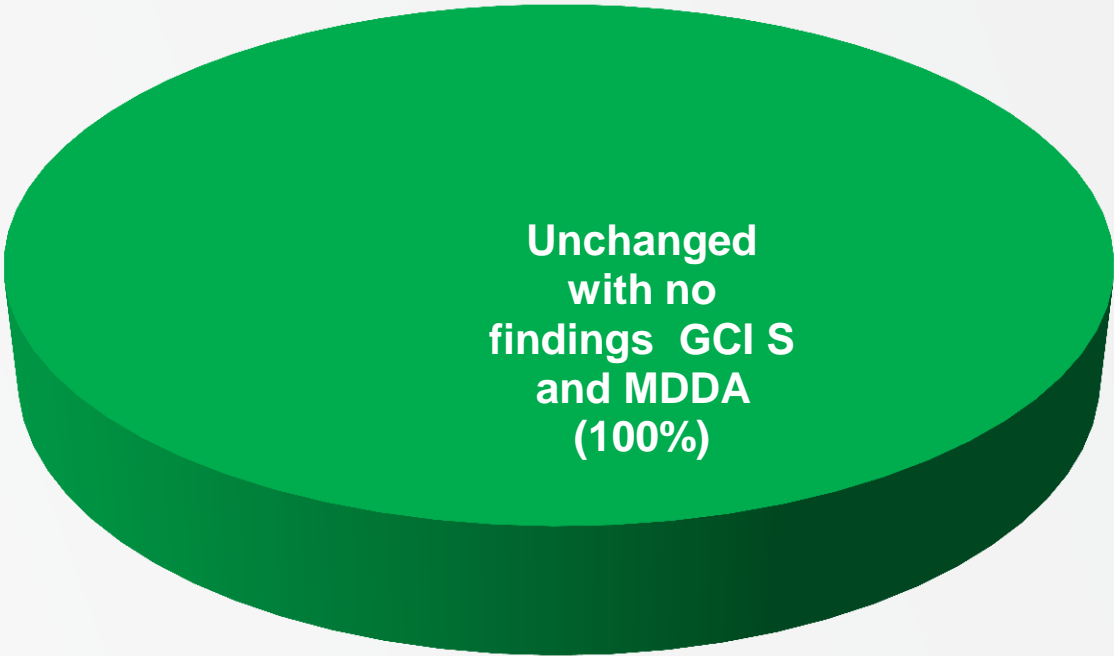
Predetermined objectives(PDO) findings

GCIS and MDDA	2011-12	100%
	2010-11	100%

Auditees with no PDO findings

Auditees with PDO findings

Movement in number of auditees with findings on PDO



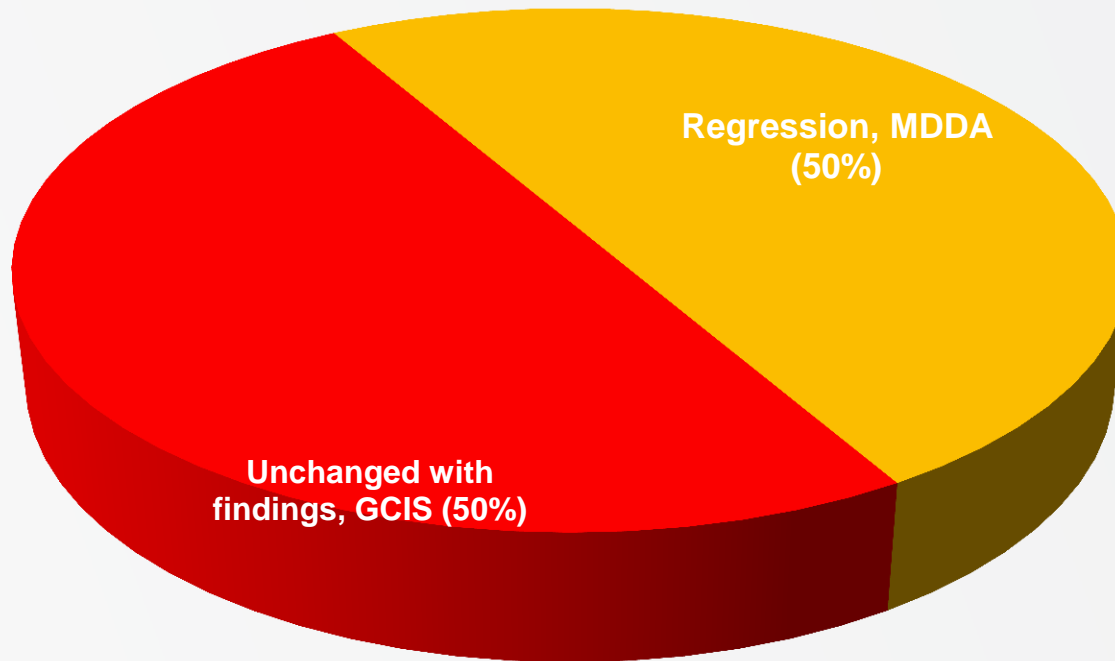
Findings on compliance with laws and regulations

GCIS and MDDA	2011-12	100%
	2010-11	100%

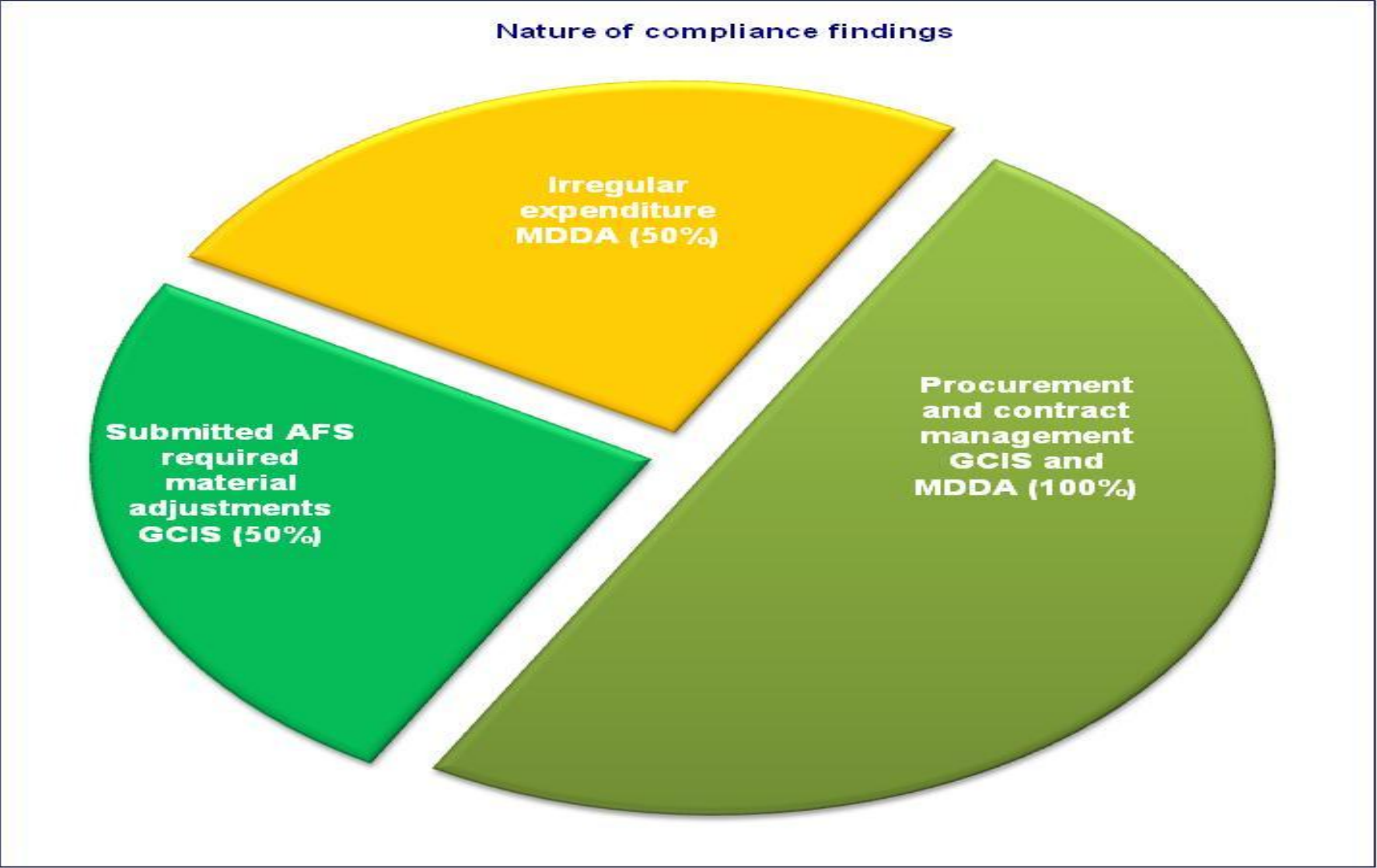
Auditees with no compliance findings

Auditees with compliance findings

Movement in number of auditees with findings on compliance



Findings on compliance with laws and regulations



Unauthorised, irregular and fruitless and wasteful expenditure

Auditee	Unauthorised expenditure		Irregular expenditure		Fruitless and wasteful	
	Movement	Amount R	Movement	Amount R	Movement	Amount R
GCIS	↔	R0 m	↓	R0,014 m	↔	R0,0 m
MDDA	↔	R0 m	↑	R0,15 m	↔	R0,0 m



Root Causes

Attention to key controls

Ineffective operation of daily controls

Ineffective monthly reporting and quarterly financial statements and performance reports

Lack of validating the **credibility** of management information

Effectiveness of assurance providers

Ineffective implement action plans

Ineffective monitoring of commitments by **oversight**

Moderate **independent** assurance

