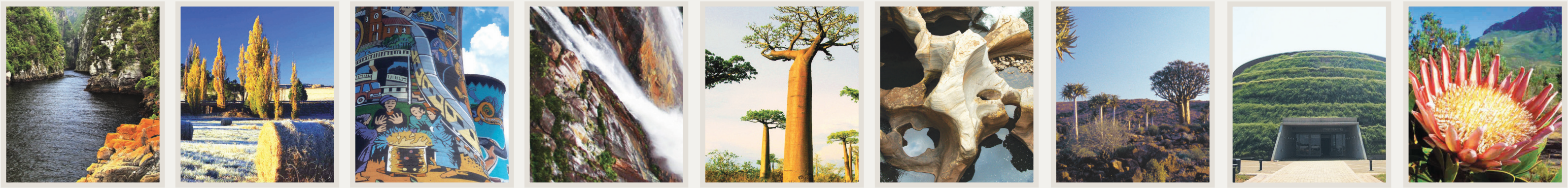

PFMA
2015-16

CONSOLIDATED GENERAL REPORT ON THE PROVINCIAL AUDIT OUTCOMES

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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Saldanha Bay IDZ Licencing Company

Western Cape Cultural Commission

Western Cape Language Committee

Western Cape Tourism, Trade and Investment Promotion Agency

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

PFMA
2015-16

CONSOLIDATED GENERAL REPORT ON NATIONAL AND PROVINCIAL AUDIT OUTCOMES

The information and insights presented in this flagship publication are aimed at empowering oversight structures and executive leaders to focus on those issues that will result in reliable financial statements, credible reporting on service delivery and compliance with key legislation.

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

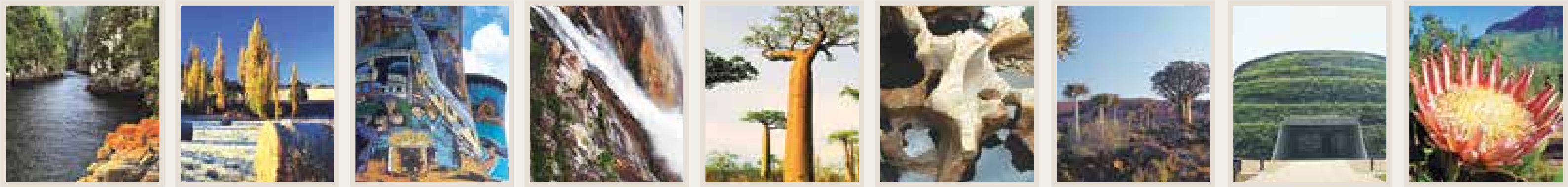
Auditor- General

Kimi Makwetu - Auditor-General

OUR REPUTATION PROMISE/MISSION

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

EXECUTIVE SUMMARY



1. Executive summary

Over the past three years, there has only been a **slight improvement in the audit outcomes**. In the period under review 24% of auditees improved, 14% regressed and the majority (62%) remained unchanged. Public entities fared the best with continuous improvement year on year, but the audit outcomes of departments regressed in 2015-16.

It is encouraging that the **number of clean audits** increased overall from 122 in 2013-14 to 152 in 2015-16. However, 13 departments and 19 public entities lost their clean audit status in 2015-16, which was offset by nine departments and 39 public entities that obtained their clean audits during 2015-16.

A. Provincial outcome analysis

The **provinces with the biggest improvement** over the three years were the Eastern Cape (36%), KwaZulu-Natal (26%) and Gauteng (14%). The provinces with the highest number of auditees with clean audit opinions in 2015-16 were the Western Cape (79%), Gauteng (60%) and KwaZulu-Natal (35%). These improvements, barring the regression overall, signify the great potential evident within the departments and provinces to make a definite step away from deficient financial management. This will require greater commitment from all levels of leadership to implement commitments already made.

The three-year audit outcomes for the Northern Cape (improvement of 11%) show a resurgence in retaining the momentum that had been lost with the regressions suffered in 2014-15. Limpopo also had a 26% improvement over the three years but the huge improvements made in 2014-15 could not be sustained in 2015-16 as a result of instability, vacancies in key positions and immature internal control systems and processes. It is diagnosed that the Section 100(b) intervention of the past few years have been useful in stemming the tide of mismanagement; however, the required discipline to sustain strong financial management have not found expression in the current department processes.

The Free State and Mpumalanga **regressed** over the three years. Although commitments were made by the leadership in these provinces to address internal control weaknesses and investigate and solve accounting and compliance-related matters, the resolutions were not quickly implemented to prevent the inevitable regressed outcomes.

The outcomes in North West were erratic over the past three years – improvements in the one year and offset by regressions in the following. The **gains made at auditees were typically not sustainable** as they were based on an over-reliance on the audit process to identify matters to be addressed, and the underlying systems and processes were not solid.

B. National outcome analysis

At **national level** there has been improvement over the three years of only 9% of the auditees. Only 30% of the auditees had a clean audit status and 15% were either outstanding, disclaimed or had adverse opinions. The ministerial portfolios leading on clean audit outcomes were Arts and Culture, Trade and Industry and in the Higher Education and Training (sector education and training authorities) portfolio. The sector education and training authorities contributed a third of the clean audit outcomes at national level. The technical and vocational education and training colleges (also in the Higher Education and Training portfolio) had the poorest outcomes. Other auditees with poor outcomes were the museums in the Arts and Culture portfolio as a result of their practical complexities (for example costs versus benefits) in measuring the heritage assets under their control, and the auditees in the Labour and Transport portfolios.

As we have also reported previously, the departments of **Education, Health and Public Works** that are responsible for almost 37% of the budget and for implementing key programmes to improve the health and welfare of citizens, continue to have the poorest outcomes – 40% of these departments received qualified or disclaimed audit opinions compared to 13% of other departments.

We audit 10 of the 21 major public entities. Of these **state-owned entities** we audit, Armaments Corporation of South Africa is the only one with a clean audit opinion (sustained from the previous year). The Independent Development Trust again received a disclaimer of audit opinion, while the South African Post Office and the South African Broadcasting Corporation again received qualified audit opinions. The remainder of these state-owned entities had material findings on compliance, which kept them from achieving a clean audit – the Airports Company South Africa also had material findings on their performance report. The Airports Company South Africa, South African Nuclear Energy Corporation and South African Post Office submitted their financial statements late and the audit of South African Express was in progress as a result of late submission of audit information.

Financial sustainability remained the main concern for the state-owned entities – uncertainties about the ability of some state-owned entities to continue operations also delayed the audits as we needed evidence that they could be reported as a going concern. The operations and audit outcomes of the state-owned entities were negatively affected by weaknesses in leadership and governance such as instability at board level, vacancies in key positions, inadequate consequence management and poor monitoring and oversight of financial and performance management and major procurement processes.

C. Outstanding audits

Twenty-seven audits were **not completed** in time to be fully included in this general report, of which 18 were still in progress at the date of this report. The main reason for this was non-submission or late submission of financial statements and information. However, there were audits that were delayed as a result of disagreements on accounting matters.

D. The real essence of risk management

Audit outcomes, as shown above, give a good sense of the strength of accountability in government – whether the executive and administration are serious about good financial and performance management and respect the law, as indicators of their commitment to the principle of being accountable to the citizens of South Africa. In a public sector environment where government essentially has a **monopoly** on certain areas of service delivery (such as defence, education, health and water and sanitation), delegated responsibilities to carry out programmes are often applied by management and leadership with significant levels of discretion. As a result of unsupervised **discretion** the basic discipline of internal controls is circumvented. When oversight does not exercise its legislated **accountability**, such environments create fertile ground for **corrupt activity** to flourish. Contained in the financial statements of a number of departments and entities with negative audit outcomes, are many elements with such characteristics especially in the supply chain and accounting control disciplines.

E. Financial management environment

The audit area that showed no **improvement was the audit opinion on financial statements**. The number of unqualified audit opinions decreased from 76% to 74% since 2013-14, while auditees receiving disclaimed or adverse opinions remained unchanged at 5%. The items that both auditee types struggled with most to correctly measure and disclose in the financial statements over the past three years were *property, infrastructure and equipment* and *expenditure;* while departments in particular struggled to correctly disclose *irregular expenditure* whereas *receivables (debtors)* remained a problem for public entities. There has been little to no improvement in all areas.

Auditees continued to **rely on auditors** to identify material misstatements to be corrected. In 2015-16 only 54% (and not 75%) of auditees would have received an unqualified audit opinion had we not identified the misstatements and allowed them to make corrections. This is an improvement from 42% in 2013-14. The poor quality of financial statements submitted for auditing call into question whether in-year reporting and management of finances by auditees are solid.

F. Performance management environment

The **quality of annual performance reports has slightly improved**, with the number of auditees with no material findings in this regard having increased from 61% to 65% since 2013-14. The *usefulness* of the information in the report has slightly improved from 24% with findings to 21% but more than a quarter (26%) was still struggling to report *reliable* information on service delivery.

G. Compliance with key legislation

There has been an **improvement in compliance with key legislation** as the number of auditees with no material findings on compliance has increased from 27% to 33% since 2013-14. The non-compliance rate, however, is too high and needs significant attention. The areas we audit that have shown some improvement in this period were procurement and contract management (also referred to as supply chain management) for public entities from 32% to 25% with findings and the quality of submitted financial statements for both departments and public entities from 62% to 52% and 52% to 37%, respectively. Departments slightly improved on expenditure management and consequence management from 36% to 25% and 24% to 13%, respectively. There has been little change in all other areas.

H. Irregular, fruitless and wasteful and unauthorised expenditure

Irregular expenditure has increased by nearly 40% since 2013-14 to R46,36 billion – the increase from the previous year was nearly 80%. The main reason for the increase in irregular expenditure was the continued non-compliance with supply chain management legislation. Irregular expenditure represents expenditure incurred towards procurement of goods and services without following prescribed processes. The controls that should be put in place in the procurement process are from the constitutional requirements of supply chain management, as set out in section 217 of the Constitution. When we audit procurement we test the application of existing procurement processes as approved by the entity subject to the audit.

Where instances of deviation from these controls are identified in the audit, such expenditure (properly accounted for in the records) will be classified as irregular, as prescribed in the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Some of the reasons attributed to deviation are emergencies, sole supplier, no competitive quotes and extensions. We identify such expenditure and report separately on them with a view to alerting those charged with governance as a prompt for further investigations to determine the appropriate steps to be taken.

This is the most vulnerable area in financial management across all areas as outflow of cash with no or limited requisite benefits are usually facilitated through these deficiencies. The total amount of irregular expenditure does, therefore, not represent total losses although some losses could or may already have arisen if follow-up investigations are not undertaken. We have specifically examined this through further audit tests where we ascertained 89% of R42,3 billion of irregular expenditure arising from procurement, was in respect of goods and services received.

Due to lack of transparency and competitiveness it remains to be seen whether prices are not inflated in the procurement processes hence the need for leadership to investigate the identified items.

Six auditees were responsible for just more than 50% of the irregular expenditure in 2015-16. They include the Passenger Rail Agency of South Africa, the KwaZulu-Natal and Mpumalanga departments of Health, the Road and Transport and Human Settlements departments in Gauteng and the Department of Water and Sanitation.

Fruitless and wasteful expenditure in 2015-16 was 14% higher than in 2013-14 at R1,37 billion, and was again incurred by an increasing number of auditees. Six auditees were responsible for just over 70% of this expenditure – again the Passenger Rail Agency of South Africa and the Department of Water and Sanitation are included in this list, joined by three departments in the Education sector and the Compensation Fund. **Unauthorised expenditure** has decreased by just over 50% since 2013-14 to R925 million as a result of interventions at national and provincial levels. The main reason for the unauthorised expenditure remained overspending of the budget.

I. Financial health

In 2015-16 we rated the **financial health** of 76% of departments and 39% of public entities as either concerning or requiring intervention – a regression over the three years. Departments regressed from 53% in 2014-15. The signs of poor financial management are apparent in the increasing occurrence of deficits, departments funding cash shortfalls from the next year's budget, poor revenue management and the inability to pay creditors within the required 30 days. In total, 5% of departments and 10% of public entities were in a particularly poor financial position by the end of 2015 -16, with material uncertainty regarding their ability to continue operating in the foreseeable future. This remained unchanged from the previous year.

J. Management of grants

Conditional grants are allocated to drive specific government objectives. Although most of the funds were used, the targets identified for the programmes and projects funded by the grants were not achieved by all provincial departments. We found that the targets of 31% of the projects we audited were either not achieved or not evaluated by departments. We identified non-compliance with supply chain management legislation on 16% of the key projects managed by departments, but the level of non-compliance was significantly higher where **implementing agents** were used with regard to conditional grants.

The weaknesses in managing key projects funded by grants and managing implementing agents further indicate that some departments did not closely monitor and actively manage the project delivery and finances.

K. Root causes

The root causes of the aforementioned weaknesses in financial and performance management and the poor audit outcomes were as follows:

- Management (accounting officers or authorities, chief executive officers and senior managers) did not respond with the required urgency to our consistent messages about addressing risks and **improving internal controls**. There has been some improvement in the leadership and governance controls, but a slight regression in the financial and performance management controls over the past three years. There was however a significant improvement in the status of information technology controls over the past three years and in all three focus areas – security management, user access management and information technology continuity.
- **Vacancies and instability in the key positions** of accounting officers, chief executive officers, chief financial officers and heads of supply chain management unit affect the financial and performance management of auditees and can directly affect audit outcomes. Stability in these positions has greatly improved over the three years, but of concern was the increase in the vacancy rate in the position of accounting officer since 2013-14, with little change in the positions of

chief executive officers and heads of supply chain management unit. Improvement in addressing vacancies in the positions of chief financial officers is encouraging.

- At an overall level, the majority of auditees had mechanisms in place for reporting and investigating transgressions or possible fraud (e.g. policies, codes of conduct and mechanisms for reporting fraud). In most cases investigations into allegations and unauthorised, irregular and fruitless and wasteful expenditure were conducted. However, this has not had the desired impact of discouraging unauthorised, irregular and fruitless and wasteful expenditure, and fraud and improper conduct. Insufficient steps were taken to **recover, write-off, approve or condone** unauthorised, irregular and fruitless and wasteful expenditure of the year under review and previous year, as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999). We have also continued to report to management indicators of possible fraud or improper conduct in the supply chain management processes for investigation, to little avail as the cases continue to increase.

L. Recommendations

Our report includes **recommendations** for further improvements and addresses the risks emerging in the environment. These include the following **best practices** displayed by those provinces and auditees that have shown improvement in the past three years:

- Accounting officers, executive authorities and provincial **leadership** supported the audit process, were committed to improving the audit outcomes and were proactive in engaging with us to resolve the previous year findings and identify and address emerging risks. They delivered on commitments and actively worked towards creating an environment for good internal controls at the auditees. They ensured that key positions were filled with competent people and stabilised the administration (i.e. low turnover in key positions).They showed courage in dealing with transgressions and poor performance and insisted on credible in-year reporting by officials, which improved the year-end processes and enabled improved decision-making.
- The accounting officers and senior managers **improved financial and performance management** by implementing audit action plans to address the audit findings as well as the root causes of the audit findings. They improved the record keeping of auditees, ensured that the basic controls over transactions and reconciliations were in place and enabled monitoring and oversight through regular and credible reporting on important matters such as supply chain management, contract management and grant management.
- The **governance** of these auditees was greatly enhanced by well-functioning audit committees and the support of internal audit units. They implemented the recommendations of the audit committees and used the internal audit units to identify risks and the controls that can be implemented to mitigate the risks.

M. Conclusion

The Auditor-General of South Africa remains committed to working tirelessly within our mandate to strengthen financial and performance management in national and provincial government, emphasising the need to do the basics right. In support of this goal we will implement a new initiative in 2017-18 to enhance our regular engagement with accounting officers with the purpose to identify and resolve matters that could affect the audit outcomes early in the audit process. It will include a status of records review to identify key areas of concern.

Introduction

This general report provides an overview of the audit outcomes and our messages from 2013-14 when the current administration commenced. The purpose of this three-year overview is to share the trends we have observed in the financial and performance management of national and provincial government in order to highlight risks and make recommendations for improvement.

In previous years we tabled a consolidated report and nine provincial general reports and included information that explains the work we do and how the results should be understood or interpreted. This report now includes a consolidated view (sections 2 to 7) and a three-year overview per ministerial portfolio (section 8) and per province (section 9). For the sake of brevity, some of the explanatory information normally included in the general report is now included in section 11.

When studying the figures and reading the report, please note that the percentages are calculated based on the completed audits of 457 auditees, unless indicated otherwise. Section 6 includes further detail on the outstanding 27 audits, and those subsequently finalised. Movement over a period is depicted as follows:

⬆ Improved

➡ Unchanged / slight improvement / slight regression

⬇ Regressed

2

The status of progress on the audit outcomes

2. Overall audit outcomes

National and provincial government consists of 169 departments and 594 public entities. The audit outcomes of 68 public entities audited by private auditors and 211 smaller and dormant entities are not included in the analysis presented in this report. The number of auditees increased over the past three years as a result of the establishment of six new departments and eight public entities in this period.

We set the cut-off date for inclusion of the audit outcomes in this report as 12 August 2016. By this date, 27 audits were still outstanding – more information is provided in section 6.

Figure 1 reflects the audit outcomes of the 484 auditees over five years, figure 2 over three years for departments and public entities and table 1 analyses the movement in audit outcomes in the 2014-15 financial year.

Figure 1: Improvement in audit outcomes of auditees

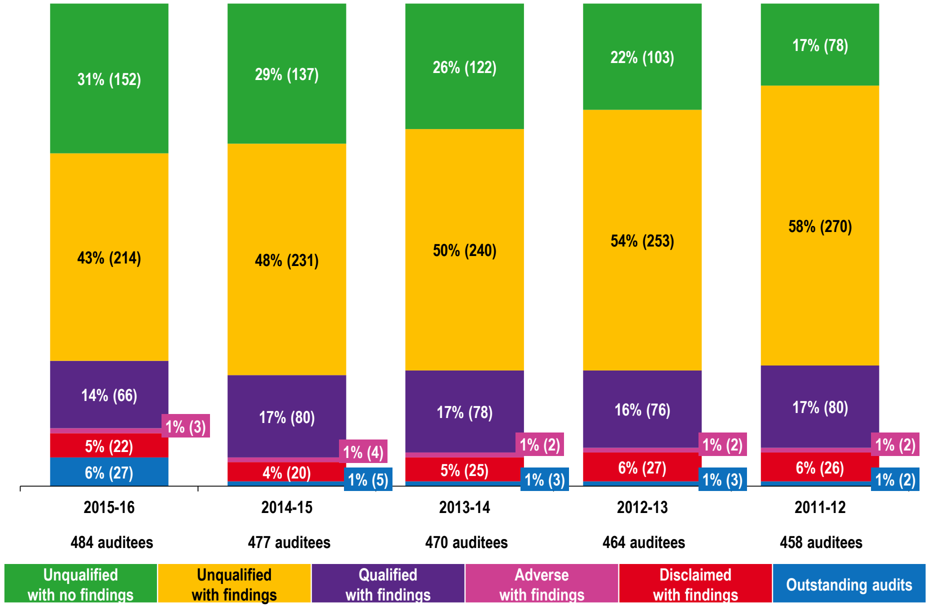


Figure 2: Audit outcomes of departments and public entities

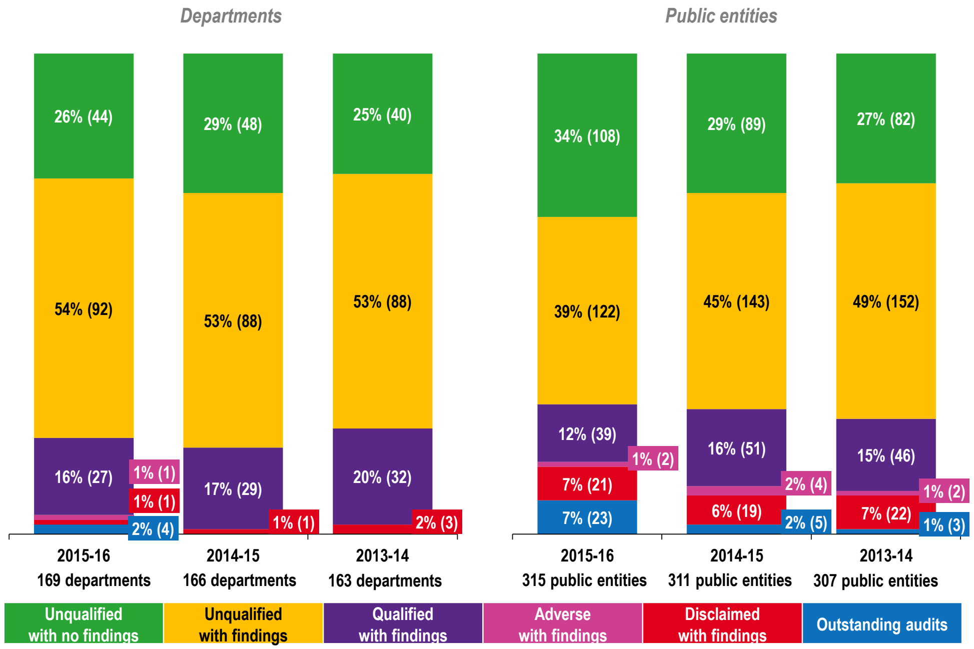
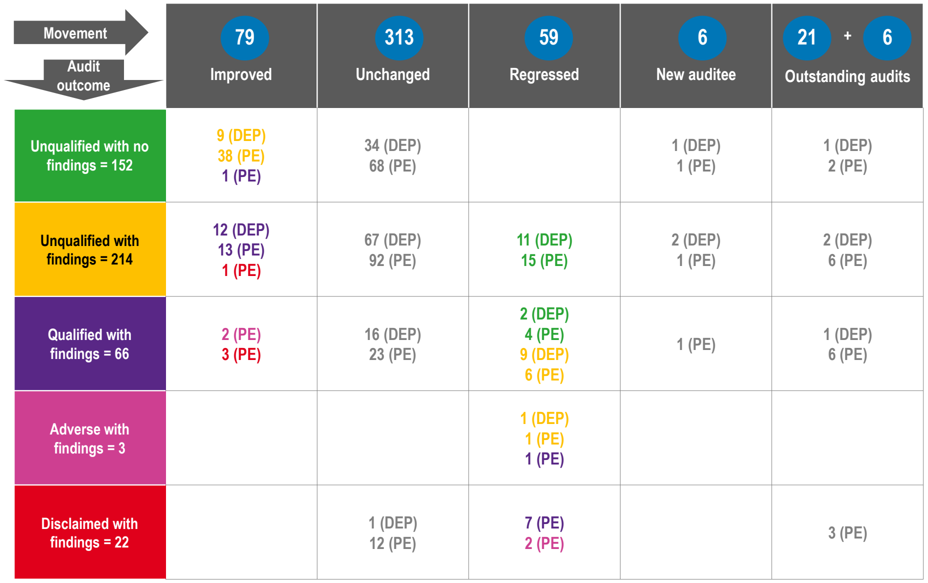


Table 1: Movement in audit outcomes over 2014-15



Movement → / Audit outcome ↓	79 Improved	313 Unchanged	59 Regressed	6 New auditee	21 + 6 Outstanding audits
Unqualified with no findings = 152	9 (DEP) 38 (PE) 1 (PE)	34 (DEP) 68 (PE)		1 (DEP) 1 (PE)	1 (DEP) 2 (PE)
Unqualified with findings = 214	12 (DEP) 13 (PE) 1 (PE)	67 (DEP) 92 (PE)	11 (DEP) 15 (PE)	2 (DEP) 1 (PE)	2 (DEP) 6 (PE)
Qualified with findings = 66	2 (PE) 3 (PE)	16 (DEP) 23 (PE)	2 (DEP) 4 (PE) 9 (DEP) 6 (PE)	1 (PE)	1 (DEP) 6 (PE)
Adverse with findings = 3			1 (DEP) 1 (PE) 1 (PE)		
Disclaimed with findings = 22		1 (DEP) 12 (PE)	7 (PE) 2 (PE)		3 (PE)

DEP – departments PE – public entities Colour of the number indicates the audit opinion from which the auditee has moved.

Of the 27 outstanding audits, five audits remain outstanding since the 2014-15 financial year, with one new audit outstanding.

There has been an overall improvement in the audit outcomes since 2011-12, with a slight improvement from 2013-14 when the current administration commenced.

Over the three years (2013-14 to 2015-16), 19% of departments and 26% of public entities improved. A total of 61 auditees (14%) (11% of departments and 15% of public entities) regressed, while 278 auditees (63%) (70% of departments and 58% of public entities) remained unchanged. The number of auditees with clean audits increased to 152 (31%), of which 84 had also received clean audit opinions in 2013-14. The clean audits in 2015-16 represent 24% of the national departments, 28% of the provincial departments, 35% of national public entities and 40% of the provincial public entities.

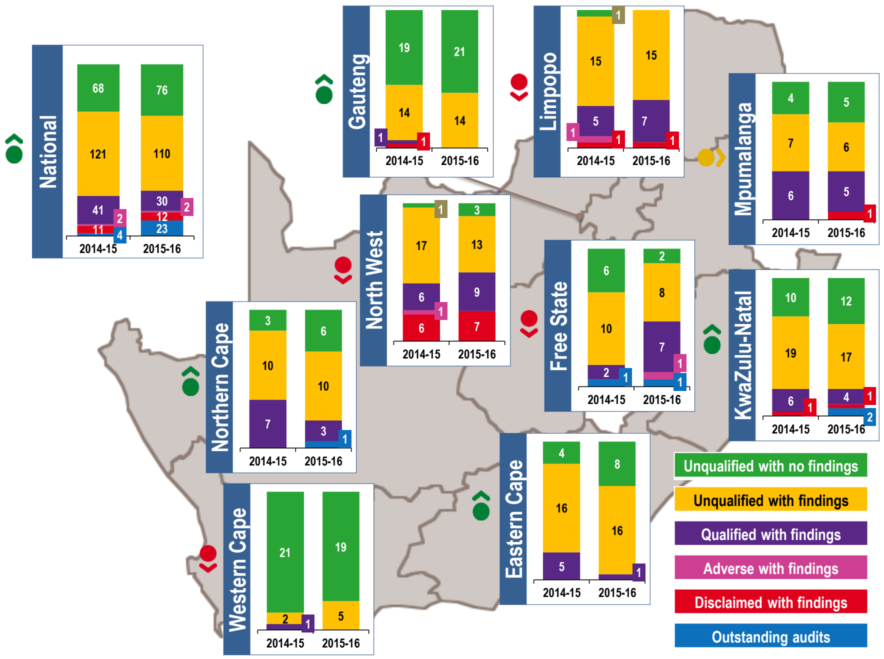
The provinces with the biggest improvement over the three years were the Eastern Cape (36%), KwaZulu-Natal (26%), Limpopo (26%) and Gauteng (14%). Two provinces (Free State and Mpumalanga) regressed over the three years. There was also an overall improvement in the national auditees (9%).

Overall, there was an improvement in the audit outcomes in 2015-16 – departments showing a slight regression and a steady improvement in public entities. Of the 152 auditees with clean audit opinions in 2015-16, 67% had also received clean audit opinions in 2014-15. In total, 159 (74%) of the 214 auditees that received an unqualified audit opinion with findings in 2015-16, had received the same opinion last year. Only 47 auditees that received an unqualified audit opinion with findings in the previous year were able to improve to clean audits, while some auditees still need to address their material findings on compliance with legislation and the quality of the annual performance reports (APRs).

The expenditure budget for departments in 2015-16 was R1 218 billion, of which R669 billion was for operating expenditure, R70 billion for capital expenditure and R479 billion for transfers and subsidies. The 44 departments with clean audit opinions represent 17% of the total expenditure budget, while the four departments that are outstanding represent 11% of the total expenditure budget.

Figure 3 illustrates the national and provincial audit outcomes of 2014-15 compared to 2015-16 for all auditees.

Figure 3: National and provincial audit outcomes (all auditees)



The audit outcomes of the national sphere and four provinces improved, four provinces regressed and one remained unchanged from the previous year. The provinces with the highest number of auditees (departments and public entities) with clean audit opinions in 2015-16 were the Western Cape (79%), Gauteng (60%) and KwaZulu-Natal (35%). The provinces with the poorest outcomes, based on the number of auditees with disclaimed and adverse opinions or outstanding audits, were North West (22%) and the Free State (11%). The percentage of auditees with disclaimed and adverse opinions or outstanding audits in national government was 15%.

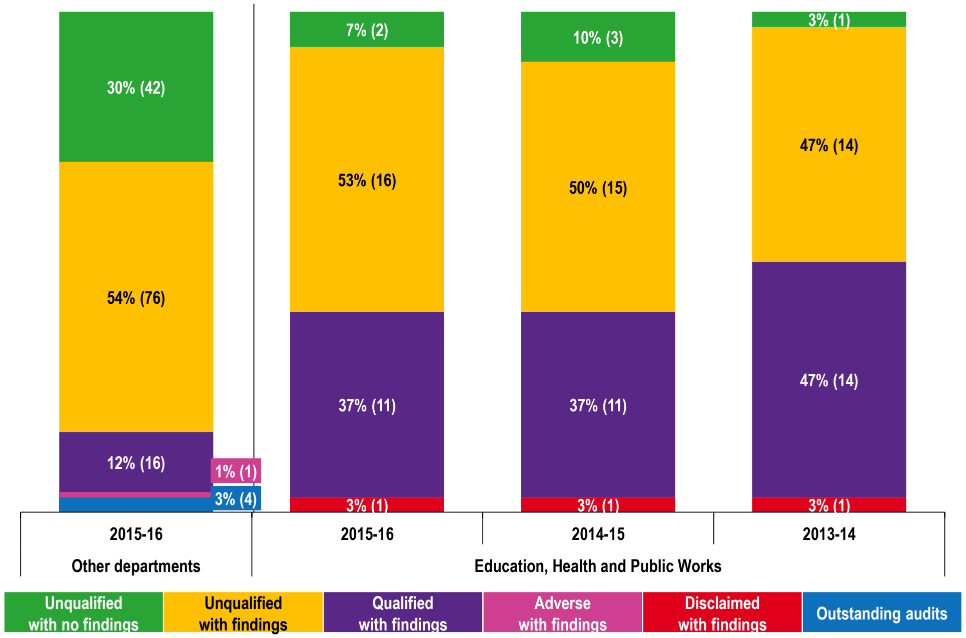
Refer to sections 8 and 9 for more detail on the movement in audit outcomes of ministerial portfolios and provinces, respectively.

Education, Health and Public Works

In 2015-16, the expenditure of the national and provincial departments of Education, Health and Public Works contributed to almost 37% of the total spending by departments.

Figure 4 shows the audit outcomes of the Education, Health and Public Works departments versus the audit outcomes of the rest of the departments.

Figure 4: Education, Health and Public Works versus other departments



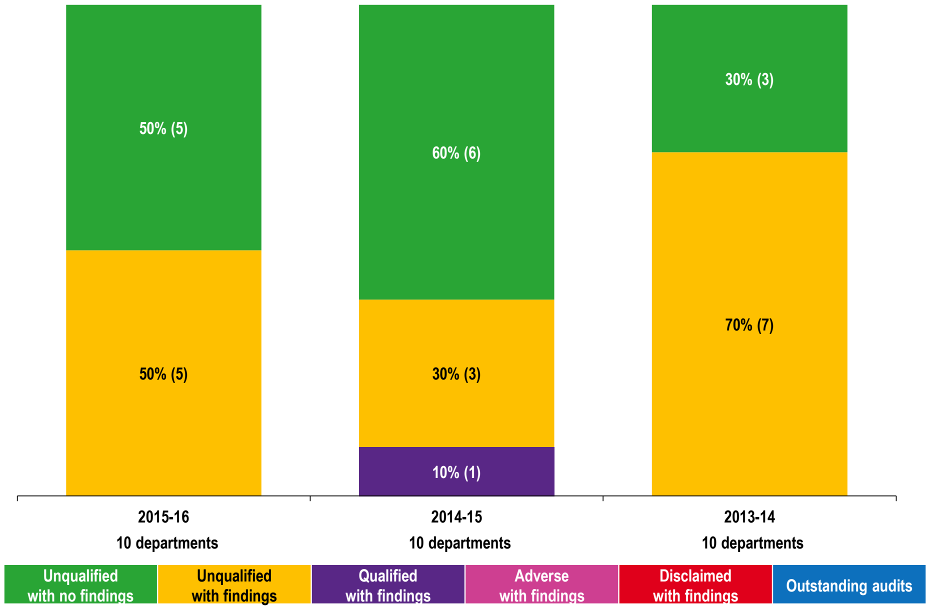
In total, 40% of these departments' financial statements received a financially qualified or disclaimed opinion compared to 13% of the other departments. Except for two clean audits, all these departments had material findings on the quality of their APRs and/or compliance with legislation. The audit outcomes improved over the past three years but there was a slight regression from 2014-15 with the Free State Public Works and Infrastructure department losing its clean audit status.

These sectors receive a substantial portion of the budget and are responsible for implementing key programmes to improve the health and welfare of citizens. Their poor audit outcomes should receive urgent attention from all role players to ensure accountability and improved service delivery.

Legislatures

Figure 5 reflects the audit outcomes of the legislature sector that consists of the Parliament of the Republic of South Africa (Parliament) and the nine provincial legislatures.

Figure 5: Three-year audit outcome – legislatures



The audit outcomes of legislatures were inconsistent in the last three years and there has been a regression in the number of clean audits from the previous year with five auditees (50%) having a clean audit opinion. The remaining five auditees (50%) had a financially unqualified audit opinion with findings (an improvement from the previous year), with material non-compliance reported for all five auditees.

The Financial Management of Parliament and Legislatures Act, 2009 (Act No. 10 of 2009) (FMPPLA) came into effect on 1 April 2015 and is applicable to the legislature sector. The FMPPLA introduced a number of key requirements applicable to legislatures. These include the adoption of Standards of Generally Recognised Accounting Practice (Grap) as a financial reporting framework, changes to the preparation and submission of APRs and annual budgets and legislated prescripts such as the supply chain management (SCM) regulations.

Based on our readiness assessment performed in the previous year, we highlighted the risks of material misstatement of the financial statements with the first time implementation of Grap, material non-compliance with the FMPPLA, specifically SCM regulations effective from 1 April 2015, and inadequate planning, systems and processes for, and reporting on, predetermined objectives.

For the period, 1 April 2014 to 31 March 2015, there was no legislative framework applicable to provincial legislatures regulating their financial management. Limited areas of compliance could be considered for reporting resulting in an improvement in the 2014-15 audit outcomes that was not sustained in 2015-16.

Most legislatures were not able to submit financial statements that are free from material misstatements and adjustments had to be made to avoid a qualified audit opinion. Although no material findings were reported on the usefulness or reliability of performance information, seven auditees made adjustments to the submitted performance information to avoid these findings.

The most concerning area of non-compliance for 2015-16 was procurement and contract management. Eight auditees had findings in this area. For three of these auditees the findings were assessed as not material for inclusion in the audit report.

Schedule 4 to the FMPPLA includes further transitional provisions and if risk areas, in particular the submission of accurate and complete financial statements, are not adequately addressed, it could lead to a further regression in the audit outcomes in 2016-17.

We recommend that the speakers' forum should continue to monitor the progress made with implementation plans to respond to the FMPPLA requirements and ensure that the executive authorities are provided with regular feedback on the progress.

Legislatures should also maintain a consultative relationship to leverage knowledge concerning financial management, performance management and compliance with legislation. The executive authority of Parliament should also draft other required regulations, as required by section 65 of the FMPPLA, within a reasonable period.

A

Annexure 1 lists all auditees with their current and previous year audit outcomes, while annexure 3 lists the audit outcomes for the past five years.

3 The status of financial management

3.1 Financial statements

Figure 1 provides a three-year overview of audit opinions on the financial statements, the percentage of auditees that had submitted their financial statements for auditing by the legislated date (blue line), and the percentage of auditees that submitted financial statements that were not materially misstated (red line). Figure 2 provides the same overview for departments and public entities separately.

Figure 1: Three-year trend – audit of financial statements

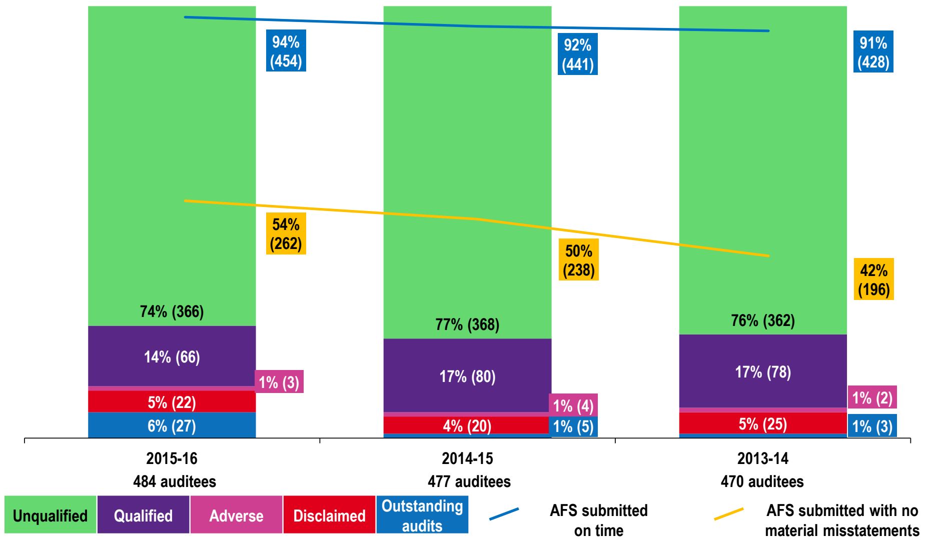


Figure 2: Audit of financial statements – departments and public entities

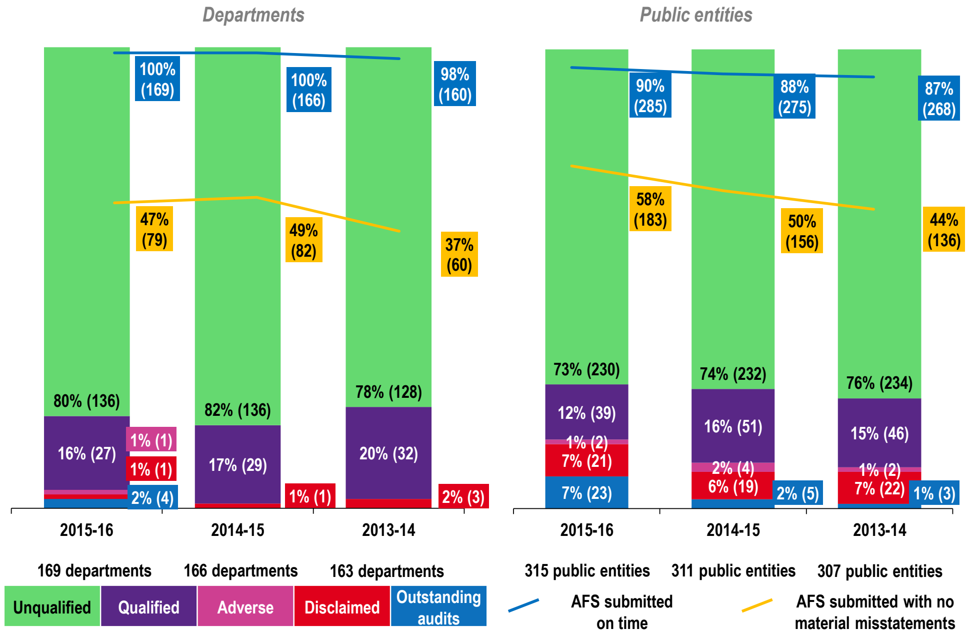


Figure 1 indicates that 94% of auditees had submitted their financial statements for auditing by 31 May 2016 (or 31 March in the case of technical vocational education and training [TVET] colleges) as required by legislation, which is a slight improvement from the 91% in 2013-14. Six public entities have not submitted their financial statements – some of them for more than one year. Section 6 contains more detail on these auditees and the reasons for non-submission. Figure 1 further shows that the audit opinion on the financial statements had slightly regressed since 2013-14 and the previous year to 74% unqualified opinions in 2015-16.

Only 54% of the auditees were able to provide auditors with annual financial statements in 2015-16 that contained no material misstatements, an improvement from the 42% in 2013-14. This means that 59 departments (35%) and 67 public entities (21%) received a financially unqualified audit opinion only because they corrected all the misstatements we had identified during the audit. A total of 27 departments and 42 public entities were unable to make the necessary corrections to their financial statements, which resulted in qualified, adverse or disclaimed audit opinions.

The main reason for not making corrections was the unavailability of information or incomplete information or documentation to determine the correct amounts to be reflected in the financial statements.

Forty per cent of the financial statements of the national and provincial departments of **Education, Health and Public Works** received a qualified or disclaimed opinion. This has remained unchanged from 2014-15. Regressions in audit opinions were noted at Education (Free State) and two Health (Limpopo and North West) departments.

Table 1 shows the percentage of auditees in national and provincial government that submitted quality financial statements for auditing (i.e. with no material misstatements) and the outcome after the corrections made.

Table 1: Status of financial statements in national and provincial government

Portfolio	Financially unqualified auditees before correction of material misstatements		Financially unqualified auditees after correction of material misstatements	
	Number	Movement from 2014-15	Number	Movement from 2014-15
National auditees	120 (52%)	►	186 (81%)	►
Eastern Cape	17 (68%)	▲	24 (96%)	▲
Free State	6 (33%)	▼	10 (56%)	▼
Gauteng	25 (71%)	▲	35 (100%)	▲
KwaZulu-Natal	23 (68%)	▲	29 (85%)	▲
Limpopo	4 (17%)	►	15 (65%)	►
Mpumalanga	6 (35%)	▼	11 (65%)	►
Northern Cape	10 (53%)	▲	16 (84%)	▲
North West	6 (19%)	►	16 (50%)	▼
Western Cape	23 (96%)	►	24 (100%)	►
Total	240 (53%)	►	366 (80%)	►

The second column of table 1 lists the low percentage of auditees in national and provincial government that would have received an unqualified audit opinion if no corrections were made to the financial statements (i.e. submitted annual financial statements with no material misstatements). It also shows that there has been an improvement in the quality of submitted financial statements in four provinces while the quality of annual financial statements in the Free State and Mpumalanga regressed. The fourth column of table 1 shows that the Western Cape and Gauteng had the most number of auditees that received a financially unqualified audit opinion (100%). The Free State and North West regressed, while most of the other provinces improved or showed little movement.

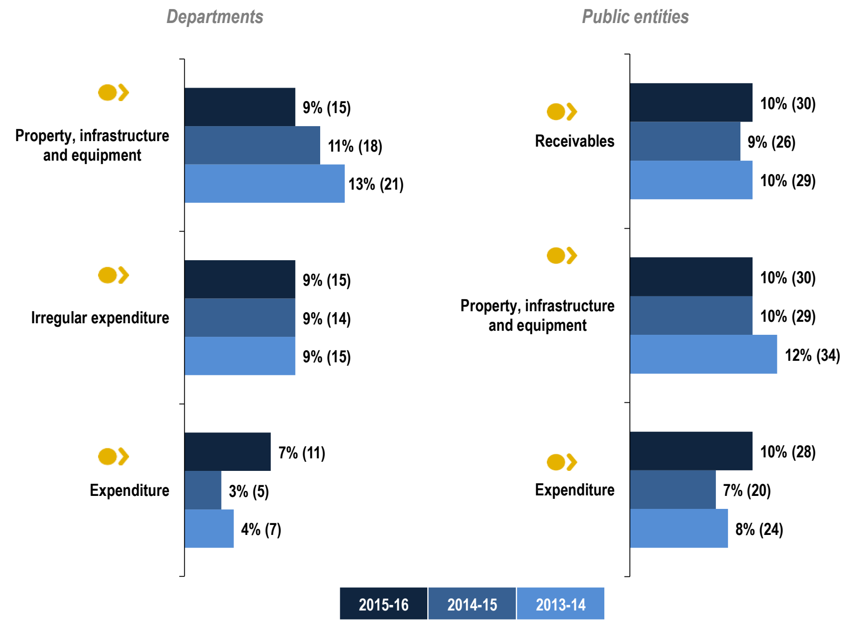
Continued **reliance on the auditors** to identify corrections to be made to the financial statements to obtain an unqualified audit opinion is not a sustainable practice. Over the years this has placed undue pressure on the audit teams to meet legislated deadlines for the completion of audits, with an accompanying increase in audit fees.

National Treasury Instruction no. 05 of 2014-15 requires departments to prepare interim financial statements for each quarter of the financial year ended 31 March 2016 and submit these to the National Treasury a month after the end of the quarter. We also encourage the preparation of interim financial statements as a control measure at all entities to assist with sound financial management.

Although departments do comply with the submission requirements of the instruction note, it is found that all too often the submissions are incomplete and not of a good quality. This is indicative of the fact that the interim financial statements are purely submitted in an effort to comply with the instruction note. These submissions thus do not serve the intended purpose of assisting the auditees to improve their monthly and quarterly financial management disciplines.

Figure 3 shows the three most common financial statement qualification areas of departments and public entities whose financial statements received a qualified opinion, and the progress made in addressing these areas since 2013-14.

Figure 3: Three most common financial statement qualification areas – departments and public entities



The number of auditees qualified in these areas has not changed significantly over the three years.

The main reason for auditees to be qualified on **property, infrastructure and equipment** was that the value of assets recorded in the financial statements was either incorrect or we could not confirm the value at which these assets had been recorded. The qualifications were most common in the Health sector for departments and the TVET colleges for public entities. Of the 15 departments that were qualified in this area, 33% were from Limpopo while 57% and 23% of the public entities were from national and North West, respectively.

The main reason for departments to be qualified on the **irregular expenditure** disclosed in their financial statements was that not all irregular expenditure had been disclosed, or sufficient evidence could not be obtained that all irregular expenditure had been disclosed. The qualifications were most common in the Health and Education sectors. The Free State had the highest number of departments that were qualified on irregular expenditure at 40% in 2015-16.

The main reason for public entities to be qualified on **receivables** was that they had difficulty in accurately disclosing in their financial statements all amounts receivable or calculating and recording receivable amounts incorrectly. The qualifications were most common at the TVET colleges. From the 30 public entities that were qualified on receivables, 67% and 27% were from national and North West, respectively.

Auditees were qualified on **expenditure** because not all expenditure had been recorded, sufficient evidence could not be obtained that all the expenditure had been disclosed or expenditure was shown as transfer payments while it should be goods and services. Furthermore, evidence could not be obtained that transactions and events that had been recorded, had occurred. The qualifications were most common in the Education and Health sector for departments and the TVET colleges for public entities. The Free State had the highest number of departments that were qualified in this area at 45%, while national public entities and those in the North West had 68% and 18%, respectively.

A Annexure 1 lists all auditees and the areas qualified.

3.2 Compliance with key legislation

Figure 1 depicts the number of auditees that had material findings on compliance over the past three years, while figure 2 indicates the material findings on compliance per auditee type and table 1 the status of compliance of the completed audits in national and provincial government.

Figure 1: Auditees with findings on compliance with key legislation

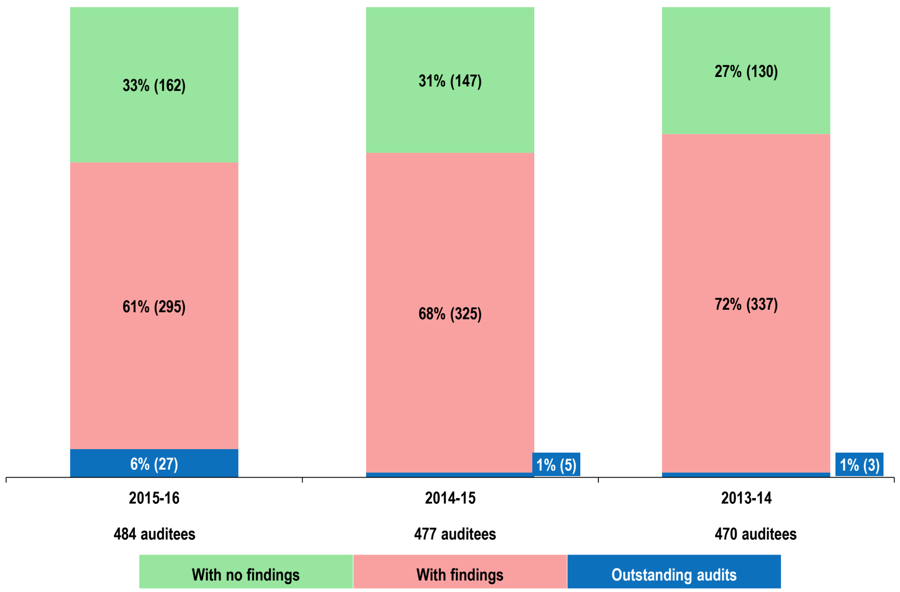


Figure 2: Findings on compliance with key legislation – departments and public entities

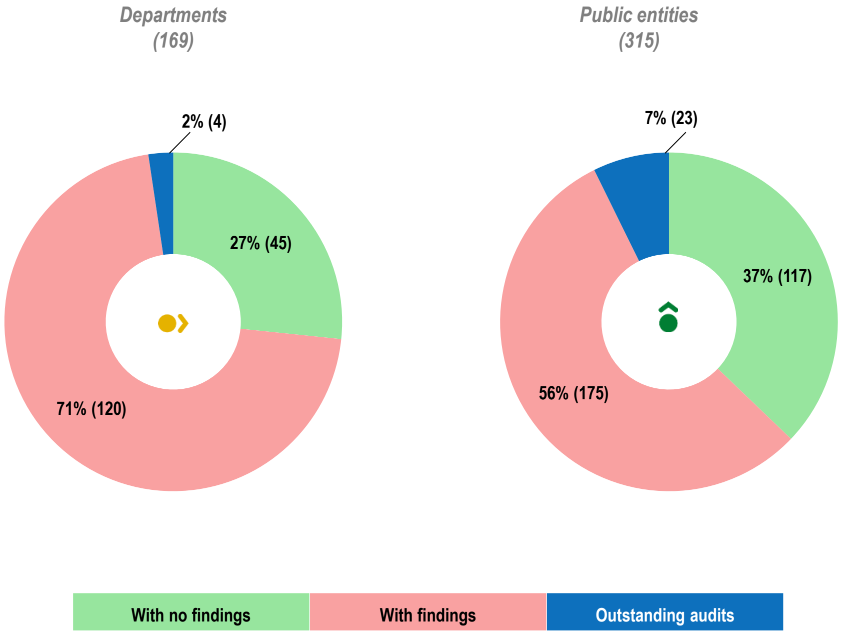


Table 1: Status of compliance with key legislation in national and provincial government

Portfolio	Auditees with no findings on compliance	
	Number	Movement from 2014-15
National auditees	83 (36%)	→
Eastern Cape	9 (36%)	↑
Free State	2 (11%)	↓
Gauteng	21 (60%)	↑
KwaZulu-Natal	12 (35%)	↑
Limpopo	0 (0%)	↓
Mpumalanga	5 (29%)	↑
Northern Cape	6 (32%)	↑
North West	3 (9%)	↑
Western Cape	21 (88%)	→
Total	162 (35%)	→

While the three-year trend reflects an improvement, non-compliance with key legislation remains high. The number of departments with no material findings decreased from 51 to 45 since 2014-15, which represents a slight regression. However, this was offset in the overall picture by an increase in the number of public entities with no findings from 96 to 117.

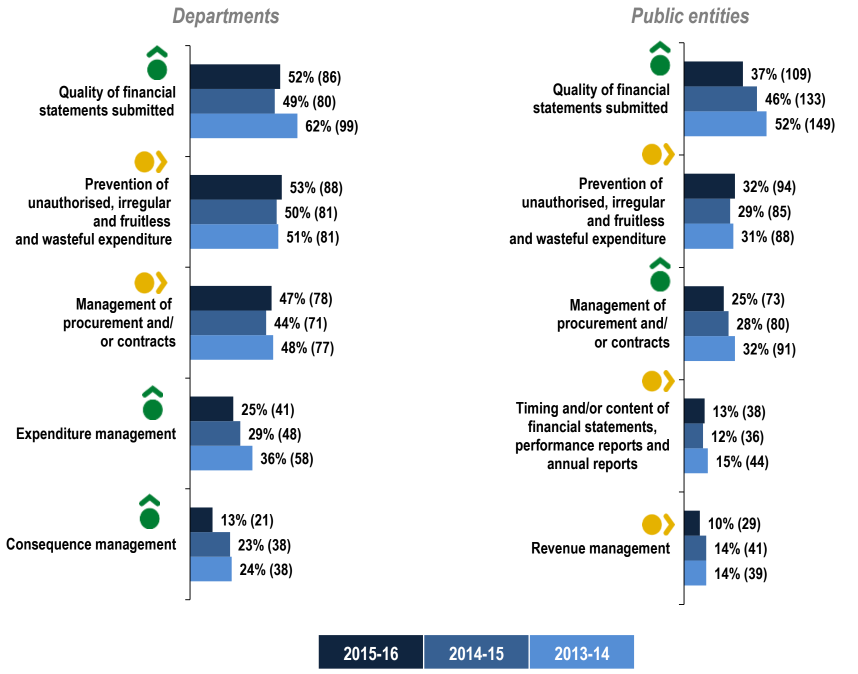
Ninety per cent of the departments of **Education, Health and Public Works** had findings on compliance with key legislation. This has relatively remained unchanged from the previous year when 93% of these departments had findings.

The number of auditees with no compliance findings improved in most of the provinces, except in Limpopo which had no auditees without compliance findings and the Free State that regressed. The Western Cape and national auditees remained unchanged.

Two hundred and nine (71%) of the 295 auditees with material findings on compliance in 2015-16 had findings with a potential negative financial impact or findings which could cause a financial loss for the auditee or government. Not all non-compliance with legislation has financial loss implications, e.g. material misstatements in financial statements do not result in money being lost.

Figure 3 shows the compliance areas with the most material findings in the year under review and the progress made in addressing these since 2013-14 per auditee type.

Figure 3: Most common areas of non-compliance – departments and public entities



Over the past three years, we have consistently raised material findings on compliance around the quality of financial statements submitted (material misstatements); prevention of unauthorised, irregular and fruitless and wasteful expenditure; and the management of procurement and contracts.

We report non-compliance with regard to **material misstatements** only in certain circumstances, as explained in section 10. Section 3.1 provides more information on the improvement in material misstatements.

There has been a slight regression in the **prevention of unauthorised, irregular and fruitless and wasteful expenditure** since 2013-14. Section 3.2.1 to 3.2.3 provides more information on the movements in this area.

Material findings on compliance with legislation in respect of **procurement and contract management** (also referred to as SCM) have decreased since 2013-14, with only a slight decrease in 2014-15. Section 3.2.1 provides more information on the findings and improvements in this area.

Findings on **the timing and/or content of financial statements, performance reports and annual reports** of public entities have slightly decreased over the three years.

Departments continued to struggle with **expenditure management.** In 2015-16 21% of departments did not pay creditors within 30 days or an agreed-upon period – a slight improvement when compared to 24% of departments in the previous year. More information is provided in section 3.3 on financial health on the state of payment within 30 days across all auditees.

Effective and appropriate steps were not taken to collect all money due – this remained a common finding under **revenue management** for public entities; 26 public entities (9%) had this finding when compared to 32 public entities (11%) in the previous year.

Legislation is clear on the **consequences** of non-compliance with legislation and the steps to be taken to deal with such transgressions. It is the role of those charged with governance to investigate non-compliance and the impact thereof, which could include financial loss through excessive expenditure (uneconomical use of funds), fruitless and wasteful expenditure, lost revenue and avoidable penalties and interest. Figure 3 indicates a decrease in the number of departments with non-compliance in this area since 2013-14. The most common finding in 2015-16 was that investigations were not conducted into all allegations of financial misconduct by officials – 11 departments. Section 3.2.4 provides further details on consequence management.

A Annexure 1 lists all auditees and the compliance findings.

3.2.1 Irregular expenditure caused by weaknesses in supply chain management

Irregular expenditure

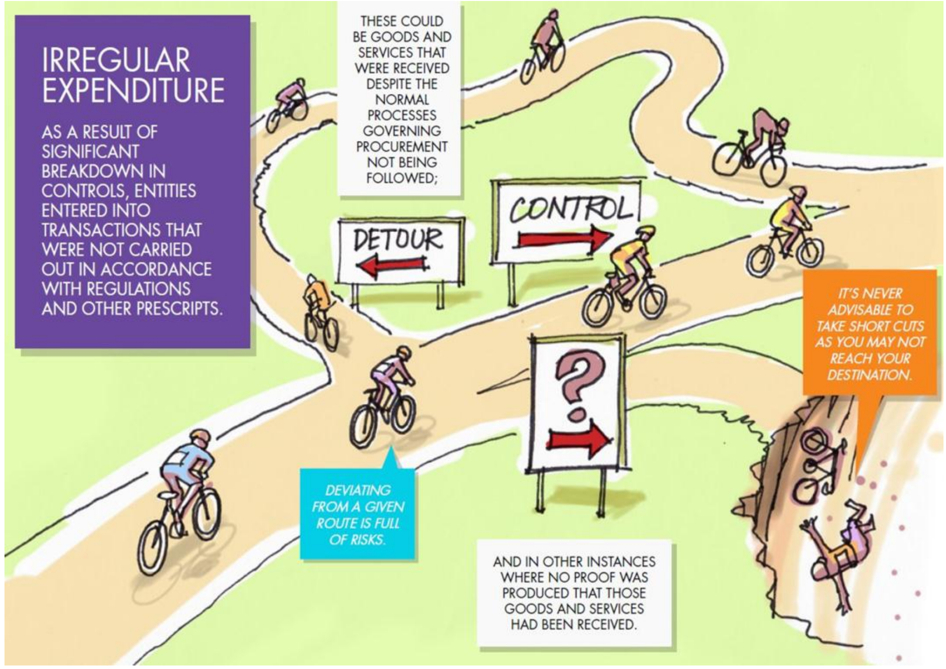
Irregular expenditure is expenditure that was **not incurred in the manner prescribed by legislation** – i.e. somewhere in the process that led to the expenditure; the auditee did not comply with the applicable legislation.

Such expenditure does **not necessarily mean that money had been wasted or that fraud had been committed**. It is an indicator of non-compliance in the process that needs to be investigated by management to determine whether it was an unintended error, negligence or done with the intention to work against the requirements of legislation, which, for example requires that procurement should be fair, equitable, transparent, competitive and cost-effective.

Through such **investigation** it is also determined who is responsible and what the impact of the non-compliance was. Based on the investigation the next steps are determined. One of the steps can be condonement if the non-compliance had no impact and negligence was not proven. Alternatively if it was proven the steps can be disciplinary steps, recovery of any losses from the implicated officials or even cancelling a contract or reporting it to the police or an investigating authority.

Figure 1 illustrates that irregular expenditure can be as a result of a 'detour', i.e. the transactions were not in accordance with legislation but goods and services were received and there were no losses or fraud. Such non-compliance can also be an indicator of more serious failure and impact.

Figure 1: Illustration of irregular expenditure

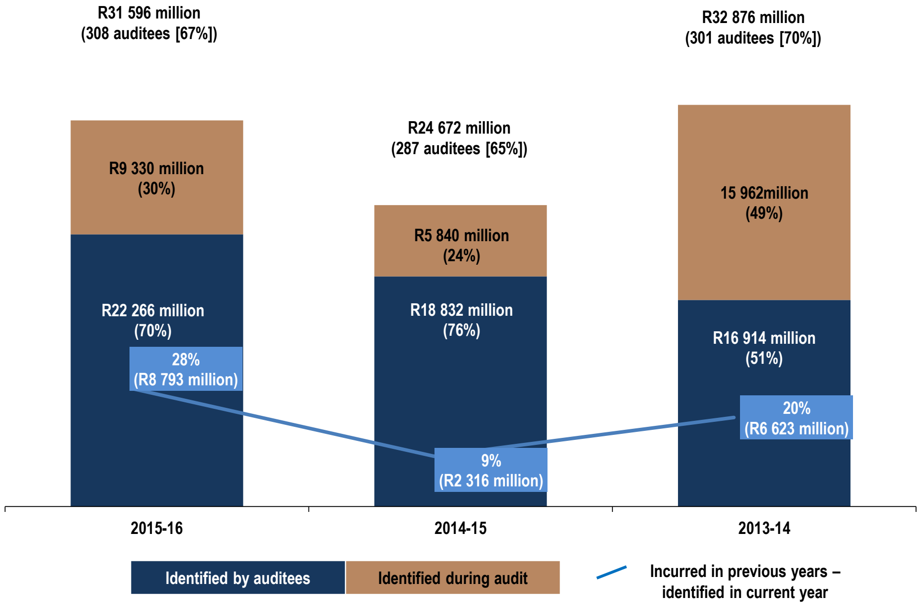


The PFMA is clear that **accounting officers and authorities are responsible** to prevent irregular expenditure and if it takes place what the process is that should be followed as described above.

In order to promote transparency and accountability **all irregular expenditure identified (whether by the auditee or through the audit process) is disclosed** by the auditees in their financial statements with detail on how it was resolved – i.e. how much was investigated, recovered or condoned.

Figure 2.1 shows the three-year trend in irregular expenditure based on the amounts that were disclosed in the financial statements of the auditees. It also indicates the percentage of irregular expenditure identified by auditees versus that identified by the audit process as well as the proportion of irregular expenditure disclosed that was incurred in previous years (blue line).

Figure 2.1: Three-year trend in irregular expenditure



The amounts shown in figure 2.1 only include those incurred by the auditees whose audits were completed by 12 August, the cut-off date we set for inclusion in this general report. Although we do not include the results of the audits completed after 12 August in the analyses in the general report (we only summarise them in section 6), we make an exception for irregular expenditure and fruitless and wasteful expenditure (section 3.2.2) as the amounts are so significant.

Figure 2.2 shows the three-year trend that includes the nine auditees whose audits we finalised after 12 August.

Figure 2.2: Three-year trend in irregular expenditure with audits subsequently finalised included

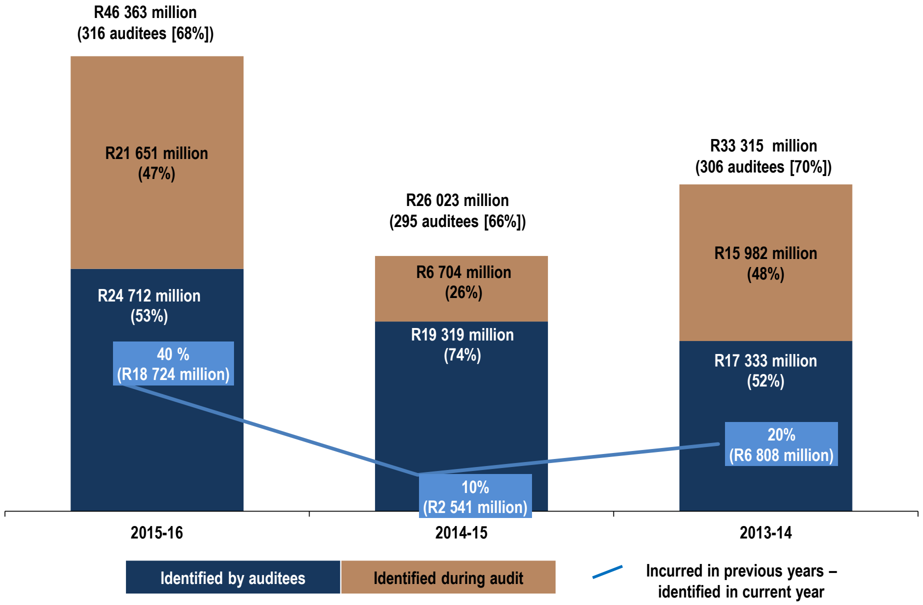


Figure 2.2 shows that the irregular expenditure increased by 39% (R13 048 million) since 2013-14 as well by 78% (R20 340 million) from the previous year. The number of auditees incurring such expenditure over the three years has increased to 316. A total of 259 (82%) of the 316 auditees **also incurred irregular expenditure in the previous year**, 233 (74%) of which has incurred such expenditure for the past three years.

KwaZulu-Natal, Mpumalanga, North West and national auditees were the **main contributors to the significant increase in irregular expenditure** from the previous year. The sectors with the highest amounts of irregular expenditure were, Transport (R16 806 million), Health (R7 720 million), Human Settlements (R3 517 million) and Education (R3 244 million).

Figure 2.2 shows that 40% of the irregular expenditure was the result of **acts of non-compliance in previous years**. This is typically due to one of the following scenarios:

1. Payments were made in the current year on a contract that was irregularly awarded in a previous year – if the non-compliance was not investigated and condoned the payments on these multi-year contracts will continue to be viewed and disclosed as irregular expenditure.
2. A non-compliance in previous years was only identified in the current year and all the related expenditure (even from the previous years') was disclosed in the current year.

If we determine that an auditee did not fully disclose all their irregular expenditure in the financial statements, the disclosure is qualified if material (refer to section 3.1 for more detail). To address such a qualification auditees typically do a very detailed review of their processes in previous years to identify all the irregular expenditure and correctly disclose it – i.e. as per scenario 2 above. In total, R550 million (2014-15: R1 743 million) of the irregular expenditure as shown in figure 2.2 was as a result of **auditees fully recognising their previous year's irregularities to address these qualifications**.

As detailed in the previous section on compliance, inadequate action taken by accounting officers and authorities to **prevent irregular expenditure** was one of the most common material findings on compliance. We reported the findings on compliance as material at 88 departments (53%) and 99 public entities (33%), based on the fact that they incurred irregular expenditure in 2015-16 and the previous year, a recurrence of the transgressions that had caused the irregular expenditure, and on our assessment that adequate controls and processes would have prevented it.

Figure 2.2 also shows that we had identified 47% of the irregular expenditure of 2015-16 during the audit process, which means that a number of auditees did **not have adequate processes to detect and quantify all irregular expenditure**. However, this is a slight improvement compared to 48% in 2013-14 but a regression from 26% in the previous year.

Completeness of irregular expenditure

Ninety-six auditees (21%) disclosed in their financial statements that they had incurred irregular expenditure, but the **full amount was not known** as it was still being investigated. In 2014-15, 101 auditees (22%) made this disclosure.

Thirty-four auditees were qualified in 2015-16 on the **completeness of the disclosure** of irregular expenditure in their financial statements.

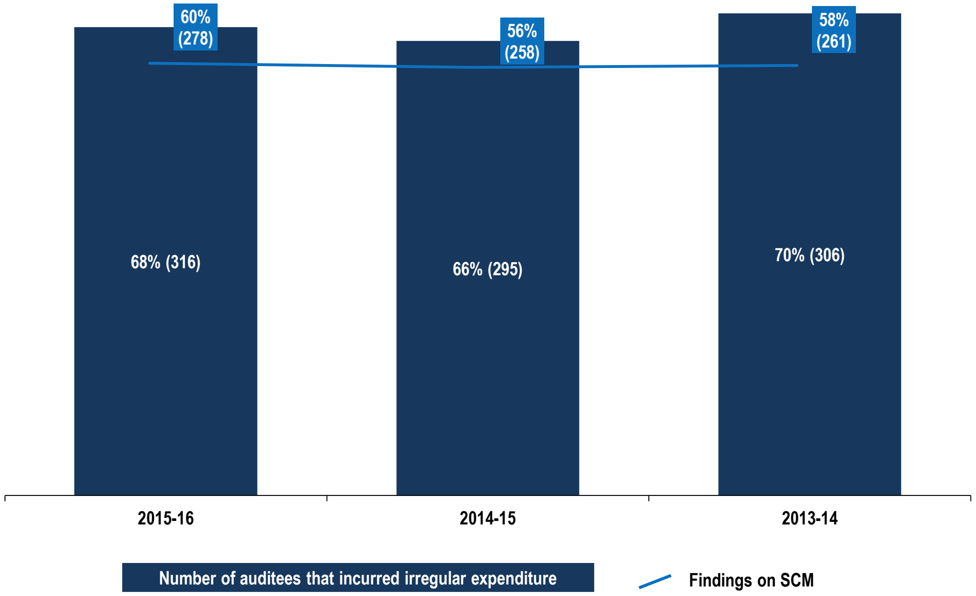
This means that the amount of irregular expenditure for 2015-16 **could have been higher** if these investigations had been completed by year-end and the correct amounts were disclosed in the financial statements.

What causes these high levels of irregular expenditure?

As part of our audits of SCM in 2015-16, we tested 6 008 contracts (with an approximate value of R92 843 million) and 18 910 quotations (with an approximate value of R2 514 million), also referred to as *awards* in the rest of the report. More information on the audit we performed is included in section 11.

Figure 3 shows the number of auditees where we reported findings on compliance with SCM legislation (whether reported in the audit report or only in the management report) and the number of auditees that incurred irregular expenditure over three years.

Figure 3: Irregular expenditure versus supply chain management findings



Although not all irregular expenditure is caused by the non-compliance with SCM legislation (hence there are more auditees with irregular expenditure than SCM findings), the figure highlights the **correlation between poor SCM practices and the high occurrence of irregular expenditure** in national and provincial government. Typically, other compliance findings such as when grants were not used for the purpose stipulated in the Division of Revenue Act (Dora) grant framework would also result in irregular expenditure but this is less common.

In total, R42 543 million (92%) **of the irregular expenditure in 2015-16 was as a result of non-compliance with SCM legislation**. The following were the main areas of SCM non-compliance as disclosed by the auditees in their financial statements, with an indication of the estimated value of the irregular expenditure:

- Procurement without a competitive bidding or quotation process – R19 525 million (46%) (2014-15: 50%, R12 214 million)
- Non-compliance with procurement process requirements – R20 657 million (49%) (2014-15: 40%, R9 801 million)
- Non-compliance with legislation relating to contract management – R2 361 million (5%) (2014-15: 10%, R2 337 million).

(More information on the typical findings in these areas is discussed later on in this section.)

Table 1 shows the auditees that were the **main contributors (53%) to irregular expenditure in 2015-16**. The corresponding figures for 2014-15 are shown in *italics.*

Table 1: Highest contributors to irregular expenditure

Auditee	2015-16		
	Amount (Million)	Instances	Nature
Passenger Rail Agency of SA	R13 971 *R551*	335 *32*	Non-compliance with Construction Industry Development Regulations and in some instances preference point system was either not applied or incorrectly applied
Health (KZN)	R2 521 *R839*	32 844 *17 949*	SCM non-compliance by implementing agents and extension of expired contracts without a competitive process
Human Settlements (GP)	R2 376 *R1 928*	200 *82*	Non-compliance with Dora regarding the use of grant money and payments made against contracts that were identified in previous years as irregular
Roads and Transport (GP)	R2 032 *R1 942*	37 *42*	Payments made against contracts that were identified in previous years as irregular
Health (MP)	R1 920 *R1 918*	3 104 *329*	SCM non-compliance by implementing agents and payments made against contracts that were identified in previous years as irregular
Department of Water and Sanitation	R1 711 *R87*	16 *20*	SCM non-compliance by implementing agents

Implementing agents are increasingly being used to manage and implement projects on behalf of departments. The agents can be government institutions (e.g. the Independent Development Trust), non-governmental organisations or private sector entities. Although there are many benefits to partnering with other entities to deliver on projects, we often find that the agents do not follow fair and competitive processes to procure goods and services for the projects even though they are also required to comply with the SCM legislation. As per table 1, this has been the cause of irregular expenditure by three of the top six contributors. Section 3.4 provides more detail on our findings on the use of implementing agents for key projects funded by conditional grants.

We did not investigate the irregular expenditure as that is the role of the accounting officer. However, through our normal audits we confirmed that **goods and services were received** for R37 981 million (89%) of the R42 543 million in irregular expenditure relating to SCM compliance, despite the normal processes governing procurement not having been followed. However, we could not confirm that these goods and services had been procured at the best price and that value was received for the money spent.

Supply chain management

We have been auditing and reporting on the weaknesses in SCM for a number of years and our messages have been consistent on the need to pay urgent and focused attention to improving the SCM processes.

Figure 4 depicts the number of auditees that had SCM findings and those where we have reported material findings on compliance in the audit report since 2013-14. Please note that the remainder of this section includes only the results of the audits completed by 12 August.

Figure 5 shows the status of SCM findings at departments and public entities, while table 2 illustrates the progress made with regard to auditees with no findings on SCM.

Figure 4: Status of supply chain management

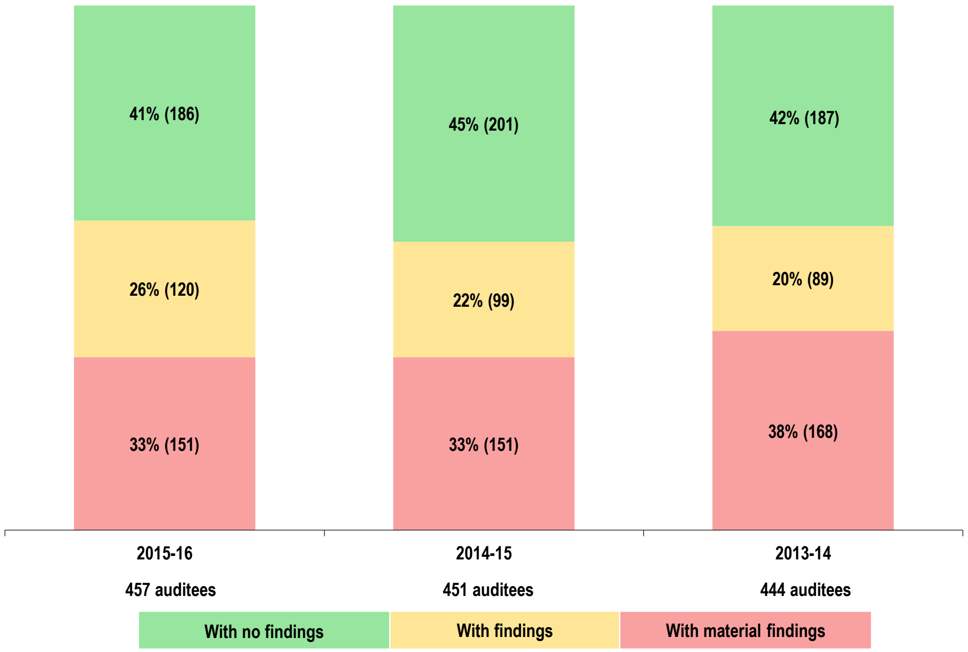


Figure 5: Status of supply chain management – departments and public entities

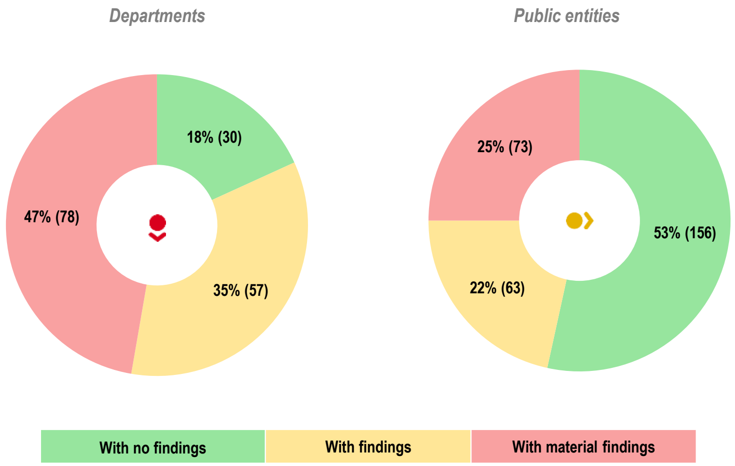


Table 2: Progress made with regard to supply chain management by national and provincial government

Portfolio	Auditees with no findings on supply chain management	
	Number	Movement from 2014-15
National auditees	109 (47%)	⬇
Eastern Cape	7 (28%)	➡
Free State	2 (11%)	➡
Gauteng	22 (63%)	➡
KwaZulu-Natal	16 (47%)	➡
Limpopo	5 (22%)	➡
Mpumalanga	1 (6%)	⬇
Northern Cape	2 (11%)	➡
North West	7 (22%)	⬆
Western Cape	15 (63%)	⬇
Total	186 (41%)	➡

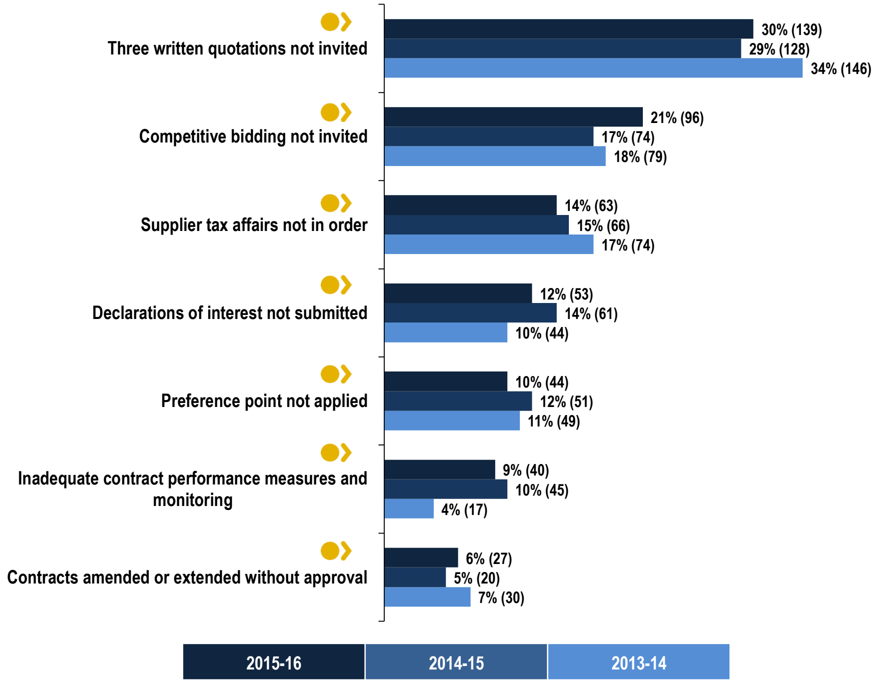
The overall status of auditees with no SCM findings slightly regressed since the previous year and since 2013-14, mostly as a result of a regression in SCM status at departments. National auditees and those in the Western Cape and Mpumalanga regressed since the previous year and only North West has improved.

The number of auditees with material findings slightly decreased since 2013-14, which shows auditees are paying more attention to SCM. However, there has been no movement since 2014-15 and it was of great concern that almost half of the departments and one of every four public entities did not comply materially with SCM legislation.

Not all non-compliance has a financial impact, but some legislative requirements, if not met, may result in the auditee facing a risk of financial loss through excessive expenditure (uneconomical use of funds), fruitless and wasteful expenditure, lost revenue, failure to recover debt and avoidable penalties and interest. Two-hundred and nine (77%) of the 271 auditees with SCM findings in 2015-16 had findings that had a potential negative financial impact or findings that could cause a financial loss for the auditee or government.

Figure 6 provides a three-year overview of the most common findings on SCM – all of which can have a potential negative financial impact. All, except the finding on adequate performance measures, lead to irregular expenditure.

Figure 6: Findings on supply chain management

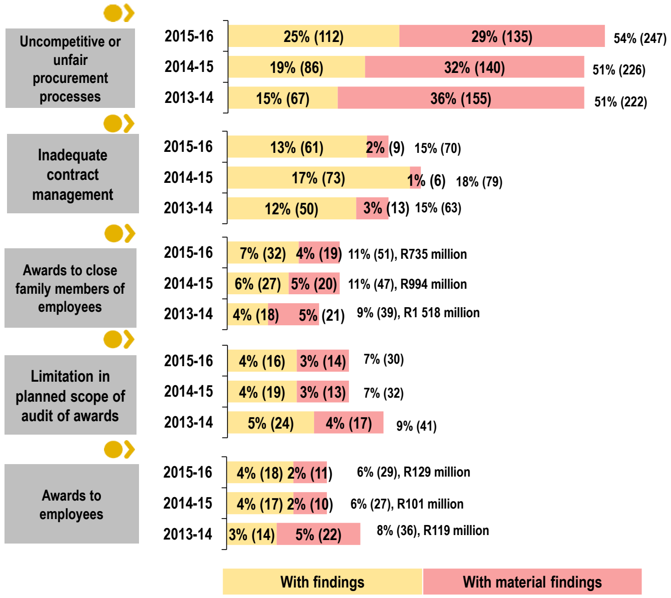


The most common findings for the past three years have been the deviations from the prescribed procurement processes. Three written quotations or competitive bids were not invited to enable selection of a supplier based on a competitive and fair process. Although such deviations are allowed we find that it is often not approved or that it has been approved but the deviation was not reasonable or justified.

There has been little movement in the past three years in the occurrence of these common findings – only slight improvements in some areas and slight regressions in other.

Figure 7 provides a three-year overview of all the SCM areas on which auditees had findings, the number of auditees where the findings raised were material enough to be reported in the audit report, as well as the extent of awards made to employees and close family members of employees.

Figure 7: Findings on supply chain management



The number of auditees with findings in the different SCM areas also remained almost unchanged over the three years. The level of material findings remained unchanged in all SCM areas except that of uncompetitive or unfair procurement processes, which improved over the three years.

Figure 7 reflects little movement in the number of auditees with findings on awards made to **suppliers in which employees or their close family members had an interest.**

Although such awards are not prohibited by current legislation, it is of concern that there was little progress in addressing the lack of financial interest declarations by the employees and suppliers. At 16 departments, employees did not declare their interest in awards of R59 million, while suppliers did not declare their interests in awards of R336 million at 30 departments. Employees also failed to declare their family members' interest in awards of R320 million at 23 departments.

The possibility of undue influence cannot be discounted, especially if the person, including SCM officials, could have influenced the procurement processes for these awards, which could have created opportunities for irregularities.

We again point out that a failure by suppliers to declare the interest of employees and other state officials constitutes a fraudulent act and should be investigated and dealt with in accordance with legislation. Section 3.2.4 on consequence management provides more information on what we reported to management in the last three years.

We audited in 2015-16 whether procurement at auditees was done in accordance with legislative requirements to **procure certain commodities from local producers**. We have identified and reported non-compliance in this regard at 21 auditees and we will continue to increase our audit focus on this important government initiative.

In 2015-16 we were unable to audit awards to a value of R2 526 million at 31 auditees because the auditees **could not provide us with evidence that awards had been made in accordance with the requirements of SCM legislation**, as the documentation either did not exist or could not be retrieved as a result of poor document management.

Table 3 lists the extent of limitations in national and provincial government over three years.

Table 3: Extent of limitations on planned audits

Portfolio	2015-16		2014-15		2013-14		Movement - 2015-16 vs 2013-14
	Number of auditees	Amount R million	Number of auditees	Amount R million	Number of auditees	Amount R million	
National auditees	8	25	11	98	19	1 018	↑
Eastern Cape	2	357	0	0	4	68	↑
Free State	2	3	4	74	3	6	↑
Gauteng	3	183	1	6	1	10	↓
KwaZulu-Natal	3	1 240	4	51	1	10	↓
Limpopo	4	34	3	83	4	452	→
Mpumalanga	2	17	5	345	2	19	→
Northern Cape	1	80	1	137	2	9	↑
North West	5	587	3	536	5	516	→
Western Cape	0	0	0	0	0	0	→
Total	30	2 526	32	1 330	41	2 108	→

While the number of auditees where limitations were experienced in 2015-16 decreased only slightly from the previous year, there has been a more visible improvement from 2013-14 – especially at national level. The value of these limitations varied over the three years as it depends on the value of the relevant contract awarded in the year.

These limitations had the following impact:

- The procurement processes could not be audited by us, the internal auditors or investigators.
- There was no evidence that auditees had followed a fair, transparent and competitive process for all awards. Should unsuccessful bidders request information on the process, also for possible litigation purposes, it would not be available.
- We could not determine whether these awards were irregular and, as a result, the true extent of irregular expenditure could not be determined.
- Our general report, audit reports and management reports did not reflect the true extent of non-compliance with SCM, irregularities and possible fraud.
- Poor record management created an environment in which it was easy to commit and conceal improper or illegal conduct.

The SCM weaknesses require immediate and focused action to ensure that the principles of fairness, transparency, completeness, equity and cost-effectiveness in procurement processes are consistently applied. Attention paid in this regard will also address the very high amounts of irregular expenditure incurred annually.

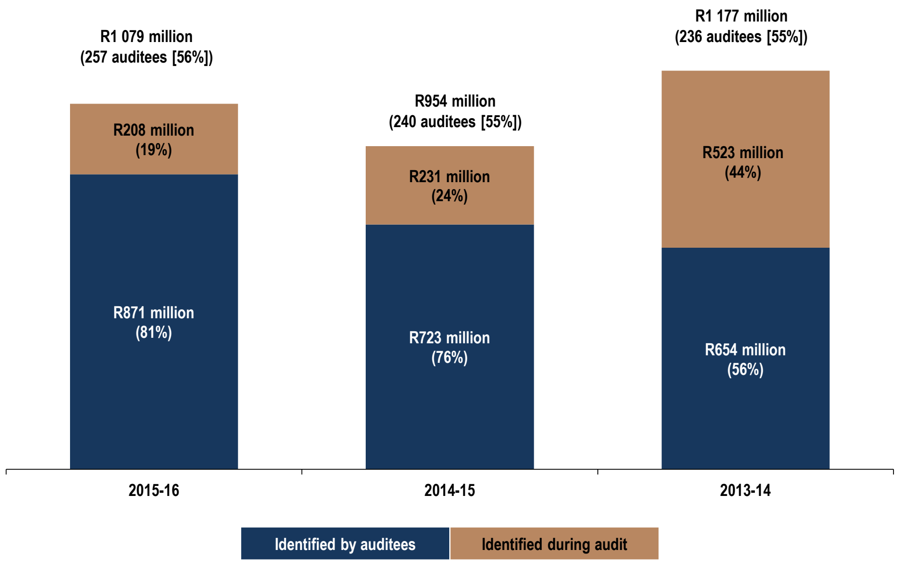
A Annexure 1 shows the auditees with irregular expenditure, while annexure 2 lists the findings on SCM.

3.2.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure refers to expenditure that was made in vain and could have been avoided had reasonable care been taken.

Figure 1.1 depicts the extent of fruitless and wasteful expenditure over the past three years and the proportion thereof that was identified during the audit and not by the auditee.

Figure 1.1: Three-year trend in fruitless and wasteful expenditure



The amounts shown in figure 1.1 only include those incurred by the auditees whose audits were completed by 12 August, the cut-off date we set for inclusion in this general report. Although we do not include the results of the audits completed after 12 August in this general report (we only summarise them in section 6), we make an exception for irregular expenditure (section 3.2.1) and fruitless and wasteful expenditure as the amounts are so significant.

Figure 1.2 shows the three-year trend that includes the nine auditees whose audits we finalised after 12 August.

Figure 1.2: Three-year trend in fruitless and wasteful expenditure with audits subsequently finalised included

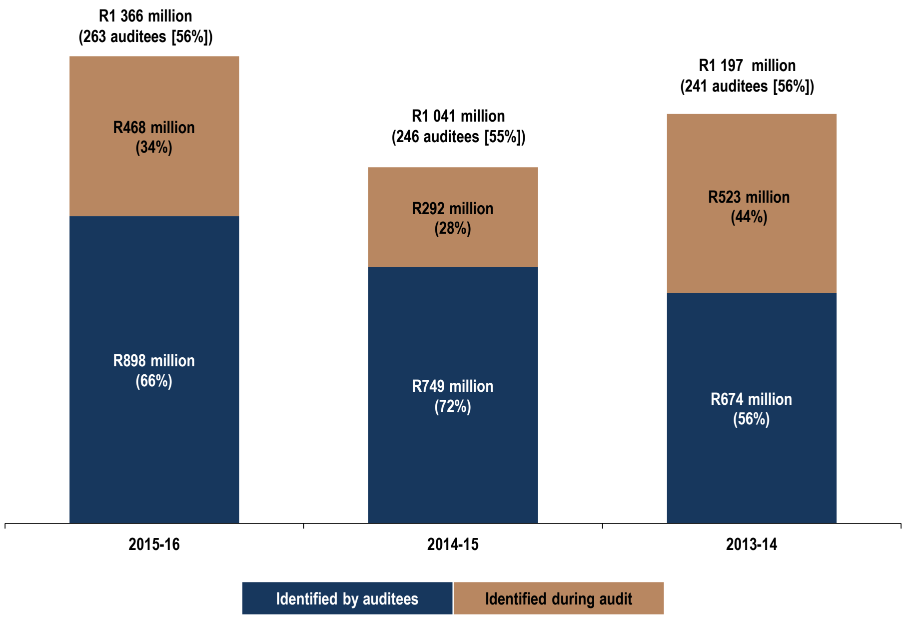


Figure 1.2 shows that the amount of fruitless and wasteful expenditure has increased by 31% since the previous year as well as by 14% since 2013-14. The number of auditees that incurred this expenditure has also increased by 9% since 2013-14 and by 7% since the previous year.

A total of 213 auditees (81%) incurred fruitless and wasteful expenditure in 2015-16 as well as in the previous year, of which 177 (67%) had incurred such expenditure for the past three years.

KwaZulu-Natal, Mpumalanga and national auditees were the main contributors to the significant increase in fruitless and wasteful expenditure from the previous year as well as since 2013-14.

The following auditees were the main contributors (72%) to fruitless and wasteful expenditure in 2015-16:

- Compensation Fund: R404 million – three instances (2014-15: R17 million – 71 instances)

- Passenger Rail Agency of South Africa: R255 million – 261 instances (2014-15: R20 million – three instances)
- Education (KwaZulu-Natal): R142 million – 446 instances (2014-15: R3 million – 662 instances)
- Education (Eastern Cape): R74 million – 1 727 instances (2014-15: R8,5 million – 33 instances)
- Water and Sanitation: R59 million – 198 instances (2014-15: R1,5 million – seven instances)
- Basic Education: R44 million – one instance (2014-15: R28 000 – one instance).

These auditees are among those that had incurred such expenditure for the past three years.

The general nature of the fruitless and wasteful expenditure related to the following:

- Interest on overdue accounts and late payments as well as penalties – R167 million (12%) (2014-15: 21%, R223 million)
- Litigation and claims – R589 million (43%) (2014-15: 55%, R569 million)
- Other (e.g. cancellation fees for accommodation and non-attendance of training) – R610 million (45%) (2014-15: 24%, R249 million).

Of the R1 366 million incurred in 2015-16, R23 million (2%) was incurred by auditees in order to avoid further fruitless and wasteful expenditure or losses which often relate to the cost of cancelling irregular contracts or the contracts of non-performers.

As detailed in the section on compliance (section 3.2), inadequate action taken by accounting officers to prevent fruitless and wasteful expenditure was one of the most common material findings on compliance. We reported the findings on compliance as material at 40 departments (24%) and 50 public entities (17%) based on the fact that they incurred fruitless and wasteful expenditure in the year under review as well as previous years, a recurrence of the action that had caused the fruitless and wasteful expenditure, and on our assessment that adequate controls and processes would have prevented it.

Figure 1.2 further illustrates that we had identified 34% of the fruitless and wasteful expenditure amount during the audit process, which means that some auditees did not have adequate processes to detect and quantify all fruitless and wasteful expenditure, as required by legislation. This is an improvement since 2013-14 but a regression from the previous year.

A Annexure 1 shows the auditees with fruitless and wasteful expenditure.

3.2.3 Unauthorised expenditure

Unauthorised expenditure is expenditure by departments that was not spent in accordance with the approved budget.

Figure 1 depicts the extent of unauthorised expenditure over the past three years and the proportion thereof that was identified during the audit and not by the auditee.

Figure 1: Three-year trend in unauthorised expenditure

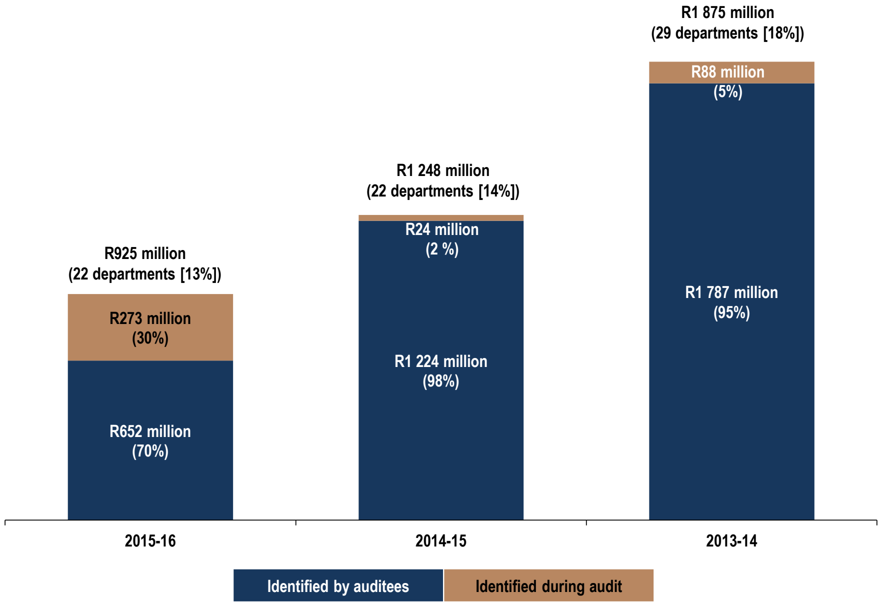


Figure 1 shows that the amount of unauthorised expenditure had decreased by 26% since the previous year and 51% since 2013-14. The overall decrease in unauthorised expenditure over three years is largely due to significant decreases in North West (97%), Eastern Cape (93%) and Limpopo (96%). The reasons for the reduction in unauthorised expenditure in these provinces included intervention by national government in terms of section 100 of the Constitution, disciplinary and criminal charges were instituted against those responsible.

A total of nine (41%) of the 22 departments also incurred unauthorised expenditure in the previous year, seven of which had incurred such expenditure every year for the past three years.

The following departments were the main contributors (75%) to unauthorised expenditure in 2015-16:

- International Relations and Cooperation (national): R167million (2014-15: R0 million)
- Education (Free State): R157 million (2014-15: R589 million)
- Health (KwaZulu-Natal): R147million (2014-15: R128 million)
- Basic Education (national): R132 million (2014-15: R6 million)
- Health (Northern Cape): R93 million (2014-15: R92 million).

These departments are among those that had incurred such expenditure for the past three years, except the departments of International Relations and Cooperation and Basic Education. The Department of Basic Education incurred such expenditure in the past two years, while the Department of International Relations and Cooperation incurred such expenditure only in 2015-16.

Overspending of the budget or main sections within the budget was the reason for 79% (2014-15: 100%) of the unauthorised expenditure. Poorly prepared budgets, inadequate budget control and a lack of monitoring and oversight were some of the reasons for the overspending. Twenty-one per cent of the unauthorised expenditure was as a result of expenditure not used for its intended purpose by the national Department of Basic Education (R132 million), Limpopo Department of Economic Development, Environment and Tourism (R555 000) and Northern Cape Department of Cooperative Governance, Human Settlements and Traditional Affairs (R61 million).

Figure 1 shows that we had identified 30% of the unauthorised expenditure amount during the audit process, which means that some departments did not have adequate processes to detect and quantify all unauthorised expenditure. This is a regression from 2013-14 as well as the previous year.

As detailed in section 3.2 on compliance, inadequate steps taken by accounting officers to prevent unauthorised expenditure constituted one of the most common material findings on compliance. We reported the findings on compliance as material at 13 (8%) of the 166 departments based on the fact that they had incurred the same type of unauthorised expenditure in the year under review and previous years and on our assessment that adequate controls and processes would have prevented it.

A Annexure 1 shows the auditees with unauthorised expenditure.

3.2.4 Fraud and consequence management

The PFMA and its regulations clearly stipulate that management should investigate matters such as incurring unauthorised, irregular and fruitless and wasteful expenditure, the possible abuse of the SCM system (including fraud and improper conduct), and allegations of financial misconduct and possible fraud. Appropriate actions should be taken based on the outcomes of the investigations. This section provides our observations and findings on how the auditees manage possible fraud cases and unauthorised, irregular as well as fruitless and wasteful expenditure.

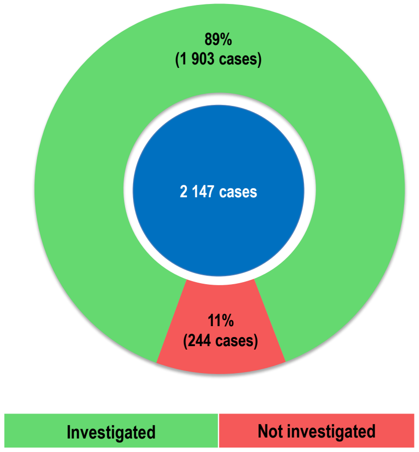
Reporting and follow-up of possible fraud cases

Our audits have shown that 90% of auditees had mechanisms in place for reporting and investigating transgressions or possible fraud (e.g. policies, codes of conduct, fraud reporting mechanisms, role classifications and record keeping of processes). Only 46 auditees (10%) had shortcomings in areas such as policies, codes of conduct, role clarification, mechanisms for reporting fraud and record keeping of processes followed for financial misconduct or transgressions.

In 2015-16, 2 147 **cases of possible fraud were reported** at 129 auditees through their internal mechanisms such as a fraud hotline.

Figure 1 shows the rate of investigation at these auditees.

Figure 1: Investigation of possible cases of fraud reported

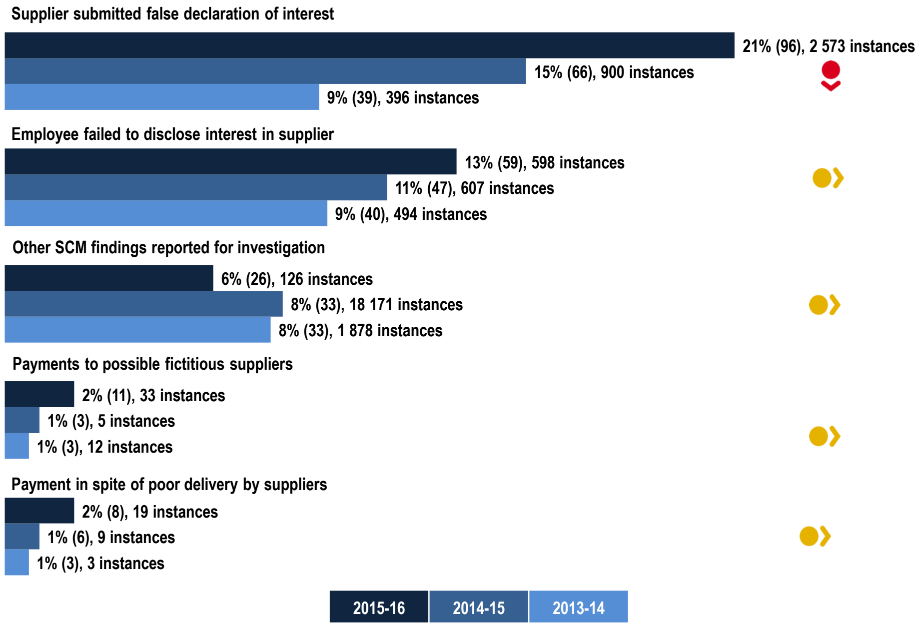


At an overall basis the internal mechanisms for **investigating possible fraud were found to be in place** with only 11% of the cases not being investigated. Of the 129 auditees, 98 auditees (76%) investigated 80% or more of the cases of fraud reported. Only 18 auditees (14%) investigated either none or less than 50% of the cases reported. Twenty-five per cent of the 1 903 cases investigated **resulted in disciplinary actions, civil recoveries or criminal proceedings**, while 16% were **referred to law enforcement agencies for investigation.**

Supply chain management findings reported for investigation

We report all our findings on SCM compliance and weaknesses to management for follow up. If there are **indicators of possible fraud or improper conduct in the SCM processes**, we recommend that management conduct an investigation. Figure 2 illustrates the extent of SCM findings we had reported to management for investigation.

Figure 2: Supply chain management findings reported to management for investigation



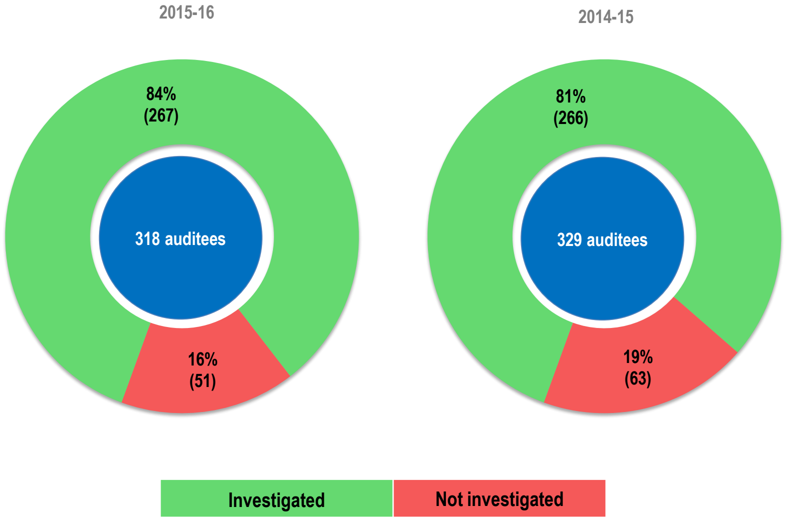
In 2015-16 we reported these types of findings at 158 auditees (34%), a regression from the 127 auditees (29%) in 2014-15 as well as from the 75 auditees (17%) in 2013-14. In total, 65% of the 127 auditees that had such findings in 2014-15 had similar findings in 2015-16.

There was **little change in the type of findings reported as per figure 2, except for the increase in reporting on false declaration by suppliers over the past three years.**

Investigation and follow-up of unauthorised, irregular and fruitless and wasteful expenditure

Figure 3 shows the overall status of investigations at the auditees that had **incurred unauthorised, irregular and fruitless and wasteful expenditure** in the previous year.

Figure 3: Investigation of unauthorised, irregular and fruitless and wasteful expenditure



At over 80% of the auditees the accounting officer or authority **conducted the required investigations into unauthorised, irregular and fruitless and wasteful expenditure**. There was a slight improvement from the previous year, but 24 of the 63 auditees that did not conduct investigations in 2014-15 also did not do the required investigations in 2015-16.

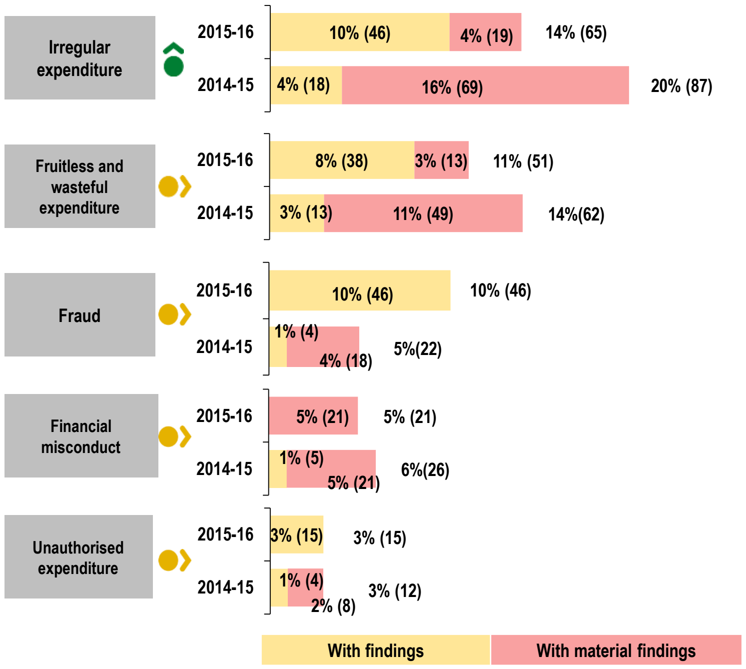
Although investigations were done, **insufficient steps were taken to recover, write-off, approve or condone unauthorised, irregular and fruitless and wasteful expenditure** of the 2014-15 and 2015-16, as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). As a result the year-end balance of irregular expenditure that has accumulated over many years and has not been dealt with as required in terms of the PFMA, was R100,7 billion, while that of unauthorised expenditure was R5 399 million and fruitless and wasteful expenditure R3 174 million.

The main reason for the accumulation of the irregular expenditure is that in most cases an auditee cannot condone its own irregular expenditure – condonement is requested from the owners of the legislation that was transgressed, mostly the National Treasury, which typically requires additional information and takes some time to consider the condonement. Some of the irregular expenditure was also incurred a number of years ago and the persons responsible are no longer in the service of the auditee or information is no longer available.

Compliance with legislation on consequence management

As detailed in section 3.2 we raised **material findings on compliance with legislation in respect of consequence management** at 38 (8%) of the auditees (2014-15: 75 [17%]). Figure 4 shows the extent of the non-compliance per type of transgression – 'material findings' means that the non-compliance was so significant that we reported it in the audit reports of those auditees, while 'with findings' means there was non-compliance but to a lesser degree.

Figure 4: Transgressions for which there was inadequate consequence management



There was little change from the previous year with regard to consequence management for transgressions, except the improvement in irregular expenditure follow-up.

We reported the following main material findings on compliance in the audit reports:

- Nineteen auditees failed to take appropriate disciplinary steps against officials who made or permitted irregular expenditure, while 13 auditees failed to take appropriate disciplinary steps against officials who made or permitted fruitless and wasteful expenditure.
- Ten auditees failed to investigate allegations of financial misconduct committed by the accounting officer, while 11 auditees failed to conduct investigations in all allegations of financial misconduct committed by other officials.

Conclusion

In conclusion, most auditees had the required internal mechanisms to ensure that possible fraud cases are reported and investigated. Unauthorised, irregular and fruitless and wasteful expenditure was investigated as required. At an overall level there were only a few auditees that did not correctly follow up on fraud, financial misconduct and unauthorised, irregular as well as fruitless and wasteful expenditure.

However, this has not yet had the desired impact of discouraging unauthorised, irregular and fruitless and wasteful expenditure and fraud and improper conduct. We also continue to report inadequate consequence management as a root cause of poor audit outcomes.

The only conclusion that can be made is that the consequences for transgressions are not serious enough; such consequences are not communicated to all officials and are probably not applied consistently. We will further increase our focus on fraud and consequence management in order to report the reasons.

3.3 Financial health

Our audits included a high-level analysis of 11 financial health indicators for departments and 10 financial health indicators for public entities to provide management with an overview of selected aspects of their current financial management and to enable timely remedial action where the auditees' operations and service delivery may be at risk. We also performed audit procedures to assess whether there were any events or conditions that might cast significant doubt on an auditee's ability to continue its operations in the near future. Based on the analysis, each auditee was given an overall assessment as follows:

Good	Two or fewer unfavourable indicators
Of concern	More than two unfavourable indicators
Intervention required	Significant doubt that operations can continue in future and/or where auditees received a disclaimed or adverse opinion, which meant that the financial statements were not reliable enough for analysis

Figure 1 shows our assessment of the financial health of auditees over the past three years. Figure 2 shows the assessment of the financial health of departments and public entities for 2015-16 and table 1 shows the status and movement in national and provincial government.

Figure 1: Regression in number of auditees with indicators of financial health risks (overall)

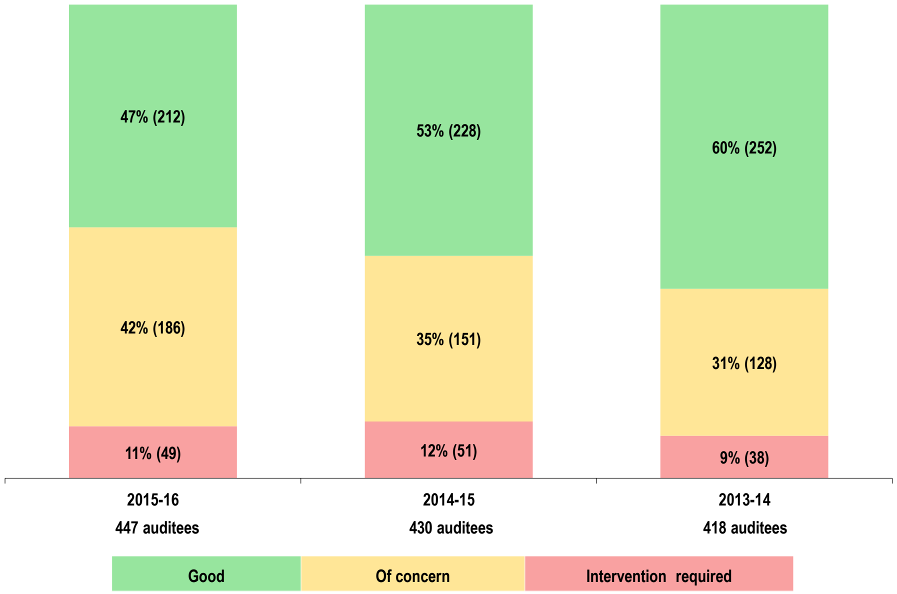


Figure 2: Number of auditees with indicators of financial health risks – departments and public entities

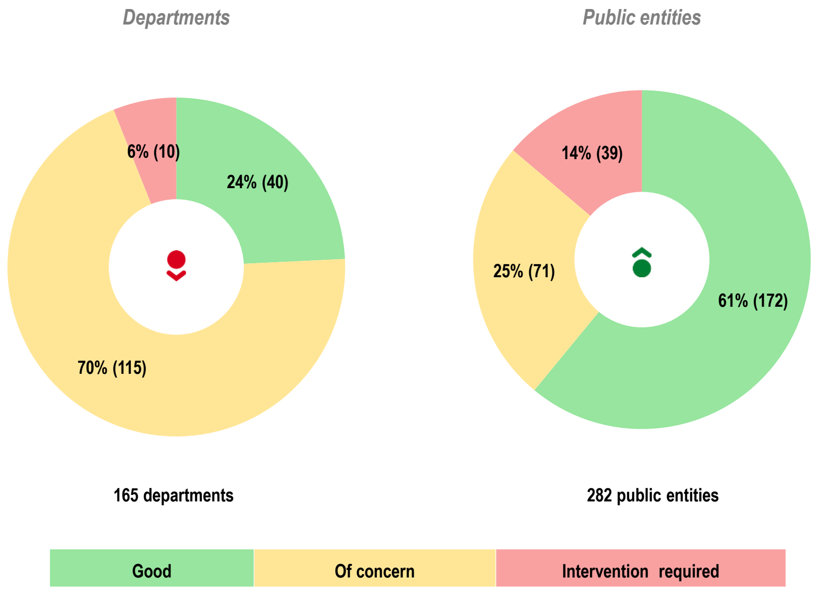


Table 1: Status of financial health in national and provincial government *(status of previous year included in brackets)*

Portfolio	Auditees with good financial health	
	Number	Movement from 2014-15
National auditees	137 (60%) ***(129 [63%])***	🟡›
Eastern Cape	5 (20%) ***(15 [60%])***	🔴⌄
Free State	1 (6%) ***(2 [11%])***	🔴⌄
Gauteng	24 (73%) ***(25 [71%])***	🟡›
KwaZulu-Natal	13 (41%) ***(14 [44%])***	🟡›
Limpopo	5 (22%) ***(6 [26%])***	🟡›
Mpumalanga	6 (35%) ***(4 [24%])***	⌃🟢
Northern Cape	5 (26%) ***(8 [42%])***	🔴⌄
North West	3 (10%) ***(6 [19%])***	🔴⌄
Western Cape	13 (54%) ***(19 [79%])***	🔴⌄
Total	212 (47%) ***(228 [53%])***	🔴⌄

The number of auditees we assessed as having a good financial health status has decreased since 2013-14, with the main regression in 2014-15 and a further slight regression in 2015-16. However, the movement is solely attributable to departments that significantly decreased from 86 (54%) in 2013-14 to 77 (48%) in 2014-15 and a further regression in 2015-16 where only 40 (24%) were assessed as 'good'.

In 2014-15, auditees in the Eastern Cape, Limpopo, Mpumalanga and the Western Cape were the main contributors to the regression.

In 2015-16, the departments further regressed but public entities improved. The Eastern Cape (10 auditees) and Western Cape (six auditees) had the highest number of auditees that lost their good indicator status, while only Mpumalanga increased their number of auditees with good financial health (two auditees). The ministerial portfolios and provincial summaries in sections 8 and 9 provide more insight on the reasons for the movements.

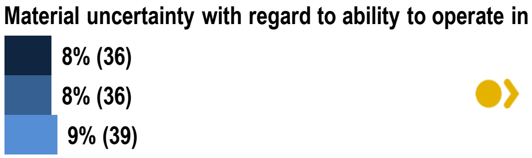
Over the three years, there has been a slight increase of auditees in the 'intervention required' category (eight departments and 30 public entities in 2013-14 to 10 departments and 39 public entities in 2015-16). This was as a result of our assessment that financial statements with adverse or disclaimed audit opinions require intervention as they are not reliable for financial analysis. This has only been fully implemented in 2014-15.

Further details are provided for the main financial indicators used for these assessments over the three years. The following legend applies to the figures shown:

2015-16	2014-15	2013-14

Figure 3 shows the number of auditees with material uncertainty with regard to ability to operate in the near future.

Figure 3: Going concern uncertainty



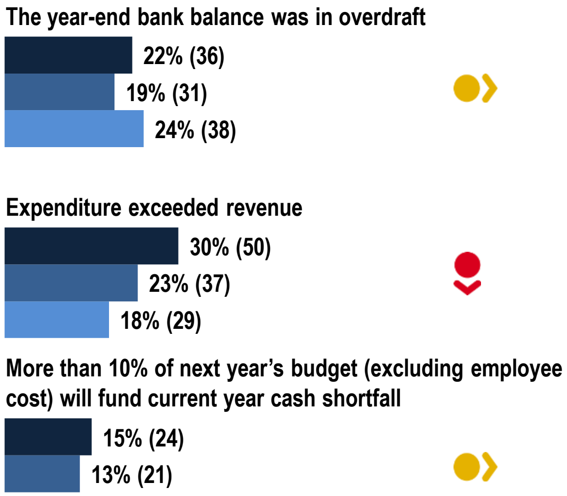
Twenty-seven public entities and nine departments either disclosed in their financial statements that a material uncertainty existed with regard to their ability to operate in the foreseeable future (i.e. as a going concern) or were qualified because such disclosures were not included in the year under review. This has remained unchanged from the previous year. The public entities included the South African National Roads Agency Limited (Sanral), the Road Accident Fund (RAF), two TVET colleges and seven public entities in North West. Eight of the nine departments were in the Free State.

Figures 4 and 5 show the typical indicators of going concern uncertainty over the past three years in addition to the revenue management and creditor-payment indicators detailed later in the section.

To understand and interpret the indicators for departments, it should be noted that departments prepare their financial statements on what is called the modified cash basis of accounting. This means that the amounts disclosed in the financial statements are only what was actually paid during the year and do not include accruals (the liabilities for unpaid expenses) at year-end. While this basis of accounting is common for government accounting, we believe it is important for management to understand the status of departments' financial health which may not be easily seen in the financial statements prepared on this basis.

To perform this analysis, we reconstructed the financial statements of departments to determine whether they would still have reported surpluses for the year had they used the accrual basis of accounting that is applied by public entities and local government. We also assessed the impact on the 2016-17 financial years' budget of the 2015-16 expenses that were incurred, but unpaid, at March 2016.

Figure 4: Financial position of departments



As per figure 4, the reconstructed financial statements showed that 30% of departments incurred a deficit instead of the surplus they reported, an increase from the previous year. This is a significant increase over the past three years.

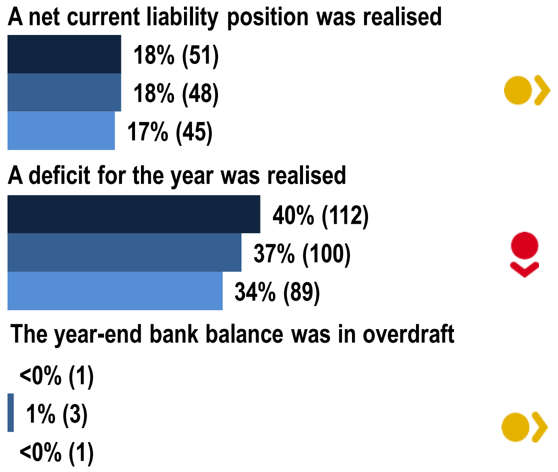
In total, 115 departments (69%) technically had insufficient funds to settle all liabilities that existed at year-end if the unpaid expenses at year-end were also taken into account. For most of the departments, this would have a minor impact, but 11 departments started the year with more than 10% of their budget effectively pre-spent. However, as shown in figure 4, if the budget for employee cost is not taken into account, 24 (15%) have spent more than 10% of the operating expenditure budget. Of these 24 departments, all but three are provincial departments and include three Education, five Health and three Public Works departments.

A further matter that requires attention is the 36 departments that had an overdraft at year-end, although there has been a slight improvement over the three years. This was largely a result of the previous year's unauthorised expenditure and overspending.

The financial position of departments will only improve if expenditure is more effectively monitored in-year, as and when incurred (and not just when paid), and by improving systems to promptly account for liabilities incurred.

The inability of government to monitor the actual spending patterns and to identify the departments with serious cash shortfall issues can hamper the success of cost containment measures. This, in turn, could create pressure on the fiscus when the continuing 'roll-over' of spending results in departments not being able to pay their creditors and deliver on services.

Figure 5: Sustainability indicators for public entities



There has been a steady increase over the three years in the number of public entities that have spent more than their available financial resources (thus a deficit) (40%). The national public entities made up 64% of those with deficits. Eighteen per cent of public entities had current liabilities that exceeded their current assets, which raises a concern over their ability to repay their current liabilities in the short term. Movement has been limited for the sustainability indicators for public entities.

The number of public entities with year-end bank balances in overdraft has remained unchanged since 2013-14.

Even though the majority of public entities that incurred deficits for the financial year would be able to continue their operations, the negative indicators raised concerns about the financial viability of some and the pressure to acquire additional funding from government.

Figures 6 and 7 show the departments and public entities with extended debt-collection periods (more than 90 days) as well as the expected uncollectability of amounts owed to them.

Figure 6: Revenue management indicators – departments

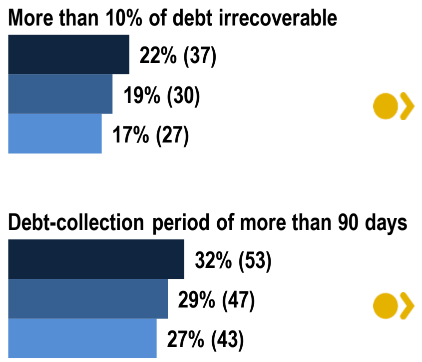
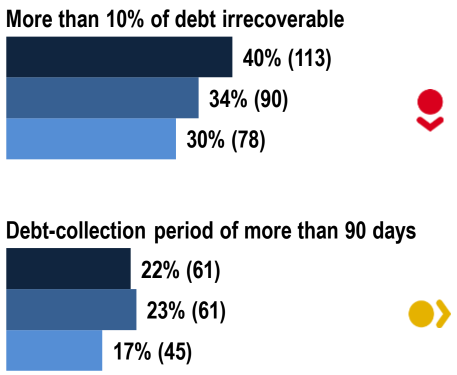


Figure 7: Revenue management indicators – public entities



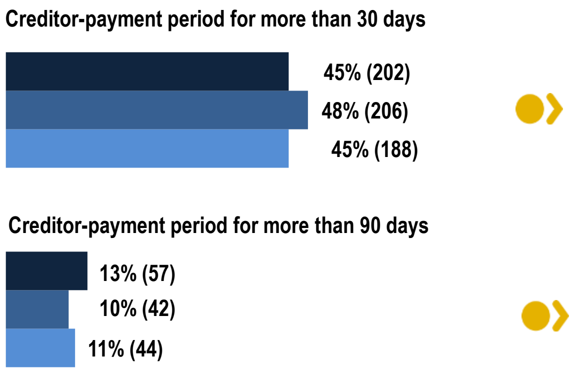
Forty per cent of public entities estimated that more than 10% of amounts owed to them would not be paid, while only 22% of departments had the same expectation. There has been an increase over the three years for public entities and a slight increase for departments. The main contributors to the regression were national auditees (64%).

As part of our analysis, we calculated the average number of days it took auditees to collect debt they deemed to be recoverable. In total, 22% of public entities and 32% of departments had an average collection period of over 90 days in the year under review. There has been limited change over the three years.

As departments use the modified cash basis of accounting, revenue earned but not yet received is not reported in the statement of financial performance. All debts that are not recovered should be considered in the context of revenue that has been, or could be, lost to the state.

The root causes of long-outstanding debts, which place revenue funds under pressure or impact on the ability of public entities to operate, remain poor revenue collection and debt management practices and a poor economic climate.

Figure 8: Creditor-payment period



A total of 202 auditees (158 public entities and 44 departments) took more than 30 days to pay their creditors, with no improvement since 2013-14 and little in the previous year. The major contributors were the national auditees that made up 58% of the total. These numbers however significantly decreased when assessed over 90 days as only 57 auditees (13%) took more than 90 days to pay their creditors, this comprised of two departments and 55 public entities. The number of auditees has slightly increased over the three years with limited increase from the previous year.

As reported in section 3.2, the inability of auditees to pay within 30 days is one of the most common compliance findings we had raised. Delayed payments affect the cash flow of the suppliers government is doing business with and is in sharp contrast with the objectives of stimulating the economy and supporting especially smaller businesses. The slow progress in this regard is surprising as 30 day payments have been the focus of monitoring departments such as the National Treasury and DPME. Oversight committees are also increasingly focusing on this. Although delayed payments are typically as a result of poor controls and processes, it can also be concluded that the financial difficulty some auditees are in and the lack of cash to honour their obligations (as described earlier in this section) are contributing to this.

A Annexure 1 lists the auditees' financial health indicators.

3.4 Management of grants

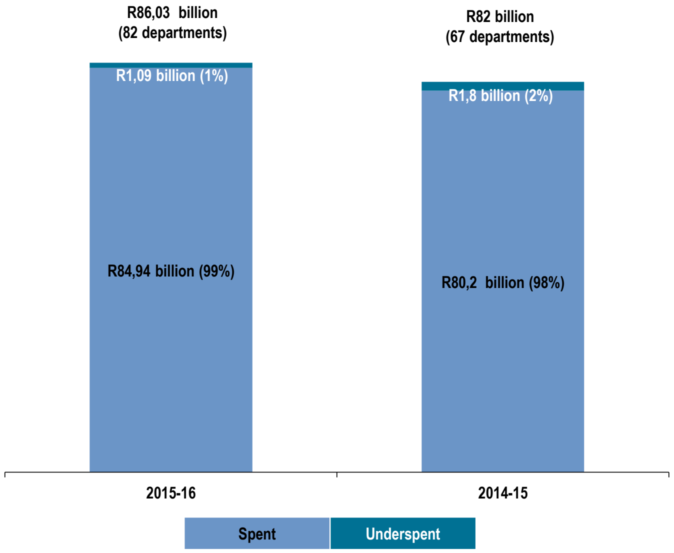
Grants totalling R85 billion (2014-15: R80,6 billion) were allocated to 82 provincial departments (2014-15: 67 departments) in 2015-16 through the Division of Revenue Act, 2016 (Act No. 3 of 2016) (Dora). These grants are conditional and may only be used for their stipulated purposes.

Due to unspent funds of R1,1 billion (2014-15: R1,4 billion) rolled over from the previous financial year, the departments had R86,03 billion (2014-15: R82 billion) to spend on programmes and projects funded from these grants.

Our audits at 72 of the provincial departments included testing compliance with Dora and the individual grant frameworks, as well as the achievement of planned targets for selected projects or programmes funded by each allocation.

Figure 1 depicts the percentage of grants spent by the provincial departments in 2015-16 and 2014-15.

Figure 1: Spending of total conditional grants



At an overall basis there have been **high spending levels** for these grants over the past two years. However, 21 (26%) of the provincial departments that received grants **underspent on one or more grants by more than 10%** – a significant increase from the 11 departments in 2014-15. Five of the departments were in the Arts and Culture sector and the underspending related to the community library services grant. Five of the Health departments underspent by more than 10% – three of which underspent on the national health insurance grant. Some of the highest underspending was on the expanded public works programme grant and the maths, science and technology grants in education. The underspending was most common in North West (four departments), Free State (three departments), Gauteng (three departments) and Limpopo (three departments).

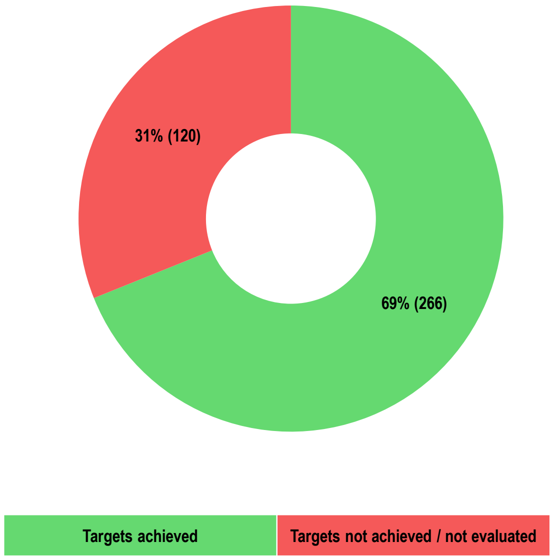
The 21 departments were collectively responsible for R845 million (78%) (2014-15: R860 million, 46%) of the total underspending of R1,09 billion (2014-15: R1,8 billion). The reasons for significant underspending include the following:

- Poor monitoring of grant spending.
- Delays by service providers in terms of delivery of goods and services.
- Delays in appointment of workers and/or suppliers.
- Delaying the project start dates.
- Slow implementation of projects, especially by small contractors.

We tested 386 key projects in 72 provincial departments. At only six (8%) of these departments did we identify that the grants money was **not used for its intended purpose**, and we reported it accordingly in the audit reports as a material non-compliance with Dora. The departments were three Health departments (Free State, KwaZulu-Natal and North West), two Human Settlement departments (Gauteng and Northern Cape) and Limpopo Department of Education.

Figure 2 shows the number and percentage of the 386 projects tested, which achieved the targets set for the programmes funded by the grants. The projects in the red category are those where either the targets were not achieved or not evaluated by the department.

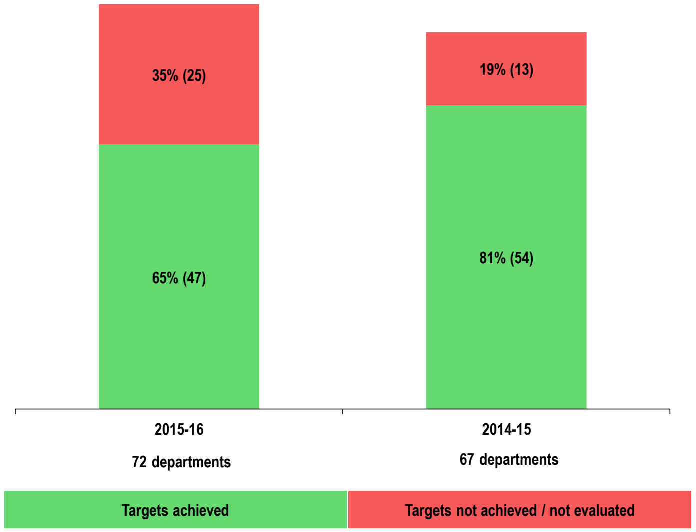
Figure 2: Achievement of planned targets – projects



The grant amount provided for the 120 projects where the **targets were not achieved or evaluated** was R31 694 million of which R30 818 million (97%) was spent. In total, 76 (63%) of these projects were in the Education (49 projects) and Human Settlements (27 projects) sectors and the grants mostly affected were the human settlement development grant (R4 552 million: 26 projects) and the education infrastructure grant (R3 573 million: nine projects).

Figure 3 shows the number and percentage of provincial departments where these key projects were tested. The departments in red are those where either the targets were not achieved or not evaluated.

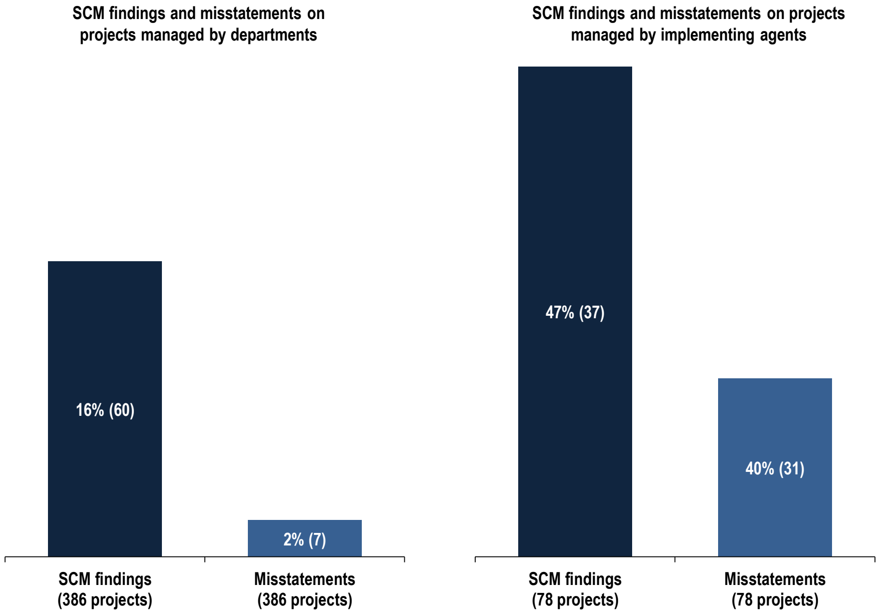
Figure 3: Achievement of planned targets – departments



As shown in figure 3, 35% of the departments failed to achieve planned targets for specific projects, a regression when compared to 19% in the previous year.

Departments often use implementing agents to manage and implement the projects funded by grants. We tested 78 key projects at 18 provincial departments where implementing agents were used. Figure 4 shows our findings on these 78 projects in comparison with projects that did not use implementing agents.

Figure 4: Use of implementing agents



We identified non-compliance with SCM legislation on 16% of the key projects managed by departments, but the level of non-compliance was significantly higher where implementing agents were used. The ability to correctly account for the assets and expenditure was also negatively affected as the implementing agents often did not have adequate registers and controls in place.

The majority of the poorly managed projects where implementing agents were used were in the Eastern Cape and in the Education sector.

Conditional grants are allocated to drive specific government objectives. It is important that projects and programmes funded by grants are tightly managed to ensure that they not only meet the set targets, but also deliver the intended outcomes.

3.5 Conclusion

In the past three years there has been little improvement in the financial management and administration of departments and public entities.

The opinions on the financial statements have improved in some provinces and portfolios and regressed in others, but the majority of the auditees with modified opinions have not been able to fully address their accounting problems over the past three years. We also continue to receive a high number of poor quality financial statements for auditing, which calls into question whether the in-year reporting and management of finances by these auditees are solid.

The signs of poor financial management are apparent in the increasing occurrence of deficits, departments funding cash shortfalls from the next year's budget, poor revenue management and the inability to pay creditors within the required 30 days. The weaknesses in managing key projects funded by grants and managing implementing agents further indicate that some departments do not closely monitor and actively manage the project delivery and finances.

Compliance with legislation, specifically SCM legislation, is not improving at the rate required to inspire confidence in national and provincial government's commitment to stay within the parameters of the law. Departments and public entities are under increasing pressure to deliver on their service delivery promises, while budgets are being cut and the financial resources are dwindling. This requires prudent management of resources and strong control over procurement processes and delivery by service providers. In the past three years there has been little improvement in the SCM practices and expenditure management, resulting in increasing levels of irregular expenditure, fruitless and wasteful expenditure and lost opportunities to save costs and ensure value for money.

Several auditees across the country have demonstrated sound financial management and accounting practices and prudent management of resources and serve as an example of good governance and accountability. However, we are concerned that those departments and public entities that are at the forefront of service delivery in terms of education, health and infrastructure development are the ones faring the worst.

4

The status of performance management

4. Annual performance reports

Figure 1 provides an overview of audit outcomes on the APRs, the APRs submitted with no material misstatements (red line) and the auditees that did not submit APRs or submitted them late over a period of three years, while figure 2 shows the same per auditee type. Table 1 provides the status of APRs in national and provincial government.

Figure 1: Findings on annual performance reports and quality and timeliness of submission for auditing

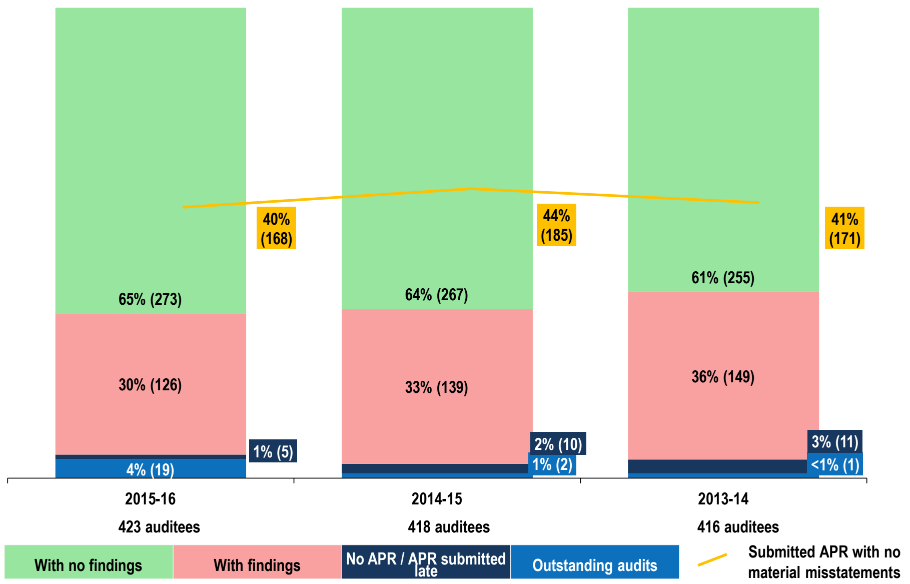


Figure 2: Findings on annual performance reports and quality and timeliness of submission for auditing – departments and public entities

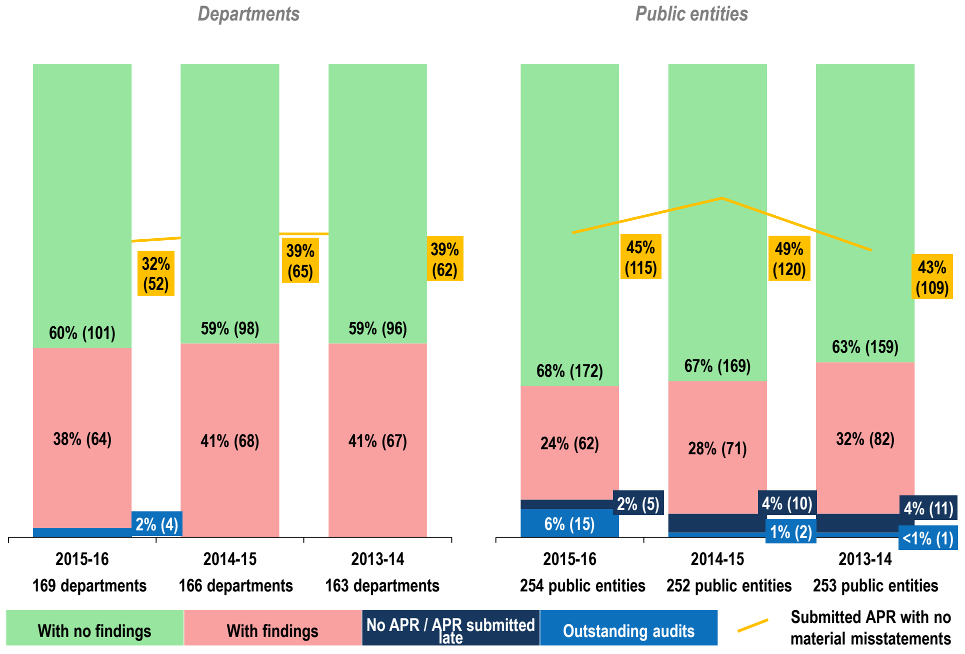


Table 1: Status of annual performance reports in national and provincial government

Portfolio	Auditees with no findings before correction of material misstatements		Auditees with no findings after correction of material misstatements	
	Number	Movement from 2014-15	Number	Movement from 2014-15
National auditees	86 (45%)	🟡→	134 (69%)	🟡→
Eastern Cape	9 (36%)	🔴↓	17 (68%)	🟡→
Free State	5 (31%)	🟢↑	10 (63%)	🟢↑
Gauteng	17 (57%)	🔴↓	26 (87%)	🟢↑
KwaZulu-Natal	11 (37%)	🔴↓	22 (73%)	🟡→
Limpopo	5 (22%)	🟡→	15 (65%)	🟢↑
Mpumalanga	6 (35%)	🟢↑	11 (65%)	🟢↑
Northern Cape	7 (39%)	🔴↓	10 (56%)	🟡→
North West	3 (13%)	🟡→	7 (29%)	🟡→
Western Cape	18 (78%)	🟡→	21 (91%)	🟡→
Total	167 (42%)	🟡→	273 (68%)	🟡→

There has been a slight improvement in the submission of APRs since 2013-14 when 3% of auditees had either not prepared APRs or not submitted them on time for the audit. All departments submitted their APRs on time in 2015-16 while only 2% of public entities did not submit their APRs.

These auditees included the following:

- National auditees: (one) – Pan South African Language Board also failed to prepare a report in the previous year.
- Northern Cape: (one) – Northern Cape Fleet Management did not prepare a report in the year under review.
- North West: (three) – North West Housing Corporation, while North West Youth Development Trust and Signal Developments also did not prepare a report in the previous year.

There has been a slight improvement in the number of auditees with no material findings on the quality of their APRs since 2013-14, more noticeable at public entities. The movement since 2014-15 was limited. Of the total of 273 auditees with no material findings, 231 auditees (85%) had no material findings in the year under review and previous year, which means that the controls and processes required to produce credible performance reports were in place to ensure the sustainability of the audit outcomes on APRs. However, the material findings have remained high at the departments in the **Education, Health and Public Works** sectors, at 80% (24 of 30 auditees).

There has been a slight regression since 2013-14 in the number of auditees that submitted APRs that contained no material misstatements. This can be attributed to the departments that regressed (from 39% to 32%). There was however a slight improvement for public entities that submitted APRs with no material misstatements (from 43% to 45%) since 2013-14. There has been a slight regression since 2014-15 at public entities (49% to 45%) and the departments regressed from 40% to 32%.

In 2015-16, 48% of departments and 33% of public entities had no material findings in their audit reports only because they corrected all the misstatements we had identified during the audit. This is an improvement compared to the previous year when only 33% of departments and 27% of public entities corrected all the misstatements identified.

As indicated in the second column of table 1, there was a regression in the number of auditees with no material findings before corrections were made in the Eastern Cape, Gauteng, KwaZulu-Natal and the Northern Cape compared to the previous year. An improvement in the number of auditees with no material misstatements was only noted in the Free State and Mpumalanga.

The fourth column of table 1 shows the number of auditees that submitted APRs with no material misstatements as well as those where the material misstatements were corrected. There was an improvement in Gauteng, Limpopo, Mpumalanga and the Free State, while North West, the Free State and the Northern Cape had the lowest number of auditees with no material findings in their APRs after correction. The high number of auditees with no material findings was noticeable in the Western Cape, Gauteng, KwaZulu-Natal and the national auditees.

Figure 3 reflects the findings on the usefulness and reliability of APRs over the three years for all auditees that had prepared and timeously submitted APRs, while figure 4 reflects the same for departments and public entities separately.

Figure 3: Findings on the annual performance reports prepared

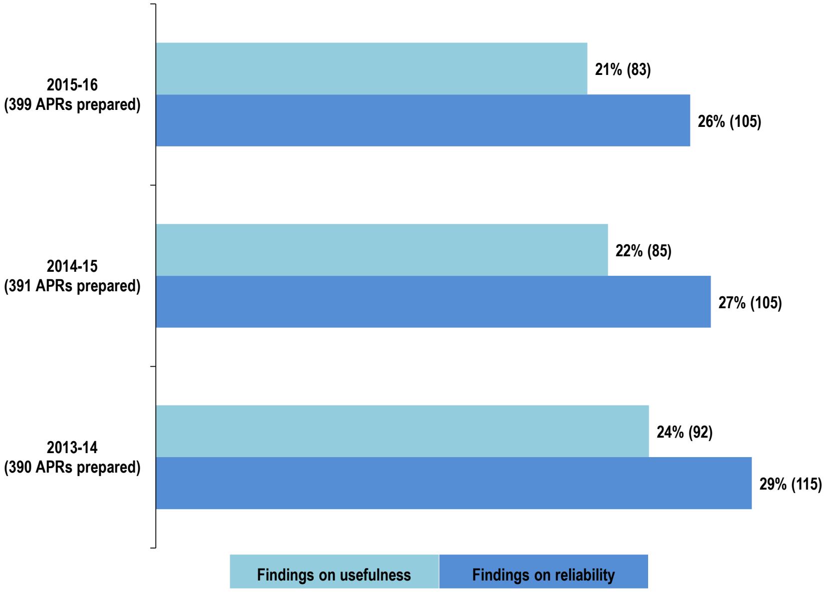


Figure 4: Findings on the annual performance reports prepared – departments and public entities

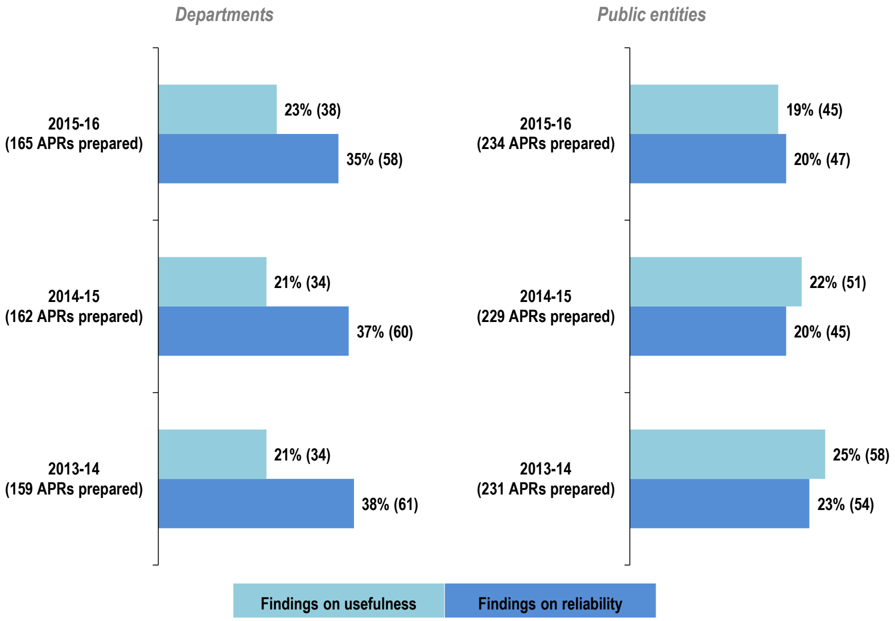


Figure 3 indicates a slight improvement in the **usefulness** of the information in the APRs over the three years. The number of public entities with findings on usefulness decreased slightly while there was a slight regression in the number of departments over the three years.

The most common findings on usefulness in 2015-16 were that auditees reported on indicators that were not well defined (11%) or verifiable (7%) and reported information that was not consistent with the objectives, measures and/or targets (7%), while targets were also not measurable (9%) or not specific enough (10%) to ensure that the required performance could be measured and reported in a useful manner.

The usefulness of the reported information continued to improve as auditees corrected their performance indicators and targets as part of the annual planning and budget processes based on the recommendations we provided and their increased understanding of the application of the requirements for performance planning.

The processes and controls required to produce **reliable information** on performance have shown little improvement over the period as the reported performance information continued to be invalid, inaccurate or incomplete.

While the quality of the APRs has slightly improved, the low number of auditees that submitted their APRs without material misstatements (42%) (noted in the second column of table 1) indicates that most of the auditees were still struggling to produce credible APRs.

Conclusion

Quality financial statements are an important accountability mechanism as they enable oversight to assess the financial performance and position of an auditee. However, in the public sector the focus of oversight is also on whether the auditee used the money and its resources to deliver on its service delivery objectives and mandate.

APRs that do not include useful information or that are unreliable hamper the ability of oversight bodies to assess the performance of the auditee and call them to account. They also weaken decision-making at different levels, including by the management of the auditee.

The performance planning, management and reporting are improving slightly every year, but overall the progress is too slow and this could affect the ability of national and provincial government to achieve its service delivery goals as set out in the medium-term strategic framework (MTSF).

We are in the process of setting up a task team that includes the DPME, the National Treasury and the Department of Cooperative Governance to explore and respond to the challenges in performance management and reporting in government and strengthen these processes with a goal of improved accountability and service delivery.

A Annexure 1 lists the auditees with findings on predetermined objectives.

5 Root causes

5.1 Status of internal control

Key responsibilities of accounting officers, chief executive officers, senior managers and officials are to implement and maintain effective and efficient systems of internal control.

Figure 1 and table 1 show the status of the different drivers of internal control and their overall movement over the past three years. We determined the movements taking into account either increases in good controls or reductions in controls requiring intervention.

Figure 1: Drivers of internal controls

Table 1: Progress made in improving drivers of internal control in national and provincial government over three years

Portfolio	Leadership	Financial and performance management	Governance
National auditees	→	↓	→
Eastern Cape	→	↑	↑
Free State	↓	↓	→
Gauteng	↑	↑	↑
KwaZulu-Natal	↑	↑	↑
Limpopo	↑	→	↑
Mpumalanga	↓	↓	↑
Northern Cape	↑	↓	→
North West	↓	→	↑
Western Cape	→	↑	→
Total	→	→	→

As illustrated in figure 1, all three drivers of internal controls have either slightly improved (leadership and governance controls) or slightly regressed (financial and performance management) over the three years.

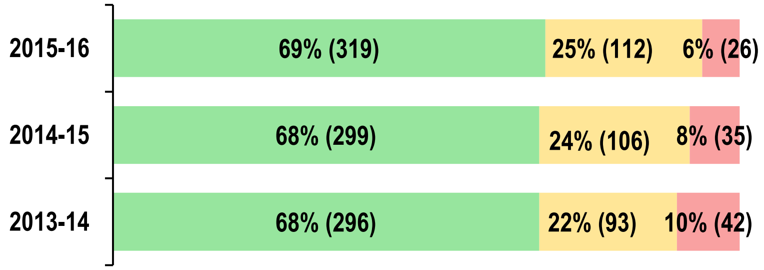
The lack of overall improvement is the result of some national and provincial auditees having made progress, which was offset by the regression and stagnation of other auditees as seen in table 1.

Over the three years the leadership controls assessed as being ‘good’ at departments improved slightly (from 44% to 48%), but slightly regressed at public entities (from 60% to 58%). Financial and performance management controls slightly regressed at departments (from 39% to 38%) and at public entities (from 56% to 51%), while the governance controls improved at departments (from 60% to 69%) and only slightly improved at public entities (from 68% to 71%).

The movement also remained unchanged from the previous year for all the internal controls, although the number of auditees assessed as being ‘good’ slightly increased on the leadership and governance controls.

We discuss five of the seven basic controls that should receive specific attention in the remainder of this section and discuss human resource management and information technology (IT) controls in sections 5.2 and 5.3, respectively. Figures 2 to 6 show the movement in these five basic controls over the past three years.

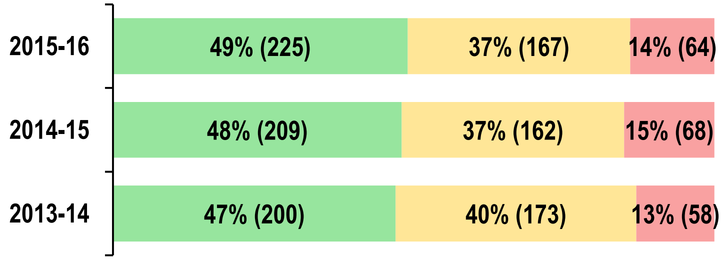
Figure 2: Effective leadership



In order to improve and sustain audit outcomes, auditees require **effective leadership** (political and administrative) that is based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the auditee.

Effective leadership controls slightly improved at departments (from 62% to 63%) and public entities (from 72% to 73%).

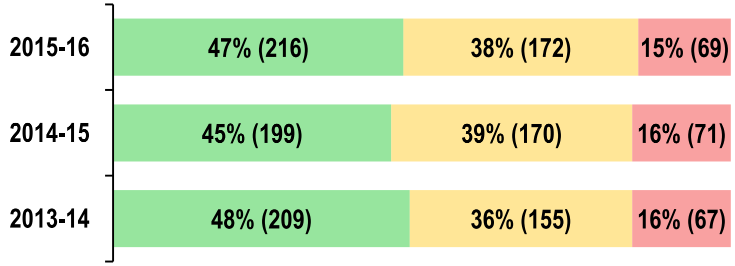
Figure 3: Audit action plans



Developing action plans and monitoring their implementation to address identified internal control deficiencies are key elements of internal control that are the responsibilities of heads of department, chief executive officers and their senior management teams.

Internal controls in the form of audit action plans assessed as being 'good' improved at departments (from 31% to 38%), but only slightly improved at public entities (from 55% to 56%).

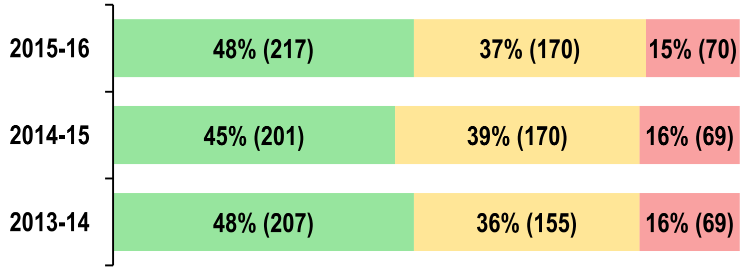
Figure 4: Proper record keeping



Proper and timely record keeping ensures that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Sound record keeping will also enable senior management to hold staff accountable for their actions. A lack of documentation affected all areas of the audit outcomes.

Record keeping and document controls assessed as being 'good' remained unchanged at 40% at departments while slightly regressed at public entities (from 53% to 52%), resulting in no significant overall improvement.

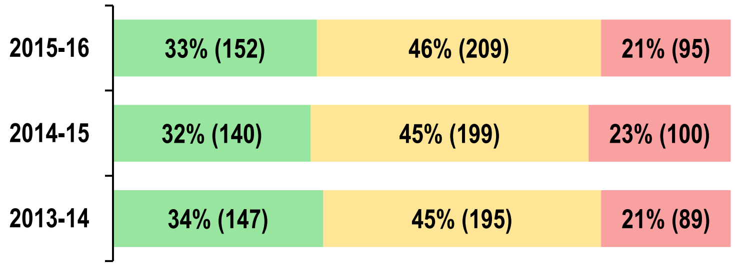
Figure 5: Daily and monthly controls



Controls should be in place to ensure that **transactions** are processed in an accurate, complete and timely manner, which in turn will reduce errors and omissions in financial and performance reports.

Good controls were established at 39% of departments (slightly regressed from 40%); while remaining unchanged at public entities (53%).

Figure 6: Review and monitor compliance



Auditees should have mechanisms that identify applicable legislation as well as changes to legislation, assess the requirements of legislation and implement processes to ensure and monitor compliance with legislation.

As detailed in section 3.2, many auditees did not comply with legislation. This indicates that the internal controls of most auditees not only failed to prevent non-compliance with legislation, but also failed to detect the deviations in time. Some deviations were only detected and addressed during our audits.

At 25% of departments (slight regression from 29%) and 38% of public entities (slight improvement from 37%), controls to prevent or detect non-compliance with legislation were clearly short of the required level.

Compliance monitoring matters requiring attention are included in our recommendations in section 7.

A Annexure 4 details the status of auditees' key controls and the movement since the previous year.

5.2 Human resource management

Figure 1 provides the status of human resource management controls from 2013-14 to 2015-16. Figure 2 shows the status of human resource management controls for departments and public entities and table 1 lists the number of auditees with good human resource management controls in national and provincial government.

Figure 1: Status of human resource management controls

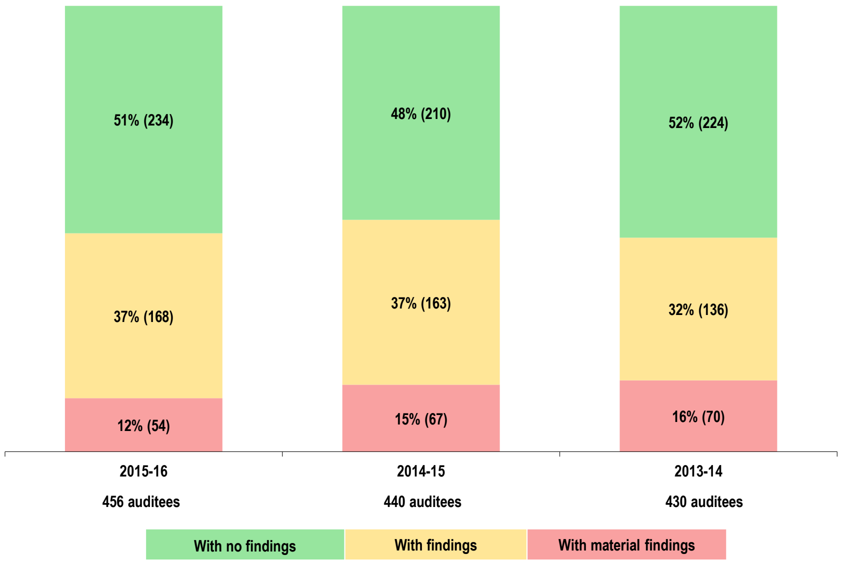


Figure 2: Status of human resource management controls – departments and public entities

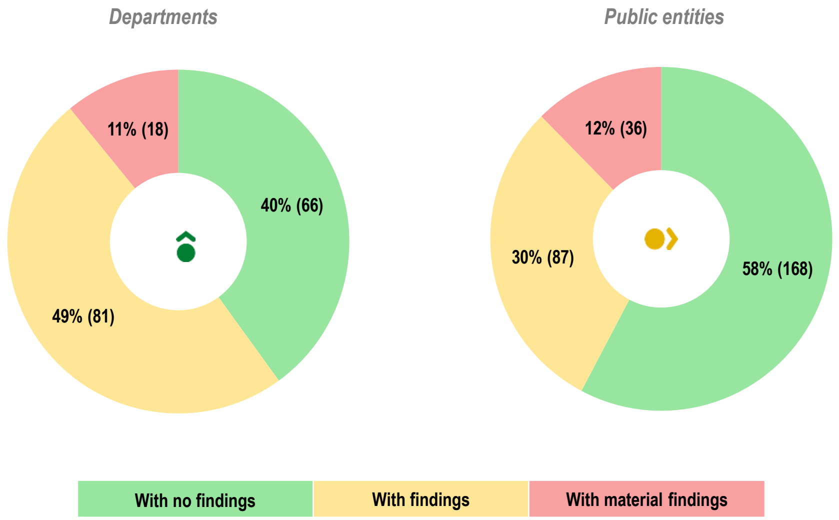


Table 1: Status of human resource management controls in national and provincial government

Portfolio	Auditees with good human resource management controls	Movement over 2014-15
National auditees	136 (59%)	→
Eastern Cape	13 (52%)	↑
Free State	5 (28%)	→
Gauteng	19 (54%)	→
KwaZulu-Natal	17 (50%)	↑
Limpopo	3 (13%)	↓
Mpumalanga	3 (18%)	↓
Northern Cape	8 (42%)	↑
North West	7 (22%)	→
Western Cape	24 (100%)	→
Total	235 (52%)	→

Human resource management has improved only slightly since 2013-14 and the previous year. This is evident in the number of auditees whose controls we assessed as being ‘good’ not increasing significantly and those assessed as ‘requiring intervention’ not decreasing significantly.

The overall human resource controls at departments improved since the previous year, with only a slight improvement at public entities. We assessed the human resource management controls of five of 42 (12 %) national departments and 13 of 123 (11%) provincial departments as requiring intervention. Provincial public entities (49%) lag behind national public entities (63%) in implementing and maintaining good human resource controls.

Auditees in the Eastern Cape, KwaZulu-Natal and Northern Cape showed improvement. Limpopo and Mpumalanga were not only the provinces with the lowest percentage of auditees with good HR management controls, but also regressed from the previous year.

Vacancies and stability

One of the biggest challenges for national and provincial government is to attract and retain qualified and competent persons in all areas of administration. As discussed in the *National development plan* (NDP), there is unevenness in capacity that leads to uneven performances in public service. The MTSF includes various actions to address the lack of capacity and sets targets to be achieved.

One of these targets is to have a vacancy rate by 2019 of less than 10% at national and provincial departments. This target has not been achieved yet, but the reduction of vacancy rate at national and provincial departments from 17% to 12% over the past three years is encouraging.

In the past three years the average overall vacancy rate at year-end remained the same at 15%. The vacancy rate at senior management level was 17% in 2015-16, a slight regression from 16% in the previous year as well as 15% since 2013-14.

As part of our audits, we considered the vacancies and resourcing of finance units as inadequate capacity at these units negatively affects the management, controls and quality of financial reporting. The average vacancy rate at finance units at year-end was 14% in 2015-16 and previous year, which represents a slight regression compared to 12% in 2013-14.

We also considered vacancies in key positions at year-end and stability in those positions. These key positions include heads of department, chief executive officers, chief financial officers and heads of SCM unit.

Figures 3 to 6 provide a three-year overview of the number of auditees where these key positions were vacant at year-end and the period that the positions had been vacant. They further show the average number of months that the heads of department, chief executive officers, chief financial officers and heads of SCM unit had been in their positions.

Figure 3: Heads of department – vacancy and stability

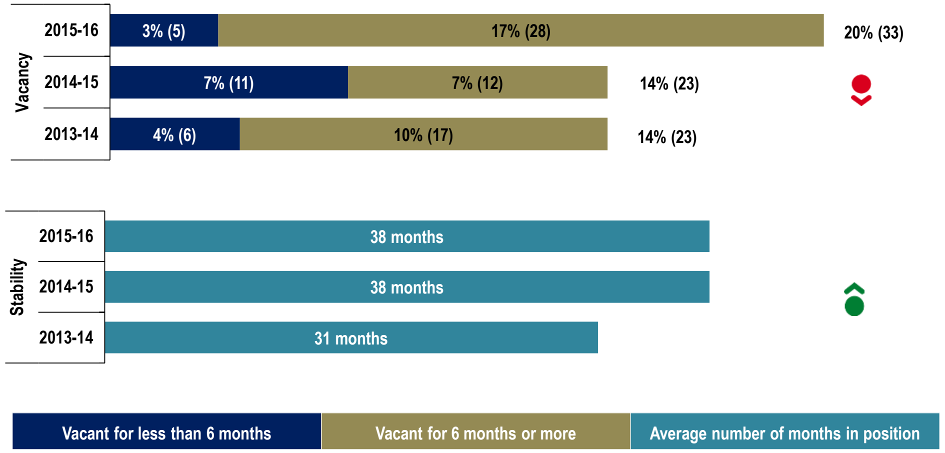


Figure 4: Chief executive officers – vacancy and stability

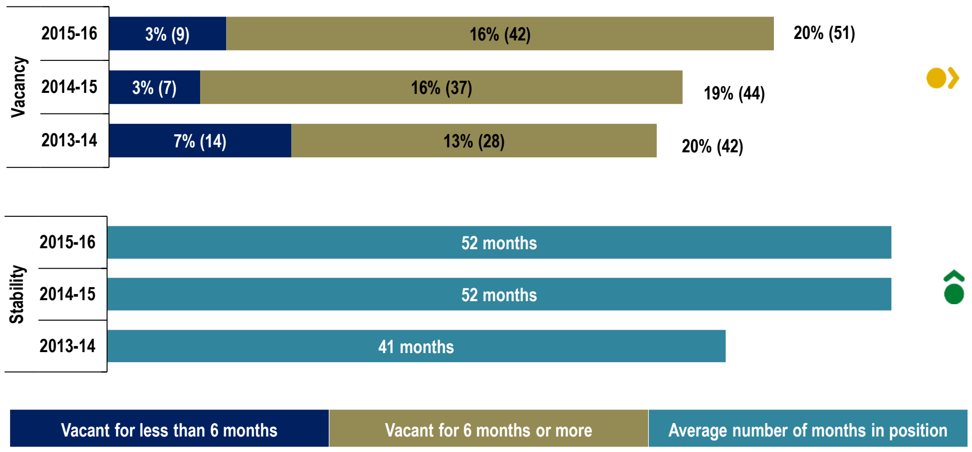


Figure 3 shows that the **heads of department** vacancy rate has regressed over the three years. The departments in Limpopo and the Northern Cape were the main contributors to the regression from previous year, with vacancies at six and five departments, respectively.

The MTSF includes targets to retain heads of department for at least four years by 2019. This target has not been achieved yet, but the improvement from 31 months to 39 months over the past three years is encouraging.

As reflected in figure 4, 20% of the public entities did not have a **chief executive officer** at year-end, a slight regression when compared to the previous year's 19%. Most of these 51 public entities were in national government (27), North West (13) and KwaZulu-Natal (four).

The average length of time that chief executive officers had been in their positions was more than four years in 2015-16, an improvement when compared to 2013-14, when it stood at 41 months. By 2015-16, chief executive officers at 86 public entities (43%) had been in the positions for four years or longer, almost the same when compared to 82 (43%) in the previous year but an improvement when compared to 56 (33%) in 2013-14.

Figure 5: Chief financial officers – vacancy and stability

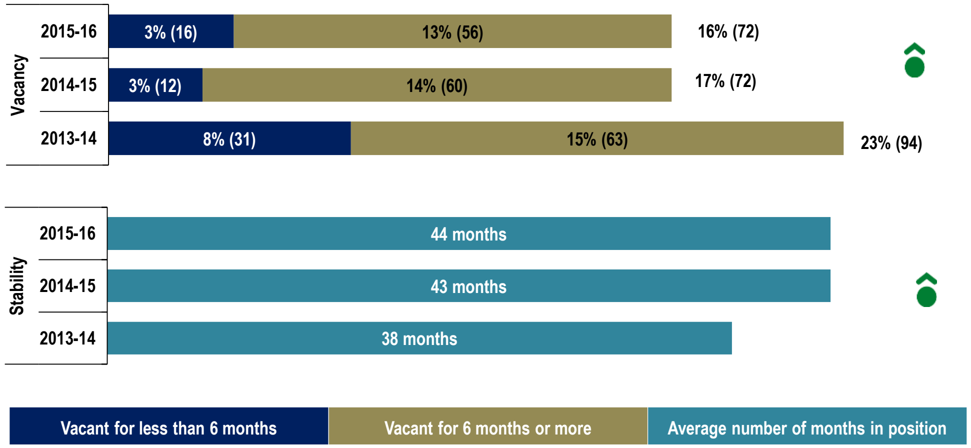


Figure 5 shows that the chief financial officer vacancy rate at auditees had improved since 2013-14.There was only a slight improvement from the previous year. The auditees in Gauteng, Limpopo and Mpumalanga were the main contributors to the improvement since 2013-14.

The average number of months that the chief financial officers had been in their positions improved since 2013-14. By 2015-16, chief financial officers of

178 auditees (48 %) had been in the position for three years or longer, an improvement when compared to 131 auditees (41%) in 2013-14. This is a slight improvement compared to 161 auditees (45%) in 2014-15.

Figure 6: Heads of supply chain management unit – vacancy and stability

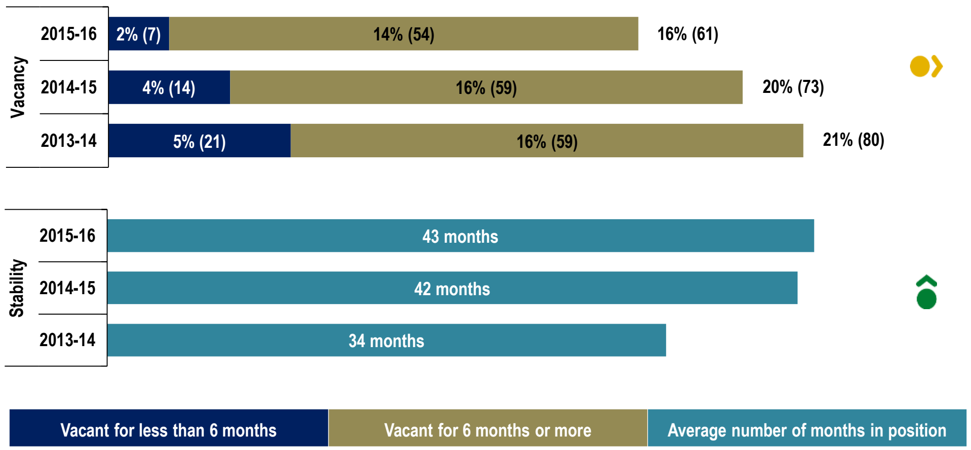


Figure 6 shows that the heads of SCM unit vacancy rate at auditees slightly improved since 2013-14.There was also a slight improvement from the previous year. The auditees in the Free State, Gauteng, KwaZulu-Natal and the Eastern Cape were the main contributors to the slight improvement since 2013-14.

The average number of months that the heads of SCM unit had been in their positions improved year on year. By 2015-16, heads of SCM unit of 141 auditees (44%) had been in the position for three years or longer, a slight improvement when compared to 119 auditees (41%) in 2013-14 and 125 auditees (43%) in 2014-15.

Performance management

To improve the performance and productivity of staff, the leadership should set the correct tone by implementing sound performance management processes, evaluating and monitoring performance. Further, when the leadership consistently takes action, it will be clear to all officials that poor performance has consequences.

Table 2 provides information on performance agreements concluded by auditees with their senior officials for 2015-16.

Table 2: Performance agreements not in place and performance measures not linked to audit outcomes

Position filled at year end	Performance agreement not in place (where position filled)	Movement	Current year performance agreement included measures not linked to audit outcomes (where position filled)	Movement
Heads of department (132)	3 (2%)	●›	8 (6%)	▲
Chief executive officers (200)	35 (18%)	●›	25 (13%)	●›
Chief financial officers (374)	44 (12%)	●›	31 (8%)	●›
Heads of SCM unit (320)	27 (8%)	●›	33 (10%)	●›

There was little change from the previous year, except an improvement with regard to the heads of department whose performance agreements were not linked to audit outcomes.

We raised performance management-related findings, which included that all the senior managers did not sign performance agreements at 53 auditees, and that employees did not sign performance agreements for the year at 22 auditees.

A Annexure 1 lists the auditees and the status of human resource management controls (specific risk areas).

5.3 Information technology controls

The IT controls ensure the confidentiality, integrity and availability of state information, enable service delivery and promote national security. It is thus essential for good IT governance, effective IT management and a secure IT infrastructure to be in place.

Effective IT governance underpins the overall well-being of an organisation's IT function and ensures that the organisation's IT control environment functions well and enables service delivery.

Overview of the status of information technology focus areas

Figure 1 shows that we had assessed IT controls at 433 national and provincial auditees and found that the number of auditees that were assessed as good increased significantly from 13% in 2013-14 to 29% in 2015-16. The number of auditees that were assessed increased from 359 in 2013-14 to 433 in 2015-16 due to an increase in the need to assess IT controls as new technology was emerging at a tremendous pace.

Figure 1: Status of information technology

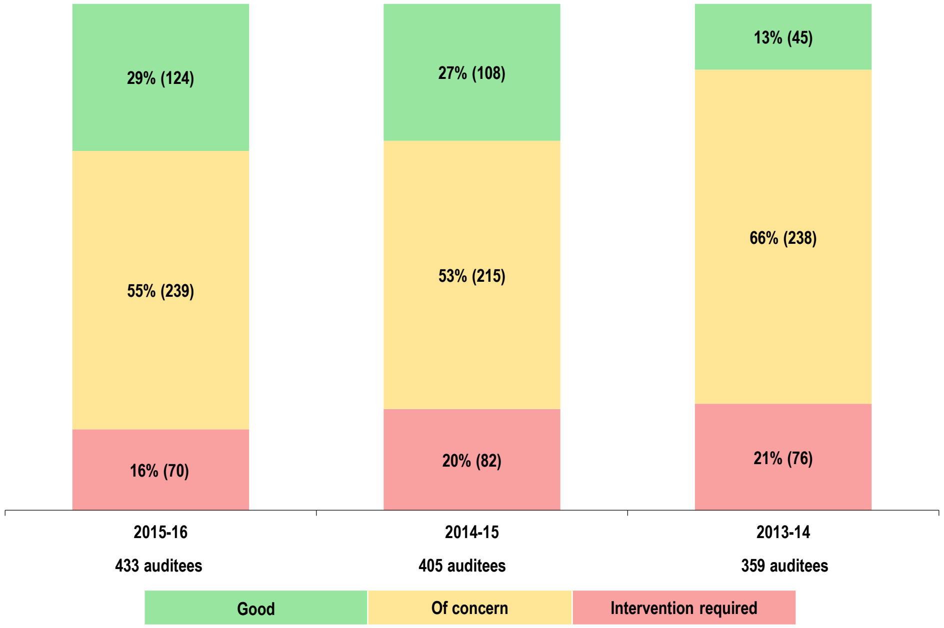
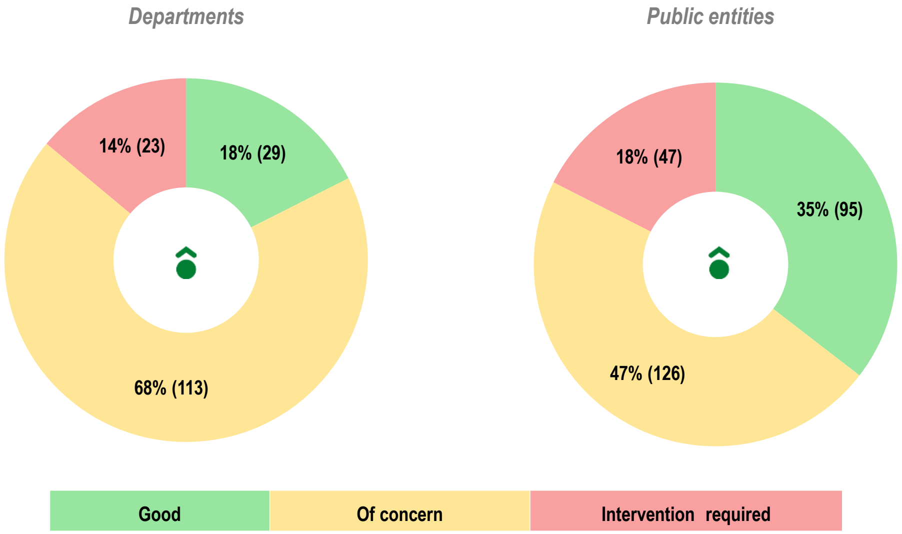


Figure 2 further shows that a higher number of public entities had a good IT control environment than that of departments due to those charged with governance taking accountability for addressing IT control weaknesses and more staff within the information and communication technology (ICT) departments that were qualified and skilled.

Figure 2: Status on the information technology (departments and public entities



Our audit included an assessment of the IT controls in the areas of IT governance, security management, user access management and IT service continuity.

- Figure 3 outlines the status of the controls per focus area audited at departments and public entities and indicates whether the IT controls are good, of concern or require intervention. The Western Cape and Gauteng were assessed as good at the majority of auditees and the following contributed to their success in addressing previous audit findings:
    - These provinces used shared IT services that were centralised in each province.
    - Audit committees prioritised IT findings as a standing item on the agenda.
    - More involvement, support and stringent monitoring of commitments by senior management.

The most common findings were the following:

- IT governance frameworks and structures had not been adequately designed and implemented for the majority of the departments' IT environments, while public entities were more successful in the design, implementation and operating effectiveness of IT governance. Weaknesses were identified such as IT steering committees not functioning effectively and non-alignment of strategic plans, which may result in IT sections within auditees not supporting business to meet their business objective. Furthermore, inadequate monitoring of service level agreements for services delivered by service providers and the increased hosting of systems at vendors with limited access to obtain assurance regarding those internal control environments, were most common.
- The basic IT controls had not been adequately defined and implemented at most auditees in the security management, user access management and IT service continuity areas. Policies and procedures were not designed or implemented as reported in the previous year; however, some improvements were noted over the three years. Furthermore, a number of public entities were attacked through the network in recent months exposing them to various vulnerabilities, which may have been prevented if security controls were adequate. In the case of departments that use transversal systems, the data hosted on these systems is available at the disaster recovery site of the State Information Technology Agency (Sita). In all other cases, where systems are not hosted by Sita, both departments and entities have to make provision for their own data recovery strategies. However, the majority of these auditees were still struggling to have adequate disaster recovery plans and did not test their backups to ensure that they could be restored when required.
- Enterprise resource planning (ERP) systems were also increasingly being implemented by public entities. The ERP and project assurance audits revealed that these systems were not appropriately configured, business requirements were inappropriately documented resulting in failed implementations and sign off of implementations without understanding the return on investment of these projects. As a result many of these implementations did not support business objectives and efficiency improvements.
- The majority of auditees did not have automated performance information systems, but were using Excel spreadsheets to record and report on performance information, which were more susceptible to manipulation of data.

Figure 3: Status on the information technology focus areas

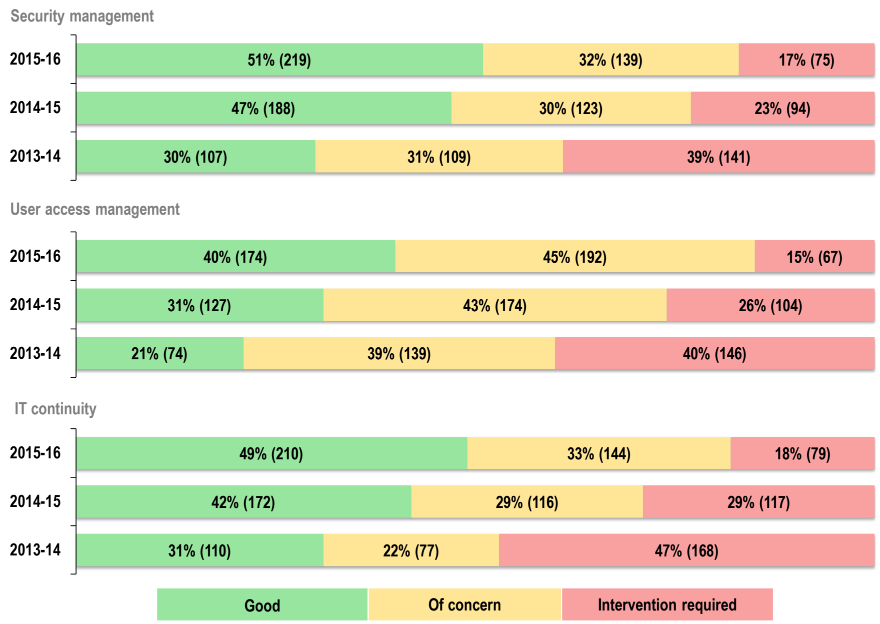


Table 1 indicates the progress made since the previous year in addressing areas of concern at departments at both national and provincial levels, as well as at public entities. The improvements were generally due to the following:

- IT governance frameworks and structures that were designed and implemented at more auditees.
- More auditees employing chief information officers or IT managers with adequate qualifications and experience.
- Implementation of recommendations made by internal and external auditors.
- The Western Cape and Gauteng initiatives and improved involvement by senior management.

Table 1: Progress made in improving IT controls

Portfolio	Security management	User access management	IT continuity
National auditees	►	▼	▲
Eastern Cape	▲	▼	▼
Free State	▲	▲	▲
Gauteng	▲	▲	▲
KwaZulu-Natal	▲	▲	▲
Limpopo	▼	▲	▲
Mpumalanga	▼	▼	▲
Northern Cape	▲	▼	▲
North West	▲	▲	▲
Western Cape	▲	▲	▼
Public entities	▲	▲	▲

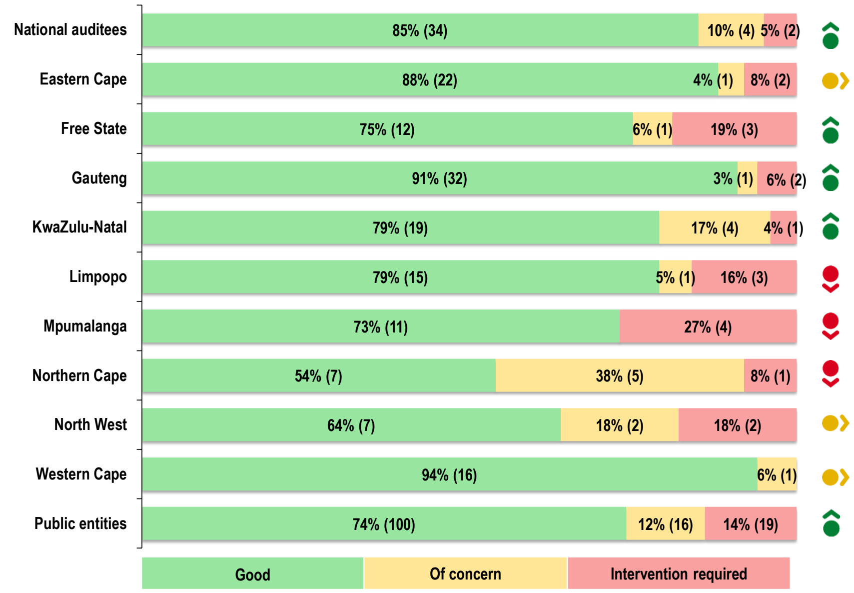
Evaluation of qualifications and experience of chief information officers

Figure 4 indicates that, for most of the auditees, the qualifications and experience of the chief information officers or IT managers in government were adequate, they have relevant ICT qualifications and six or more years of relevant experience.

Most of the chief information officers or IT managers at departments and public entities had the qualifications and experience required to implement the IT governance structures and controls that would ensure improvement in the IT controls of government. At national level as well as the Free State, Gauteng and KwaZulu-Natal we identified significant improvement due to more auditees that had chief information officers or IT managers with the required level of qualifications and experience as well as vacancies that were filled, while the Western Cape maintained their high level of qualified and experienced staff. The regression in Limpopo, Mpumalanga and the Northern Cape was mainly due to vacancies that existed in these provinces that were previously filled. Auditees employing chief information officers or IT managers with adequate qualifications and experience impacted positively on the improvements noticed in figures 1 and 3 over three years and the movements indicated in table 1.

Smaller public entities still did not have the funding and capacity required to assign IT roles and responsibilities to a dedicated individual with the necessary skill and the required qualifications. Furthermore, in some provinces IT departments were operating at the level of deputy director or assistant director, which had a negative effect on the design and implementation of the policies and procedures required for a strong IT control environment to support business objectives.

Figure 4: Qualifications and experience – chief information officers or information technology managers

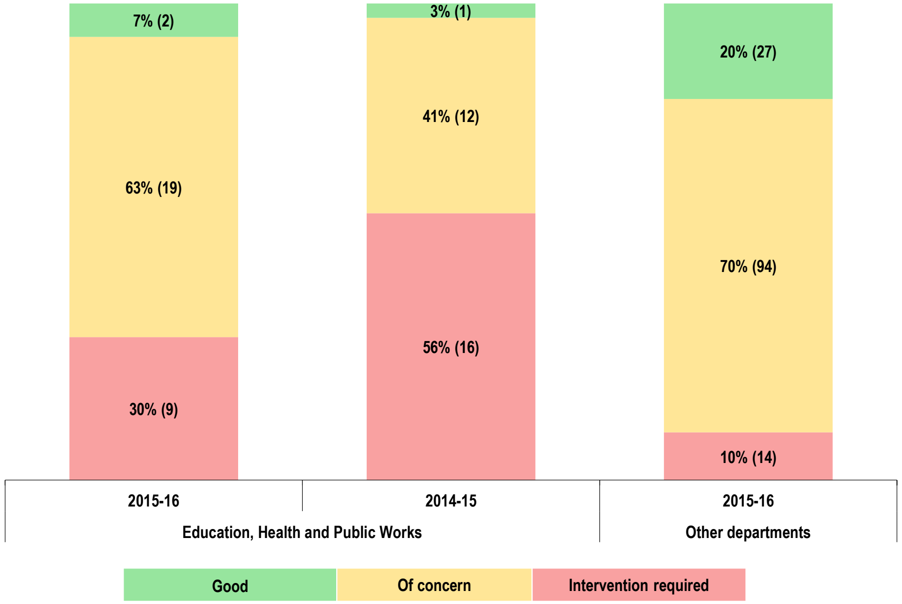


Status of controls at the departments of Education, Health and Public Works versus that of other departments

Figure 5 indicates the status of the IT controls in the areas we audited at the departments of Education, Health and Public Works versus that of other departments. It shows the number of auditees where the IT controls are good, of concern or require intervention.

At 30% of the departments of Education, Health and Public Works at both provincial and national levels intervention was required, compared to only 10% of other departments. The Health and Education sectors, in particular, still experienced challenges to adequately define and implement basic IT controls. Furthermore, although these departments were struggling with basic IT controls, they have shown an improvement due to some findings raised in previous years that were addressed.

Figure 5: Status of information technology – Education, Health and Public Works versus other departments

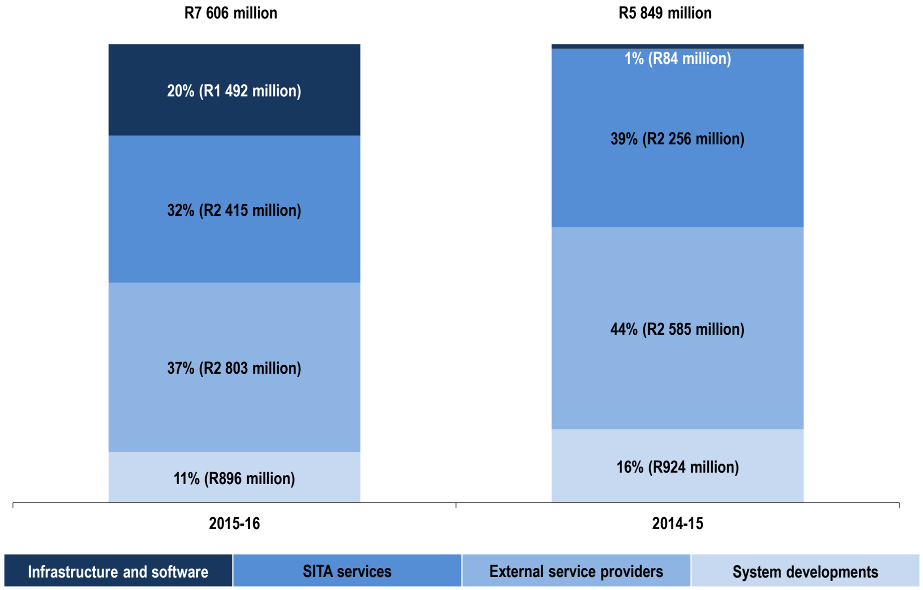


Expenses related to information technology at the provincial and national departments

Figure 6 provides a breakdown of the approximate IT-related expenditure in terms of infrastructure and software, Sita services, external service providers and project developments.

IT-related expenditure increased by R1 757 million (30%) in the year under review and the largest increase in spending was on infrastructure and software, which increased from 1% to 20% of the IT-related expenditure, due to revitalisation and modernisation projects undertaken by some of the key departments and provincial departments to enhance broadband, upgrade internet links, replace aging servers and install next generation firewalls. The increase was noticed in all the provinces and at national government level. The split between the amounts spent on Sita support services and services rendered by external service providers was more or less equal and overall represented 69% of the total amount spent. Although the amount spent on procuring services represented the largest part of the IT expenditure, the performance monitoring processes for services provided by service providers were found to be inadequate, which resulted in payments being made by departments without monitoring whether services were delivered at the agreed upon level of quality, as previously reported, due to poor project management.

Figure 6: Expenses relating to information technology at national and provincial departments



Large information technology projects currently in progress

Integrated financial management system project

The programme committee at the National Treasury identified various challenges in the processes followed for the integrated financial management system (IFMS) project, which led to the delays and challenges outlined below.

The IFMS project was initiated in 2002 to replace the ageing transversal financial systems, namely BAS, Persal and Logis. The cabinet approved the project, which was intended to commence in 2005 with an estimated project timeline of seven years. However, despite project spend of approximately R1,2 billion as at 31 March 2016 it has not yet been implemented. A new technological approach to the IFMS was approved by the cabinet on 20 November 2013 and the incomplete modules were therefore placed on hold. Since the new approach was approved, the National Treasury has implemented a project management office to manage the project and its governance. The project governance framework was formalised and was in the process of being implemented. The solution provider was also in the process of being appointed, allowing the project to progress with the aim of implementing the revised IFMS solution by 2022, as previously reported.

The importance of providing independent assurance on the IFMS project has been agreed to by all relevant parties. The roles and responsibilities in providing such assurance were in the process of being formalised between the National Treasury, Department of Public Service and Administration (DPSA), Sita and the Auditor-General of South Africa (AGSA).

Integrated justice system

The *National crime prevention strategy* was conceived and endorsed by the cabinet in 1996 and later gave rise to the integrated justice system (IJS). The IJS project was initiated in 1999 with the ultimate goal of ensuring seamless integration and consolidation of critical information between the entities that form part of the Justice, Crime Prevention and Security (JCPS) cluster. The primary objective of the IJS programme was to increase the efficiency and effectiveness of the entire criminal justice process by increasing the probability of successful investigation, prosecution and punishment for priority crimes and, ultimately, the rehabilitation of offenders. The IJS programme spent approximately R4,67 billion as at 31 March 2016, over a period of more or less than 12 years since 2004, against a budget of R4,92 billion as reported by the IJS project management office.

Although the IJS Programme Management Office had made positive strides in the governance of the IJS project from the 2013-14 to 2015-16 financial years, threats were still identified during the 2015-16 financial year that could interrupt the achievement of the project objectives. These included not setting deliverable deadlines and priorities for the subprojects that support the implementation of the overall IJS project through to 2019-20, not having project artefacts as well as project managers that did not often possess the required skills and experience.

e-Government, e-Health and e-Education strategies

e-Government

The minister of the DPSA, the Government Information Technology Officer's Council (GITOC), the minister of Telecommunications and Postal Services and Sita are expected to participate in the implementation of e-Government. The e-Government strategy is intended to provide a more coordinated and citizen-driven focus to the country's e-Government initiatives, thus ensuring that government brings services closer to citizens through an organised and holistic adoption of ICT. The strategy is necessary to provide a clear road map for the processes and initiatives that need to be undertaken for the successful implementation of e-Government. This will ensure the effective and efficient use of existing resources, coordinated efforts and sharing of common resources for the e-Government services. In relation to the achievement of the implementation of the e-Government strategy, the DPSA is the main driver of ICT initiatives to support and/or oversee the government departments' sphere and is managing and overseeing all the IT policies and planning within government.

The position of the Office of the Government Chief Information Officer (OCGCIO) at the DPSA was still a challenge as reported in the previous year. During the year the OCGCIO's contract ended and the position was filled with another individual on a temporary basis. The instability in this position affected the implementation or finalisation of standards, guides or procedures to be issued to the departments. In addition, this had a negative impact on the IT control environment within government, as most departments were still struggling with the implementation of the Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF).

The lack of adequate understanding and involvement in the strategic alignment of business strategies against IT-driven initiatives by the majority of the government information technology officers (Gitos) remained a challenge, resulting in IT sections within auditees not supporting business to meet their business objectives.

e-Health

The *e-Health strategy South Africa 2012-16* for the public health sector provides the road map for achieving a well-functioning national health information system (NHIS). The strategic priorities and target dates have been defined and include various projects at national and provincial levels to be executed over the duration of the strategy. This project is aimed at reducing waiting times, improving data quality and integrity, as well as timely access to data, streamlining registers and strengthening information management.

An evaluation of the progress to date indicated a stagnant movement in the implementation of the strategy against the revised key priorities and timelines, mainly due to challenges with infrastructure and connectivity issues at most of the hospitals. Lack of integration between systems (patient registration and billing systems), pharmaceutical systems between hospitals and depots for management of medication stock remains a challenge.

Five provinces (Mpumalanga, Gauteng, Western Cape, KwaZulu-Natal and Free State) developed their provincial e-Health strategies, which were aligned and mapped with the requirements of the national e-Health strategy. The key initiatives in these strategies have been defined and the pilot hospitals were progressing well with the implementation of the e-Health strategies.

Three provinces (North West, Limpopo and Northern Cape) have not started with the development of their provincial e-Health strategies, while the Eastern Cape already had a draft which has to be approved. This is due to lack of the awareness and inadequate skills within these provinces with regard to project governance in general.

e-Education

The White Paper on e-Education (2004) deals with the use of ICT to accelerate the achievement of national education goals. The main intended outcome is to increase access to ICT to support curriculum delivery and improve learner attainment. This outcome was originally planned with the initial implementation date of 2009. However, this has been delayed and revised several times due to key challenges such as the following:

- ICT infrastructure provisioning to schools is largely dependent on the capacity of the nine provincial education departments and these departments have to contend with budget and staff constraints. Provinces also have various other priorities that are often regarded as more important than ICT initiatives.
- Broadband connectivity is a challenge, especially in rural areas.
- Many teachers are experiencing difficulties in the use of ICT.

The Department of Basic Education has put measures in place to accelerate the achievement of e-Education in South African schools, which include deliverables and activities such as text books converted to electronic content, e.g. tablets and distribution thereof; professional ICT development for management, teaching and learning; and access to ICT infrastructure and connectivity.

Five provinces (Mpumalanga, Gauteng, Western Cape, KwaZulu-Natal and Free State) developed their strategies that drive the initiatives of e-Education. Four provinces (North West, Limpopo, Northern Cape and Eastern Cape) have not started with the development of their strategies. This was mainly due to budget constraints to attract adequate resources for the initiative.

In addition, Gauteng and the Western Cape were continuously monitoring the implementation of the strategy and reported monthly and quarterly to their provincial members of the executive councils (MECs), while the other provinces did not have adequate monitoring mechanisms in place.

Inadequate progress, lack of monitoring and prioritisation by management at the provinces could result in the non-achievement of this strategy, therefore impacting the quality of education in the country.

Most common root causes

- Most departments adopted the framework for corporate governance of ICT developed by the DPSA without customising it for their own departmental environments.
- Although the skills and experience at departments and public entities were adequate at the chief information officer or IT manager level, with 8% of positions vacant at year-end, they were not successful in attracting staff to fill vacant key positions, such as system controllers and information security officers. Some of these IT divisions were, furthermore, not operating on a strategic level to influence the design and implementation of adequate policies and procedures.
- The chief information officers, IT managers and IT staff did not fulfil their responsibilities by ensuring compliance with the controls established to secure and regulate their departments' IT environments, due to a lack of consequence management.

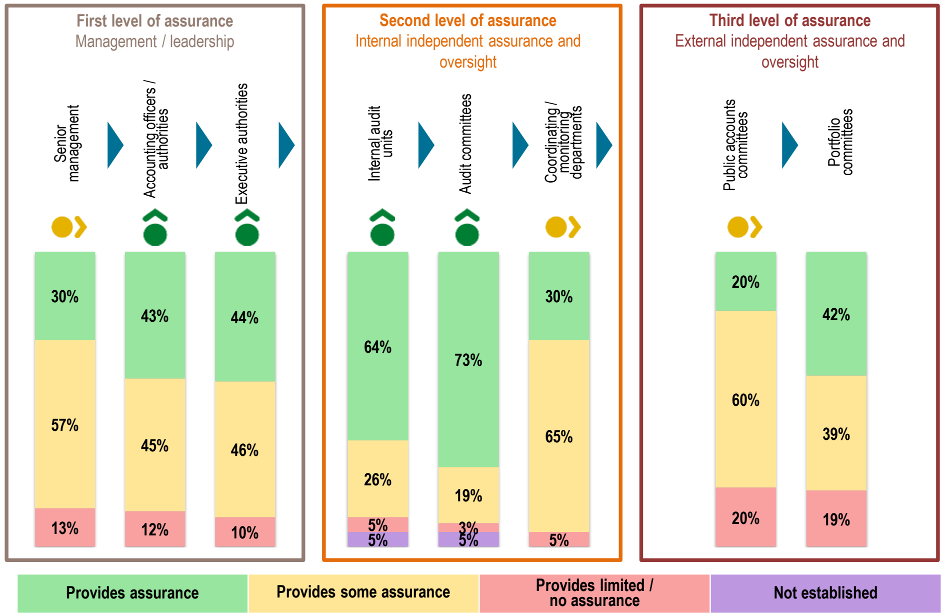
- The accounting officers and accounting authorities did not prioritise approval of IT policies and procedures to ensure that proper internal controls exist and can be enforced.
- The performance monitoring processes of IT service providers were not adequately enforced to ensure that services were rendered at the agreed level of quality or standard.
- The majority of the departments were fixing symptoms rather than implementing improved IT controls. Another major concern was the ineffectiveness of those charged with governance as they were not proactive in addressing the audit findings and preventing future recurrence.

A Annexure 1 lists the auditees and the status of information technology management controls (specific risk areas).

5.4 Initiatives and impact of key role players on audit outcomes

Figure 1 shows our assessment in 2015-16 of the assurance provided by the management or leadership of auditees and those that provide independent assurance and oversight. The arrows show the movement in assurance levels since 2013-14. We determined the movements, taking into account either increases in ‘providing assurance’ or reductions in ‘providing limited or no assurance’.

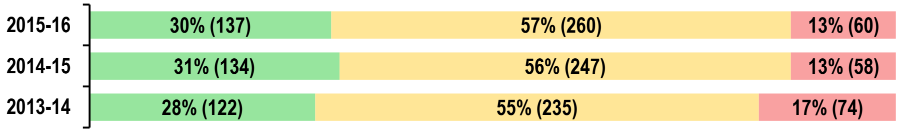
Figure 1: Assurance provided by key role players



The assurance provided by the accounting officers or authorities, executive authorities, internal audit units and audit committees has improved since 2013-14. The assurance provided by senior management, the coordinating departments (treasuries, offices of the premier and the national Department of Planning, Monitoring and Evaluation) and the public accounts committees remained unchanged over the three years. Portfolio committees were not assessed in 2014-15.

An overview of the level of assurance provided by the role players and important initiatives in 2015-16 is provided in the rest of this section. See section 11 for further detail on assurance and the assessment thereof.

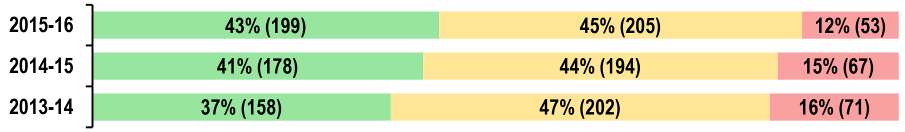
Senior management



Accounting officers and executive authorities are relying on senior management, which includes the chief financial officer, chief information officer, head of the SCM unit and those responsible for strategic planning and monitoring, to implement basic financial and performance management controls.

Senior management at 70% of the auditees did not provide the required level of assurance in 2015-16 – a slight regression from 69% in the previous year, but a slight improvement from 72% in 2013-14.

Accounting officers or authorities

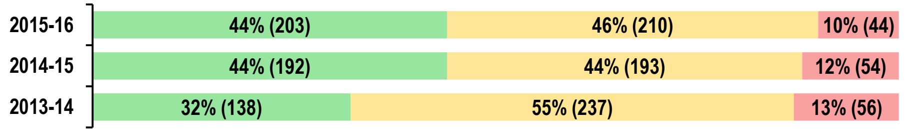


The responsibilities of accounting officers and authorities are clearly described in sections 38 (for departments) and 51 (for public entities) of the PFMA. The act includes their responsibility to ensure:

- that there are consequences for transgressions through disciplinary steps against officials who contravene the PFMA and make or permit unauthorised, irregular and fruitless and wasteful expenditure
- the implementation and maintenance of appropriate, efficient and effective systems or policies for internal control, internal audit, SCM, among others
- effective, efficient, economical and transparent use of the resources
- that effective and appropriate steps are taken to collect all money due to the institution
- management of assets and liabilities, including safeguarding
- that appropriate disciplinary steps are taken against any official who contravenes the PFMA, or makes or permits unauthorised, irregular and fruitless and wasteful expenditure
- that expenditure is in accordance with the budget (including steps to prevent overspending).

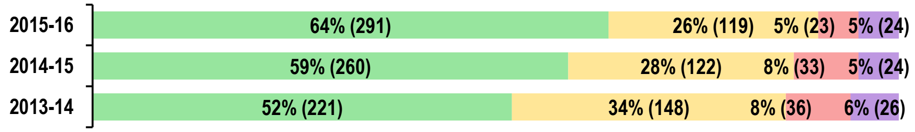
The assurance provided by accounting officers or authorities has improved over the past three years, but accounting officers or authorities at 57% of auditees still did not provide the required level of assurance by 2015-16.

Executive authorities



The executive authorities (ministers and MECs) have a monitoring and oversight role in their portfolios and play a direct role at departments, as they have specific oversight responsibilities towards their departments in terms of the PFMA and the Public Service Act. They are well placed to bring about improvements in the audit outcomes by becoming more actively involved in key governance matters and by managing the performance of the accounting officers and authorities. Our assessment that executive authorities, while improving, are not yet providing the required level of assurance is based on the inadequate leadership controls observed at 44% of the auditees (as detailed in section 5.1). It is further supported by our assessment of the impact they have on audit outcomes as observed through our regular interactions with them and the commitments they had made and honoured to improve audit outcomes.

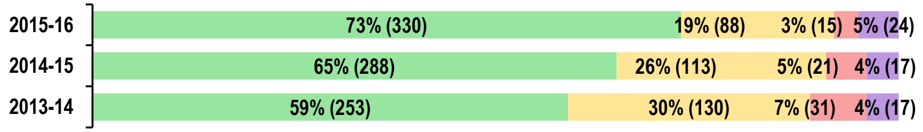
Internal audit units



Internal audit units were in place at all but 24 auditees by 2015-16. A total of 64% of internal audit units provided full assurance, although the proportion of those that provided no assurance improved slightly since 2013-14.

At most auditees, well-resourced and effective internal audit units have helped to improve internal controls and have had a positive impact on audit outcomes. We assessed that 71% of the internal audit units (2014-15: 66%) had a positive impact on audit outcomes.

Audit committees



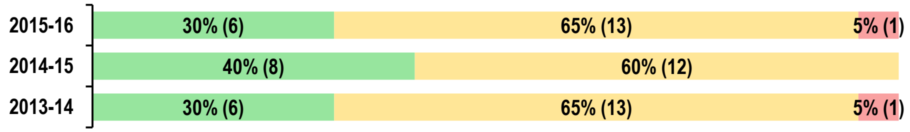
At 73% of the auditees, audit committees provided full assurance, which is an improvement compared to 2013-14 and the previous year.

The audit committees of 83% of the auditees had a positive impact on the audit outcomes (2014-15: 78%). We observed increased focus by audit committees on SCM matters, which is encouraging and leads to increased accountability by auditee management.

The number of audit committees that interacted with senior management, accounting officer or authority and the executive authorities has increased to 396 (91%) from 375 (89%) in 2014-15.

We are however concerned that at some auditees the audit committees champion the view of management against the auditor without fully understanding or interrogating the facts. Audit committees should ensure that management fulfils its responsibilities. The committee should remain independent and fully apply their knowledge and experience in fulfilling their very important assurance role.

Treasuries, offices of the premier and departments of planning, monitoring and evaluation (coordinating or monitoring departments)



At national and provincial levels there are departments that play a coordinating and monitoring role as defined in legislation and in their mandates, which should contribute to the overall assurance process. These departments are the offices of the premier, provincial treasuries, the National Treasury and the Department of Planning, Monitoring and evaluation (DPME). The impact of these departments on the controls of the auditees was assessed based on interactions with the departments, commitments given and honoured and the impact of their actions and initiatives.

In our assessment, the majority of the departments were providing some assurance through their coordinating and monitoring functions. Two provincial treasuries (Free State and KwaZulu-Natal) only provided some assurance in 2015-16 while they provided the required level of assurance in 2014-15. The level of assurance provided by the Free State Office of the Premier also regressed in 2015-16 from providing some assurance in 2014-15 to limited or no assurance. A summary of the assessments follows, but a more detailed view on the provincial role players is provided in the provincial overviews. We also include a view on the role of the DPSA although we did not assess the assurance level.

Offices of the premier

The nine offices of the premier are responsible for specific coordinating functions and the provision of strategic direction within their respective provinces. The assessment of assurance is based on the actions taken by the offices of the premier and the support provided to the provincial departments and public entities to achieve good governance and clean administration in their provinces.

The assurance provided by most offices of the premier was similar to the previous years. The most notable exception being the Free State, where the assurance provided regressed from some assurance in the previous year to limited assurance in the year under review. This regression, after an improvement in the previous year, is attributed to a change in attitude towards the implementation of audit recommendations, where auditees pushed back on audit findings instead of addressing their root causes. As a result, the audit outcomes of the Free State regressed.

As in the previous years, Gauteng and the Western Cape were the only provinces that provided the desired level of assurance.

In 2015-16 we placed specific focus on the offices of the premier's ability to monitor and evaluate the performance information prepared and reported on by departments and public entities within their provinces. Our audits focused on the structures and capacity in place at the offices of the premier to perform the monitoring and evaluation function, the existence of policies and procedures relating to the monitoring and evaluation of performance information and the provision of training and guidance to departments and public entities relating to the preparation of strategic plans, corporate plans, annual performance plans, quarterly reports and APRs.

Only Limpopo and Mpumalanga had findings in the above areas. Limpopo's findings related to the lack of policies and procedures to guide the monitoring and evaluation of performance information and the lack of an effective organisational structure to perform monitoring and evaluation, while Mpumalanga had findings relating to the lack of an organisational structure and capacity available to perform monitoring and evaluation.

National Treasury and provincial treasuries

The Western Cape, Northern Cape and Gauteng treasury offices provided the level of assurance required to impact positively on the credibility of the provinces' financial statements and their compliance with legislation. The remaining six provincial treasuries were assessed as providing some assurance in this regard. The provincial overviews provide detail of these assessments.

In our assessment, the treasury offices provided some assurance. Support, monitoring and enforcement are provided to auditees through frameworks, guidance and assistance, some of which are linked to the audit outcomes and service delivery of government. However, the effectiveness of these interventions varies among the respective treasury offices and requires refinement at some offices.

Regarding audit outcomes, the areas within the National Treasury's sphere of influence are primarily to ensure the stability and reliability of the financial system and financial services, manage the budget preparation process and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities.

The National Treasury continued to be instrumental in strengthening the credibility of financial and performance information, including compliance with the PFMA and improved governance, but greater impact on the overall audit outcome is expected. The Office of the Accountant-General, responsible for accounting and PFMA-related guidance and support experienced significant pressure from auditees to resolve technical matters and disputes with our office. They did not always respond timeously and with sustainable or technically correct advice and guidance, which placed additional strain on the audit process. A way forward for upcoming audit cycles was agreed and we are confident that this will be resolved. The Office of the Chief Procurement Officer (OCPO) continued to improve the processes, systems and guidance on SCM and we foresee improvement in SCM in the upcoming years. The OCPO has also been instrumental in resolving complex SCM-related disputes with auditees and the cooperation between our office and OCPO will benefit us in continuously improving our audit processes.

The National Treasury implemented the following initiatives to support and exercise oversight:

- Developed a strategic procurement framework for government, tailored to the needs of different forms of procurement.
- Drafted good practice guides to support the newly introduced strategic sourcing methodology.
- Developed sourcing strategies for identified commodities or procurement categories, including mobile communications, fixed line communications, travel and accommodation and medical equipment.
- Established and went live with a central supplier database system for the whole of government.
- For purposes of establishing a national procurement system, identified strategic transversal term contracts for centralisation of various sectors such as Health and Education.
- Negotiated and concluded corporate agreements with selected airlines and major hotel groups.
- Developed an SCM human capital development framework and job specification framework.
- Implemented the public finance management capacity development strategy as forming the basis for SCM capacity building, including SCM human capital development.
- Following the establishment of a programme management office for the IFMS project, signed off the IFMS governance strategies.
- Refined and expanded the questions to assess the financial health of departments, constitutional institutions and public entities listed in schedule 3A and 3C of the PFMA, using the financial management capability maturity model (FMCMM) to improve its relevance.
- Completed the revision of the Treasury Regulations for publication in the *Government gazette* following approval by the minister.
- Developed a guideline on the role of internal audit in financial statements.

The National Treasury is committed to continue with the following initiatives to improve public financial management, accounting and reporting:

- Financial management: with the programme management office having been established with governance structures being put in place, the IFMS project is underway.

- Financial management: following the revision of Treasury Regulations, the continued roll-out of financial management products, as well as capacity building in the whole of government, remains a priority.
- Financial management: although a number of support plans have been developed to assist targeted departments and entities in financial distress, continued support is being provided to address financial management weaknesses.
- Procurement reform: following the SCM initiatives listed above, transforming government procurement to make it more cost-effective, transparent and equitable remains an area of significant importance.
- Overhauling SCM systems: in response to SCM initiatives, the review of SCM policies to ensure a simplified and modernised SCM environment in government is underway.

Department of Planning, Monitoring and Evaluation

In our assessment, the DPME provides the required level of assurance. The department provided support and guided planning processes in government by using a range of planning frameworks, including the regulatory frameworks for strategic plans, annual performance plans and programme plans.

The DPME has played a positive role in improving the performance of government as a whole and ensured that government plans and programmes were responding to the NDP priorities and that their implementation was closely monitored and evaluated. To this end, the DPME has embarked on a strategy review process that also involves the creation of requisite capacity to carry out its work.

There are no specific commitments from the DPME with regards to their oversight role. The DPME, as the custodian of the planning function in government, implemented the following activities or initiatives:

- Assess the alignment of the strategic plans and annual performance plans of government departments to the NDP and the MTSF.
- Monitor the quality of management practices at departments through the management of performance assessment tool.
- Manage the presidential hotline (a channel for citizens to seek redress when service delivery fails).
- The DPME also worked with the National Treasury to ensure that departments’ budgets reflect the commitment to the NDP Vision 2030 and the MTSF 2014-19.

The department highlighted the following as key areas, which are linked to the audit outcomes, going forward:

- Monitoring and reporting on the 30-day payment commitment.
- Ensuring that sector plans for strategic sectors are developed and implemented.
- Monitoring the performance and effectiveness of state-owned enterprises in directing their resources towards the country’s development goals and objectives.
- Alignment of the national budget to key priorities.

Department of Public Service and Administration

In relation to audit outcomes, the areas within the DPSA’s sphere of influence are primarily the following:

- Human resources: establishing norms and standards relating to skills, capacity, vacancies and performance management.
- Information technology: managing and overseeing IT policy and planning in the public sector.
- Compliance with legislation by departments: establishing regulations and codes of conduct regarding integrity, ethics, conduct and anti-corruption in the public service.

With the introduction of the NDP the DPSA was tasked with outcome 12 to ensure that the public service is capable, efficient, effective, responsive and accountable.

The DPSA implemented the following initiatives to support and/or oversee provincial government:

- The Public Service Regulations issued in terms of the Public Service Act, 1999 (Act No. 103 of 1994) became effective on 1 August 2016 and further regulates government employees who conduct business with an organ of the state.
- The approval of a centralised pool of labour relations officials resulted in a significant reduction in the turnaround time to resolve disciplinary cases at national and provincial departments. The number of

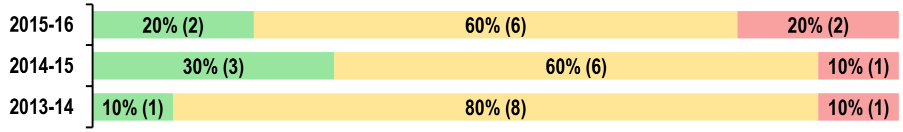
departments that use the centralised pool of labour relations officials however still remains relatively low.

- The approval of a mentoring and peer support framework by the minister of Public Service and Administration in March 2016, which seeks to enable individuals to develop through the transfer of knowledge and skills from peers.
- The competency assessments developed by the DPSA indicated that the competencies of financial management, people management and empowerment still required attention in government.
- The usage of the e-Disclosure system for financial disclosures by public service senior managers continued to gain momentum in 2015-16.
- The DPSA collaborated with the DPME to include the self-assessment of human resource compliance in the management performance assessment tool to monitor compliance with the human resource and ICT governance framework by individual departments.
- The minister of Public Service and Administration issued letters to other ministers highlighting areas of non-compliance with the Public Service Act and Regulations as provided for in section 16A of the Public Service Act.

The DPSA introduced a significant number of measures to assist government departments to professionalise the public service. There were however still key challenges in the human resource and ICT environments that should be improved to ensure a capable, efficient, effective, responsive and accountable public service. The following bear reference:

- The DPSA issued a directive on compulsory capacity development, mandatory training days and minimum entry requirements for government in November 2014 but the implementation date was amended to 1 April 2020. This was mainly due to the unavailability of public service specific qualifications for senior management.
- The position of the Office of the Government Chief Information Officer (OCGCIO) at the DPSA was still not filled as reported in the previous year. The instability in this position impacted on the implementation or finalisation of standards, guides or procedures to be issued to the departments. In addition, this impacted on the lack of improvement in the IT control environment within government, as the majority of departments were still struggling with the implementation of the Corporate Governance of Information and Communications Technology Policy Framework (CGICTPF).
- The lack of adequate understanding and involvement in the strategic alignment of business strategies against IT-driven initiatives by the majority of Gitos in government remained a challenge.
- The responsibilities and coordination of roles in terms of designing the required government ICT norms and standards between the DPSA, the Department of Telecommunications and Postal Services, and Sita were a challenge and overlapping as all the three organs are expected to perform these as per their mandates. This makes it difficult to enforce accountability and consequence management in the areas where these have not been achieved.
- The Minimum Interoperability Standards (MIOS) and Minimum Information Security Standards (MISS) were still not approved and revised accordingly, and therefore not aligned with best information security practice.
- The ICT controls in government had improved significantly from 2014-15 to 2015-16 as presented in section 5.3. However, there were still a significant number of departments and public entities with findings that were of concern and required intervention.

Public accounts committees



In our assessment, the majority of the public accounts committees (PACs) were providing some assurance over the three years with only the PACs from the Western Cape and the national Standing Committee on Public Accounts (Scopa) providing the required level of assurance. The PACs of two provinces (Free State [remained unchanged from previous year] and Limpopo [regressed from providing some assurance in 2014-15]) provided limited assurance in 2015-16. A summary of the assessments follows, but more detail is provided in the provincial overviews, section 9.

National Standing Committee on Public Accounts

Scopa has a normative responsibility to oversee the expenditure of public funds. The committee uses various mechanisms to discharge its oversight responsibilities. The committee conducts oversight in the following ways:

- Hold public hearings with departments and public entities.
- Undertake oversight visits to various departments to satisfy itself on the progress made on various high funded projects.
- Request progress reports from departments on specific matters of interest.
- Request specific briefings by public institutions on expenditure of public funds to enhance public trust on the financial affairs of government.

Although Scopa provided the required level of assurance for the year under review, there was an improvement in its oversight drive to ensure adherence to astute financial management. We credit the committee for undertaking the following key initiatives:

- Elevating the importance of consequence management by facilitating a briefing session with the anti-corruption task team, where an extensive briefing was provided on the state of disciplinary cases undertaken in the public service.
- Intensifying and advocating for the importance of accountability by accounting officers, as required by section 38 of the PFMA. Through this intensification, the committee has taken a big stride in seeking accountability at the appropriate echelons of the public service.
- Strengthened ties with the office of the chief procurement officer, with the view to deepen the understanding of matters relating to unauthorised, fruitless and wasteful expenditure that result from not adhering to proper procurement processes by departments.
- Intensely surfaced the undesirable trend of the late payment of suppliers by government departments, a norm that is outside the required statutory period of 30 days. This has led to a positive response by cabinet in a statement released on mid-September 2016.
- Institutionalised the practice of prioritising follow-up hearings with departments that have shown slow progress towards good audit outcomes.

Through the above initiatives, Scopa has achieved the desired impact that has seen exponential publicity and public interest in the issues they have raised.

Recently, the cabinet made a statement seeking to intensify matters relating to the late payment of suppliers. The session held with the anti-corruption task team on consequence management has been institutionalised to take place quarterly. The improvement experienced by Scopa is as a result of their enthusiasm to initiate oversight means to address the findings raised by the AGSA.

Scopa has also attracted political interest from ministers who voluntarily attend hearings to gain better understanding of the departmental challenges. The insight gained from Scopa enhances the ministers' oversight of their departmental affairs.

The committee needs to advocate for an opportunity for its reports to be debated in the House. It is understood that they were unable to do so this year, owing to the long break experienced because of the local government elections.

Provincial public accounts committees

Provincial legislatures have a constitutional mandate to oversee executive action in their respective provinces. Oversight is generally conducted through committee's mechanisms such as hearings, oversight visits and sending written questions to the provincial executives. For the year under review, there has been notable improvement in the oversight activities by provincial PACs.

The following positive key areas were noted on PACs:

- The majority of the PACs called on accounting officers to account publicly with relevant questions on issues raised on internal controls, with the exception of the Limpopo PAC which did not hold public hearings. This has been noted with concern as it may erode public confidence.
- An extra ordinary effort was further demonstrated by Gauteng to ensure continued robust interactions by members of the PAC and also holding the MECs and the heads of department accountable – a practice worth replicating across the board.
- There has been observed cooperation between PACs and portfolio committees, where joint hearings were held. KwaZulu-Natal and Gauteng have institutionalised this practice with a certain level of success.
- Resultant from the joint hearings, portfolio committees were able to follow up on issues raised during the Scopa hearings as part of their in-year monitoring.

- There has been a low level of committee recommendations tabled to the House; as a result there was a lack of ownership of the resolutions by departments. Almost all provinces were lacking in this regard, with the exception of Gauteng and the Western Cape where there has been success in this area of oversight.
- The PAC of North West in particular has made effective use of its resolution tracking mechanism to fast track departmental responses to the issues raised by oversight committees; while all other provinces did not have a system in place.
- It is also encouraging to note that portfolio committees were strengthening their oversight responsibility by holding accounting officers accountable. This trend mirrors the AGSA message of ensuring accountability at an appropriate level.
- Limpopo is the only province where the PAC was inactive. This worrying development renders accountability in that province a challenge.

Overall, there has been a great deal of improvement in the assurance provided by PACs across the spectrum, with the exception of Limpopo. The majority of Scopas still provide some level of assurance because of the following key challenges:

- An effort should be made to fast track the establishment of a proper resolutions mechanism across the provincial legislature spectrum. Such a mechanism will enhance the level of impact of all oversight committees.
- Where the resolutions were tabled in the House, there is a need to institutionalise the practice of debating reports, to facilitate public knowledge and elevate the issues that committees have raised.
- While the tracking of resolutions has to be undertaken by the House, there is a need for an institutionalised feedback mechanism that will provide a sense of progress to committees once the House has tracked its resolutions.

In order to improve and sustain audit outcomes, PACs require systems and processes to be in place to monitor and follow up on the implementation of the recommendations and House resolutions. In order to affect this, key consideration has to be placed on urging the speakers to establish such processes.

Association of Public Accounts Committees

The Association of Public Accounts Committees (Apac) is an association made up of the PACs from the nine provincial legislatures and the one from the National Assembly (Scopa). All PACs provided quarterly reports on their progress in monitoring identified sector departments (Education, Health and Public Works). This was in keeping with Apac's commitment to the auditor-general (AG) that all PACs would closely monitor these departments.

It is encouraging to note that Apac organised decentralise capacity building programmes and provided an opportunity for the AGSA to train on 'audit of predetermined objectives'. This was motivated by the understanding that even though the AGSA does not audit service delivery – the insights gained from audit of predetermined objectives would assist oversight structures to monitor service delivery from a planning and performance perspective.

At its recent bi-annual conference, the AG delivered a paper entitled *Dealing with SCM challenge and consequence management*. The theme of the conference was: 'Consolidating the 22 years' gains of oversight: Accelerating public accountability'. Essence of this paper was to provide a closer look at the key SCM challenges and consequence management and how these could be enhanced to provide much needed impetus in accelerating public accountability. The following key findings were highlighted at the conference:

- There is lack of capacity in PAC and MPAC members in enforcing consequence management.
- There is a culture of neglecting audit committee findings by accounting officers.
- No consequence management for senior management service staff. Only lower level staff is subjected to disciplinary processes.
- Staff caught for wrong doing resign and get employed elsewhere within the public service. This exposes the government to a greater risk as these individuals continue to misuse public funds and flout key legislation without any deterrent.
- The role of speakers in enforcing House resolutions needs to be strengthening.
- There is generally poor resolution tracking mechanism by legislatures.

The following resolutions were adopted for implementation by all PACs and Scopa:

- That PACs and MPACs should have focused oversight practices that will address SCM and consequence management challenges for the next 24 months.
- APAC must strengthen relations with speakers’ forum and introduce mechanisms of tightening tracking of resolution implementation.
- PACs to cooperate with portfolio committees and MPACs towards enhancing consequence management across all spheres.
- PACs and MPACs should enforce accountability to those who are in the executive in all spheres of government.
- PACs and MPACs should ensure that the National Treasury register of blacklisted officials and companies is kept up to date.

Portfolio committees

In our assessment of the portfolio committees, 42% provided the level of assurance required. Most of the portfolio committees in the Free State, Limpopo and North West only provided limited or no assurance during the year under review.

As 2014-15 was the first year of the fifth Parliament we focused last year on capacitating portfolio committees and embedding the role the committees should play as assurance providers. We thus did not formally assess the committees in 2014-15.

A summary of the assessments follows, but more detail is provided in the portfolio overviews (section 8) and provincial overviews (section 9).

National portfolio committees

Portfolio committees are required to assess the strategic and annual performance plans of departments and public entities in order to effectively fulfil their oversight role. They enjoy a unique opportunity to actively oversee departmental actions throughout the financial year by holding public hearings and using other oversight mechanisms. For the year under review, the following initiatives were noted regarding portfolio committees:

- During the 2016 *Annual performance plan* (APP) briefings, portfolio committee chairpersons afforded the AGSA an opportunity to share its preliminary findings on the departmental APPs. These briefings empowered committees to have meaningful hearings with departments before the tabling of the APPs.
- There has been a notable trend where portfolio committee leadership specifically sought AGSA verification of information provided by departments, especially on matters of public interest such as the status of water service delivery. This trend signified an important shift in the oversight space as it cemented the committee’s quest for proper accountability.
- We have also seen intensity in the portfolio committees demanding accountability on issues of unauthorised, irregular and fruitless and wasteful expenditure, most notable in line with ensuring that there is no wastage of public funds owing to the difficult economic situation of the country.

Overall, the majority of portfolio committees were able to follow up on audit findings raised by the AGSA during the in-year monitoring process.

Provincial portfolio committees

The overlapping membership of provincial portfolio committees and PACs with effort of holding joint hearings has enabled a symbiotic relationship between the two committees. In provinces such as Gauteng, Northern Cape, and KwaZulu-Natal, there have been pockets of excellence where follow-up on action plans of departments has been successful through such collaboration. Provinces such as the Free State and Limpopo have not experienced much success in this regard.

There is a need for a uniformed oversight processes for portfolio committees across the board, notable to schedule their activities according to the key oversight intervals of the legislatures. This will bring into effect the aspirations of effective oversight outlined in the legislative sector oversight model.

5.5 Conclusion

The main root causes of auditees’ continuing challenges with regard to financial and performance management, as described in the preceding sections, are as follows:

Slow response to improve internal controls and address risk areas

Management (accounting officers and senior management) did not respond with the required urgency to our messages about addressing risks and improving internal controls. In our assessment this was the root cause of the audit outcomes at 222 (73%) of the 304 auditees that did not obtain clean audit outcomes.

The slow response by executive authorities and oversight structures (Scopa and portfolio committees) also had an impact on outcomes, but to a lesser degree at 21% for the executive authorities' response and 4% for oversight structures' response.

Our message and its delivery have been consistent for a number of years, but the slow response to this message and to the initiatives taken by national and provincial government is standing in the way of improvements in audit outcomes.

Inadequate consequences for poor performance and transgressions

As discussed in section 3.2.4, most auditees had mechanisms in place for reporting and investigating transgressions or possible fraud, and investigations were conducted which at some auditees led to consequences for transgressors. As per section 5.2, the performance contracts of key officials at most auditees are linked to audit outcomes, which means poor audit outcomes should have the required consequences.

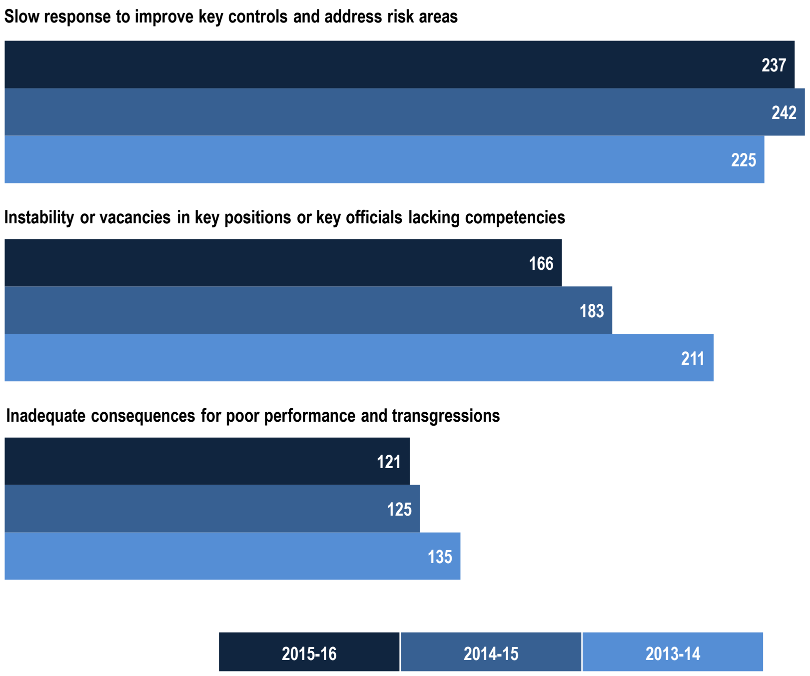
However, in our assessment the inadequate response to the transgressions and poor performance by officials at 121 (40%) auditees was the root cause of their poor audit outcomes.

Instability or vacancies in key positions or key officials lacking appropriate competencies

The stability and vacancy levels in most key positions have shown some improvement, but they were still prevalent enough to affect the rate of improvement in audit outcomes at 116 auditees (38%). Key officials that lack appropriate competencies were identified as a root cause at 26% of auditees that did not obtain clean audit opinions.

Our message on these three root causes has remained constant since 2013-14. Figure 1 shows the progress made by auditees in addressing these three root causes over this period.

Figure 1: Status of overall root causes



As illustrated in figure 1, there has been some improvement in the response to root causes in the previous year, while there has been a reduction since 2013-14 in the auditees where instability, vacancies, competency gaps and inadequate consequences were identified as the root causes of poor audit outcomes.

A Annexure 2 lists the auditees and the status of the overall root causes.

6 Outstanding audits

6. Outstanding audits

We set the cut-off date for inclusion of the audit outcomes in this report as 12 August 2016. By this date 27 audits were not completed, which makes up 6% of our total audits. This is slightly less than the 28 audits that were outstanding at the same time last year (23 audits were subsequently finalised). Twenty-three of these auditees were either national departments or public entities – the ministerial portfolios in section 8 provide further information on the outstanding audits.

Tables 1 and 2 provide detail on the reasons for the audits not being finalised. The main reasons were:

- non-submission of financial statements (four auditees)
- late submission of financial statements (eight auditees)
- information for audit was outstanding (nine auditees)
- related to audit process (two auditees)
- disagreement on accounting and other matters (four auditees).

In finalisation of a number of these audits we experienced pushback from auditees where they disagreed with our findings and conclusions. It is acceptable that auditees question and challenge the outcome of audits, based on evidence and solid accounting interpretations or legal grounds. However, in a number of cases management and even audit committee chairperson put pressure on the audit teams to change conclusions purely to avoid a negative audit outcome, without having the grounds to do so. And typically such pushback happens in the last few weeks of the audit, when it becomes apparent what the overall outcome will be – even if the findings have been communicated throughout the audit process and even from previous years. Legal action is often threatened.

This is a worrying trend we also observed in our other audits, which is eroding the relationships between auditees and auditors and creating pressure on the audits.

This trend can be reversed if accounting officers fully and correctly address previous year findings and react to new audit findings and recommendations earlier in the audit process. We also need the Office of the Accountant-General to play a more proactive role in resolving these disputes as also mentioned in section 5.4.

Table 1 lists the 18 audits that were not completed by the date of this report and provides the reasons for late finalisation.

Table 2 includes the nine audits that were finalised after 12 August – it provides the reasons for the late finalisation, the outcomes of the audit and the irregular and fruitless and wasteful expenditure incurred.

The irregular and fruitless and wasteful expenditure incurred by these nine auditees, in particular the Passenger Rail Agency of South Africa, was so significant that we included it in the analyses in section 3.2.1 and 3.2.2 of this report.

Table 2: Outstanding audits

No.	Auditee	Portfolio / province	Reason
1 2	Orbit TVET College Vuselela TVET College	Higher Education and Training	The auditees submitted financial statements late as they lacked systems and documentation
3	Sedibeng TVET College	Higher Education and Training	The auditee submitted the financial statements late – on 29 July 2016 – because the chief financial officer's contract was terminated and the council did not approve the financial statements over concerns over their quality. Consultants were appointed to prepare the financial statements for auditing
4	East Cape Midlands TVET College	Higher Education and Training	The 2014-15 audits were finalised late due to significant disagreements with management over accounting matters. As these audits had to be finalised before the submission of subsequent financial statements, the 2015-16 financial statements were delayed
5	South West Gauteng TVET College	Higher Education and Training	The auditee's loss of data caused the non-submission of the financial statements. The auditee appointed a consultant to prepare the financial statements
6	National Institute for the Humanities and Social Sciences	Higher Education and Training	This institute is a new higher education institute established in terms of the Higher Education Act in 2013 and has been audited for the first time. We received the 2016 financial statements on 29 July 2016, after the 2015 financial statements were audited
7	Department of Home Affairs (DHA)	Home Affairs	The AGSA and National Treasury disagreed on the accounting treatment applied by the DHA to account for foreign revenue. The resolution required adjustments to the department's financial statements and the department needed additional time to reconcile information on expenditure from foreign operations and movable tangible capital assets and intangible assets. This department's audits have been finalised late for the past five years
8	Department of Transport	Transport	The department did not account for e-Natis assets due to litigation with the service provider and was obtaining a technical opinion on the accounting implications of this on its financial statements
9	Department of Environmental Affairs (DEA)	Environmental Affairs	The DEA disagreed with the AGSA and National Treasury on the application of the Modified Cash Standard regarding the accounting treatment for the expanded public works programme (EPWP) projects. The resolution required adjustments to the department's financial statements and as such DEA has been provided with an opportunity to make the required amendments to their financial statements.
10	Municipal Infrastructure Support Agency	Cooperative Governance	On reviewing the audit work that was contracted to a private firm, we found that the quality requirements were not met. To satisfy ourselves that the audit conclusion is correct, the audit report has been delayed
11	National Radioactive Waste Disposal Institute (NRWDI)	Energy	The minister of Finance declined the NRWDI's application for exemption from submitting financial statements. The NRWDI is therefore required to compile and submit for auditing financial statements for 2014-15 and 2015-16 which, to date, it has not submitted
12	Government Technical Advisory Centre (GTAC)	Finance (National Treasury)	The AGSA and GTAC disagreed on disclosures of irregular expenditure made in GTAC's financial statements. The resolution requires adjustments to GTAC's financial statements and management has requested additional time to submit supporting documentation
13	Compensation Commissioner for Occupational Diseases (CCOD)	Health	The CCOD has not prepared the financial statements since 2010-11 because it lacked systems and processes to generate financial statements. The auditee is expected to submit the financial statements between October 2016 and October 2017

No.	Auditee	Portfolio / province	Reason
14	South African Express Airways	Public Enterprises	Information or documentation relating to critical line items on the financial statements was not provided for auditing on time. In addition, the entity's ability to continue operating as a going concern was still being assessed because the entity did not agree with certain material misstatements identified by the auditors
15	The Property Management Trading Entity (PMTE)	Public Works	Functions were transferred from the Department of Public Works to PMTE in 2013-14. As a result, the entity applied the transitional provisions of Grap directive 2 to measure the assets transferred. Management and the Accounting Standards Board disagreed on the interpretation of directive 2, which was only resolved in September
16	Free State Political Party Fund	Free State	Political parties delayed submitting their financial statements to the fund for consolidation, which led to the fund submitting its financial statements late. The 2014-15 audit was completed after the cut-off date for inclusion in this report. The 2015-16 financial statements have not yet been prepared
17 18	Ithala Development Finance Corporation Ithala Limited	KwaZulu-Natal	On 22 September 2016, the minister of Finance agreed to extend the Ithala Bank's banking licence exemption until 30 September 2017. However, as the reports can only be finalised after the official letter has been received from the South African Reserve Bank, we could not conclude on their going concern and the audit opinion has not been finalised

Table 2: Audits subsequently finalised

Number	Auditee	Portfolio / province	Reason for late finalisation of audits	2015-16 audit outcomes			2014-15 audit outcomes			2015-16 irregular and fruitless and wasteful expenditure		2014-15 irregular and fruitless and wasteful expenditure	
				Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
1	Airports Company South Africa (Acsa)	Transport	Acsa embarked on an intensive asset verification project for the 2015-16 financial year, which could not be completed on time for the submission of financial statements within the legislated deadline. The audit was finalised on 5 September 2016	🟨	R	R	🟨	N	N	134,14m	18,87m	230,03m	12,57m
2	Passenger Rail Agency of South Africa	Transport	Investigations of SCM contracts and accounting for irregular expenditure in the financial statements could not be finalised within the legislated deadline. The audit was finalised on 18 August 2016	🟨	N	R	🟨		R	13 970,91m	255,32m	550,57m	19,91m
3	The South African Nuclear Energy Corporation (Necsa)	Energy	There was a disagreement between Necsa and the Department of Energy (DoE) on who should account for the decontamination and decommissioning (D&D) liability related to the operational strategic nuclear facilities at Necsa. Based on a legal opinion from senior legal counsel, the minister of Energy instructed Necsa in April 2016 to disclose the decontamination liabilities which means that Necsa should account for all D&D liabilities not only the operational strategic nuclear liabilities, but also for the historical strategic nuclear facilities. Necsa therefore requested an extension to submit their financial statements and submitted the financial statements for both the 2014-15 and 2015-16 financial years on 25 July 2016. The audits for 2014-15 and 2015-16 were finalised on 20 September 2016	🟨		R	🟨		R	43,64m	1,02m	33,79m	0,17m
4	Northern Cape Economic Development, Trade and Investment Promotion Agency	Northern Cape	New information was submitted late by the auditee to address the previous year qualification on revenue and fixed assets. The audit was finalised on 8 September 2016	🟨	R	R	🟪	R	R	0,07m	0,08m	0,65m	0,03m
5	Department of Cooperative Governance	Cooperative Governance	The audit was delayed in order to appropriately conclude on a fraud risk detected during the audit. The audit was finalised on 9 September 2016	🟪	R	R	🟨	R	R	482,28m	-	155,38m	-

Number	Auditee	Portfolio / province	Reason for late finalisation of audits	2015-16 audit outcomes			2014-15 audit outcomes			2015-16 irregular and fruitless and wasteful expenditure		2014-15 irregular and fruitless and wasteful expenditure	
				Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
6	South African Post Office (Sapo)	Telecommunication and Postal Services	Sapo submitted the financial statements for the 2015-16 financial year after the legislated 31 May 2016 due to a lack of skills and number of resignations within the finance unit after year-end. The auditee required more time as there was still a number of adjustments required to the financial statements in respect of taxation (where consultants were sourced), pension and provident fund information, heritage asset verification was still incomplete, provision for the possible divisionalisation of the Courier Freight Group and clearing accounts in Postbank. The audit was finalised on 19 September 2016	🟪	R	R	🟪	R	R	127,10m	7,05m	363,21m	53,86m
7	Ingonyama Trust Board (ITB)	Rural Development	The ITB formed a separate trust, namely the Ingonyama Trust entity in 1998, which required separate financial statements for the Ingonyama Trust to be prepared based on enabling legislation. Management and the board of the ITB were of the view that separate financial statements should have been prepared for the Ingonyama Trust, but did not exclude the trust from the financial statements submitted for auditing. The board requested that the corrected financial statements be resubmitted during the audit process based on material misstatements that were identified, which were not permitted based on the agreed audit terms of engagement. Subsequent to several engagements with the board and management, it was agreed that the ITB did not maintain accurate and complete reconciliations for the trust account, which pervasively impacted on the fair presentation of the ITB financial statements. The audit was finalised on 26 September 2016	🩷		R	🟪	A	R	3,12m	-	2,02m	-
8	Motheo TVET College	Higher Education and Training	The 2014-15 audit was only finalised on 9 May 2016 as a result of late submission of the financial statements, which delayed the 2015-16 audit. The audit was finalised on 25 September 2016	🟥		R	🟥		R	-	-	-	-

Number	Auditee	Portfolio / province	Reason for late finalisation of audits	2015-16 audit outcomes			2014-15 audit outcomes			2015-16 irregular and fruitless and wasteful expenditure		2014-15 irregular and fruitless and wasteful expenditure	
				Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
9	Independent Development Trust (IDT)	Public Works	The IDT received a disclaimed opinion in 2014-15 and material findings in the same areas resulted in a disclaimer opinion being concluded upon for the 2015-16 financial year. The audit was delayed as a result of management's unwillingness to accept the disclaimer of opinion. Although the opinion itself and the supporting findings were not disputed by management as well as the board, they believed that additional time (two weeks to a month) was required to address material findings that resulted in the disclaimer which would at least move them to a qualification. A request for an extension on the 31 July deadline was submitted by management during the last week of July 2016. Management was given the opportunity to submit updated financial statements; however, upon further testing material findings were still raised. Subsequent to the additional testing, the audit report was signed on 2 September 2016 and the disclaimer opinion accepted by management, the board and audit committee as a reflection of the status of their financial management and accounts	🟥	R	R	🟥	N	R	6,08m	4,89m	14,98m	0,25m

Legend (audit outcomes)	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings

Addressed (A)	New (N)	Repeat (R)

7 Recommendations

7. Recommendations

All role players in national and provincial government should continue to work together to strengthen the capacity, processes and controls of departments and public entities, which will enable credible financial and performance reporting, compliance with key legislation, sound financial management and delivery of services. The recommendations that follow are consistent with our messages for the past three years and also informed by the best practices in place at some auditees. They are grouped according to the drivers of internal control:

Leadership

1. In order to improve and sustain audit outcomes, auditees require **effective leadership** (political and administrative) that is based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the auditee.

   The following are some of the key aspects that should be considered:

   - Implement formal codes of conduct and regularly communicate their existence and continued applicability to officials.
   - Monitor key officials' performance regarding the maintenance of adequate systems of internal control that ensure credible monthly financial reporting, reliable reporting against predetermined objectives, and compliance with key legislation.
   - Establish clear lines of accountability.
   - Take corrective or disciplinary action against key officials for misconduct.
   - Honour commitments made to the AGSA for interventions in response to audit outcomes.
2. Policies and procedures should be applied fully to enable auditees to implement **consequence management** for officials who fail to comply with the applicable legislation, while appropriate and timely action must be taken against transgressors. A less tolerant approach should be followed by all parties, including those charged with governance and oversight, which will result in accountability being enforced and consequences instituted against those who intentionally fail to comply with legislation.
3. Executive authorities and accounting officers or authorities should ensure **stability in key senior management positions** specifically those of accounting officer, chief financial officer and heads of SCM unit. The ability to attract and retain competent officials remains a major challenge, but is key to consistent performance and a strong control environment.
4. Accounting officers and authorities should insist on **credible in-year reporting** on financial and service delivery performance and in particular on the progress and achievement of targets or key projects.

Financial and performance management

1. **Proper and timely record keeping** ensures that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Sound record keeping will also enable senior management to hold staff accountable for their actions. A lack of documentation affected all areas of the audit outcomes, including SCM. Senior managers should ensure proper record keeping so that records supporting financial and performance information as well as compliance with key legislation can be made available when required for audit purposes. They should also implement policies, procedures and monitoring mechanisms to manage records and make staff members aware of their responsibilities in this regard.
2. Controls should be in place to ensure that **transactions** are processed in an accurate, complete and timely manner, which in turn will reduce errors and omissions in financial and performance reports.

   Some of the matters requiring attention from senior management include the following:

   - Daily capturing of financial transactions, supervisory reviews of captured information and independent monthly reconciliation of key accounts.
   - Collect performance information at intervals appropriate for monitoring, set service delivery targets and milestones, and validate recorded information.
   - Confirm that legislative requirements and policies have been complied with before initiating transactions.
3. Accounting officers should ensure that auditees have mechanisms to **identify applicable legislation** as well as changes to legislation; assess the requirements of legislation; and implement processes to ensure and monitor compliance with legislation. **Compliance checklists** should be implemented as a tool to supplement policies and procedures. These will enable officials, supervisors and monitoring units (e.g. internal audit units) to independently check whether all legislative requirements are met in the daily transactional, management as well as SCM processes.
4. **Regular reports** to management and governance structures on compliance with key legislation, specifically in the area of SCM, will also promote awareness of legislative requirements and ensure that management deals with compliance in a regular and structured manner.

5. The implementation and monitoring of **audit action plans** are key measures to support financial management and governance.

   The matters requiring attention by accounting officers and senior manager include the following:

   - Devise action plans to specifically address the external and internal audit findings.
   - Assign clear responsibility to specific staff members to carry out action plans and ensure that the responsibilities assigned are executed effectively and consistently through monitoring.
   - Develop audit action plans early enough in the financial year to resolve matters by year-end.
   - Ensure that audit action plans address all three areas of audit outcomes, namely qualifications, findings on APRs and compliance with legislation.
   - Focus the actions to be taken on the root causes of findings, thereby ensuring that sustainable solutions are found.

6. Management should give focused attention to improving the **IT control environment.** The following actions should be taken:

   - Auditees should customise IT governance frameworks and structures for their specific environments to ensure that IT controls are governed appropriately. Policies, standards and procedures should be sufficiently documented, implemented and monitored for compliance. Continuous monitoring of the implementation and operating effectiveness of governance structures already established should be prioritised.
   - Management should ensure that service providers are monitored on a regular basis and that corrective actions are taken against them where deviations from the expected quality and standards are detected. A plan for the transfer of skills should be required when vendors bid for work at auditees.
   - Auditees should initiate user awareness campaigns to ensure that all users are aware of their roles with regard to security of the IT environment.

7. Management should ensure that the arrangements with **implementing agents** are clear in terms of responsibilities and deliverables, including the SCM principles to be followed and the accounting to be done, of the projects. The monitoring of their activities and deliverables should be improved.

8. The **financial position of departments** will only improve if expenditure is more effectively monitored in-year, as and when incurred (and not just when paid), and by improving systems to promptly account for liabilities incurred. At both departments and public entities, the process and controls to ensure effective **revenue collection and payments of creditors within 30 days** should receive attention.

9. Reducing the cost of services provided is part of the solution for **improved financial health** and we believe that more could be done with less if, among other cost-saving initiatives, a concerted effort is made to curtail the extent and costs of using external providers. The SCM process should be used effectively to procure goods and services from the best-qualified providers at the best price.

10. The capacity and capability of auditees **to plan, manage and report on service delivery** need urgent and increased attention. **Project management** is required for key projects to succeed and auditees should be guided and supported in a more focused manner in this regard.

Governance

1. Executive authorities, accounting officers or authorities and senior managers should **implement the recommendations** of internal audit units and audit committees and use the opportunity to interact with these structures to assist in improving governance and control.

2. Areas where these governance structures can jointly **make significant contributions** to the audit outcomes include the following:

   - Encourage senior management to submit regular financial and performance reports for audit committee review.
   - Assist with designing the audit action plan and monitor its implementation.
   - Review financial statements and APRs before submission for auditing to identify material misstatements.
   - Monitor the appropriateness and timeliness of actions taken by management in instances of known transgressions by officials.
   - Play a more active and effective role in tracking the progress made in implementing management commitments in respect of previously raised IT audit findings and in improving IT controls generally.

3. The audit committee chair needs to play a leading role in ensuring the committee remains focused on ensuring that **management fulfils its responsibilities.**

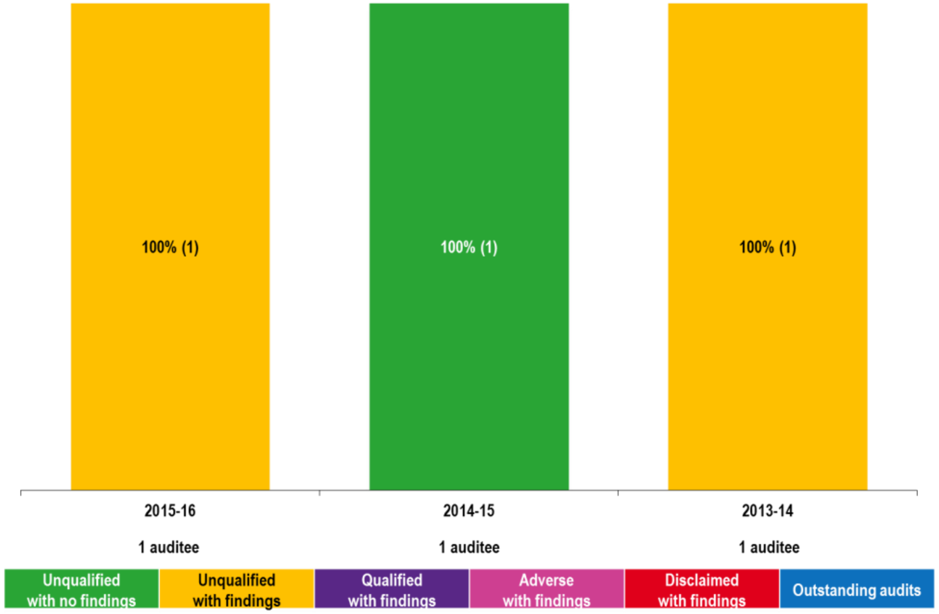
4. Departments that **oversee public entities** should ensure they receive credible in-year reporting on the financial health of the public entities and timeously intervene or provide support where problems are identified.

Our detailed recommendations on strengthening the support of coordinating or monitoring departments and oversight are included in section 5.6.

8 Ministerial portfolio overview

Vote 1: The Presidency

Three-year audit outcome



The Presidency regressed from the clean audit outcome received in 2014-15 to an unqualified audit opinion with findings on performance information and compliance with legislation in the 2015-16 financial year. Thus similar to the outcome received in 2013-14. The inability of the Presidency to have sustained their clean audit outcome is of particular concern given the expectation for the Presidency to lead by example and set the tone when it comes to exemplary financial and performance management and good governance.

Material adjustments had to be effected to the financial statements in the areas of current assets and disclosure items to achieve fair presentation and the resultant unqualified audit opinion. This occurred although we had emphasised that management should enhance the review of the financial statements based on the errors noted in the September 2015 interim financial statements. Additionally, at the conclusion of the previous year's audit we emphasised that management should intensify focus on preparing accurate and complete in-year financial statements to sustain the 2014-15 audit outcome. This recommendation was only partially implemented.

There was a regression from 2014-15, with material non-compliance with legislation reported as a result of material amendments to the financial statements subsequent to submission for audit purposes, suppliers not being paid within 30 days and non-adherence to SCM requirements. With the exception of suppliers not having been paid within 30 days, the remaining non-compliance matters were also reported in 2013-14. This is indicative of prevailing deficiencies in the system of internal control as it was incapable of sustainably preventing and detecting non-compliance with legislation.

The department disclosed irregular expenditure of R4 million as well as irregular expenditure under investigation of R6 million due to non-compliance with SCM prescripts and one instance of a payment that was not approved by a delegated official. Despite having failed to prevent irregular expenditure of R11 million in 2013-14, no irregular expenditure was incurred in 2014-15. Compliance with SCM requirements regressed in 2015-16 due to the non-promotion of local content and an invitation for a competitive bid that was not advertised for the required minimum period. The review and monitoring of compliance with SCM legislation were not effective in 2015-16 and going forward the Presidency must confirm on an ongoing basis that officials involved in SCM are abreast of all SCM requirements and how to accurately interpret and apply the legislative requirements. This, together with a preventative approach where compliance is established prior to concluding procurement transactions, will eliminate irregular expenditure.

The state of financial health at the Presidency improved due to the unauthorised expenditure incurred in previous years having been approved with funding. To this effect R43 million was received in the 2015-16 financial year and the department managed to eliminate the bank overdraft reported at the end of the previous financial year.

We noted a regression in the quality of the 2015-16 annual performance report as it contained material misstatements. Some of these misstatements were subsequently corrected; however, we could not confirm the reliability of the reported achievements due to a lack of sufficient and appropriate evidence. The Presidency adopted a new approach to measuring performance in the 2015-16 financial year where the focus shifted to intensively measuring the support provided to the principals instead of the previous practice to mainly measure the occurrence of certain events and meetings in line with predetermined calendars and schedules. However, the Presidency did not properly prepare for the change in approach and this resulted in the regressed outcome in this area.

The overall assessment of the IT environment remained unchanged. The Presidency nevertheless addressed previously reported shortcomings in the firewall configuration standards and developed an appropriate disaster recovery plan (DRP). However, a comprehensive DRP testing was not performed to ensure that critical services in the IT infrastructure environment like the domain, emails and documentation would be recovered during a disruption. The testing of the DRP is envisioned for the near future but due to this being a significant expense for the department and budgetary constraints currently being experienced, the procurement process was delayed.

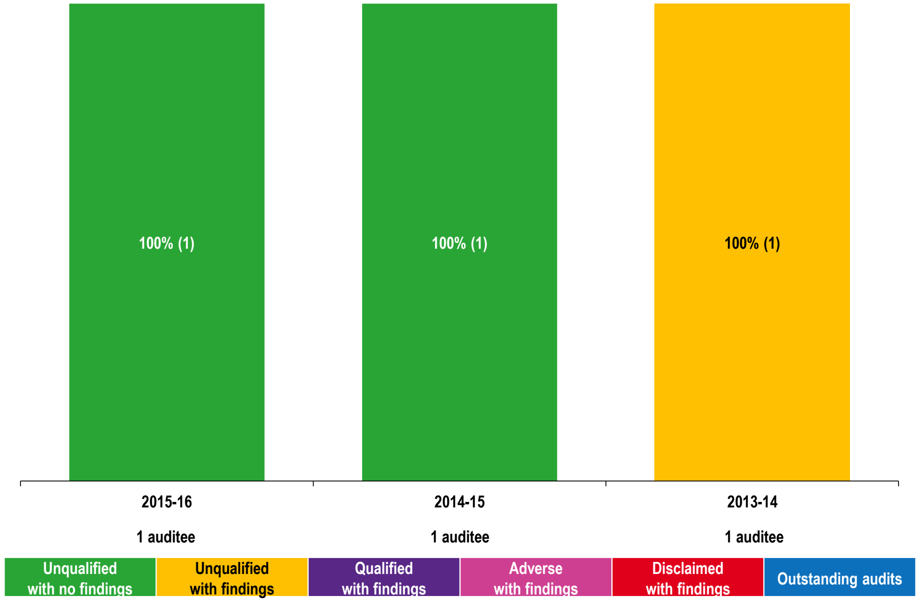
The assurance provided by the director-general, chief operating officer and senior management was not of the required level, which is evidenced by the non-compliance matters reported as well as the matters raised pertaining to performance information. The regression in the overall audit outcome is mainly attributable to the failure by these key assurance providers to timeously and conclusively address previously reported internal control deficiencies. The internal audit unit and audit committee provided the required level of assurance in line with legislative requirements; however, the department did not implement their recommendations in certain instances resulting in the inability to sustain the previous year's clean audit outcome.

The Presidency should, as a matter of urgency, take all steps necessary to regain a clean audit status in order to be in a position to set the right tone, lead from the front and set the appropriate example for their counterparts in government. To this effect we recommend that the overall control environment be strengthened to the point where controls are institutionalised and strong enough to ensure a sustainable clean audit outcome. Immediate corrective action should focus on addressing the specific matters that resulted in the regression in 2014-15 and we reiterate the importance of successfully implementing the following recommendations:

- Formalise the review of financial statements, including interim financial statements. Specific procedures to be performed in the review process and the officials responsible, including the internal audit unit, for performing them should be documented and adhered to. All officials involved in the preparation and review process should be updated on the latest developments and any changes required by the accounting framework at all times.
- Complete the SCM compliance review checklist prior to concluding any procurement transaction. This checklist should be reviewed and enhanced to ensure that it makes provision for all applicable compliance requirements, including local content.
- Improve the discipline surrounding the immediate follow-up and resolution of any disputes with service providers to avoid prolonged delays in paying affected service providers.
- Provide training to all officials on minimum documentation to be included in the portfolio of evidence to support the reliability of performance information. The adequacy of the portfolio of evidence must be confirmed as part of the review process of the quarterly reports. Any deficiencies noted should be addressed immediately after detection. This will enable the Presidency to submit an accurate and complete annual performance report, reflective of actual achievements during the year.

Vote 2: Parliament of the Republic of South Africa

Three-year audit outcome



The Parliament of the Republic of South Africa (Parliament) has sustained its audit outcome of unqualified with no findings of the previous year. This is because the leadership focused on monitoring the implementation of the action plan to address past audit findings and the related processes of performing an adequate risk assessment and addressing identified control weaknesses.

The overall quality of the financial statements submitted for auditing has improved compared to the previous year, mainly due to improved review of, and enhanced reconciling controls over, financial information before its inclusion in the financial statements. Although the financial statements were free of material misstatements, the following controls should be monitored to sustain a control environment that supports reliable financial reporting:

- Management should continue to enhance existing processes for reconciling and reviewing financial information supporting other disclosures in the financial statements.

We did not identify any material findings on compliance with legislation. However, the following controls should be strengthened to sustain a control environment that supports compliance with legislation:

- Management should enforce workflow processes to ensure that all invoices are paid within the prescribed 30 days of receipt.
- Management implemented the new SCM regulations as from April 2015; however, processes and controls around the SCM process should continue to be enhanced to sustain a control environment that supports compliance with the regulations. Irregular expenditure increased slightly from R569 000 in the previous year to R653 000 in the year under review. This is mainly attributed to non-compliance with procurement processes which was not considered material for inclusion in the audit report.

Although Parliament has a stable financial health environment, it had an operating deficit year on year while a net liability position was also realised due to an increase in the provision for post-retirement benefits for members of Parliament. These indicators should be monitored as they could pose sustainability challenges in the longer term. Our assessment indicated that these did not have a negative impact in the short to medium term due to adequate cash reserves.

The previous year's performance reporting action plans and commitments were not fully implemented, and the annual performance report was not adequately reviewed prior to submission for auditing. This resulted in Parliament submitting an annual performance report that contained material misstatements, which were subsequently corrected.

The following controls should be strengthened to establish and sustain a control environment that supports useful and reliable reporting on the performance of Parliament:

- Record management controls that properly maintain supporting documentation for the performance information contained in the annual performance report so that it can be easily retrieved.
- Consequence management measures where performance reporting action plans are not completely implemented.
- Effective oversight, by implementing action plans to ensure that quarterly financial and performance reports are tabled in Parliament within the legislated time frames.

- Monitoring of action plans by implementing processes to ensure that standard operating procedures are managed and implemented for all programmes.
- Systems for planning, collating, and reporting on, performance information.

Although Parliament has reasonable systems of internal control, we encourage them to continuously:

- improve effective human resource management controls
- develop standard operating procedures
- maintain proper records for reporting on predetermined objectives
- monitor the implementation of its action plans for internal control deficiencies reported.

The first level of assurance provided in the area of financial and performance reporting should be strengthened to avoid repeat audit findings. While there has been stability in the leadership of Parliament, the senior management vacancy rate of 29,41% is the same as that of the previous year because of the strategic austerity initiative to freeze certain posts.

Parliament has adequate controls over IT governance, IT service continuity, physical and environmental controls, problem and incident management, change management and user account management.

We did not meet with the executive authority in 2015-16; however, we assessed the executive authority as having performed their oversight functions adequately as evidenced by the sustained clean audit outcome. The executive authority should further ensure continuous monitoring of commitments made by the accounting officer to address audit findings and key controls to ensure the sustainability of the audit outcome.

The internal audit unit and the audit committee continued to perform their functions in accordance with their mandate.

The secretary to Parliament and management should continue to work towards improving the key controls, addressing previously identified root causes and ensuring that there are improvements in the key risk areas. This will provide assurance on the quality of the financial statements and performance reports.

The implementation of the above recommendations, coupled with the leadership's continued commitment to maintain and further improve the internal control environment, will ensure that the audit outcome is sustained.

Vote 3: Communications

Three-year audit outcome

This is a new portfolio established in the 2015-16 financial year. The following entities and department form part of this portfolio:

- The Media Development and Diversity Agency (MDDA) was under the Government Communications Information System (GCIS) portfolio in the previous year (vote 9).
- The South African Broadcasting Corporation (SABC) and Independent Communications Authority of South Africa (Icasa) were under the old Communications portfolio (which was changed to Telecommunications and Postal Services) in the previous year (vote 27).
- Brand South Africa (BSA) was under the Presidency portfolio (vote 1).
- The Film and Publication Board (FPB) was under the Home Affairs portfolio (vote 4).
- The Department of Communications (DoC) is a newly established department.

The overall audit outcomes of the entities that form part of the Communications portfolio improved. The improvement was a result of the BSA moving to a financially unqualified audit opinion with no findings. This improvement arose from effective oversight of their compliance with legislation. The GCIS maintained its financially unqualified audit opinion with no findings by producing credible and accurate financial and performance information quarterly, which was adequately reviewed by the oversight structures. The DoC also obtained a financially unqualified audit opinion with no findings by adopting the best practices from the GCIS. The SABC received a qualified audit outcome although it managed to address some of the material matters reported in the previous year. The material matters were addressed by making use of consultants. The SABC's control environment did not improve and remained weak. Icasa, the constitutional institution, received an unqualified audit opinion with other matters.

Although the overall audit outcomes improved, the annual financial statements of two entities that were submitted for auditing had material misstatements that were identified through the audit process. The MDDA relied on the audit process to produce credible financial statements, which resulted in an unqualified audit opinion. However, the SABC could only resolve some of the material misstatements identified during the audit process, which resulted in a repeat qualified audit opinion.

A poor control environment and significant vacancies at the senior management level resulted in poor oversight of compliance with applicable legislation at the SABC and MDDA. There was also a dependency on the work of service providers to resolve previous year qualification areas at the SABC. These resulted in material non-compliance in asset management, procurement and contract management, and in strategic planning and performance management. It is very important that the critical vacancies are filled to provide adequate oversight of the control environment. The leadership must reduce dependencies on service providers by implementing strong policies and procedures.

The department and public entities within this portfolio disclosed irregular expenditure of R769 million in 2015-16. This is more than the R421 million they disclosed in the previous financial year. The majority of this irregular expenditure was incurred by the SABC. However, it should be noted that the irregular expenditure disclosure note for the SABC was qualified as the audit team was unable to determine whether all the irregular expenditure incurred was disclosed in this note. Irregular expenditure was a result of SCM processes and policies not being followed. Poor record management, policies lacking alignment and inadequate compliance monitoring contributed significantly to the portfolio incurring irregular expenditure during the 2015-16 financial year.

The SABC's consequence management processes were not adequate to hold personnel accountable for not adhering to applicable legislation. Part of performance management in the portfolio should include holding the responsible individual accountable for their failure to comply with applicable legislation and policies when performing their tasks.

Overall, there was a slight regression in the quality of annual performance reports submitted for auditing, with the MDDA required to make material amendments to their submitted annual performance report. The key performance indicators and targets at the SABC were not well defined and did not meet the SMART criteria. Furthermore, the reported information in their annual performance report was not reliable because the SABC did not have formally documented standard operating procedures governing predetermined objectives for the majority of the financial year. The result was a material non-compliance matter. The performance information policy and procedures must be implemented during the performance planning and reporting process to correct the material non-compliance.

The status of internal control of the entities within the portfolio improved over the three-year cycle. However, two entities regressed from the previous year. The MDDA regressed in all levels of internal control, mainly due to vacancies in key positions throughout the organisation. The SABC regressed in internal controls over leadership due to instabilities at board and executive levels, including inadequate consequence management relating to irregular, fruitless and wasteful expenditure, oversight of compliance with legislation, timely monitoring of action plans and poor ICT governance. The overall control environment at the SABC remained weak as limited actions were taken to address internal control deficiencies reported in the previous years.

Vacancies in key positions, including at board of directors level and instability at senior management level at the SABC and MDDA were of concern. At the SABC the majority of these vacancies were due to suspension of key management with acting incumbents filling these positions. This resulted in poor oversight of financial and performance reporting, compliance and related internal controls.

ICT controls within the portfolio still require intervention. The control weaknesses were mostly due to slow progress to address previous audit findings and adequate IT controls not being implemented within the following four focus areas: IT governance, security management, and business continuity and user access management. Risks remained in most of the focus areas.

The level of assurance obtained from assurance providers improved over the past three years. However, there is still room for improvement on assurance obtained from the senior management as they provided only some assurance. The portfolio committee provided only some assurance as a result of instability in the chairperson position. The level of oversight provided by the portfolio committee should be increased to improve audit outcomes and to effectively deal with the internal control deficiencies. The minister provided satisfactory and adequate oversight to the entire portfolio.

The main root cause of material non-compliances in the portfolio was the instability created by vacancies in key positions. We therefore recommend that critical vacancies in the portfolio be filled and eliminating instabilities at the senior management level be prioritised. In addition, we recommend the following to the SABC to ensure that further progress is made on addressing key issues:

- Implement controls over the SCM environment, which includes proper records management, consequence management and compliance monitoring.
- Management should address the control weaknesses, as highlighted in the internal control assessment. Making use of consultants to obtain better audit outcomes without addressing the underlying weaknesses in the control environment will not lead to sustainable good audit outcomes.

Constitutional institution

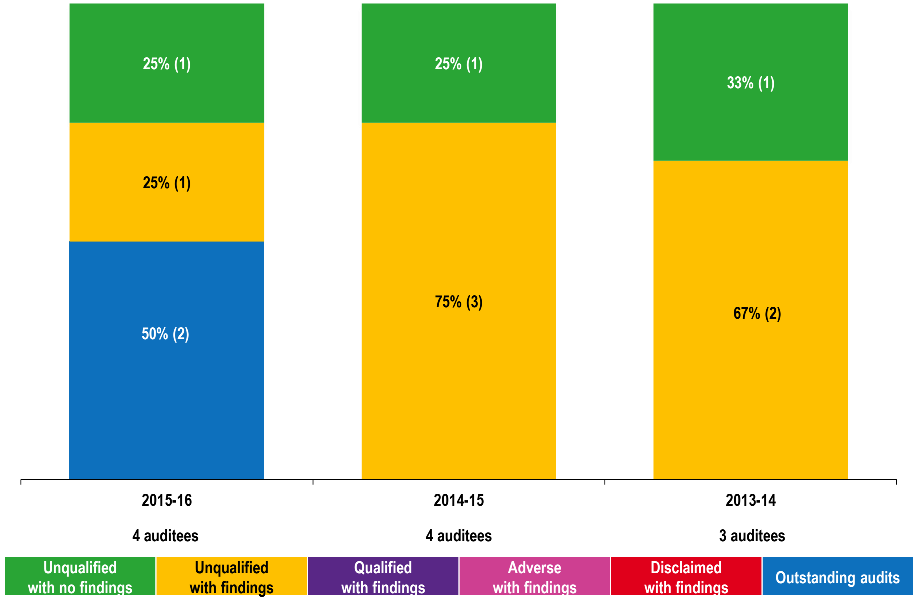
The overall audit outcome of Icasa was stagnant as the institution obtained a financially unqualified audit opinion with findings. We commend Icasa for submitting financial statements that were free from material misstatements. It also improved its internal controls over procurement and contract management, which resulted in addressing non-compliance reported in the previous financial year.

Icasa's key performance indicators and targets were not well defined and did not meet the SMART criteria. This was as a result of the annual performance plan not being prepared according to the applicable framework. In addition, the head of strategy position was vacant when preparing the annual performance plan.

Icasa disclosed irregular expenditure of R2,5 million (2014-15: R30 million). The expenditure resulted from SCM processes not being followed in the previous financial year. Monitoring and oversight of compliance with applicable legislation must be strengthened.

Vote 4: Cooperative Governance and Traditional Affairs

Three-year audit outcome



The audit outcome of the portfolio has been stagnant. The Department of Traditional Affairs (DTA), in its second year of operation, once more received a financially unqualified opinion with findings on compliance with legislation. We commend the South African Local Government Association (Salga) for having received a financially unqualified opinion with no material findings for more than three years in a row.

The audit reports for the Department of Cooperative Governance (DCoG) and the Municipal Infrastructure Support Agent (Misa) were not finalised by the cut-off date for including audit outcomes in this report and are thus dealt with separately in the last part of this report regarding outstanding audits.

The auditees in the portfolio consistently submitted annual financial statements by the legislative deadline for auditing and the quality of the financial statements remained unchanged. The DTA submitted financial statements for audit purposes that contained material misstatements on disclosure notes, which were subsequently corrected. Thus, as was the case in 2014-15, the department would not have received an unqualified opinion had it not been for material adjustments that were made during the audit process. This occurred mainly due to a lack of adequate review of the financial statements and supporting schedules by the relevant role players before submission for auditing. To improve the quality of the financial statements submitted for auditing, management, the internal audit unit and those charged with governance must strengthen their reviews of the quarterly financial statements and supporting information.

The DTA incurred irregular expenditure of R4,2 million, compared to the R6,5 million incurred in the previous year, due to non-compliance with SCM prescripts. The department identified 98% of the irregular expenditure incurred in the 2015-16 financial year and no instances were identified where goods and services were not received for transactions that were classified as irregular. The majority of the irregular expenditure (80%) related to legal fees irregularly incurred in connection with court cases that commenced in the previous financial year. The accounting officer condoned irregular expenditure relating to legal fees before year-end, after consultation with the state attorney. At the time of this report, Salga was investigating potential irregular expenditure of R1,1 million identified during the audit process, whereas no irregular expenditure was incurred in the preceding two financial years.

Financial health in the portfolio remained unchanged and no financial health matters were reported at either the DTA or Salga. However, when considering the accrual adjusted financial position of the DTA, the liabilities of the DTA exceeded the assets. Notwithstanding, the cash shortfall as a percentage of next year's appropriation was negligible at 0,1%. Salga realised a surplus, had a positive bank balance and, based on our assessment, there were sufficient liquid assets to cover any outstanding debt they owed. However, Salga's debt-collection period deteriorated from 27 to 42 days, and net cash flows for the year from operating activities were negative. These two emerging matters of concern at Salga must receive attention during the 2016-17 financial year.

We commend the DTA and Salga for the quality of their annual performance reports. We did not raise material findings on these two reports for the three years. This is attributable to properly crafted annual performance plans which included specific and measurable objectives, indicators and targets as well as comprehensive in-year monitoring processes to ensure that actual performance is reported in an accurate, complete and valid manner throughout the year.

There has been some improvement in the status of internal controls at the DTA since its inception in the previous year. The internal controls should be further enhanced in the area of monitoring and review of compliance with legislation, particularly on SCM compliance and producing complete and accurate financial statements in line with the Modified Cash Standard. We encourage Salga to maintain the effective control environment that has resulted in the clean audit outcomes for the three years.

The DTA's IT environment improved significantly as we did not identify any material shortcomings. Control deficiencies pertaining to data security and back-up processes reported during the 2014-15 audit were conclusively addressed. Salga sustained an effective IT environment and controls. Both the department and Salga have demonstrated ongoing commitment towards continuous improvement in IT governance and controls through timeously implementing internal and external audit recommendations as well as implementing their own initiatives in this area.

Assurance provided by key role players in the portfolio remained unchanged over the period, with the DTA at the levels of accounting officer, senior management, the minister and internal audit unit being assessed as having provided some assurance as a result of the non-compliance identified at the department in 2015-16. The internal audit unit was unable to fulfil all the requirements in terms of its approved annual audit plan due to inadequate capacity. The audit committee provided assurance as an independent oversight body to the department. However, management should implement audit committee recommendations to ensure alignment between the efforts of assurance providers and the audit outcome. The portfolio committee was in the process of implementing the commitments made in respect of their oversight role to drive clean audit outcomes across the whole portfolio, thus the assurance level was assessed as having provided some assurance.

The root cause of the unresolved compliance findings at the DTA was the slow response by management to address key control deficiencies highlighted at the conclusion of the previous year's audit. We therefore reiterate that the following controls be put in place:

- The process to be followed when preparing and reviewing financial statements should be documented, roles and responsibilities should be clarified and employees should be held accountable. Emphasis should be placed on ensuring that all parties are updated on any new reporting requirements. This process should not only be implemented for the year-end financial statements but also for interim financial statements prepared during the course of the financial year.
- A comprehensive SCM compliance checklist should be designed and completed prior to any procurement transaction taking place to prevent irregular expenditure.
- The leadership should monitor the effective implementation of the abovementioned controls on an ongoing basis.

Salga has successfully sustained its clean audit outcome through the implementation of a number of best practices, most notably the following:

- Extensive involvement and commitment displayed by all employees, from leadership level downwards, towards the audit process. Salga has realised the importance of leading by example, given their oversight role in local government, by obtaining a clean audit outcome.
- Placing ongoing emphasis on maintaining an adequately capacitated and skilled staff establishment. Salga regularly reviews their needs with regard to human resources and addresses these without delay. Every effort is made to ensure that key positions are filled at all times. Being well resourced has been a key contributing factor to the sustained clean audit outcome.
- All aspects of internal controls are monitored on an ongoing basis to ensure their continuous effective functioning.
- All role players remaining abreast of changes in legislation and reporting requirements and implementing such changes immediately.
- Recommendations made by the internal audit unit and the audit committee are promptly actioned and robust risk assessment and mitigation are in place.

Constitutional institutions

The Municipal Demarcation Board (MDB) and Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Rights Commission) are included in the portfolio, but are not under the authority of the minister.

The audit outcomes for both institutions remained unchanged. The CRL Rights Commission again received an unqualified opinion with findings on compliance with legislation, while the MDB retained its unqualified opinion with findings on predetermined objectives and compliance with legislation.

We commend the CRL Rights Commission and MDB for submitting annual financial statements for auditing that were free from material misstatements. We identified non-compliance with legislation at both institutions in the area of expenditure management, as effective steps were not taken to prevent irregular expenditure. Further, there were material findings on the usefulness and reliability of reported performance information at the MDB. This was mainly because the leadership and management did not adequately review the performance information. The lack of oversight was primarily attributable to the fact that critical leadership positions, including the chief executive officer and chief financial officer positions, were vacant for a significant part of the 2015-16 financial year.

We urge these two institutions to work tirelessly in the upcoming financial year towards obtaining a clean audit outcome by eliminating the remaining stumbling blocks highlighted above. Both the CRL Rights Commission and MDB must strengthen preventative controls to sustainably avoid irregular expenditure. The MDB's leadership must take an active role in driving and continuously monitoring the implementation of the actions required to conclusively resolve the findings raised on performance information in 2015-16.

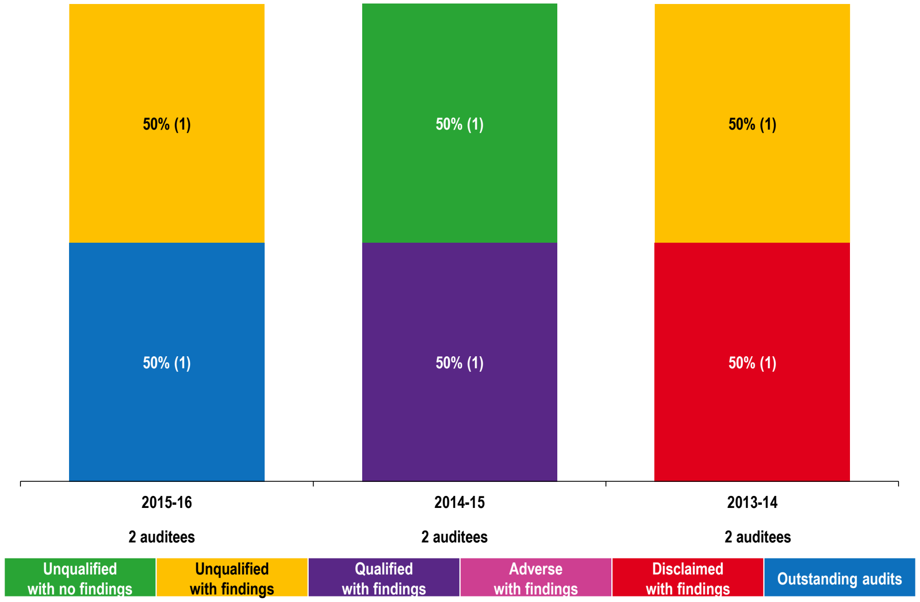
Outstanding audits

The delay at the DCoG was necessitated by the need to appropriately respond to a significant audit risk relating to the community work programme (CWP) that was identified during the audit process. The audit report was subsequently finalised and reflected a regression in the audit outcome. A financially qualified opinion was expressed compared to the financially unqualified opinions of the 2014-15 and 2013-14 financial years, while findings on predetermined objectives and compliance with legislation were again raised, consistent with the previous two financial years. The qualified opinion was expressed as a result of the department's inability to correctly account for movable assets relating to the CWP and to produce sufficient and appropriate audit evidence in support of payments made to CWP implementing agents. The continued failure by the department to prevent irregular expenditure remained a concern. After managing to reduce the amount of irregular expenditure from R589 million in 2013-14 to R155 million in 2014-15 it escalated again to R482 million in 2015-16 due to contravention of SCM legislation. We urge the department to take immediate action to curb the incurrence of further irregular expenditure.

In terms of section 12(1)(b) of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) the AGSA may authorise a private practitioner to perform an audit that must be performed by the AGSA in terms of section 4(1) of the PAA. The audit of Misa was contracted out to a private audit firm in line with the provisions of the PAA. Upon the review of the audit work performed, the AGSA found that the quality requirements as articulated in the International Standard on Quality Control (ISQC) 1 were not met. The AGSA has a legal duty in terms of section 13(1) of the PAA to ensure that all standards are met during an audit and an appropriate audit opinion is expressed. In order to satisfy ourselves that the quality standards were met and the audit conclusion is correct, the audit report has been delayed to date.

Vote 5: Home Affairs

Three-year audit outcome



The audit outcome of the Department of Home Affairs (DHA) is not included in this analysis. The department requested additional time to resolve matters that had an impact on the annual financial statements, and the audit could not be finalised by the cut-off date. The following matters influenced the department's request for additional time to correct the annual financial statements:

- There was disagreement between the AGSA and National Treasury regarding the accounting treatment applied by the DHA to account for foreign revenue. The AGSA and National Treasury only reached consensus on the matter in July 2016 and the resolution required adjustments to the department's annual financial statements.
- The department needed additional time to reconcile information on expenditure from foreign operations and movable tangible capital assets and intangible assets.

The audit of the DHA was still in progress at the date of this general report.

The Government Printing Works (GPW) did not sustain its 2014-15 audit outcome. The GPW audit outcome moved from an unqualified opinion with no findings to an unqualified opinion with findings on compliance with legislation. However, we do commend the GPW for again submitting annual financial statements for auditing that were free from material misstatements.

We identified material non-compliance with legislation where the GPW did not adhere to the requirements of SCM legislation, resulting in irregular expenditure of R32,3 million.

This is a significant regression from the previous year, when the auditee did not incur any irregular expenditure. All of this expenditure was identified by the auditor. The following factors contributed to the irregular expenditure that was incurred:

- There were no justifiable reasons for not following the competitive bidding process.
- The preference point system was not used when evaluating certain quotations.
- Points were awarded to potential suppliers for B-BBEE status without verifying supporting documentation.
- Less than three quotations were obtained without justifiable reasons for deviating from procurement policy requirements.

The entity's financial health and leadership stability status in the 2015-16 financial year remained unchanged as there were no significant risks identified in these areas.

The GPW, as in the previous financial year, submitted an annual performance report for auditing that was free from material misstatements and had no material findings on the usefulness and reliability of their performance information.

The following internal controls should be strengthened to create a control environment that supports compliance with legislation:

- The leadership should ensure that the entity's SCM compliance processes are followed by all levels of management.
- Action plans to address compliance deviations must contain the specific management action required to address the deviations.
- Consequence management should be implemented for employees who fail to comply with the legislated prescripts to avoid recurring non-compliance.

The GPW had no findings on IT management in 2015-16. This is an improvement from the previous financial year.

The actions proposed by the minister were in progress during the 2015-16 financial year. We anticipate that the proposed actions will improve future audit outcomes. However, the level of assurance provided by the leadership and senior management of the entity could improve if the root causes of the regression in the audit outcome are addressed.

The inadequate controls should be addressed by implementing improved oversight processes and monitoring controls to ensure that the GPW complies with the SCM legislation. The GPW's accounting officer and audit committee should monitor whether management implements action plans that adequately address the audit findings.

Constitutional institution

The Electoral Commission (IEC) is included in the portfolio but is not under the authority of the minister. The IEC received an unqualified opinion with findings on compliance with legislation and predetermined objectives. The audit outcome remained unchanged from previous years due to their failure to implement controls over compliance with legislation. We identified material non-compliance with legislation as the IEC did not adhere to the requirements of SCM legislation and therefore incurred R39,3 million in irregular expenditure. This status remained unchanged from the previous financial year.

The irregular expenditure related mainly to non-compliance with procurement and contract management and was a result of the following:

- Deviations from obtaining the minimum prescribed number of written quotations from prospective suppliers that were not approved by a properly delegated official.
- Goods and services that were procured from suppliers whose tax matters had not been declared to be in order by the South African Revenue Service.
- The competitive bidding process not being followed, without justifiable reasons.
- Contracts being awarded to bidders based on points given for criteria that were not clearly stipulated in the original invitation for bidding, in contravention of the Preferential Procurement Regulations.
- An invitation for competitive bids in the procurement of one contract not being advertised for the required minimum number of days.

As was reported in the 2014-15 financial year, we did not identify significant risks relating to financial health at the IEC. The IEC submitted an annual performance report for auditing that contained material misstatements in programme 2: electoral operations and programme 3: outreach. The auditee did not adequately correct misstatements in programme 3, resulting in the information on the performance against predetermined objectives for this programme being unreliable. This unreliability of information in programme 3 had been reported in the previous two financial years.

Although there was stability in leadership positions, the accounting officer's slow response to take corrective action and hold officials accountable resulted in repeat findings. Furthermore, monitoring compliance with legislation, and controls that provide assurance on the reliability of performance information must be strengthened, with the assistance of a properly functioning internal audit unit. The IEC should strengthen the verification and accountability processes and controls that support quarterly performance reporting.

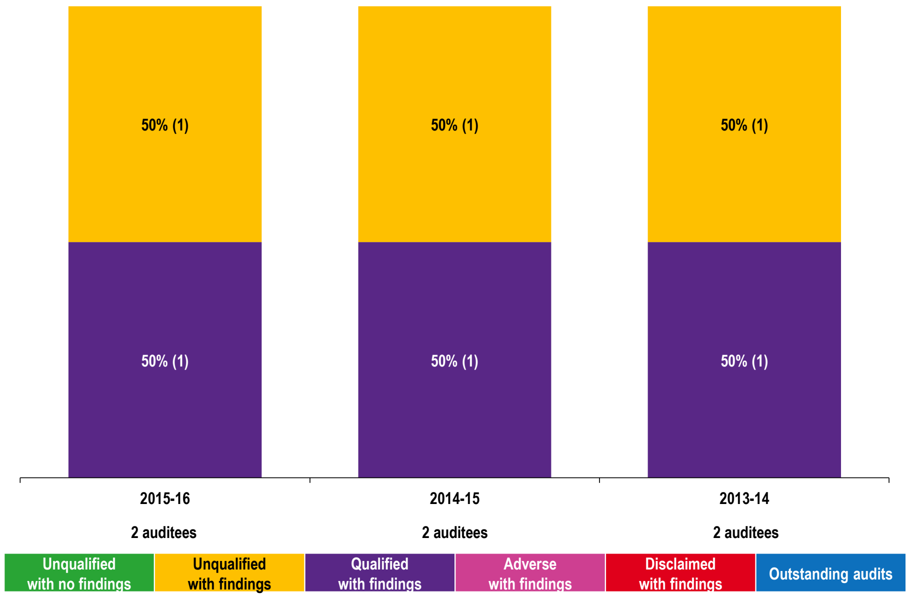
The previous year's commitments were partially implemented and were still in progress.

The level of assurance provided by the leadership, senior management and internal audit unit can be improved if the control environment supports reliable reporting on the performance against predetermined objectives and monitoring compliance with legislation.

The portfolio committee oversees entities in the portfolio and the constitutional institution. Although the committee provided assurance, the audit outcomes of the portfolio did not improve.

Vote 6: International Relations and Cooperation

Three-year audit outcome



The audit outcomes of the International Relations and Cooperation's portfolio remained unchanged with no improvement over the three years.

The lack of improvement in the overall audit outcomes was caused by the Department of International Relations and Cooperation (Dirco) receiving a qualified audit opinion on its financial statements for the third consecutive year. The African Renaissance and International Cooperation Fund (ARF) remained unqualified with findings on compliance with legislation over the three years.

The quality of financial statements submitted for auditing by the portfolio remained unchanged with no improvement and contained material misstatements in the areas of movable tangible assets, irregular expenditure, fruitless and wasteful expenditure, unauthorised expenditure, virements, the appropriation statements, payables, receivables and expenditure. The ARF received an unqualified audit opinion only because they corrected all the misstatements identified during the audit process. Dirco could not make all the corrections due to the lack of a credible asset register and inadequate assessment of works of art and paintings.

Compliance with legislation remained of concern in the portfolio as similar findings have been reported over the three years with no improvement. We identified material non-compliance with legislation by the portfolio in the areas listed below:

- Dirco did not adequately implement proper control systems to safeguard and maintain assets.
- Dirco did not always follow competitive bidding processes or request three quotations when procuring goods and services.
- Dirco did not take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. This resulted in the department reporting an irregular expenditure of R338,8 million, which is an increase of R236,4 million from the previous year. Only 33% of the amount was identified by the auditee. A total of 100% of irregular expenditure in the portfolio related to transgression of SCM legislation. Dirco reported R166,5 million of unauthorised expenditure and R5,5 million of fruitless and wasteful expenditure.
- Dirco did not take effective and appropriate disciplinary steps against officials who made and/or permitted irregular and fruitless and wasteful expenditure, and did not investigate non-compliance with SCM prescripts.
- Dirco borrowed money through a commercial bank forex settlement account without the approval of the minister of Finance or an official authorised by the minister.
- The ARF did not submit the financial statement within two months after year-end.
- The ARF did not invest money from old projects not required for immediate use.
- The ARF did not take effective and appropriate steps to collect all money due to it.

The root causes of non-compliance were the slow response by management to provide the necessary training, lack of consequence management and overall accountability. The ARF's findings on compliance were due to the lack of progress in the implementation of the South African Development Partnership Agency (SADPA), lack of spending by the ARF and delegating the responsibilities of the ARF accounting authority to the chief financial officer of the department.

There were no significant financial health indicators relating to the 2015-16 audit in the portfolio. The depreciation of the rand against major currencies and the difference between forex rates used during the medium term expenditure framework process versus prevailing forex rates could have a negative impact on Dirco's ability to deliver and execute South Africa's foreign policy.

The quality of performance reports in the portfolio improved. This was due to the ARF addressing internal control deficiencies reported in the previous year. The sustained quality at the department was as a result of increased awareness of the performance reporting requirement, which was mostly due to our interactions with the leadership and their willingness to implement our recommendations, including the implementation of performance information system that is managed by competent personnel.

The status of key internal controls indicated that an improvement was required in the areas of leadership and financial and performance management. This was due to slow response to implement the previous year's commitments to improve the audit outcomes.

The accounting officer and senior management still provided limited assurance due to limited progress made in addressing significant internal control deficiencies reported in the previous years. This should be improved by ensuring that our recommendations are implemented promptly. The audit committee should sustain its oversight of the effectiveness of the internal control environment for financial reporting and compliance with legislation.

We met the minister twice in the year under review and these interactions had minimal impact on the audit outcomes. The portfolio committee provided some assurance and did not fully implement the commitments provided to address the internal control deficiencies identified by the auditors.

There were no concerns in the portfolio relating to vacancies as there was stability at senior management level and the finance department. However, effective human resource processes should be implemented.

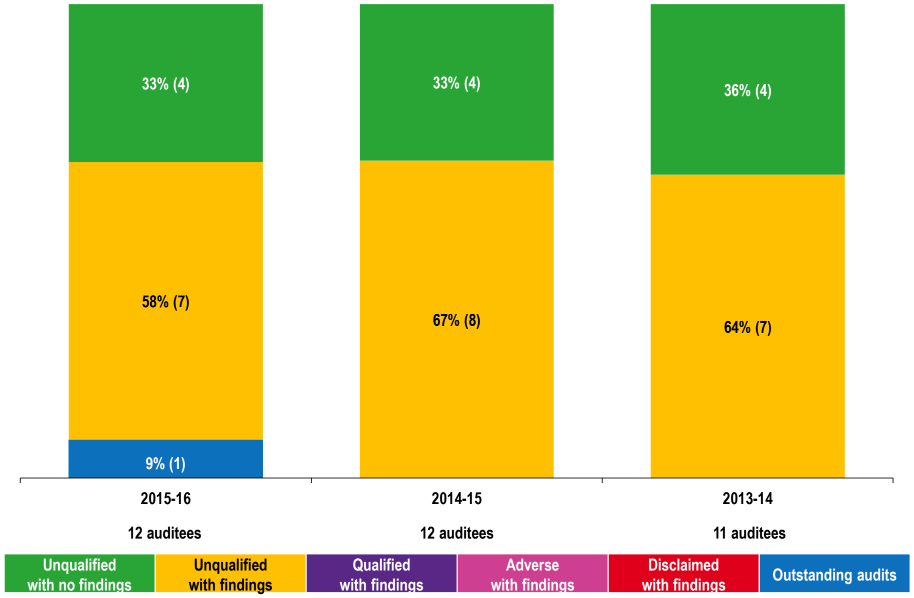
An assessment of IT controls indicated that the portfolio did not improve as they did not address the previous year's IT findings due to slow response by management to implement action plans. As a result, the portfolio still experienced challenges with the design and implementation of IT controls that provide assurance on the confidentiality, integrity and availability of financial information.

The root causes of poor audit outcomes were due to the slow response by management to address significant internal control deficiencies reported in the previous years, lack of consequence management and overall accountability. The accounting officer and senior management should address the root causes of poor audit outcomes as follows:

- Implement our recommendations promptly to avoid repeat findings, including those recommendations relating to asset register clean-up and regular review of financial statements.
- Strengthen the oversight of financial reporting and compliance processes.
- Implement consequences for poor performance and transgressions.
- Implement effective human resource processes to ensure that adequate and sufficiently skilled finance resources are in place and performance is adequately monitored.
- Dirco should implement an asset management strategy that includes:
    - mandatory asset verification
    - disposal of old and/or obsolete assets, including those in storage facilities, if a decision has been made that these assets cannot be used, are un-usable or are surplus to business needs
    - investigate missing assets and write off these assets if they cannot be located after a proper investigation and approval process is followed
    - timely update of the asset register for additions, disposals and retirements or scrapping
    - quality assurance processes to ensure a credible asset register is produced.
- Train heads of mission and corporate service managers on how to apply the SCM policies, financial and asset management.
- Prepare the financial information, including disclosure notes, on a regular basis.
- Implement a checklist which enables the reviewer of financial statements to ensure that each amount presented and disclosed in the financial statements is supported by accurate and complete information.
- Implement basic financial management disciplines and monthly processing such as debtors, creditors reconciliations and regular physical asset verifications.
- Implement a compliance checklist to supplement policies and procedures.

Vote 7: Finance (National Treasury)

Three-year audit outcome



The overall audit outcomes of the portfolio have not improved over the three years. The Financial Services Board (FSB) improved from an unqualified opinion with findings to an unqualified audit opinion with no findings due to proactive implementation of its action plan to address previous year's findings on predetermined objectives, as well as a strong tone at the top. The South African Revenue Service (Sars), Independent Regulatory Board for Auditors (Irba) and Office of the Ombud for Financial Services Providers (FAIS Ombud) sustained unqualified audit outcomes with no findings by ensuring that the monitoring of systems of internal control and action plans is done on a regular basis.

The audit outcome of the National Treasury, Financial Intelligence Centre (FIC), Office of the Pension Funds Adjudicator (PFA), Public Investment Corporation SOC Ltd (PIC), Co-operative Banks Development Agency (CBDA) and Government Pensions Administration Agency (GPAA) remained unchanged as they received unqualified audit opinions with findings. This was mainly due to the slow response by management to implement corrective actions to address previous year's audit findings and key officials lacking appropriate competencies. The Land and Agricultural Development Bank of South Africa (Land Bank Group) also regressed from unqualified opinion with no findings to unqualified opinion with findings due to SCM findings which resulted in material irregular expenditure.

The audit outcome of the Government Technical Advisory Centre (GTAC) is not included in this report. Due to resubmission of information supporting the financial statements, we had not finalised this audit by the cut-off date.

The overall quality of financial statements in the Finance portfolio was relatively good as only the National Treasury, PIC and CBDA submitted financial statements that contained material misstatements, while GPAA and FIC managed to address previous year's findings and improved their quality of financial statements. The National Treasury and PIC submitted financial statements for auditing that contained material misstatements in disclosure items only, while the CBDA had material misstatements in non-current assets, current assets, liabilities, revenue, expenditure and disclosure items. These entities received unqualified audit opinions only because they corrected all the misstatements we had identified during the audit process.

We identified material non-compliance with legislation by the National Treasury, CBDA, FIC, GPAA, Land Bank, PFA, and PIC due to lack of daily financial management disciplines and leadership oversight. The non-compliance was mainly in the following areas:

- Financial reporting, where the financial statements submitted for auditing contained material misstatements, resulting in non-compliance with the PFMA.
- Expenditure management, where effective steps were not taken to prevent irregular expenditure, resulting in non-compliance with the PFMA.
- Procurement management, where the prescripts of the PPPFA and PPR were not complied with.

The portfolio incurred a total of R42,4 million of irregular expenditure as a result of non-compliance with SCM legislation, with R31,8 million of the total irregular expenditure incurred by the Land Bank. The irregular expenditure incurred by the Land Bank increased by 100% compared to the previous year due to non-compliance with the PPPFA and its own SCM policy when appointing consultants to restructure the bank, the bank did not obtain tax clearance certificates prior to awarding contracts and deviations were not approved at an appropriate level. All irregular expenditure by the Land Bank was identified through the audit process. The Land Bank should oversee its SCM process in order to comply with the SCM prescripts.

There were no significant financial health indicators relating to the 2015-16 financial year in the portfolio. This represents an improvement from the previous year, where Sars, the PFA and Land Bank had unfavourable indicators.

The quality of annual performance reports regressed in the portfolio, as the CBDA and FIC had findings compared to the previous year where they did not have findings, the FSB improved and the National Treasury remained unchanged with findings.

In addition, the National Treasury, CBDA, FIC, FSB, GPAA, PFA and Land Bank submitted annual performance reports for auditing that contained material misstatements. With the exception of the CBDA, National Treasury and FIC, all auditees avoided material findings in their audit reports only because they corrected all the misstatements we had identified during the audit process.

The status of key controls indicated that an improvement is required in the areas of leadership and financial and performance management. This is due to inadequate oversight from the leadership to ensure that the portfolio is addressing previous year's findings on compliance with legislation and material misstatements on financial statements. The auditees that maintained clean audits had regular engagements with us, were proactive in monitoring the action plans to sustain the audit outcomes and had stability at leadership level.

There were no concerns in the portfolio relating to vacancies as there was stability in senior management positions and the finance department. However, effective human resource processes to ensure that adequate and sufficiently skilled finance resources are in place, should be implemented.

We have assessed the ICT governance and controls in the portfolio. Year on year, there was limited movement, with improvement mostly in security management. However, the areas of IT governance, user access management and service continuity required full implementation to support reliable financial and performance reporting.

The assurance provided by senior management and accounting authority or officer should be improved further by taking immediate action to address our findings and recommendations. The level of assurance provided by accounting authorities, internal audit units and audit committees should continue with ensuring effective oversight of financial and performance reporting, compliance with key legislation and consequence management for transgressions.

We met the minister once during the financial year. The minister should implement the commitments made in the previous year on the implementation of action plans to address the previous year's findings. Given the magnitude of the IFMS and the related implementation challenges in the previous years, there is a continued need for the minister to play a key oversight role regarding the implementation of the IFMS and obtaining regular feedback from Sita. The standing committee on finance provided assurance through follow-up of the audit findings raised and requesting the department and entities to provide comments and action plans on how they were planning to address the concerns we raised.

The root causes of poor audit outcomes were the slow response by management and key officials lacking appropriate competencies. The accounting officer or authority and senior management should address the root causes of poor audit outcomes as follows:

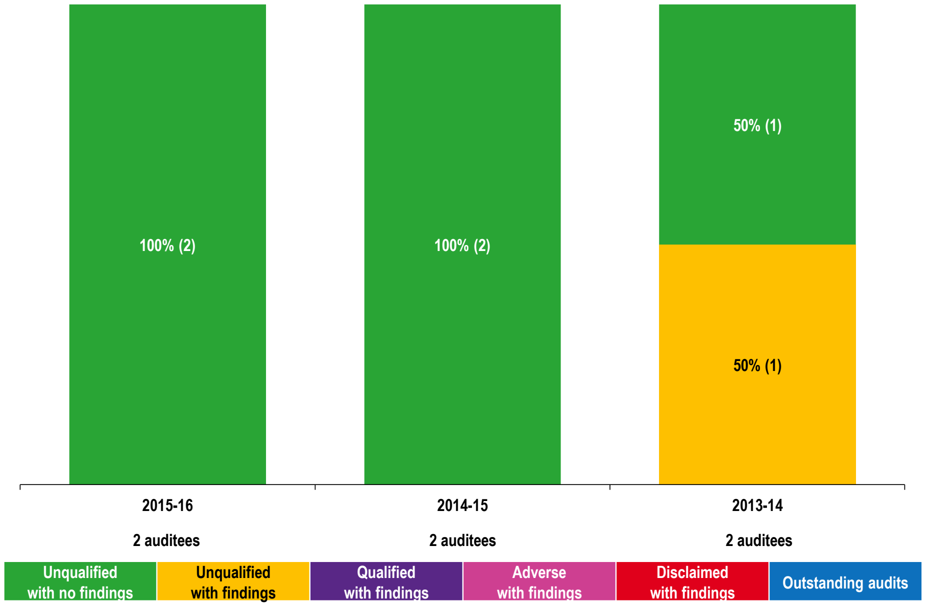
- Adequately train and develop key officials in financial and performance reporting, as well as compliance with legislation.
- Improve technical indicator descriptions of annual performance plans, as well as planned indicators and targets, to be measurable.
- Improve the monitoring of compliance with legislation, especially on SCM prescripts.
- Improve the quality and timing of reviewing financial and performance information used in the preparation of financial statements and annual performance reports.
- Improve the monitoring of the implementation of ICT policies and procedures.
- Improve the monitoring mechanisms for implementing commitments towards improving the audit outcomes of the whole portfolio.

Constitutional institution

The Financial and Fiscal Commission (FFC) is included in the portfolio, but is excluded from our analyses as the FFC does not fall under the authority of the minister. The audit outcomes of the FFC improved from an unqualified audit opinion with findings to an unqualified audit opinion with no findings. They have achieved this by addressing the previous year's material findings on SCM through proactive implementation of its audit action plan.

Vote 8: Planning, Monitoring and Evaluation

Three-year audit outcome



We commend the Planning, Monitoring and Evaluation portfolio for the sustained improvement in audit outcomes over the three years, with the Department of Planning, Monitoring and Evaluation (DPME) receiving a clean opinion for the third consecutive year and the National Youth Development Agency (NYDA) maintaining the clean audit outcome received for the first time in 2014-15.

The positive audit outcomes in the portfolio can be attributed to leadership's unwavering commitment towards clean administration and governance. The leadership is exemplary and is supported by appropriately qualified and experienced staff members. A zero tolerance approach has been adopted towards non-performance and transgressions of any nature, while effective consequence management is applied immediately when required.

Senior management has responded by designing and consistently implementing sustainable daily and monthly controls over financial and performance reporting. Additionally, any recommendations by internal and external audit were effected immediately and the corrective actions implemented and monitored to prevent the recurrence of internal control deficiencies identified.

The department and the NYDA submitted annual financial statements for auditing that were free of material misstatements. This sustainable achievement was realised through systematic review processes by all relevant role players, including the internal audit unit and the audit committee, to ensure that potential errors were identified and appropriately corrected prior to the submission of the financial statements for auditing. Senior management, under the direction of the respective chief financial officers, demonstrated accountability for confirming that the submitted financial statements were substantiated by appropriate audit evidence.

No material non-compliance with legislation has been identified in the portfolio for the past two financial years. The portfolio was able to accomplish this through implementing sound and sustainable controls to ensure that the entities observe key legislation. Furthermore, continuous emphasis was placed on keeping all staff members abreast of legislative requirements to practically facilitate ongoing compliance.

We commend the portfolio for preventing material findings in the area of procurement and contract management for the 2014-15 and 2015-16 financial years; however, further effort is required to completely eradicate irregular expenditure. There has been a noteworthy decline in irregular expenditure over the three years, with the department reflecting a decrease from R0,7 million in 2013-14 to R0,2 million in 2015-16 and the NYDA significantly reducing irregular expenditure from R16,7 million in 2013-14 to R0,3 million in 2015-16. Management's controls were effective in detecting all irregular expenditure incurred in the year under review. The remaining irregular expenditure emanated from procurement transactions concluded without having obtained the required price quotations and non-compliance with local production content requirements. Although the number of instances of non-compliance was limited, preventative controls in these areas must be strengthened to completely eliminate non-compliance.

The financial health of the NYDA was negatively affected by the one-off organisational restructuring project that was undertaken during the 2015-16 financial year. Staff reductions were implemented and employees exited through voluntary settlement packages, which contributed to the deficit of R24,7 million and negative net cash flows from operating activities of R34,6 million. The entity also continued to struggle to recover money owed to them on loans granted in accordance with their mandate. To curb the impact, the NYDA temporarily stopped issuing new loans and management engaged lawyers and debt collectors to assist in recovering as much as possible of the long-outstanding loan book. This is not expected to have a lasting impact on the financial health of the NYDA in future periods as all of these loans have already been provided for as non-recoverable in the previous periods.

At the DPME the accrual adjusted current liabilities exceeded the current assets. Although this is not likely to have an adverse impact on the following year's activities, the accounting officer should continue to closely monitor the expenditure against the budget to ensure that all obligations can be met when they fall due.

The portfolio fittingly continued to lead by example in the area of performance reporting as no material findings were raised on the usefulness and reliability of submitted performance reports over the three years. Overall, there were rigorous processes in place to ensure that the annual plans are in accordance with the framework prescribed by the National Treasury, and at the NYDA appropriate preparatory work was performed to ensure that the annual performance report was adequately supported by evidence. The annual performance report of the department; however, was amended through the audit process to reliably reflect the achievements against predetermined objectives for 2015-16. The department should develop an appropriate action plan to avoid similar adjustments having to be made during the audit process in the upcoming financial year. This should, at minimum, include enhanced monitoring of the accuracy, completeness and validity of quarterly in-year performance reports.

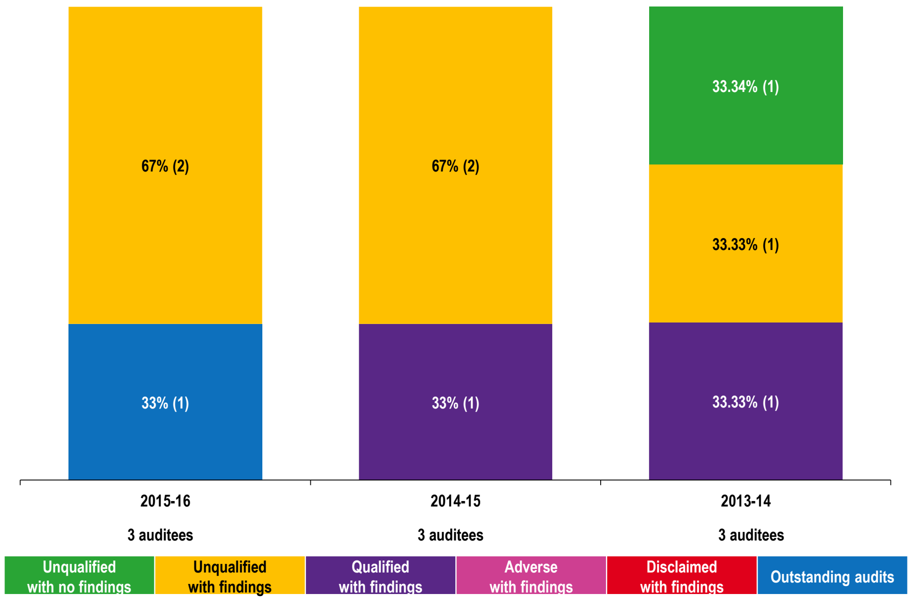
The IT environment at the department has improved over the three years and no significant shortcomings were noted. The NYDA on the other hand has shown some progress over the three years; however, there were still challenges in the areas of IT service continuity, security management and user access control, which were mainly related to inadequate policies and procedures regulating these various components in ensuring an effective IT internal control environment. This was as a result of inadequate coordination between the IT function and the other relevant departments within the NYDA in ensuring a comprehensive risk assessment around IT and the implementation of actions to address these key risks timeously.

Overall, the assurance provided by key role players was adequate except for senior management at the department where assurance relating to reliable performance reporting should be improved. The internal audit unit, audit committee, portfolio committee and the minister provided assurance linked to their legislative mandates and contributed to the overall aim of sustaining an effective control environment and clean audit outcomes in the portfolio.

We encourage the leadership to maintain and further enhance the best practices already entrenched in the portfolio and to also share its insights with other portfolios within government as part of its leadership role in driving the whole of government towards sustainable clean administration and governance.

Vote 9: Public Enterprises

Three-year audit outcome



The audit outcome of the South African Express (SA Express) is not included in this analysis as the audit was not finalised by the cut-off date. The reason for the delay was that the information and documentation relating to critical line items on the financial statements were not provided for auditing in a timely manner. This was as a result of material misstatements that were identified by auditors during the audit process, which the entity did not agree with. Furthermore, the ability of the entity to continue operating as a going concern was still being assessed.

The overall audit outcome for the portfolio regressed over the past three years, mainly due to non-compliance matters identified at the Department of Public Enterprises (DPE).

The DPE and the South African Forestry Company (Safcol) submitted financial statements for auditing that contained material misstatements in the areas of assets, expenses, taxation and liabilities. This was a regression from the previous year. Both auditees received an unqualified opinion subsequent to their correcting all the material misstatements we identified during the audit process.

The prevention of irregular expenditure remained a challenge in the portfolio due to non-compliance with procurement processes and legislation relating to contract management. Management did not fully enforce the requirements of SCM policies and procedures, which should be continuously aligned to all applicable legislation, while the department and the entity maintained the ability to discharge their mandates and respond to business requirements in time.

The DPE incurred R3,1 million in irregular expenditure, a decrease from the R11 million incurred in 2014-15. Similarly, Safcol incurred R44,1 million in irregular expenditure, a decrease from the R72,2 million incurred in 2014-15. The majority of irregular expenditure at both auditees was identified by the auditees.

As in the previous year, we did not identify significant risks regarding the financial health of the DPE and Safcol.

The DPE and Safcol submitted annual performance reports that were useful and reliable. We commend them for sustaining this outcome over the past three years.

There was no significant progress made in the portfolio to address the internal control weaknesses that relate to preparing the financial statements. The financial statements prepared at both auditees were not accurate and complete, and did not agree to supporting schedules. We identified misstatements, which resulted in material adjustments to the financial statements submitted for auditing.

Vacancies in key positions at the DPE (chief financial officer) and Safcol (chief executive officer and chief financial officer) were of concern. These key positions need to be filled promptly to ensure that action plans to improve audit outcomes are developed, implemented and monitored.

The DPE resolved a number of IT weakness that had been reported previously. Improvements were noted in security management and no findings were reported in IT service continuity. The primary findings that were repeated related to IT governance and user account management, which were due to the lack of clearly defined roles and responsibilities for the IT function. Furthermore, there were vacancies in some critical IT positions and no process to hold personnel accountable for implementing agreed IT audit action plans.

Safcol had a number of new IT findings relating to information security management and IT service continuity. Weaknesses were also identified due to the lack of automated controls for the revenue and inventory management modules, while the new financial system was still being implemented and not fully used. Overall, the challenges at Safcol emanated from a lack of adequate expertise and oversight of the implementation of IT controls from governance structures.

The first level of assurance should be improved by enhancing the level of oversight in areas of financial management and compliance with legislation by the accounting officer and senior management. The audit committee and internal audit function; however, provided adequate oversight of the daily and monthly control activities.

We met with the minister three times in the past year and these interactions had some impact on the audit outcomes. At these interactions, commitments were made to address weaknesses in the internal control environment with the objective of achieving improved audit outcomes across the portfolio.

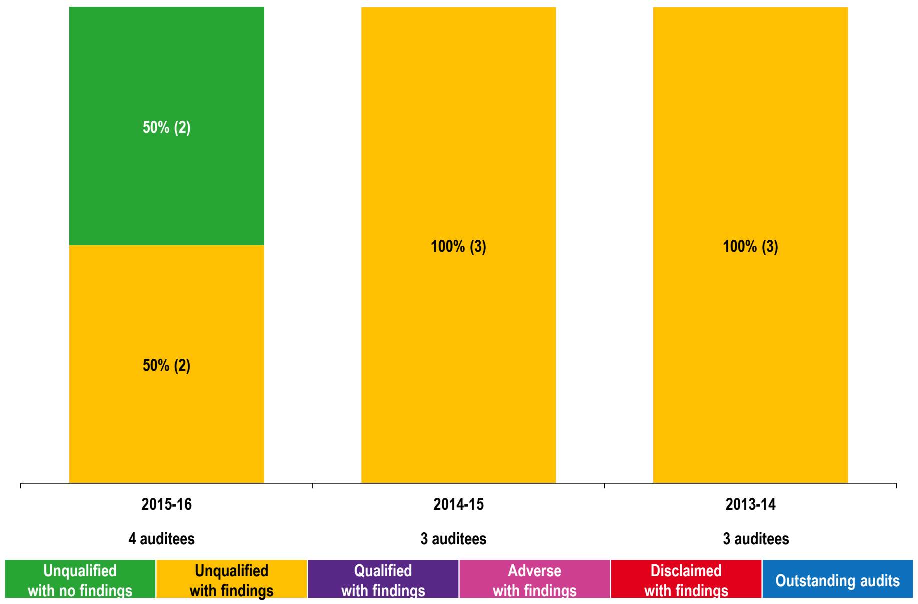
The assurance provided by the portfolio committee was adequate; however, the focus should be on monitoring consequence management and action plans in areas of non-compliance.

The executive authority and accounting officer or authority should address the root causes of the regression in audit outcomes within the portfolio as follows:

- Senior management should take immediate action to implement action plans developed to address irregular expenditure and ensure that officials are held accountable for not adhering to the set policies and procedures.
- The DPE should implement performance management measures that link bonus payments to the audit outcomes.
- Senior management must ensure that year-end processes to prepare financial statements are properly documented and that all involved adhere to these in a timely manner.
- Vacancies should be filled with appropriately qualified individuals who are held accountable for their actions within their responsibilities.

Vote 10: Public Service and Administration

Three-year audit outcome



The overall audit outcome improved as the Department of Public Service and Administration (DPSA) and the Centre for Public Service Innovation (CPSI) achieved clean audit opinions. The audit outcomes for the National School of Government (NSG) and National School of Government Training Trading Entity (NSG TTE) were unchanged.

We commend all the entities in the portfolio for submitting financial statements as per the legislated timeline and free from material misstatements.

During the audit of compliance with legislation and evaluation of procurement activities we identified instances where uncompetitive or unfair procurement processes were not followed, which resulted in irregular expenditure.

The total irregular expenditure by the portfolio amounted to R400 000, with NSG TTE being the largest contributor, incurring R250 000 due to non-compliance with SCM legislation. This represents an 86% reduction in irregular expenditure from the previous financial year and is attributable to the DPSA implementing stringent authorisation controls within the SCM environment.

We did not identify significant risks relating to financial health in the portfolio.

The DPSA and CPSI prepared and submitted annual performance reports that were both useful and reliable. The NSG and NSG TTE; however, had significant findings on the usefulness of their annual performance reports due to significant inconsistencies between the indicators and targets as set out in the annual performance reports and those included in the approved annual performance plans.

There was an overall improvement in the key control environment; however, the following should be done to strengthen internal controls and create a control environment that supports compliance with legislation:

- Management should review and monitor compliance with applicable legislation using compliance checklists that must be signed off before awarding tenders and bids.
- Management should ensure that the approved annual performance plan forms the basis of the annual performance reports as per the National Treasury's annual report guide.

One of the strengths of the portfolio was the stability of leadership in key positions such as accounting officers, chief financial officers and SCM officials.

The DPSA did not resolve the IT issues identified in the previous years. The significant repeated items related to IT governance, information security and IT service continuity. The NSG and NSG TTE had adequately designed IT controls, but were still struggling with implementing these controls. We commend the CPSI for having no IT-related findings across all focus areas.

The lack of integration between the IT units and other business units within entities resulted in IT risk assessments not being managed as part of the enterprise-wide risk management.

The assurance provided by management, accounting officers and the executive authority improved, which also resulted in the improved audit outcome of the portfolio.

We met with the executive authority once in the past year and this interaction had some impact on the portfolio's audit outcomes for the year. The previous year's commitments from the executive authority were still in progress. The slow pace at which these commitments were implemented could mainly be attributed to the instability at the executive authority level. However, we commend the leadership for increasing their momentum and striving towards fully implementing these commitments by the end of the 2016-17 financial year.

The portfolio committee provided assurance and ensured that the audit outcomes of the portfolio continuously improve.

Slow response by management and inadequate consequence management resulted in repeat findings being raised by the auditors.

We recommend that the leadership and management implement the following to address the root causes that prevented the portfolio from achieving clean audits:

- Performance agreements of senior staff should include measures that are linked to the audit outcome.
- Action plans should be specific, measurable and time bound. Management should regularly monitor progress against action plans and, where appropriate, take action against employees.
- The internal audit unit should verify that the root cause, and not just the symptoms, has been addressed when management reports the previous year’s audit findings as resolved.

The following best practices enabled the DPSA and CPSI to achieve their first clean audits:

- They compiled full interim financial statements, including the statement of financial position and disclosure notes, which were subject to an audit.
- The accounting officers, chief financial officers and audit committees put pressure on management to ensure that financial statement preparation was done correctly the first time.

Constitutional institution

The Office of the Public Service Commission (OPSC) is included in the portfolio and reports to the Public Service Commission (PSC) as the executive authority. The PSC achieved an unqualified opinion with findings on compliance with legislation. This is a regression from the previous year.

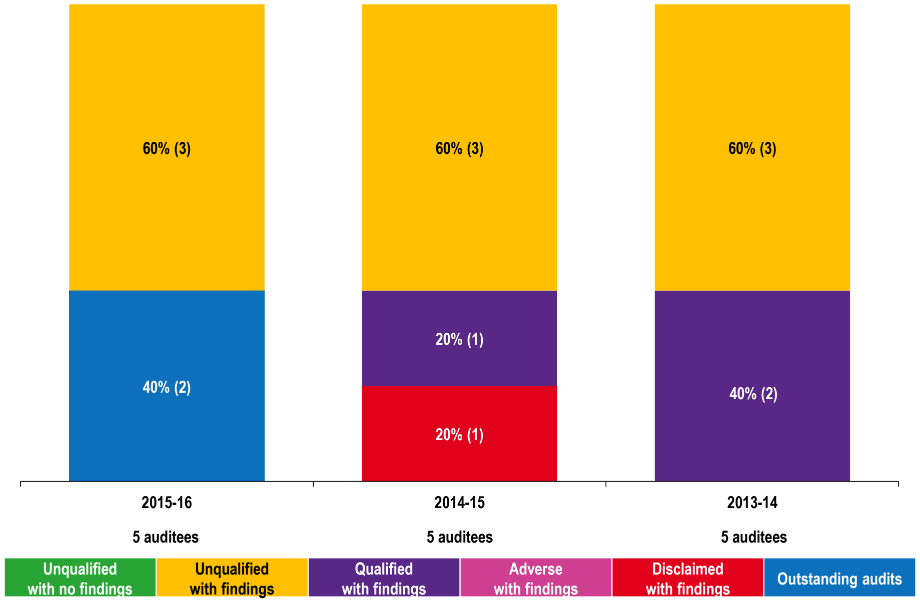
We commend the PSC for preparing financial statements that were free of material misstatements.

We identified one instance of material non-compliance with key legislation as the PSC awarded a contract to a bidder who had not submitted a declaration of past supply chain practices, as prescribed by treasury regulation 16A.9.2.

We also identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was subsequently corrected, resulting in the PSC’s published APR being useful and reliable in all material respects. The PSC had no findings across all the IT focus areas.

Vote 11: Public Works

Three-year audit outcome



The audit outcomes of the Public Works portfolio remained unchanged in the three years. The Department of Public Works (DPW), Construction Industry Development Board (CIDB) and the Council for the Build Environment (CBE) remained unchanged with an unqualified audit opinion with findings on predetermined objectives and compliance with legislation between 2013-14 and 2015-16. The 2015-16 audit reports for the Property Management Trading Entity (PMTE) and the Independent Development Trust (IDT) were not finalised by the cut-off date and are thus dealt with separately in the last part of this report regarding outstanding audits.

All the entities in the portfolio have consistently submitted annual financial statements timeously for purposes of external auditing. However, there has not been a significant improvement in the quality of the financial statements submitted for auditing. The disclosure notes to the financial statements of all the entities, except the CIDB, were materially adjusted. Furthermore, the CBE also had material adjustments on the statement of financial position. Although quarterly financial statements were prepared, the disclosure notes contained errors which were not attended to and management, the internal audit unit and the audit committee were ineffective in the review of the financial statements prior to their submission for auditing. Management at the CIDB maintained their internal controls in preparing accurate and complete annual financial statements that are supported and evidenced by reliable information. In addition, the internal audit unit reviewed the financial statements, and management corrected the errors identified before submitting the financial statements for auditing. To improve the quality of financial statements in the portfolio, management, internal audit units and audit committees must strengthen their reviews of quarterly financial statements and all auditees should adopt the best practices implemented by the CIDB.

The overall stagnation in compliance was as a result of auditees not effectively implementing all recommendations relating to SCM preventative controls, such as approval of deviations and identifying conflicts, before awards were issued. The overall vacancy rate, especially at senior management level has contributed to some of the recommendations not being implemented. These main areas of non-compliance, together with poor expenditure management, are the biggest obstacle to obtaining a clean audit outcome, and should be prioritised.

Encouragingly, irregular expenditure has decreased from R155,3 million in 2013-14 to R6,3 million in 2015-16. Irregular expenditure of R6,2 million (98%) was as a result of non-compliance with SCM prescripts, with the main deviations being three quotations not always obtained or competitive bids not advertised for 21 days. The main contributor to the decrease was the DPW with irregular expenditure decreasing from R152,1 million in the 2013-14 financial year to R1,7 million in the 2015-16 financial year. The reduction is attributed mainly to transfer of functions from the DPW to PMTE and the turnaround strategy implemented by the minister in the 2013-14 financial year. As part of the strategy, management had to enhance the internal control environment and implement preventative controls on SCM matters. SCM compliance checklists were required to be completed prior to awards being made and, in addition, SCM officials were trained regularly to ensure the latest SCM prescripts are included in the checklist used. Priority should be placed on implementing the abovementioned procurement controls in all instances to ensure that irregular expenditure is prevented, and also that officials found responsible for the incurrence of irregular expenditure are held accountable. As stated above, the audit of the PMTE was not finalised during the preparation of this report and as such the irregular expenditure incurred by the PMTE has not been included in this report.

The state of financial health in the portfolio remained stable over the past three years, with no significant areas of concern. Because of effective budget management, the entities in the portfolio did not overspend on their budgets in 2015-16. Although no material underspending was noted that may have a negative impact on service delivery, underspending (16%) of the capital asset budget at the department still occurred, which can lead to a negative impact on infrastructure delivery.

We raised concerns on the annual performance reports submitted by all auditees in the portfolio, with the exception of the CIDB where no material adjustments to the performance information submitted were required. The internal audit unit at the CIDB conducted a review of the performance report, and management was able to correct the errors identified before submitting the performance report for auditing. The misstatements that were not detected and corrected by management during the review process at the DPW and CBE were due to a high vacancy rate at senior management level. These auditees must implement proper record keeping to ensure that the relevant information is accessible, which supports the reported performance. Additionally, action plans must be effectively implemented to address audit findings raised during the previous audit.

The overall assessment of the IT environment within the portfolio has not improved over the past three years. The department did not appoint a permanent chief information officer and the acting chief information officer was responsible for implementing the ICT initiatives of the turnaround strategy. The position should be filled permanently to ensure commitment to the deliverables and initiatives of the turnaround strategy. This issue has been raised in all three years. Management had committed to appointing a chief information officer by 31 March 2015. The matter had not been addressed and remained a major risk due to the department's dependence on consultants to perform key IT functions. In the event that the consultants leave the organisation, the IT department may not be able to adequately provide IT support to meet the department's needs. Furthermore, the high cost of maintaining consultants may not be sustainable.

The key role players in the portfolio provided some assurance, which is evidenced by the non-compliance matters reported as well as the matters pertaining to performance information. The assurance provided by the audit committee improved over the three years, and they provided a level of assurance linked to their legislative mandate. This contributed to an improvement in key controls, particularly those relating to governance. However, management was slow in implementing the recommendations from the audit committee to ensure positive audit outcomes.

Management should ensure that all audit committee recommendations are effectively implemented to see the effect in the outcomes. The portfolio committee provided some assurance in the drive to improve audit outcomes through regular briefing meetings to monitor the implementation of action plans and key controls.

The portfolio is showing some movement in the right direction; however, this is not occurring at the required pace across the board. To improve the outcomes, the root causes of internal control deficiencies regarding compliance with legislation and the annual performance reports must be addressed at certain auditees. The leadership should strive to hold people accountable where weaknesses are identified, to ensure that the audit outcomes are improved. This can be achieved by maintaining stability within senior management of the auditees and continuing to capacitate oversight structures.

Progress on findings reported in the previous year's sector report

In the financial year under review no separate report for public works sector focus areas was prepared. However, a follow up on previous year's findings was performed to determine whether matters raised in previous audits have been adequately addressed.

The sector focus areas in the previous years related to:

- management of accommodation for client departments
- project management of infrastructure projects
- expanded public works programme (EPWP) integrated grant for provinces.

Management of accommodation for client departments

No significant improvement has been noted in the management of accommodation for client departments focus area since the 2013-14 financial year. We noted repeat findings at five provincial departments as well as the national department, where inspection plans to identify the condition and usage of both state-owned and leased properties were inadequate in several instances, resulting in state-owned properties not being properly maintained through planned maintenance schedules. This was due to management not implementing corrective actions recommended in previous audit cycles.

In addition, we raised repeat material findings on compliance with SCM prescripts relating to entering into lease contracts at two provincial departments and the national department, where leases were entered into without a competitive bidding process being followed. This was an improvement from the previous year where non-compliance was reported at three provincial departments and the national department. Proper planning is required in terms of procuring lease accommodation for client departments, so that sufficient time is available to ensure compliance with legislation. In this regard, interaction between the departments in the sector and their client departments must be improved with a long-term focus to ensure that needs are met.

Project management of infrastructure projects

Some improvements were noted in the project management focus area. The repeat findings indicate that the quality and monitoring of projects were not, in all instances, of the desired standard at one provincial department. In the previous year this was reported at two provincial departments and the national department. The improvement at the one provincial department was due to training being provided to existing staff to adequately perform this critical function.

At another provincial department, not all project managers had the requisite qualifications and were therefore not registered with the Project and Construction Management Council. In the previous year this was reported at one provincial department and the national department.

Expanded public works programme

With regard to the EPWP integrated grant for provinces, no material findings were raised in the 2013-14 and 2014-15 financial years. However, based on the audit of the EPWP projects across the country, we noted that not all information regarding the creation of work opportunities was adequately captured on the EPWP reporting system. The department did not effectively implement the action plan to address the finding relating to document retention and records management raised during the previous audits. This was as a result of information being decentralised at municipality level and not available when required, which resulted in unreliable reporting of actual achievements.

The management of accommodation, as well as the management of infrastructure projects, remained a cause for concern, especially since failure to properly manage these areas might also delay service delivery in other sectors of government. With regard to the EPWP, we urge the sector to approach this area with renewed vigour in the new financial year and, most importantly, to ensure that results reported are reliable and verifiable at any point in time.

Outstanding audits

The 2015-16 audit reports for the PMTE and the IDT were not finalised during the preparation of this report as the IDT's was only signed on 2 September 2016 and PMTE was still outstanding. The IDT received a disclaimed audit opinion for the second consecutive year following a qualification in the 2013-14 financial year.

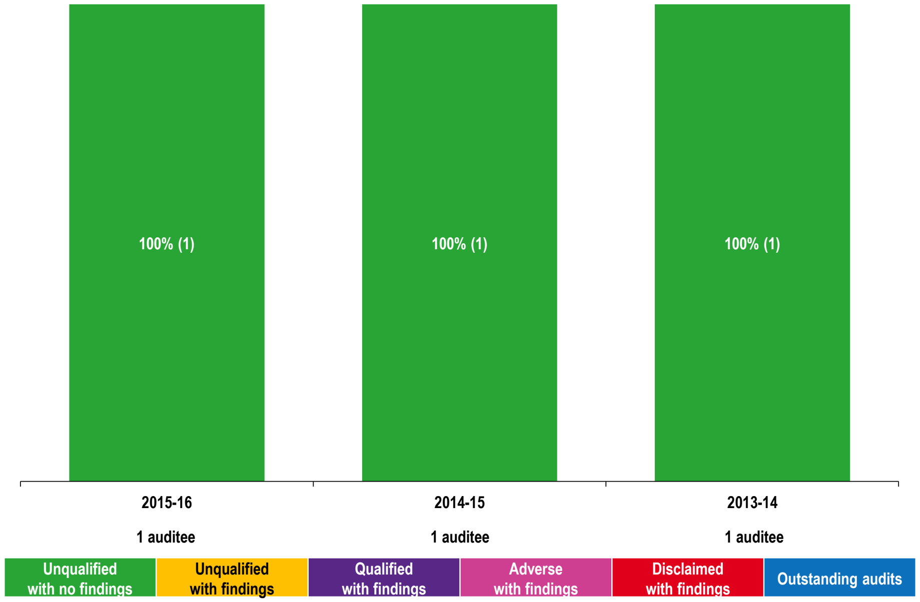
The bulk of the property-related functions residing within the DPW were transferred to the PMTE in the 2013-14 financial year. In terms of Directive 2 of the Grap standards, the PMTE was allowed a transitional period in which to compile a Grap compliant fixed asset register. As a result of a difference of opinion between the PMTE and the Office of the Accountant-General on the application of Directive 2 of the Grap standards, we were unable to complete the audit and issue an audit report within the legislative deadline.

The IDT received a disclaimed opinion in 2014-15 and the 2015-16 opinion remained disclaimed due to the entity's inability to produce accurate, complete and reliable reconciliations for programme expenditure on behalf of client departments. This also resulted in an unfavourable conclusion being reached on its revenue and receivables. Management and the board requested additional time to address the material findings reported; however, the additional time granted proved to be futile as management had not included all accruals in preparing the programme reconciliations. The disclaimer of opinion remained as a reflection of the poor status of their financial management disciplines, inadequate reconciliatory processes of these accounts and management's inability to implement action plans in a timely manner.

The entity incurred irregular expenditure of R6 million as a result of management not following competitive bidding processes, and fruitless and wasteful expenditure amounting to R5 million relating to penalties and interest paid as well as deposits paid for a cancelled event in 2015-16.

Vote 12: Statistics South Africa

Three-year audit outcome



Statistics South Africa (Stats SA) has sustained its unqualified audit opinion with no findings over the three years. This was due to management continuously monitoring the implementation of controls and previous year’s action plans aimed at sustaining the clean audit outcome.

Stats SA continued to produce financial statements which are free from material misstatements, through the performance of regular effective reviews and ensuring that the required information for the key disclosure notes, e.g. commitments and accruals, are compiled in a timely manner to support valid, accurate and complete financial reporting.

There has been no improvement in the quality of annual performance reports produced by Stats SA as the report submitted for auditing once again contained material misstatements. This was due to slow response by leadership to honour the previous year’s commitments. The department avoided material findings in its audit report only because it corrected all the misstatements identified during the audit process. The accounting officer should oversee the implementation of corrective actions, e.g. the implementation of a system to ensure that calculations on the reports supporting actual performance achieved are accurate, review process on the quarterly and annual performance reports is performed and consequences management for poor performance is implemented.

Stats SA sustained its status in compliance with legislation as it remained unchanged with no findings. This was achieved through the implementation of action plans and monitoring thereof by the internal audit unit, and implementation of consequence management by the department.

The financial health of Stats SA remained unchanged from the previous year with no significant unfavourable indicators. Having said that, Stats SA has an unfunded mandate as it is required to produce key statistical information based on certain key surveys such as master sample survey and living conditions survey. This mandate has been funded through using savings from other programmes; however, this is not sustainable as this may put a financial strain on the department. As a result Stats SA incurred unauthorised expenditure of R6,8 million in 2015-16, an increase of 100% from the previous year. The department should cost the unfunded mandates and begin an engagement with the National Treasury regarding a permanent solution.

The following good practices should be maintained:

- Monitoring of action plans and key controls on a regular basis.
- Basic financial disciplines and monthly processing and reconciling of transactions.
- Regularly preparing credible financial reports.

The senior leadership and oversight structures in the portfolio maintained the status of the previous year by providing the required level of assurance over financial reporting and compliance with legislation.

We were not able to meet the minister during the 2015-16 financial year, and as a result we could not evaluate whether the commitments made by the minister in the previous year were honoured. Similarly, we were unable to meet the portfolio committee during 2015-16, therefore, we were unable to receive commitments to enable us to evaluate the assurance provided by the committee.

There were no concerns noted in Stats SA regarding vacancies as there was stability in key positions, including finance department, for the 2015-16 financial year and this was consistent with the previous years.

An analysis of the IT audit outcomes indicated that the portfolio had designed the IT controls they had committed to in the previous cycle and they were in the process of ensuring that all the designed controls are implemented and operating effectively in the IT focus areas of user access, security management, IT governance and IT service continuity. Such implementation was planned as part of the new building project.

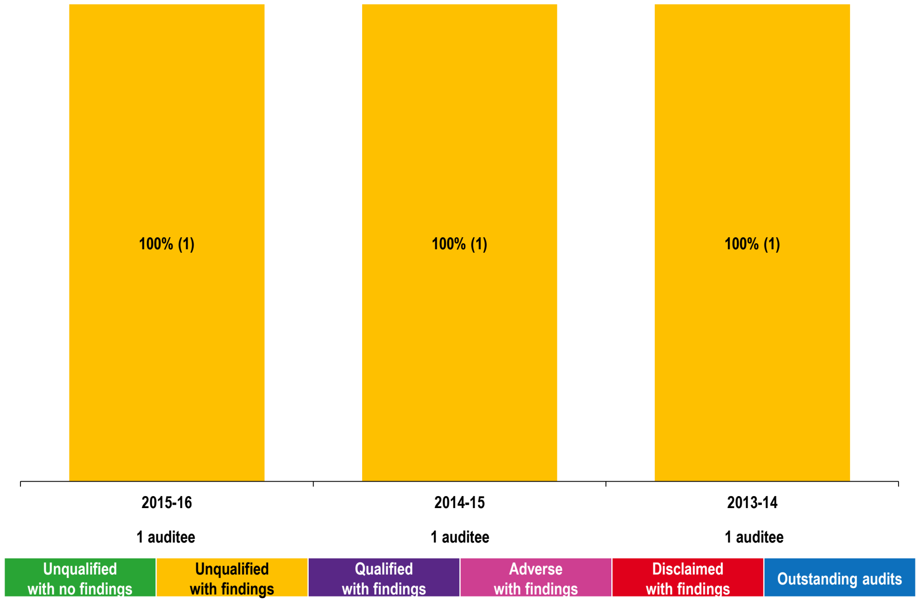
There were shortcomings identified in the IT management structure. These shortcomings were attributed to IT human resource requirements and organisational structure that were not updated to align with the growth in IT service requirements. Stats SA also experienced backup failures during the year under review due to ageing IT infrastructure and inadequate storage capacity.

The following controls should be strengthened to improve Stats SA's IT environment:

- Assess the capacity of human resources at the IT department.
- Capacitate this unit to ensure that Stats SA meets its business requirements effectively and efficiently.

Vote 13: Department of Women

Three-year audit outcome



The audit outcome of the Department of Women (DoW) remained unchanged from 2013-14 at an unqualified audit opinion with findings on performance information and compliance with legislation. The stagnation in the audit outcome is attributed to a lack of commitment by management in implementing actions to address control weaknesses identified in financial reporting, consistency in performance reporting and compliance with legislation. There was also a lack of consequences for transgressors.

There has been no improvement in the quality of the financial statements submitted for auditing over the past three years. This was due to a slow response by senior management to address the findings previously raised relating to misstatements in numerous financial statement items. Due to inadequate controls, the department was unable to prevent, detect or correct material misstatements of current assets, current liabilities and disclosure notes before the audit process. The department must develop systems to enable it to prepare a full set of financial statements, including disclosure notes, on a quarterly basis which is supported by substantiating evidence. Management should continue to enhance the controls based on the quarterly review feedback from the internal audit unit and the audit committee to enable the department to submit complete and accurate financial statements for audit purposes.

The number of material findings on compliance has increased in the past three years. New compliance findings were raised in the areas of budgets, procurement and contract management and expenditure management. Repeat compliance findings were raised in areas of financial statements, annual plans and performance reports. Non-compliance could have been prevented had compliance been properly monitored by senior management and had there been consequence management to prevent recurrence.

Irregular expenditure continued to increase year on year from R4 million in 2013-14 to R14 million in 2015-16. The irregular expenditure incurred was as a result of procurement made without obtaining the required price quotations, not inviting competitive bids and non-compliance with local production content requirements. This was due to the director of the SCM unit position being vacant, disregard of the SCM legislation by senior management and lack of consequences for transgressions. Management should prioritise filling the vacancies at the SCM unit and take action against transgressors.

Unauthorised expenditure of R2 million was incurred in 2015-16 due to overspending of voted funds. This was due to inadequate monitoring of the implemented budgetary controls by the leadership and not implementing consequences for non-adherence to internal controls.

The department incurred fruitless and wasteful expenditure of R2 million in 2015-16 relating to employees who were granted special leave for an extended period due to a change in the organisational structure, which resulted in some positions either being downgraded or removed from the structure and not all staff could be successfully placed in approved positions. This change was necessitated by the transfer of functions to the Department of Social Development.

The financial health of the department has regressed since 2013-14 as the total current liabilities exceeded total current assets and the department had a bank overdraft. The leadership and senior management of the department should address these matters by regularly monitoring the expenditure against the budget.

There has been no improvement in the quality of performance reports since the previous year. The department had findings on the usefulness of performance information in the 2014-15 and 2015-16 financial years. No findings were raised on usefulness in the 2013-14 cycle. The deterioration was due to the department having two annual performance plans in 2014-15 and 2015-16 financial years as there was a transfer of functions in 2014-15 and a change in strategic direction in 2015-16. In 2014-15 the department did not completely report on all objectives and in 2015-16 the department reported on objectives that were not included in the annual performance plan. This oversight was due to the inadequate review of the annual performance reports and plans by senior management. We reviewed the initial annual performance plans prior to approval and we did not identify significant issues. The additional performance plans for 2014-15 and 2015-16 were prepared during the year under review and were not subject to our review.

The overall assessment of the IT environment reflected slow improvement over the past two years and previous recommendations relating to empowering staff with the necessary skills had not been implemented.

The assurance provided by key role players at the level of the accounting officer and senior management regressed as they did not ensure the adequacy of controls over the budget and compliance with the SCM prescripts. Although the internal audit unit completed the audits as per the plan, their processes failed to identify material non-compliance with legislation and the lack of budgetary controls. The assurance provided by the executive authority, the audit committee and the portfolio committee in their support to drive clean administration and improved audit outcomes, was adequate as they performed their oversight as required. However, management did not implement recommendations obtained from the portfolio committee and the audit and risk committee.

To improve the audit outcome, the lack of consequences for unsatisfactory performance and transgressions must be addressed. Management should be held accountable and must timeously respond to audit findings and oversight recommendations by implementing action plans and monitoring their implementation.

Constitutional institution

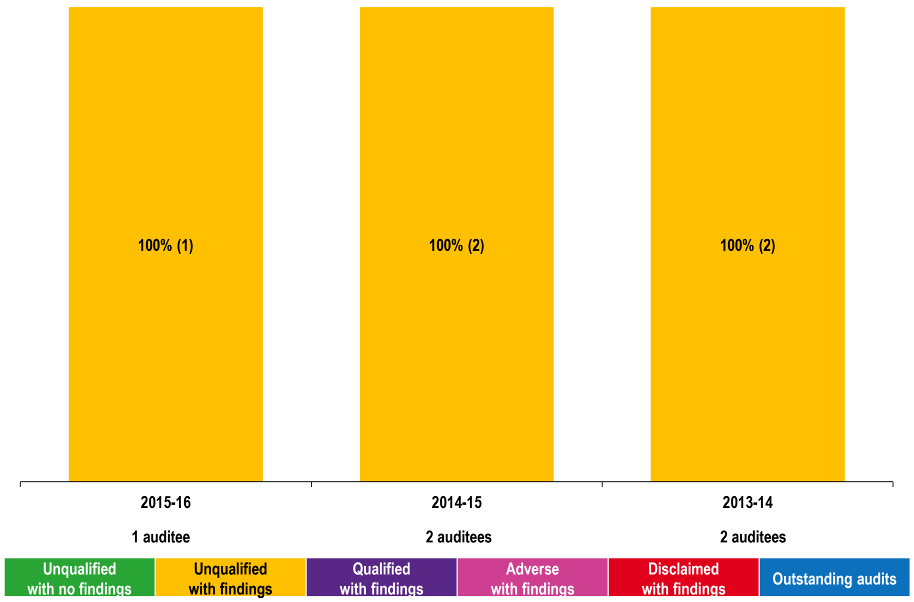
The Commission for Gender Equality is included in the portfolio but is not under the authority of the minister.

The audit outcome of the Commission for Gender Equality improved from an unqualified audit opinion with material findings on compliance with legislation in the previous years to an unqualified audit opinion with no findings in the year under review.

The leadership demonstrated commitment and seriousness in correcting previous year’s findings by developing and closely monitoring action plans, with greater direction and guidance from the leadership and the audit committee. Although the audit outcome has improved, the leadership and those charged with governance must continue to enhance their oversight to ensure that the improved audit outcome is sustained.

Vote 14: Basic Education

Three-year audit outcome



In the previous year the portfolio consisted of the Department of Basic Education (DBE) and the Education Labour Relations Council (ELRC). The ELRC was delisted from the PFMA during 2015, and is no longer required to be audited by the AGSA.

The DBE did not address past material audit findings and internal control deficiencies adequately. This resulted in a lack of improvement in the overall audit outcomes of the department for financial reporting, performance reporting and compliance with legislation.

The DBE submitted financial statements for auditing that contained material misstatements in the areas of immovable tangible capital assets, accruals and payables not recognised, commitments, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure. The DBE achieved an unqualified audit opinion only because it corrected misstatements identified during the audit process.

The department did not take reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and this was consistent with the previous year's audit findings. The DBE incurred unauthorised expenditure of R131,8 million. This represents an increase of R103,2 million (361%) when compared to the previous year. This unauthorised expenditure was a result of expenditure incurred in contravention of the provisions of the school infrastructure backlog grant. The approval was not granted by the National Treasury for the DBE to deviate and redirect the grant allocation to other essential goods and services.

The department incurred irregular expenditure of R599,7 million. This compares favourably to the R705,6 million incurred in the previous year. Of this irregular expenditure:

- 37% was a result of services being rendered to the DBE after memorandum of agreements between the DBE and implementing agents had expired and not been extended or renewed. This was as a result of deficiencies in project management
- 63% was as a result of non-compliance with the necessary SCM requirements by implementing agents when appointing contractors on behalf of the department. This was due to the department not always being part of the relevant bid committees when the tenders were awarded as well as a lack of monitoring of implementing agents by the department.

Notwithstanding that goods and services relating to the irregular expenditure incurred were received, there is a high risk that the department may have paid more for such in excess of the value that was received.

Senior management did not determine the disciplinary steps that should be taken against officials who made and permitted irregular and unauthorised expenditure.

The DBE incurred fruitless and wasteful expenditure of R44,3 million increasing from R28 000 incurred in the previous year. All this fruitless and wasteful expenditure was a result of expenditure incurred in the Kha Ri Gude programme where there were overpayments to tutors for stipends, in contravention of the criteria determined by the DBE. This was as a result of inadequate monitoring by the department of the work performed by the appointed external service provider for the implementation of the Kha Ri Gude programme.

The extent of non-compliance by the DBE is indicative of weaknesses in the accounting and internal control environment and lack of robust monitoring disciplines that should ensure compliance with legislative requirements regarding financial management and procurement activities.

The accounting officer should implement the following to address matters that could affect the financial health of the portfolio:

- Timely payments to implementing agents should be made in accordance with the requirements of the signed memorandums of agreement. Timely payment will ensure that budget allocation is used for planned service delivery activities in the current year and the prevention of loss of unspent budgets as a result of non-approval of roll-over surpluses.
- Improve project management of infrastructure budgets and projects to mitigate the potential risk that the money appropriated for infrastructure projects could be overspent.

The published annual performance report of the DBE included information on its performance against predetermined objectives that was not reliable for some of the programmes audited. This was due to inadequate management reviews and supervision relating to information reported in the quarterly reports and annual performance report. The information reported was not supported by verifiable and credible evidence and, in some cases, was inconsistent with the technical indicator descriptions.

The following controls should be strengthened to create a control environment that supports reliable financial reporting, supports useful and reliable reporting on the performance and supports compliance with legislation:

- Implement monthly disciplines of record keeping, reconciling and reviewing of transactions and performance in a timely manner to ensure that complete, relevant and accurate financial and performance information is accessible and available to support information reported and presented to the oversight committees and governance structures.
- Enhance the skills and resources at the infrastructure and internal audit units to address capacity challenges in record keeping and financial reporting. This will also limit the dependency on the implementing agents appointed.
- Implement action plans on time to address control deficiencies identified by the external audit and monitor progress and impact on their implementation on an ongoing basis to ensure that milestones set and deliverables are achieved.
- Reconcile reported performance results to verifiable evidence and against the technical indicator descriptions monthly to provide assurance on the credibility of the evidence supporting performance reporting.
- Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reported.
- Monitor and enforce compliance with procurement processes when appointing implementing agents and ensure that the procurement processes followed by implementing agents are aligned to the department's legislative requirements and SCM policy.

There were no concerns over vacancies or instability in key positions at the department. However, there was high dependence on consultants who were not adequately monitored, particularly in the area of infrastructure management.

The controls over the financial systems were generally well designed. However, these were not implemented consistently during the year as a result of lack of monitoring by senior management. In addition, controls over performance information systems, specifically regarding user access management, could still be improved. We identified recurring weaknesses on the network security controls. The DBE still experienced challenges with the development of a departmental business continuity plan due to a lack of prioritisation of its importance.

The level of assurance provided by senior management and the accounting officer should improve. Slow response by senior management, especially in the area of proper record keeping relating to infrastructure and performance reporting, contributed to material adjustments made to financial and performance reports and non-compliance with applicable legislation.
The accounting officer has made commitments to ensure that the department is steered in the right direction and shows improvement in all audited areas.

Engagements regarding commitments made to address deficiencies reported and status of key controls were held with the minister twice during the year. Numerous other engagements were held with the accounting officer. The minister was also proactive in directing the efforts of the department to improve audit outcomes. This involved influencing and holding the department's senior management accountable for achievements, stricter monitoring and reporting interventions. .

The performance of the internal audit unit against the annual internal audit plan was not satisfactory due to challenges in the staffing of the unit and some matters relating to human resources and labour relations. The audit committee operated effectively and executed their responsibilities as required during the year.

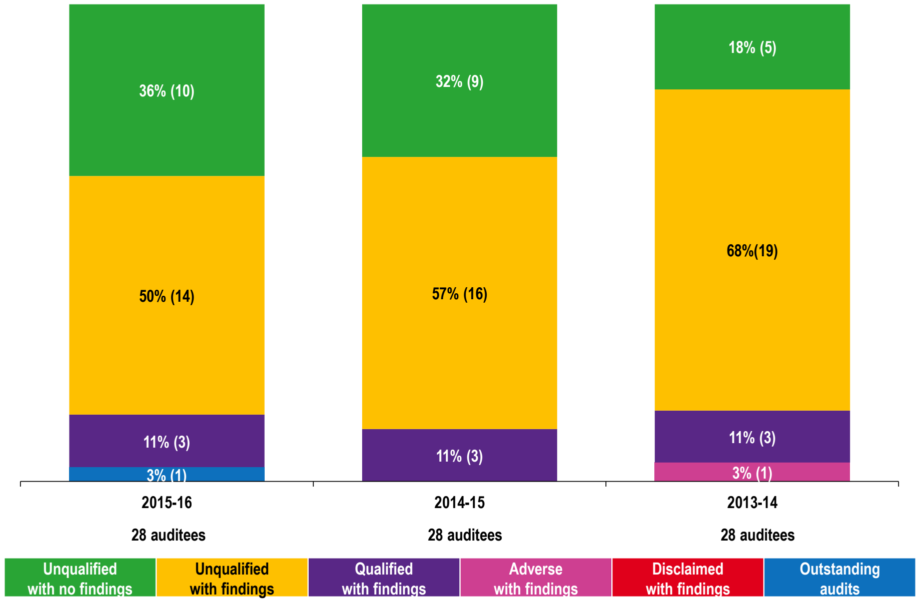
The executive authority, accounting officer and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Prioritise slow response by management to address the previous recommendations by promptly compiling action plans arising from auditors' recommendations for the year under review and previous year.
- Address internal control deficiencies by regularly monitoring progress on the action plans.
- Strengthen the performance management processes and the performance contracts should incorporate internal control responsibilities for all staff.
- Implement consequence management for non-performance.

The newly appointed accounting officer undertook to personally oversee the implementation of these recommendations and assess progress on a quarterly basis to improve the control environment.

Vote 15: Higher Education and Training

Three-year audit outcome



The Higher Education and Training portfolio (excluding technical and vocational education and training [TVET] colleges and universities) consists of 28 auditees being the Department of Higher Education and Training (DHET) and 26 public entities and one institute. The entities include 21 sector education and training authorities (Setas). The audit of the National Institute for the Humanities and Social Sciences (NIHSS) was not finalised by the cut-off date. The NIHSS is a new higher education institute established in terms of the Higher Education Act in 2013 and was audited for the first time. Two years' financial statements (2015 and 2016) were submitted for auditing. The financial statements for 2016 could only be submitted after the completion of the audit of the 2015 financial statements, and were thus only received on 29 July 2016.

The portfolio reflected an overall improvement in the audit outcomes over the past three years due to the implementation of action plans to address the previous year's internal control deficiencies identified in the areas of leadership, financial and performance management and governance.

Clean audits in the portfolio have doubled over the three years, increasing from five auditees in 2013-14 to 10 auditees in 2015-16, with a corresponding decrease of five auditees in the unqualified audits with findings. The qualified audit outcomes remained unchanged at 11% (three auditees) over the period. The National Institute for Higher Education: Northern Cape, which received an adverse audit opinion in 2013-14 and qualified audit opinion in 2014-15, was disestablished on 31 December 2014 due to the establishment of the Sol Plaatje University.

Sustainability of clean audits remained a challenge. Four Setas managed to maintain clean audits in each of the last three years and two Setas maintained clean audits in each of the last two years. Four Setas achieved clean audits for the first time in 2015-16. One Seta regressed from an unqualified opinion with findings to a qualified opinion in 2015-16, while three entities, including one Seta, regressed from a clean audit to an unqualified opinion with findings. The regressions were mainly due to a lack of implementation of action plans to address internal controls, inadequate management of discretionary grants, inadequate reviews of financial statements and non-monitoring of compliance with procurement regulations. The audit outcomes of 19 auditees remained consistent when compared to the previous year. Areas of qualifications for the three Setas during 2015-16 related to liabilities, disclosures and expenditure.

The quality of financial statements submitted for auditing improved when compared to the previous year. The improvement was due to implementation of action plans to address previous year's reported internal control deficiencies. Staff were held accountable for implementation of internal controls through incorporating audit outcomes as part of the key performance areas in the staff performance agreements. Eleven auditees in the portfolio submitted financial statements that contained material misstatements and/or limitations indicating that there was still reliance on the audit process to produce credible financial statements. Eight of the 11 auditees received an unqualified audit opinion only because they corrected all the misstatements we had identified during the audit process. Most of the identified misstatements were in the area of commitments disclosure notes.

There was a slight improvement in compliance with legislation in the portfolio, although this was still an area of great concern. Half of the auditees in the portfolio had significant findings on compliance in 2015-16 compared to 18 auditees (64%) in the previous year. Six auditees had findings on compliance with procurement and contract management requirements, which included uncompetitive bidding processes, not adhering to SCM prescripts on awards, bids not advertised for required period and not obtaining the required minimum documentation prior to awards being made. Six auditees had findings on irregular expenditure due to inadequate monitoring of compliance with SCM prescripts, and one auditee (NSFAS) had a recurring finding on revenue management as effective steps were not taken to collect money due, as required by PFMA .

Irregular expenditure within the portfolio increased by 62% from R351 million in the previous year to R569 million in 2015-16. The National Skills Fund and the Safety and Security Seta combined contributed 59% of the total irregular expenditure incurred. Fifty-six per cent of irregular expenditure incurred was as a result of non-compliance with procurement and contract management. Ninety-two per cent of irregular expenditure was identified by management. Controls should be implemented to monitor compliance with SCM processes to prevent irregular expenditure, promote fairness in procurement processes and ensure that value for money is achieved when goods and services are procured.

The financial health assessment of the portfolio has improved when compared to the previous year due to improvements in creditor-payment periods, reduction in debt impairment provision, realisation of surpluses during 2015-16 and improved net cash flows from operating activities. Concerns, although not significant, were noted with four auditees varying from auditees being in net current liability position, non-payment of invoices within 30 days, negative cash flows from operating activities and non-recovery of student loans.

The quality of submitted annual performance reports remained unchanged when compared to the previous year and the management of performance information should be improved. Nineteen auditees within the portfolio submitted annual performance reports for auditing that contained material misstatements. This was largely due to the auditees not having appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Some auditees also did not correctly apply the requirements of the FMPPI in the development of their indicators and the setting of their targets due to differing and incorrect interpretation and understanding of the requirements of the FMPPI.

Ultimately, the published annual performance reports of 12 of these auditees included information on their performance against predetermined objectives, which was not useful and/or reliable for some of the programmes or objectives selected for auditing. Seven auditees avoided material findings in their audit reports through correcting all the misstatements we had identified during the audit process.

The following controls should be strengthened to create and sustain a control environment that supports reliable financial and performance reporting and improvement in compliance:

- Daily and monthly processing and reconciling of transactions should take place throughout the year to ensure that accurate financial statements are prepared.
- Financial statements, including disclosure notes, and performance reports should be prepared at regular intervals during the year. Adequate reviews of financial statements and performance reports should be performed against relevant supporting information. We recommend that the internal audit units should perform independent reviews to provide additional assurance on the in-year reporting.
- Management should improve their record management systems to ensure that appropriate records supporting the financial statements and performance reports are readily available.
- The leadership should effectively oversee performance management processes. This includes implementing and monitoring effective and efficient processes to collect, collate and verify performance information to ensure valid, accurate and complete reporting of actual achievements against predetermined objectives, indicators and targets. Action plans to address internal control deficiencies identified by internal and external audits should be developed and implemented within one month of receipt of audit reports. The progress made on implementation of the action plans should be monitored on a regular basis. Management should be held accountable for implementing action plans and monitoring their effectiveness.
- Processes should be in place to monitor compliance with legislation. Attention should be given to compliance with SCM processes in order to prevent irregular and fruitless and wasteful expenditure, promote fairness in procurement processes and ensure that value for money is achieved when goods and services are procured.

Six entities had vacancies and instability at senior management level during 2015-16 compared to four entities during the previous year, which contributed to significant audit findings on financial statements, performance information and compliance. The department’s failure to supervise and monitor its entities and higher education institutions (approximately 100 entities or institutions in the minister’s portfolio) was, in some instances, due to a lack of appropriate skills and insufficient human resource capacity for monitoring and oversight responsibilities within the department. As a result, some achievements reported by the entities and institutions in the portfolio were consolidated into the department’s annual performance report without being verified.

At the department, most ICT controls over the financial systems were adequate and operating effectively. Some weaknesses identified on performance information systems and outdated network infrastructure at the department contributed to security management findings. Most of the Setas and other public entities had challenges with the adequacy of controls in the focus areas of IT governance, user access management, IT service continuity and security management. This was mainly due to a lack of capacity or required skills to design and implement such controls, inadequate management oversight and lack of consequences for not resolving audit findings.

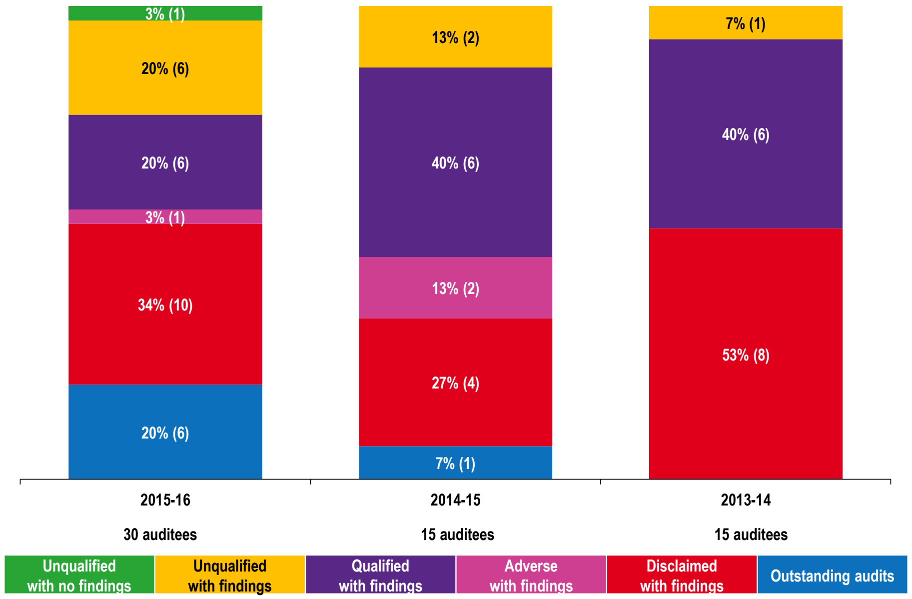
There have been some improvements in the portfolio in the assurance provided by senior management, accounting officer and accounting authorities, internal audit units and audit committees. We met with the minister once in the past year. We discussed the outcomes and status of implementation of commitments with the minister and noted some progress in the implementation of previous year's commitments. The assurance provided by senior management should be improved by implementing the recommendations of external and internal audits to strengthen the internal control environment. The accounting officer, accounting authorities and senior management should implement consequence management to hold staff accountable for improvement and maintenance of internal controls. They should assess the status of key controls regularly. Assurance by the internal audit units and audit committees can be strengthened by evaluating the adequacy of action plans, reliability of progress against action plans, status of key controls, credibility of monthly financial statements and quarterly performance reports and compliance with legislation that has a direct impact on the department and entities. The minister has been assessed as providing some assurance, consistent with the previous year. Although progress has been made in addressing ministerial commitments, improvement was still required to ensure intended outcomes are achieved. Quicker responses to commitments and ongoing monitoring of effectiveness of implemented actions were required to ensure positive impact on audit outcomes. The portfolio committee executed their functions adequately in the areas of reviewing the budgets, financial statements, performance information and service delivery of the portfolio.

The accounting officer, accounting authorities and senior management, should address the root causes of poor audit outcomes and inadequate controls as follows:

- Slow response by management should be addressed by promptly compiling action plans that address root causes, regularly monitoring progress made to address internal control deficiencies and communicating the action plan to all levels of staff. The internal audit unit should review progress on, and effectiveness of, the implementation of actions plans quarterly. This will provide an independent assurance on progress made by management in addressing internal control deficiencies.
- The performance management processes should be strengthened and performance contracts should incorporate internal control responsibilities for all staff. Consequence management should be implemented for non-performance.
- All funded vacant positions should be filled urgently with individuals who have the appropriate qualifications and skills. In addition, a gap analysis should be performed in relation to the current level of skills and competencies. An action plan should be developed to address the gaps identified.

Technical and vocational education and training colleges

Three-year audit outcome



During 2015-16 we audited 15 additional colleges for the first time. The 2015-16 financial year was the third of the four-year phased-in approach to take over the audits of colleges by the AGSA as agreed with the DHET. This brought the number of colleges audited by the AGSA to 30. The audits of six of these 30 colleges (East Cape Midlands, Motheo, Orbit, Sedibeng, South West Gauteng and Vuselela) had not been finalised by the cut-off date.

Twenty colleges were not audited by the AGSA, but by private firms, and their audit outcomes are not included in this report. We would undertake the audits of the remaining 20 colleges in the 2016-17 financial year, resulting in all 50 colleges being audited by the AGSA.

The trend in audit outcomes over the past three years indicates that the colleges have started to make some headway in the quality of their financial statements, resulting in improvement in the overall audit outcomes. TVET colleges have moved from having one college obtaining an unqualified audit opinion in 2013-14 to seven colleges (four from the first batch of 15 TVET colleges audited since 2013-14) obtaining unqualified audit opinions in 2015-16. Seventeen (71%) of the 24 colleges whose audits have been completed received a modified opinion, i.e. qualified, adverse or disclaimer of audit opinion. This picture may change once the remaining six audits are finalised. The areas which mostly informed qualified and disclaimed audit opinions were on property, plant and equipment, student receivables, trade payables, revenue and expenditure. These were mainly due to the failure by affected colleges to produce sufficient, appropriate evidence for the recorded transactions, balances and disclosures in the financial statements as a result of inadequate systems, processes and/or poor records management practices.

Notably, Ekurhuleni East is the only college to have received an unqualified opinion and also avoided findings on compliance with legislation. It is also noteworthy that, of the colleges that have been audited by the AGSA since the first year of the phased-in approach, Esayidi, Maluti and Northern Cape Urban colleges avoided a qualified audit opinion for the first time. The improvement in their outcomes is attributable to improving skills and capacity within finance units, record keeping, controls over daily and monthly processing and reconciliation of transactions, implementation of action plans and governance.

Mnambithi remained the only college to have avoided a qualified opinion in all three years of being audited by the AGSA, although it has had compliance findings in each of these years. The other colleges that avoided modified audit opinions are Mthashana and South Cape. However, both these colleges, together with Northern Cape Urban and Ekurhuleni East, avoided qualified opinions through correcting all the material misstatements that we had identified during the audit. We commend Esayidi, Maluti and Mnambithi for submitting financial statements that were free of material misstatements. Notwithstanding the improvement noted above, the percentage of colleges with qualified, disclaimed and/or adverse opinions was still of great concern and significant improvements in controls were still required, as indicated further below.

Compliance with legislation has shown little improvement in the past two years. The main area of non-compliance was the failure to keep complete and adequate accounting records in support of the transactions, balances and disclosures in the financial statements. This was a challenge in the previous years as well, hence the high number of qualified and disclaimed opinions in the previous years. Internal audit and risk management systems at most colleges were also not of the required standard. Colleges are not subject to the procurement requirements of the PFMA, Treasury Regulations and PPPFA, hence no reporting on compliance in this area.

The financial health of the colleges was of great concern. The colleges were struggling to collect amounts due from outstanding student fees, with the result that the recoverability of significant portions of these amounts was in doubt. Also as a consequence of these struggles nearly 33% of the colleges had negative net cash flows from operating activities. Fifty per cent of the colleges had a net deficit for the year. These challenges already existed in the previous year, but the fact that most of the students are from low to middle income families has made it difficult for the colleges to make progress in this area.

Colleges are not required in terms of the Continuing Education and Training Act, 2006 (Act No. 16 of 2006) to report on their performance against predetermined objectives.

The following controls should be strengthened to create and sustain a control environment that supports reliable financial reporting and compliance with legislation:

- The DHET should fast track the appointment of permanent chief financial officers at some of the colleges to ensure that there is adequate supervision and direction at the finance units. The capacity within the finance units should be reviewed periodically to ensure that they are sufficiently capacitated with appropriately skilled personnel. This will create and ensure sustainable improvement in the control environment.
- Significant improvements in record keeping are required to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
- Controls over the daily and monthly processing and reconciliation of transactions should be enhanced. This will ensure credible in-year financial reporting that will support the preparation of credible financial statements.
- There should be regular review and monitoring of compliance with applicable legislation. Adequately resourced and functioning internal audit units can play an important role in this regard.
- Policies and procedures should be established and communicated to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

The above controls were highlighted in the previous year, but have generally shown little improvement due to critical vacancies that have not yet been filled, and other deficiencies in the skills and competencies of staff that have not yet been fully addressed.

The IT environment within the colleges remained of great concern and required urgent attention. We identified significant weaknesses in IT governance, user access management, security management and IT service continuity, as in the previous year.

The level of assurance provided by the councils, senior management, internal audit units and audit committees should improve. Councils must hold management accountable for the development and implementation of action plans to address unfavourable audit outcomes. Councils should receive regular monitoring reports on progress made with the implementation of action plans. Councils should also ensure that there are policies and procedures that enable and support understanding and execution of internal control objectives, processes and responsibilities and that functioning internal audit units and audit committees are in place. Senior management must develop action plans to address deficiencies in internal control and monitor their implementation. Some colleges still did not have an internal audit unit and/or audit committee, which undermines effective governance. Management did not always implement the recommendations made by internal audit units, where they exist, and some internal audit units were not adequately and appropriately staffed.

Councils should address the root causes of poor audit outcomes and weak internal controls, which have shown little improvement from the previous year, as follows:

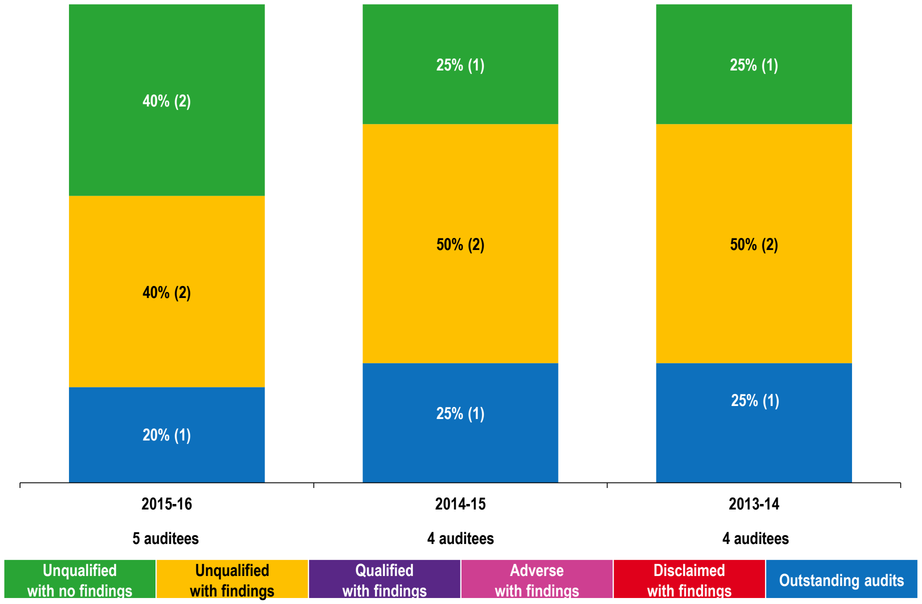
- Hold management accountable for slow responses to implement recommendations of internal and external audits and rectify any other identified weaknesses in internal controls. This requires councils to take appropriate steps and ensure consequence management for poor performance by staff and management.
- Ensure that critical vacancies are filled.
- Ensure that staff have the required skills and competencies for their areas of responsibility.

Outstanding audits

The financial statements of Orbit, South West Gauteng and Vuselela were submitted late for auditing due to challenges around the accounting systems and/or documentation. The previous years' audits of East Cape Midlands were finalised late due to significant disagreements with management over accounting matters during the first year that the college was audited by the AGSA. This had a negative impact on the timing of the submission of the year under review's financial statements as the audits of previous year's financial statements had to be finalised before the year under review's financial statements could be finalised and submitted for auditing. The audit of Motheo for the year under review was similarly affected due delays in finalising the previous year's audit as a result of system and documentation deficiencies that ultimately resulted in the previous auditors expressing a disclaimer of opinion. The audit of the year under review’s financial statements has since been concluded, with the financial statements again receiving a disclaimer of opinion. Sedibeng parted ways with its chief financial officer during a critical period for the preparation of the financial statements for auditing. Its finance unit had been heavily reliant on the chief financial officer, and the remaining resources at the unit could not independently continue with the process and produce financial statements of the quality that would have enabled the council to confidently submit them for auditing. The college engaged external consultants to assist with the preparation of the financial statements while recruiting a new chief financial officer, who has since been appointed.

Vote 16: Health

Three-year audit outcome



The overall audit outcomes for the portfolio have improved. This can be attributed to the Council for Medical Schemes (CMS) receiving an unqualified opinion with no findings in 2015-16. The CMS strengthened their monitoring controls over compliance with legislation.

The audit outcome of the Compensation Commissioner for Occupational Diseases in Mines and Works (CCOD) is outstanding as financial statements had not been submitted for audit for the past five financial years. This can be attributed to a lack of adequate skills and capacity and a lack of appropriate internal controls and systems to properly account for provisions and contingent liabilities. Consultants have been appointed to assist the finance unit to address the audit concerns that resulted in the previous disclaimers of opinion. The entity expected to re-submit the 2010-11 and submit the 2011-12 financial statements for the first time later in the year for auditing.

The Medical Research Council (MRC) maintained its outcomes of unqualified opinions with no findings over the three years. The Department of Health (DoH) had unqualified audit opinions with findings on compliance with legislation and the audit of performance information over the three years. The Office of Health Standards Compliance (OHSC) was established and operated independently for the first time during the 2015-16 financial year. They received an unqualified opinion with findings on compliance with legislation.

The DoH and the OHSC had material findings on compliance with legislation. Both made material corrections to the financial statements submitted for auditing to prevent qualifications. The implementation of daily and monthly internal controls must be strengthened to ensure that errors are detected and corrected prior to submission of the financial statements for auditing.

The portfolio had shown an improvement in compliance with SCM legislation, with only the OHSC having material non-compliance matters reported. This was a result of one contract, with a transaction value above R500 000, being procured without inviting competitive bids.

The portfolio incurred irregular expenditure of R7,36 million (2014-15: R407,4 million). The noticeable reduction in irregular expenditure resulted from one instance of non-compliance with Dora by the DoH in the previous year, which did not recur.

The financial health analysis showed that the entities in the portfolio were in a favourable position. However, the DoH had unfavourable indicators that need to be addressed to ensure a better financial position is attained. The DoH should manage its cash resources to ensure that sufficient funding is available to pay creditors as they fall due, and improve budgeting on conditional grants to prevent material underspending on programmes.

It is commendable that we have not raised findings on usefulness in the portfolio for the second consecutive year. The quality of annual performance reports submitted for auditing remained a concern as three auditees made corrections for material errors identified during the auditing. The MRC and OHSC were able to avoid material reliability findings only as a result of these corrections. Despite making material amendments, the DoH still had findings on reliability of performance information. The reliability of information was primarily affected by inadequate information systems for the collection of data, as well as manual internal control processes at facilities (clinics and hospitals) under the control of provincial departments. The DoH approved policies and procedures for primary transversal reporting systems; however, the provincial departments did not adequately implement these policies and procedures at facilities across the country. The CMS submitted an annual performance report that did not require any corrections.

Although we noted an improvement in the portfolio’s audit outcomes, inadequate daily and monthly processing and reconciling controls to prevent material misstatements in the financial statements and to report reliable performance information on the annual performance report remained of concern. The OHSC operated in its first year of existence and was in the process of designing and establishing internal controls over financial reporting. Implementation of these internal controls must be strengthened in the next year. The key controls at the remaining two entities were acceptable.

Vacancies at chief executive officer positions must be filled at both the CMS and the OHSC to create a stable leadership environment. Other key senior management and finance positions remained stable in the portfolio.

The existence and adequacy of business continuity and disaster recoverability plans remained of concern in the portfolio. However, general IT controls over IT governance, security management and user access management improved at three entities in the portfolio. The OHSC was in the process of developing and implementing proper internal controls in these areas.

Overall, the level of assurance provided by senior management for the auditees in the portfolio was adequate, but improvements were still required to ensure financial statements submitted for auditing are free from material misstatements. Management must strengthen their oversight of the financial and performance management controls to address internal control weaknesses identified during the audit. Overall, the accounting authorities or officer provided assurance that addressed key audit outcomes. The accounting authority of the OHSC was still in the process of establishing policies and procedures for the new entity. This had some impact on the level of assurance that they provided during the audit. Some improvements were noted in the level of assurance provided by the internal audit units; however, there were still weaknesses that should be addressed. Producing timely reports that can assist management to address audit risks early in the process should remain a priority. The level of assurance provided by audit committees remained good, which is evident in the improvements noted on the audit outcomes.

We met with the minister twice in the past year and these interactions had a positive impact on the audit outcomes. The DoH implemented an action plan to submit long-outstanding financial statements for the CCOD. The portfolio committee provided assurance and this should be maintained to improve audit outcomes.

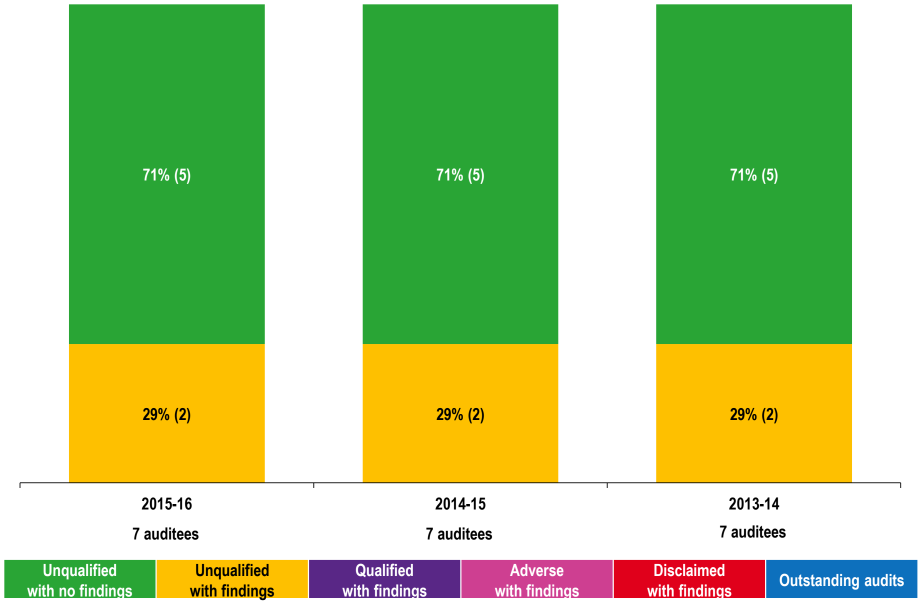
We noted that the portfolio was slow to address the challenges affecting the CCOD and the significant IT and internal control weaknesses of reporting on performance information at the DoH. The portfolio must focus on addressing the root causes of audit findings. In this respect, the following recommendations should be implemented:

- The CCOD must submit all outstanding financial statements for auditing in accordance with the action plan developed by management.
- Internal controls at the finance units of the DoH and the OHSC must be improved to prevent material misstatements in the financial statements.
- The DoH has begun a project to implement an electronic patient registration system. This project is only expected to be fully implemented in the long term. The DoH must continue with its efforts to implement an efficient, integrated and well-functioning information system as soon as possible to report reliable performance information.

The DoH, through the minister, has engaged extensively with provincial health departments to address audit and service delivery challenges at provincial level. They have intervened in key projects through the administration of tenders and management of infrastructure projects. It is imperative that the DoH continues with this drive to assist the health sector in their effort to achieve the country’s healthcare goals.

Vote 17: Social Development

Three-year audit outcome



The audit outcome of the portfolio remained unchanged over the three years. The Department of Social Development (DSD) retained its clean audit status, while the South African Social Security Agency (Sassa) and the National Development Agency (NDA), which are public entities of the department, retained their unqualified opinions with findings on compliance with legislation. Furthermore, the Disaster Relief Fund, Refugee Relief Fund, Social Relief Fund and State President Fund (relief funds) retained their clean audit status.

The DSD, Sassa and the relief funds submitted financial statements that were free from material adjustments. The NDA submitted financial statements for auditing that contained material misstatements in the areas of provisions and accruals. The NDA received an unqualified audit opinion as it corrected the misstatements identified during the audit process.

Sassa and the NDA had material non-compliance with legislation relating to the prevention and management of irregular and fruitless and wasteful expenditure and the NDA had material non-compliance with legislation regarding material misstatements in its submitted financial statements, procurement and contract management and strategic planning and performance management.

Sassa incurred R1,047 billion in irregular expenditure as compared to R41 million in 2014-15, R1,046 billion of which was identified by Sassa's management. This represented 97% of the irregular expenditure in the portfolio. The NDA incurred R19 million in irregular expenditure, R0,5 million of which was identified by NDA's management, as compared to R1,7 million in 2014-15. This represented 2% of the irregular expenditure in the portfolio. The irregular expenditure was mainly due to SCM prescripts not being followed because there was a lack of management oversight and monitoring of proper implementation of these prescripts.

The portfolio did not have any matters relating to the risk indicators of financial health; however, the going concern status of the relief funds was emphasised in their audit reports because of the process that was initiated for the amendment of their enabling legislation, which may result in the closure or amalgamation of the four funds.

The annual performance reports for the DSD and Sassa were not materially misstated, but the NDA submitted an annual performance report for auditing that contained material misstatements. The NDA avoided material findings in its audit report as it corrected all the misstatements identified during the audit process. The relief funds are not subject to the PFMA; therefore, reporting on predetermined objectives is not a legal requirement and, therefore, they did not report on them.

The overall assessment of the internal controls for the DSD and the relief funds remained unchanged for leadership, financial and performance management and governance, which were assessed as good. The assessment of the internal controls at Sassa regressed for leadership and financial and performance management, which were assessed as concerning. However, improvement has been noted in governance with regard to the internal audit unit and the audit committee. Leadership, financial and performance management and governance were assessed as concerning at the NDA, which is a regression from the previous year.

Key vacancies continued to exist in the portfolio. The DSD had an overall vacancy rate of 16%, with the accounting officer position being vacant from July 2014. Sassa had an overall vacancy rate of 8,1% in funded positions, with the chief executive officer position being vacant after year-end. The NDA had an overall vacancy rate of 5,2%, with both the chief executive officer and chief financial officer positions remaining vacant since September 2015 and October 2015, respectively.

The information system controls outcome of the portfolio regressed. Improvement is required at the DSD and its agencies in the key areas of user access controls, which relate to the asset management system of the DSD, administration of users on the performance systems, active directory maintenance at Sassa, and at the NDA employee access was not reviewed to ensure that access was in line with job responsibilities. The DSD and Sassa had findings on security management and information systems continuity, while Sassa and the NDA had findings on IT governance.

The portfolio committee provided adequate assurance regarding the entities in the portfolio.

The minister was assessed as providing assurance, as there was achievement in fulfilling the mandates of the DSD and Sassa (including social assistance), and ensuring that there was regular communication with us. Progress was made on commitments undertaken to address audit issues highlighted.

The acting accounting officer and senior management of the DSD and the four relief funds were assessed as providing assurance based on the sustainability of the audit outcome.

The accounting authority of Sassa was assessed as providing assurance; however, senior management was assessed as providing some assurance, as improvements were still required in addressing the root causes of findings on financial statements, performance reporting, and procurement and contract management compliance. The accounting authority and senior management of the NDA were assessed as providing some assurance, as improvements were still required in addressing the root causes of findings on financial statements, performance reporting, and procurement and contract management.

Internal audit units and the audit committees were assessed as providing assurance at the DSD, the four relief funds and Sassa. At the NDA, the internal audit unit was assessed as providing some assurance and the audit committee had not been established.

The key root cause of significant findings was the slow response by management in implementing corrective measures. The accounting authorities of Sassa and the NDA should address the root causes of poor audit outcomes and inadequate controls by exercising value-adding review processes and apply appropriate management of consequences for poor performance and transgressions in a swift and efficient manner.

The acting accounting officer exerted appropriate leadership and oversight of senior management at the DSD and Sassa in the preparation of quality financial and performance reports that complied with applicable legislation and were supported by reliable source documentation.

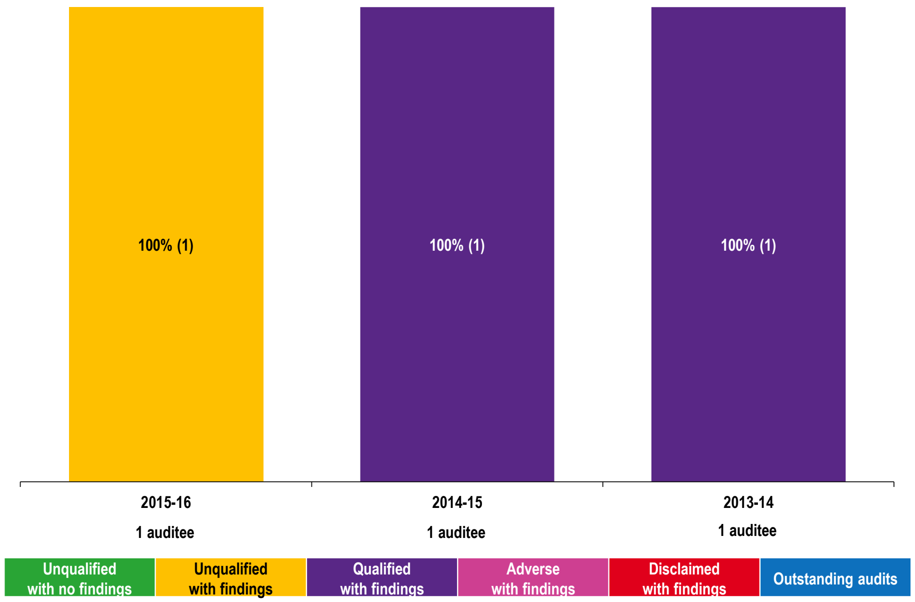
The accounting authority of the NDA should exercise oversight and strengthen the internal controls to create a control environment that supports reliable financial reporting and useful and reliable reporting on the performance information by implementing proper record keeping. The annual financial statements should be reviewed to ensure that they are aligned to the reporting framework and are free from material misstatements.

The accounting authorities of Sassa and the NDA should strengthen the internal controls to create a control environment that supports compliance with legislation by implementing proper record keeping and regular review processes that are supported by appropriate documentation.

The accounting officer must continue to ensure effective leadership and appropriate oversight of senior management of the DSD in the preparation of quality financial and performance reports that comply with applicable legislation and that are supported by source documentation.

Vote 18: Correctional Services

Three-year audit outcome



There was an improvement in the Department of Correctional Services' 2015-16 overall audit outcome. The department has moved from qualified with findings to unqualified with findings. The improvement in the audit outcome is attributable to stability in leadership and commitment to implement the action plan to resolve the previous year's qualifications.

Although the audit outcome improved, the quality of the submitted financial statements remained poor, as material adjustments were made to the financial statements submitted for auditing. These adjustments resulted in the department receiving an unqualified audit opinion. The poor quality of the financial statements was due to weak key internal controls over the daily and monthly processing of financial information.

The non-compliance in the area of strategic planning and performance management was due to systems of financial risk and internal control not supporting the departmental systems to collate, and report on, performance information. Specific information systems were not adequate to monitor progress made towards achieving targets. Money owed to the department was not timely collected.

Persons in the service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest. These cases were under investigation at the time of the report.

Senior management did not set the appropriate tone with regard to SCM transgressions and the related irregular expenditure. In the year under review, the department incurred R219 million (2014-15: R164 million) of irregular expenditure. Of this, 97% (2014-15: 99%) of the irregular expenditure was identified during the audit process and not detected by the department's monitoring processes. This was mainly due to the department's officials not adhering to SCM legislation, which included IT procurement without the involvement of Sita.

Management did not prevent and detect the irregular expenditure due to incorrect interpretation and application of SCM requirements and legislation.

The instability in leadership in the previous years resulted in the slow response and lack of resources at the department's investigations unit to investigate and conclude on cases reported. The president proclaimed investigations by the Special Investigations Unit into irregularities in the procurement of an electronic monitoring system, the appointment of a service provider to render project management services and condition assessments in respect of correctional facilities. At the time of this report these investigations were under way.

On 15 June 2016, the National Treasury issued a report to the national commissioner on a review of the bidding process for the appointment of a service provider for the supply, installation, commission and maintenance of a development framework for an integrated inmate management system. This matter was still the subject of legal processes at the reporting date.

The department's financial health continued to be of concern because the bank account was overdrawn by R194 million and, at year-end, it was in an accrual-adjusted net current liability position. The main reason for the bank account to be overdrawn was the payment made in previous financial years to the public-private partnership in Mangaung that was being claimed back by the department (R160 million).

The department was unable to submit performance reports that are useful and reliable. The performance report submitted for auditing was materially misstated in terms of reliability.

Weak internal controls were still evident at the department. The accounting officer did not adequately oversee financial and performance reporting and compliance with legislation. The performance and financial reports of the department were not reviewed adequately; therefore, the reports submitted were materially misstated. In a number of instances the department did not comply with legislation.

Evaluation and monitoring of risk assessments were not effective due to insufficient resources and lack of skills at the department's internal audit function.

Information was not always readily available on request, especially information relating to predetermined objectives. The department did not always implement controls over daily and monthly processing and reconciling of transactions.

Key vacancies within the department were still a cause for concern. Although the vacancies of national commissioner and chief financial officer have been filled, the vacancies of two regional commissioners and three chief directors have been vacant for more than 12 months.

The department made progress in approving and partially implementing the IT governance framework. This resulted in improvements in the internal control environment. Although improvements were made, more work needs to be done to complete the implementation of the IT governance framework. The adequate implementation of the IT governance framework will have a pivotal role to play in the successful delivery of the integrated inmate management system project.

The IT department has reduced its reliance on consultants and has begun a process of appointing skilled personnel. The IT control environment relating to IT service continuity management and IT security management remained unchanged. IT security continued to be a challenge for the department.

The government information technology officer should implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information. This officer should establish an IT governance framework that supports and enables the business to deliver value services and improve performance.

The portfolio committee provided adequate assurance over the portfolio.

The minister has adequate insight into the department and provided oversight of the implementation of the strategic objectives of the department.

The national commissioner had adequate insight into the risks and internal control deficiencies; however, the national commissioner did not ensure that action plans were implemented adequately to ensure accurate and complete financial statements and performance reports, and compliance with legislation. Senior management's review of financial and performance reports was inadequate, as it did not identify errors efficiently. Therefore, senior management provided limited assurance.

The department had an internal audit function; however, the internal audit unit was not effective because of the lack of skills within the unit.

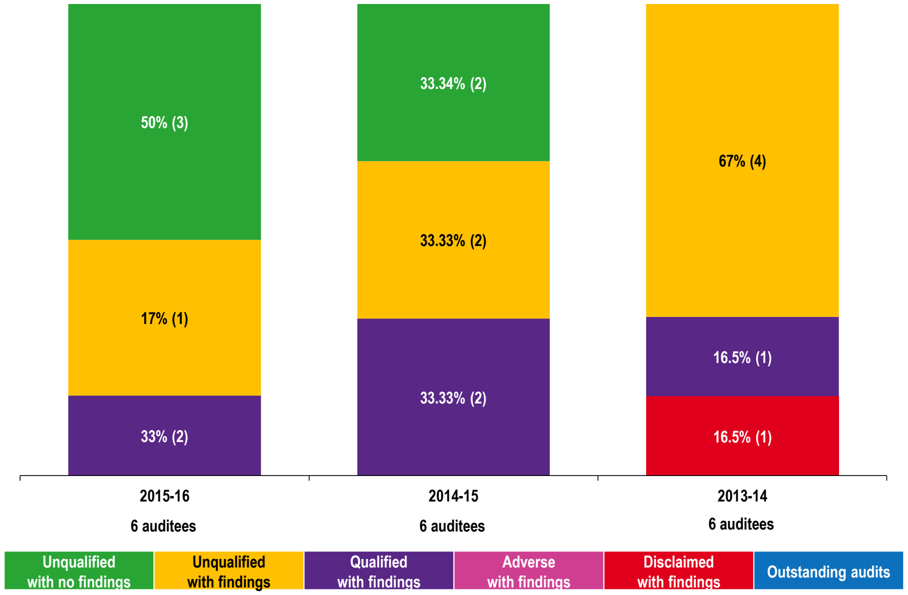
The audit committee was composed of highly competent members in the field of accounting and law. They scrutinised reports submitted by management and the internal audit unit.

The root causes of the outcome on compliance and predetermined objectives were a lack of consequence management and inadequate training.

To improve the audit outcomes, action plans to address audit findings must be implemented, key vacancies must be filled and training on the collation and review of performance information must be provided to all staff. A culture of consequence management must be instilled.

Vote 19: Defence and Military Veterans

Three-year audit outcome



The improvement in the overall audit outcome was because the Castle Control Board improved from an unqualified opinion with findings to a clean audit opinion. There has been a steady improvement in the portfolio over the last three years, due to implementation of audit action plans by management. The Armaments Corporation of South Africa (Armscor) and South African National Defence Force Fund (SANDF) maintained their clean audit status. The Department of Military Veterans (DMV) and Special Defence Account (SDA) remained with a qualified opinion with findings, while the Department of Defence (DoD) remained with an unqualified opinion with findings.

The chief financial officer position remained vacant for the greater part of the financial year and the asset management function and policies were not in place at the DMV. This resulted in the DMV being qualified on movable assets for the third time because there was no complete and accurate asset register to support amounts disclosed in the financial statements. The basis for a qualified opinion at the SDA was because of the inherent scope limitation linked to the sensitivity of the environment in which the SDA operates.

The lack of sufficient reviews of financial statements prior to submission for auditing resulted in the DoD and the DMV submitting financial statements that contained material misstatements and were not fully supported by audit evidence. Subsequent to the audit, the DoD submitted the required supporting documents, resulting in an unqualified audit opinion, while the DMV was unable to provide a complete and accurate asset register, which resulted in a qualified audit opinion.

Although there was a slight improvement in compliance with legislation, there was still insufficient review and monitoring of compliance with legislation and policies at both departments. This resulted in failure to prevent irregular and fruitless and wasteful expenditure, implementation of proper expenditure management and adherence to procurement and contract management practices. The DMV also lacked effective, efficient and transparent systems of risk management and internal control with respect to performance information.

The SCM-related irregularities and other cases of non-compliance with legislation resulted in irregular expenditure of R917 million for the portfolio. This is a 22,5% increase from the previous year. A total of R810 million of the irregular expenditure was due to non-compliance with the procurement processes and the remaining R107 million related to other cases of non-compliance. The entities in the portfolio should strengthen controls over SCM processes and consequence management should be implemented.

The DoD and the DMV did not ensure that proper expenditure management controls were implemented, which resulted in long-outstanding creditors at year-end. If not managed properly, this could lead to the departments incurring unauthorised expenditure as the previous year's creditors may be paid using current year budgets.

The lack of effective and efficient systems to manage performance information continued to have a negative impact on the DMV's performance reporting. The annual performance plan and annual performance report of the DMV included information that was not useful and reliable for the socio-economic support, and empowerment and stakeholder management programmes.

The DoD submitted an annual performance report for auditing, which contained material misstatements in the reported performance information. Management avoided material findings on reliability by correcting the misstatements identified during the audit. The SANDF is not subject to the PFMA and is therefore not required to report on performance information, while the SDA's performance information is included in that of the DoD.

The overall assessment of internal controls in the portfolio remained the same, except for the departments that showed a notable regression in the areas of leadership and financial and performance management. This was mainly caused by vacancies in key positions at the DMV, which resulted in a lack of effective leadership and oversight, and audit action plans not being implemented. These internal control deficiencies had a negative impact on financial and performance reporting, compliance and internal controls. With regard to the DoD, the oversight of financial reporting and compliance was inadequate. The ICT strategy of the department was not approved while the security policy was still undergoing various review processes prior to the recommendation and approval thereof.

Vacancies were not a concern in the portfolio, except for the DMV, which had an overall vacancy rate of 21%, with senior management at 29%. The position of the accounting officer was vacant for eight months during the year and remained vacant at year-end. The chief financial officer position has been vacant for 11 months during the financial year; it was only filled during March 2016.

Overall, there was a slight regression in the portfolio's IT environment. This was because of repeat findings on IT governance, IT security and IT service continuity management reported at the DoD. There was also a slight regression at Armscor because of the manner in which IT controls were implemented and operated. The DMV did not implement formal controls to ensure accuracy and protection of information contained in the military veterans' database, which is the source of benefits provided by the department.

The overall level of assurance provided in the portfolio has improved. The portfolio committee provided adequate assurance on the entities in the portfolio.

The minister implemented some of the commitments that were made to address 2014-15 audit findings and, thus, provided some assurance. Swift decision-making is required to assist in improving audit outcomes, in particular the filling of vacancies at the DMV. The accounting officers of the DoD and the DMV did not ensure that complete and accurate financial statements were compiled, thus did not provide the desired level of assurance that improves audit outcomes.

In some cases, senior management did not timeously implement key controls that should enhance the credibility of information provided and prevent non-compliance with legislation. This resulted in lower levels of assurance being provided, hence, the internal control environment was not strengthened sufficiently to address recurring audit findings at the DoD, the DMV and the SDA.

The issue of capacity constraints at the DoD and the DMV's internal audit units continued to have a negative effect on the level of assurance provided by the internal audit unit. Although the audit committee of the DMV made recommendations to address internal control deficiencies, these were not implemented because of the absence of leadership for a significant part of the financial year. For the rest of the portfolio, the audit committees of the entities provided assurance and for the DoD and the DMV they provided some assurance.

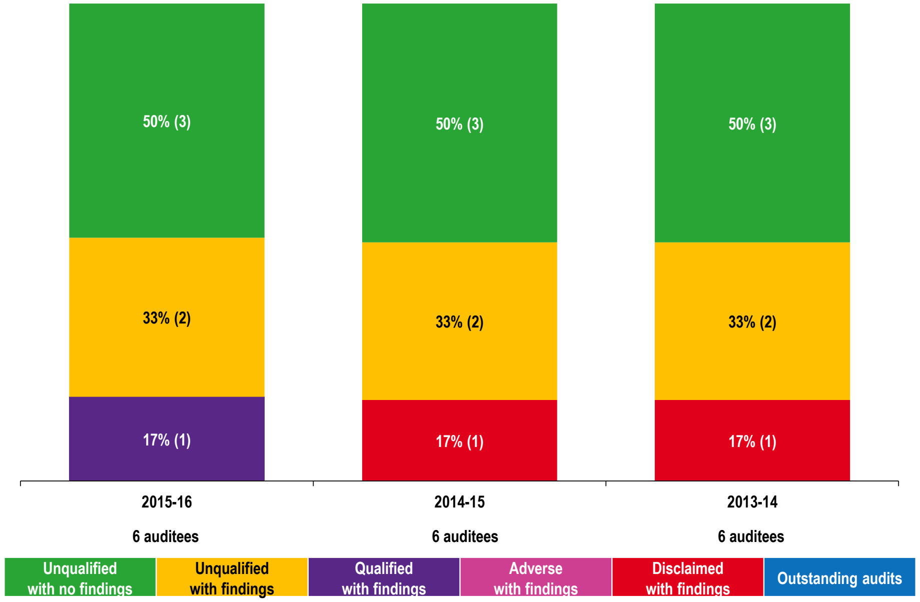
Measures should be put in place to address the recurring root causes of slow response by management, instability in key positions, officials lacking competencies and a lack of consequence management. Those charged with governance should oversee and monitor the audit action plans to ensure that audit recommendations are implemented. Consequence management should be implemented in instances where management fails to address audit recommendations. This will result in speedy response by management to implement audit recommendations.

Vacancies in senior positions should be filled timeously to ensure that the control environment is strengthened and to enhance timely decision-making. In filling vacancies, management and the political leadership should ensure that vacancies are filled with competent officials that would be able to deal with financial and performance reporting. There should also be continuous interventions to provide training and updates to officials to enhance their skills regarding the accounting framework and performance reporting requirements.

The good practices displayed by Armscor, the SANDF and the CCB should be continued to sustain clean audit outcomes. These practices include regular preparation and review of financial and performance reports, basic financial disciplines, using effective governance structures and implementing consequence management against transgressors.

Vote 21: Justice and Constitutional Development

Three-year audit outcome



The audit outcome of the portfolio has generally remained unchanged over the past three years, with the exception of the Third Party Funds (TPF) which improved from a disclaimer of audit opinion to a qualified audit opinion in 2015-16.

It is commendable that Legal Aid South Africa (Lasa), Guardian's Fund and President's Fund sustained their clean audit outcomes over the three years through institutionalised internal controls, sound in-year financial management disciplines and detailed review of financial statements by management prior to submission for auditing.

The stagnation in the overall audit outcome (excluding the qualification for the TPF) was as a result of the leadership at the Department of Justice and Constitutional Development (DoJ&CD) and the SIU not adequately addressing some of the material findings raised in the past on compliance with legislation. The TPF historically did not have adequate information systems and proper record keeping processes and reconciliations to support the financial results presented in its financial statements. To address these challenges, which led to the disclaimer of audit opinion in the previous years, management undertook an exercise to separately disclose balances which could not be supported. The unverifiable balances due to an absence of supporting documentation resulted in a qualified audit opinion in 2015-16. The challenge therefore remains with management to investigate these unsubstantiated amounts and to rectify them either through the provision of supporting documentation or through the engagement of the National Treasury to determine an appropriate accounting treatment for these amounts.

All the auditees have consistently submitted annual financial statements timeously for purposes of external auditing. The number of entities at which the internal controls did not prevent, detect or correct material misstatements before the audit process remained unchanged as the DoJ&CD and the SIU had material adjustments to their submitted financial statements. While management has been stable within the portfolio for the three years, there were critical positions that were not filled at the DoJ&CD for a period in excess of 12 months. The SIU also had management positions which had been vacant for a period in excess of 12 months and the chief financial officer position was vacant at 31 March 2016. This contributed to the material misstatements that had to be corrected subsequent to submission for auditing. To improve the quality of the financial statements submitted for auditing, the administrative leadership and oversight structures must strengthen their reviews of the financial statements. An action plan should be developed, which should include a diligent review of the in-year financial statements that should be verified against supporting documentation, to determine the credibility of the amounts disclosed in the financial statements.

In addition, the main areas of repetitive non-compliance identified were at the DoJ&CD with respect to non-adherence to SCM prescripts mainly around local content procurement and declarations by bidders, creditors not being paid within the prescribed period of 30 days from receiving an invoice, as well as its inability to prevent irregular expenditure. Officials should be held accountable for transgressions, and disciplinary action should be taken against transgressors. The DoJ&CD should implement a tracking register to track the movement of invoices across the various line functions from the date of receipt until date of payment to identify the reasons for delayed payments to suppliers.

The DoJ&CD incurred irregular expenditure of R14 million (which represents 71% of the total irregular expenditure incurred in this portfolio). The irregular expenditure incurred was mainly as a result of non-compliance with legislation governing procurement, prescripts regarding requests for bids not complied with and incomplete or inadequate documentation submitted by bidders. The total amount of irregular expenditure decreased in 2015-16 when compared to R45 million incurred in the previous year, which was also a reduction from

2013-14. Management developed checklists and issued circulars which contributed to the reduction in irregular expenditure, but the focus should move to prevention of irregular expenditure and consequence management.

The leadership and senior management of the DoJ&CD and the SIU should address the following matters, which could affect their auditees' financial health :

- The DoJ&CD should implement more effective monthly cash flow management to eliminate incurring a bank overdraft and to manage the accruals and payments of creditors, specifically at year-end.
- The SIU should improve its debt-collection rate by considering litigation on debtors to ensure that all amounts billed will be recovered. Non-recovery of debts could put a financial strain on the entity's ability to meet its liabilities in the future.

The DoJ&CD, SIU and Lasa have consistently submitted annual performance reports on time. The remaining entities in the portfolio are funds administered by the DoJ&CD and are not required to submit annual performance reports. There has been a regression in the quality of the annual performance reports submitted for auditing in 2015-16 as the DoJ&CD had to effect material changes to its annual performance report during the audit process. The process of setting the indicators should be reviewed and monitored. Employees should be trained in reporting appropriately and accurately against the indicators by clarifying the expectations and the intention behind the crafting of the indicators for performance reporting.

The overall assessment of the IT environment within the portfolio has improved over the past three years. Although improvements have been noted at the SIU, the entity has been experiencing challenges in the documentation and implementation of IT controls over governance, service continuity, security management and user access management.

There has been an overall stagnation in assurance provided at the level of the executive authority, accounting officer or authority and senior management. We noted improvements within the environment of the TPF, which were due to commitment of management and the leadership in achieving an improved audit outcome. However, the assurance provided at these levels as well as by the internal audit unit has regressed at the SIU due to the repeat audit findings raised and also due to the internal audit function only being operational for part of the 2015-16 financial year. The audit committees have provided the expected level of assurance. The level of assurance provided at the portfolio committee level has also improved over the three years as a result of more effective oversight by the committee.

Auditees which have sustained the good audit outcomes have an entrenched culture of accountability and commitment to address audit findings. To improve the poor audit outcomes, these auditees must address the root causes of weaknesses. Although there has been an improvement in addressing the weaknesses, there was still a lack of consequence management at some auditees, especially in relation to the inadequate implementation of action plans and slow response to address unsatisfactory performance and transgressions.

Constitutional institutions

The Public Protector South Africa (PPSA) and the South African Human Rights Commission (SAHRC) are included in the portfolio, but are not under the authority of the minister.

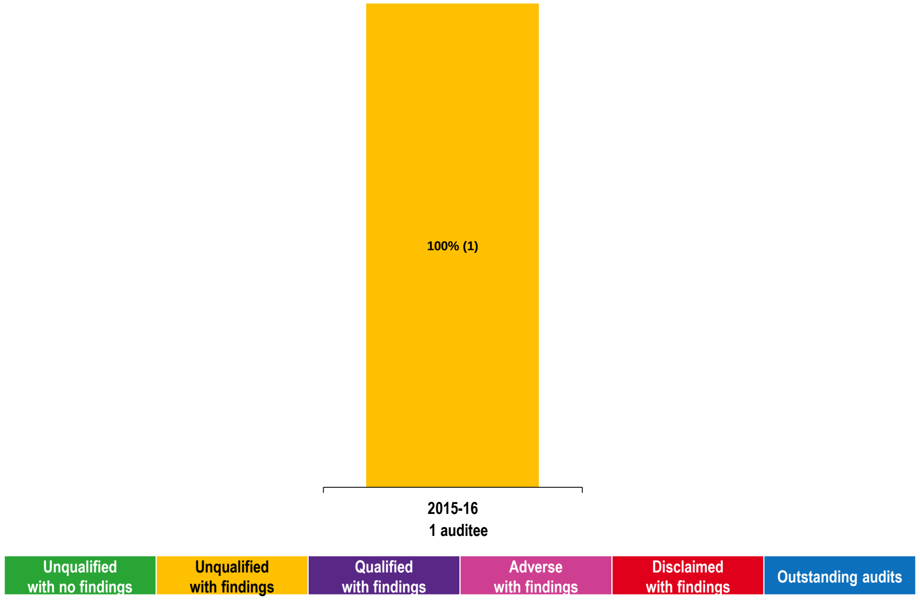
The audit outcome of the PPSA remained unchanged with an unqualified audit opinion with findings on compliance with legislation. We commend the SAHRC on its improved audit outcome from an unqualified audit opinion with findings on compliance with legislation to an unqualified opinion with no findings.

The PPSA made material adjustments to the financial statements and annual performance report submitted due to misstatements identified during the audit process. These were as a result of a key position being vacant at the finance unit, as well as a lack of consequence management for repeat findings and slow response by management to develop action plans to adequately address all findings raised in the previous years. The administrative leadership and oversight structures must enhance the in-year financial statement reviews to improve the quality of the annual financial statements.

The improvement to a clean audit outcome at the SAHRC is attributable to leadership implementing a clear plan of action to address previous audit findings. The leadership provided timeous guidance, reviewed and monitored the action plan to ensure that root causes of the previous audit findings were addressed satisfactorily. This continued commitment is required from management and those charged with governance to ensure that the improved audit outcome is sustained.

Vote 22: Office of the Chief Justice

Audit outcome



The Office of the Chief Justice (OCJ) received a financially unqualified audit opinion with findings on predetermined objectives and compliance with legislation in the 2015-16 financial year, its first year of operation. The functions of the OCJ were previously incorporated within the mandate and the programmes of the DoJ&CD. The OCJ was established in terms of the Superior Court Act, 2013 (Act No. 10 of 2013) and is responsible for the administration and judicial support for higher courts and special courts.

The financial statements submitted for auditing contained a number of material misstatements in the disclosure items due to inadequate review processes prior to submission. These misstatements were identified and corrected during the audit process, resulting in the department receiving a financial unqualified opinion. To improve the quality of the financial statements submitted for auditing, diligent reviews must be performed on the in-year financial statements, including the verification thereof against supporting documentation, to ensure the credibility of amounts disclosed in the year-end financial statements. These review processes will require active participation by senior management and leadership as well as the internal audit unit and audit committee to successfully address the deficiencies identified in 2015-16.

In view of the OCJ being a newly established department, it is commendable that material non-compliance with legislation was only identified in two focus areas. The first being the material adjustments to the financial statements highlighted in the preceding paragraph and the second being creditors that were not always paid within the prescribed period of 30 days from receipt of invoice. The 30 days non-compliance was as a result of the accounting and procurement systems that were not fully functional when the department started its operations. This was caused by delays in transferring suppliers' information from the DoJ&CD to the OCJ. Given that initial system shortcomings pertaining to supplier payments were substantially resolved by the end of the 2015-16 financial year, this non-compliance is not expected to be repeated during 2016-17.

There were no concerns on the financial health of the department. The department realised a surplus and its cash flow position was positive at the end of the 2015-16 financial year. This was achieved through regular reviews of the financial position of the department by management and the audit committee, combined with strict monitoring of spending in line with the approved budget.

We raised material findings on the usefulness of the predetermined indicators. These indicators were not well defined and thus did not enable consistent performance reporting. This occurred due to a lack of understanding and experience in applying the requirements of the FMPPI. The reported actual performance against the predetermined objectives was also not reliable when compared to the source information presented by the department. The reliability of actual achievements could not be confirmed because of the exclusion of some court files from the reported information. Staff members directly involved in collecting and collating information at court level did not have the appropriate skills or understanding of the process to ensure complete and accurate reporting, and the error was not detected by management's review processes. Comprehensive training on all elements of performance reporting must be conducted across the board during the 2016-17 financial year to avoid repeat findings in this area.

The department experienced challenges with IT system controls due to inadequate planning for the movement from the DoJ&CD to its own platform. Management did not implement adequate security management controls, which could expose the department to unauthorised access to the network and information systems that generate the information used to prepare the financial statements. However, a follow-up review on the IT environment was performed after year-end and we have established that the majority of the deficiencies have been addressed.

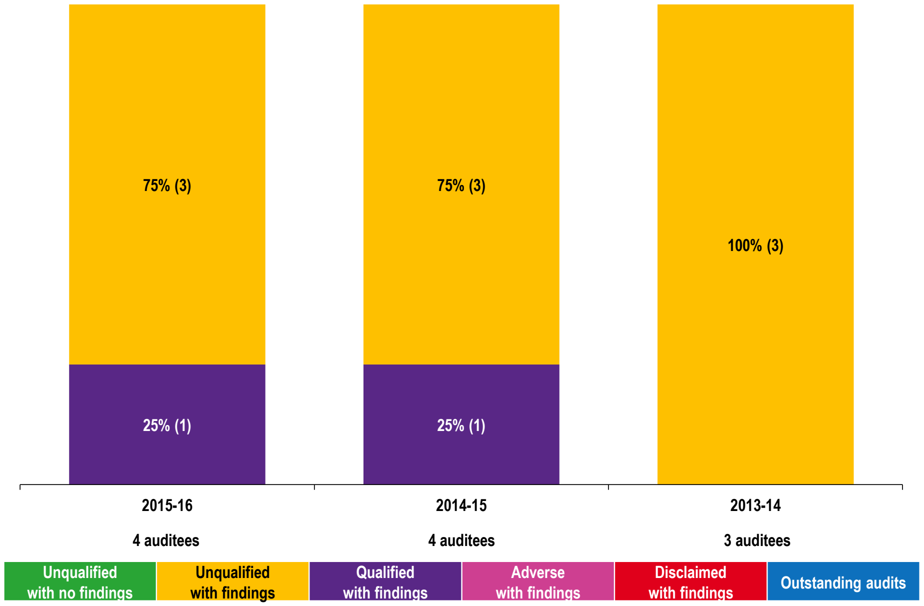
The assurance provided by the accounting officer and senior management was not of the required level, this is evident from the material adjustments to the financial statements as well as the matters raised on performance information. The executive authority, audit committee and internal audit unit were assessed as having provided the assurance linked to their legislative mandates.

Despite the assurance provided by the executive authority, audit committee and internal audit unit, their effectiveness was hampered by management's slow response to implement recommendations. Senior management should urgently attend to the design and implementation of required controls to comprehensively address the limitations in the internal control environment that resulted in the findings. Furthermore, they should ensure that recommendations from the internal audit unit and the audit committee are implemented throughout the year. The accounting officer should monitor these corrective actions.

To enable the sustainable improvement of the audit outcome, the leadership must set an appropriate tone at the top and lead by example to drive the appropriate behaviour that will expedite clean administration and governance.

Vote 23: Police

Three-year audit outcome



The portfolio consists of three departments and one public entity. The Civilian Secretariat for Police (CSP) department has received a qualified audit opinion since its establishment in 2014-15. The 2014-15 qualification was for the CSP that was newly created, and where internal controls had not yet been implemented effectively to substantiate amounts recorded in the annual financial statements. The audit outcomes of the remainder of the portfolio remained unchanged for the three years. The lack of improvement from the previous year was a result of action plans being inadequately implemented to clear key matters as well as key vacancies at the finance department. The stagnation in the audit outcomes of the remaining three auditees in the portfolio was due to their inability to submit reliable performance reports and having weaknesses in controls that ensure compliance with legislation.

The CSP did not improve its audit outcomes on predetermined objectives because it did not implement action plans, incurred a limitation of scope and could not define indicators as contained in the annual performance plans.

The quality of three auditees' financial statements submitted for auditing did not improve and they still required material amendments. The auditees only achieved unqualified audit opinions as a result of these amendments. This indicates that the auditees were still reliant on the audit process to identify misstatements as they did not have proper internal controls and systems to support financial reporting. The CSP was unable to make all the corrections, which resulted in a qualified audit opinion.

Auditees' compliance with legislation remained a concern as material findings were noted at all four auditees. The stagnation was due to the auditees' controls being inadequate to monitor compliance. There was a regression in the portfolio's ability to settle creditors within 30 days of receipt of invoices. Two auditees were not able to do so due to the cash flow problems at the CSP and the Independent Police Investigative Directorate's (IPID) controls being inadequate to ensure that invoices were paid within 30 days of receipt.

The leadership did not set an appropriate tone with regard to SCM compliance, as material SCM transgressions were reported at the CSP. The irregular expenditure increased in the portfolio from R9 million in 2014-15 to R17 million in 2015-16 due to non-compliance with the SCM prescripts. The CSP contributed R8 million (2014-15) and R15 million (2015-16) to the irregular expenditure. The irregular expenditure was a result of a lack of understanding of the SCM regulations. SCM officials were not adequately trained and the leadership did not follow the established SCM policies. Consequence management was also of concern as the entity and the IPID reported that sufficient appropriate disciplinary action was not taken against officials who made or permitted irregular and fruitless and wasteful expenditure.

The portfolio's financial health remained a concern as three of the four auditees had a net current liability position. The three departments in the portfolio had a negative bank balance at year-end, with two indicating that they had difficulties in paying their contractual obligations and money owed to suppliers on time. The South African Police Service (SAPS) paid its obligations on time.

Although there has been a slight improvement in the quality of the annual performance plans, with only the CSP having material findings raised on the usefulness of its annual performance plan, the quality of the annual performance reports submitted for auditing remained of concern. Three auditees had repeat findings raised on the validity, accuracy and completeness of their actual performance reported for the year under review, while one auditee was able to avoid material reliability findings only by making material amendments to the annual performance reports. The controls that should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio include:

- reviewing the technical indicator frameworks

- enhancing systems to enable data to be collected and verified for reporting
- designing and implementing appropriate action plans to address audit findings.

The key controls over leadership, financial and performance management and governance regressed and remained inadequate. This is evidenced by overall stagnation in the audit outcomes over the three years. This was the result of a lack of competencies in financial and performance reporting, vacancies and instability in key positions. The performance internal control drivers at the SAPS regressed as reflected in increased audit findings on predetermined objectives.

The overall vacancy rate for the portfolio decreased. All three departments operated under acting accounting officers, with two of these acting officers being appointed as a result of suspensions (DoP and IPID).

The portfolio's ICT controls have not improved. The auditees in the portfolio struggled to put the required controls in place to create a proper IT governance control environment. The CSP did not have an ICT department and, as a result, did not oversee the IT environment.

Although some assurance was provided by the accounting officers or authorities and senior management, this should be improved as a slight regression occurred in the year under review. The accounting officers or authorities should focus on monitoring action plans and fulfilling their commitments. Senior management should implement recommendations made by external audit and closely monitor the effectiveness of internal controls. Assurance provided by internal audit units remained unchanged as two auditees had internal audit functions that should be improved to be more effective and functional. The level of assurance provided by audit committees within the portfolio improved to *provided assurance*, and should be sustained if better audit outcomes are desired. The portfolio committee provided assurance and this should be maintained to improve audit outcomes.

Management's response to implement corrective action for the portfolio was slow. Instability and vacancies in key positions also contributed to the stagnation of outcomes. The leadership did not take immediate and decisive action to hold officials accountable for non-compliance with legislation or internal policies. For the portfolio to achieve clean audit opinions, they must make a greater effort to strengthen key controls. Skilled staff should be appointed in critical posts at the finance, ICT and monitoring and evaluation sections.

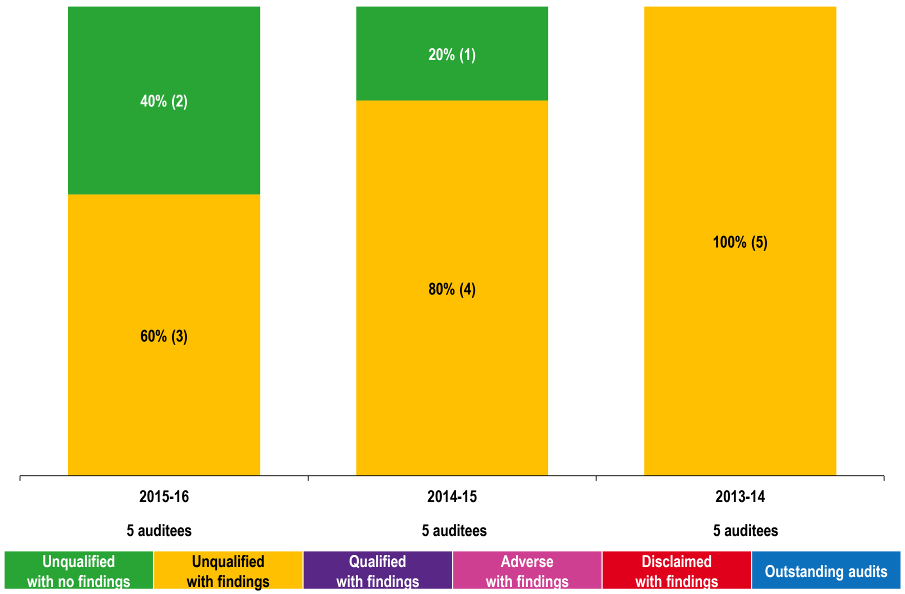
Consequence management should be implemented, in relation to financial statements, performance reporting and compliance with legislation. The first and second levels of assurance should be improved by ensuring that action plans and commitments to address previous year's findings are implemented and monitored throughout the year to prevent repeat findings.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting:

- Placing committed and competent staff at the finance division.
- Adequately review information supporting the financial statements and annual performance reports and verify its accuracy and validity.
- Holding staff accountable for non-performance.
- Focusing on interim reports to allow management to identify any challenges in advance.
- Adequate reviews to ensure that reports are supported by sufficient and appropriate schedules.

Vote 24: Agriculture, Forestry and Fisheries

Three-year audit outcome



The portfolio consists of the department and four public entities.

There has been an improvement in the overall audit outcomes for the portfolio over the last three years. Two auditees made significant progress from where they were in 2014 by addressing past material findings on their annual performance reports and compliance with legislation, resulting in them improving to an unqualified opinion with no findings. This was achieved by improved functioning and effectiveness of internal controls that were continuously enhanced, proper record management and enforcement of accountability by the leadership.

All auditees' financial statements received a financially unqualified opinion. However, the department submitted financial statements for auditing that contained material misstatements in biological assets as well as accruals and payables. This was a regression from the previous year and this was due to a lack of monitoring and review of information received from regions and branches of the department. The Agricultural Research Council's (ARC) audit outcomes remained unchanged mainly due to financial statements submitted for auditing that contained material misstatements in property, plant and equipment, receivables from exchange transactions, inventories, payables from exchange transactions, leave provision and revenue from exchange transactions. This was mainly because of slow response by management to address control deficiencies identified during the previous year's audits. The Department of Agriculture, Forestry and Fisheries (DAFF) and the ARC received an unqualified audit opinion through correcting all the misstatements we had identified during the audit process. The other three entities in the portfolio submitted financial statements that were free from material misstatements.

We raised material findings on compliance with legislation relating to procurement and contract management. The irregular expenditure for the portfolio has decreased significantly over the past three years from R135 million in 2014 to R13,5 million in 2016. The Marine Living Resources Fund (MLRF), which has by far been the biggest contributor with over 93% of the irregular expenditure for the portfolio in each of the past two years, reduced its irregular expenditure by over 90% from the previous year. The reduction is attributable to the expiry of the contract which previously resulted in irregular expenditure. In 2015-16, the MLRF still contributed 92% of the irregular expenditure as a result of a failure to follow competitive bidding processes. The DAFF contributed 6% of the irregular expenditure due to non-compliance with prescribed procurement process.

Overall, the financial health of the portfolio was of concern, and there was a slight negative trend compared to the previous year. Improvements were required in debt collection and management of the levels of cash reserves and liabilities. Furthermore, three entities had negative cash flows from operating activities (ARC with R103 million, Onderstepoort Biological Products with R2 million and MLRF with R258 million), while three entities realised net deficits for the period, indicating an urgent need to manage expenditures and/or improve revenues.

The quality of the annual performance reports submitted for auditing has improved over the past three years. This was achieved through addressing control deficiencies previously identified in the process of collating and preparing the annual performance reports. Notwithstanding the improvement noted, the DAFF submitted an annual performance report for auditing that contained material misstatements, some of which management subsequently corrected. The DAFF did not adequately address all findings on usefulness, which resulted in material findings being raised.

We raised repeat material findings on compliance, completeness and accuracy of disclosure notes and predetermined objectives. This was due to ineffective action plans that were developed to address the actual findings raised but not the underlying control deficiencies. The leadership of the department and entities must take ownership of the process of monthly reporting and monitoring compliance by ensuring that daily checks and balances are in place to produce complete and credible monthly reports on financial statements, including disclosure notes, and predetermined objectives. The department must reinforce the importance of implementing and sustaining monthly control disciplines and year-end processes.

We assessed vacancies in key positions and stability in those positions during the year. These key positions include heads of department or chief executive officers, chief financial officers, heads of SCM unit and senior managers responsible for strategic planning as well as monitoring and evaluation. None of these key positions were vacant and there was stability.

IT governance within the portfolio required attention. We raised findings in the areas of user access management, IT service continuity and security management. Due to budget limitations, the DAFF could not support the ICT master systems plan, initiatives and projects. The testing of the disaster recovery plan at the DAFF was a challenge due to network infrastructure upgrades which were still in progress. At the ARC, the challenges with regard to the implementation of controls in most focus areas were due to management’s main focus being on the ERP implementation project.

The level of assurance provided by the minister, accounting officer or authorities, senior management, internal audit units and audit committees should be improved. Effective leadership must be provided; financial and performance reporting as well as compliance with legislation be overseen; and the proper implementation of action plans to address remaining internal control deficiencies be monitored.

The portfolio committee executed their functions adequately and effectively in the areas of reviewing the budgets, financial statements, performance information and service delivery of the portfolio. During 2015-16 the portfolio committee made the following two commitments which were still in progress:

- Obtaining independent assurance from the internal audit unit and audit committee that quarterly reports presented at portfolio committee meetings are produced by reliable and credible control systems.
- Holding the accounting officer accountable for implementing an effective performance management process within the department and holding staff accountable for their actions.

We did not meet with the minister and met only once with the accounting officer during 2015-16. We were therefore unable to track commitments to support improvement of the audit outcomes of the portfolio made by the minister. Although some improvements were noted in the portfolio, the assurance levels provided by the minister, accounting officers or authorities and senior management should be improved, especially in the areas of performance information and compliance with legislation.

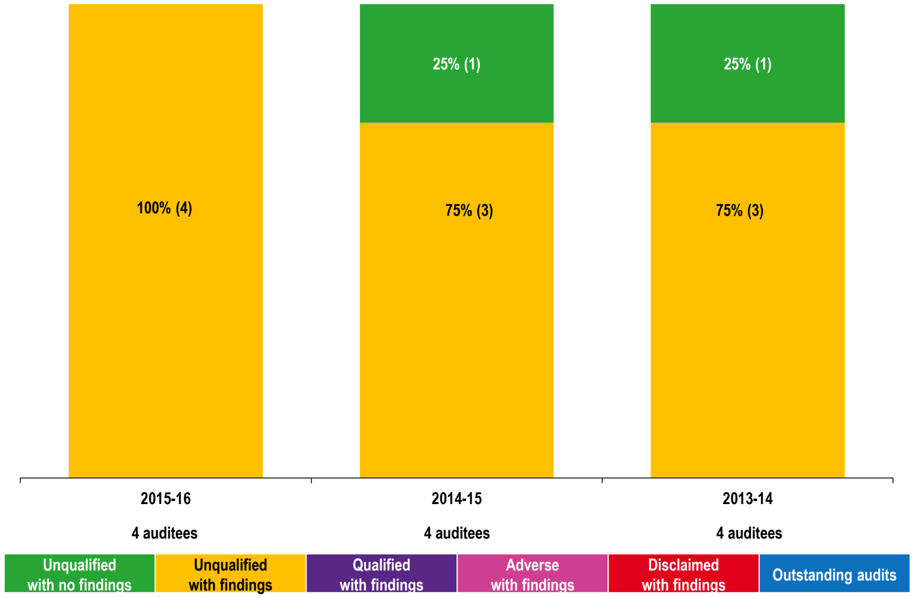
To create environments that support reliable financial reporting, useful performance reporting and compliance with legislation, accounting authorities should hold senior management accountable for implementing the necessary improvements in the control environment to bring about better outcomes. Senior management should further pay attention to the implementation of action plans, controls over record keeping, processing and reconciliation of transactions and monitoring of compliance with legislation and create an environment where these daily, weekly or monthly disciplines are carried out seamlessly.

The internal audit function at the DAFF must be capacitated to be fully effective and functional to assist the audit committee to fulfil its duties in terms of the PFMA and to direct the work of the audit committee towards evaluating performance information.

The key root causes that required immediate attention of the leadership and oversight structures were slow response by management to monitor and evaluate the quarterly reporting as well as lack of continuous training interventions to upskill staff at the finance unit to support the chief financial officer effectively.

Vote 25: Economic Development

Three-year audit outcome



The overall audit outcomes of the Economic Development portfolio have regressed from 2013-14 to 2015-16. Although the entire portfolio has consistently submitted annual financial statements and annual performance reports timeously over the past three years for purposes of external auditing, their quality still remained of concern. Two entities (50%) in 2015-16, compared to three entities (75%) in 2013-14, did not adequately review and monitor financial statement preparation internal controls as the financial statements were not agreed to supporting schedules. This resulted in these internal controls not preventing and detecting material misstatements before the audit process.

On reflection, none of the entities have been able to successfully sustain their clean audit status for longer than a year, with the Competition Tribunal and Competition Commission obtaining clean audits only in 2013-14 and 2014-15, respectively. Improvement to achieve and sustain clean audit outcomes is not insurmountable, and only requires a concerted effort by the leadership and management to address the root causes at the auditees as highlighted. Although the leadership has been effective in the development and implementation of action plans and audit recommendations as evidenced by the reduction in repeat audit findings, findings were raised in other areas where management did not focus.

The overall status of internal controls has been satisfactory for the portfolio over the three years. However, internal controls over the change in banking details of suppliers must be improved as this area has proven to be susceptible to fraud at both the Competition Commission and the International Trade and Administration Commission (Itac). Both entities must ensure that confirmation is obtained directly from known members of suppliers before changes are authorised and effected to ensure that payments are made to the correct and valid suppliers. Increased dedication is also required on financial management controls at the Economic Development Department (EDD) and Itac, which both obtained unqualified opinions as a result of the audit process allowing adjustments on inaccurate reporting of items such as expenditure, current assets, current liabilities and disclosure items. Management must improve on ensuring that the financial statements are agreed to supporting schedules.

Compliance has regressed over the past three financial years due to the continued poor quality of the submitted financial statements and a lack of preventative controls over procurement and contract management. The combined irregular expenditure for the entire portfolio amounted to R4 million, a steady decrease from R8 million in 2013-14, due to non-compliance with SCM legislation. An inability to identify conflicts before awards were issued and inadequate monitoring and review processes when approving deviations and quotations lead to the non-compliance with SCM legislation. Improving on the effective review and monitoring of transactions prior to their approval to ensure compliance with SCM legislation, and avoiding deviations from SCM legislation where practicably possible, should be prioritised.

Itac and the Competition Tribunal incurred a deficit for two of the three financial years (total expenditure exceeded total revenue). A high-level overview of the financial viability of the portfolio was performed as at year-end and the overall financial health has remained favourable since 2013-14, notwithstanding that it is an environment characterised by deficits. In 2013-14, Itac and the Competition Tribunal incurred a deficit, with Competition Tribunal’s total expenditure also exceeding revenue again in 2014-15 due to increased staff training in that year. Itac incurred a deficit of R4 million in 2015-16 with the additional expenditure relating mainly to increased lease costs and legal fees.

Although the annual performance reports were successfully submitted for auditing throughout the three years, their quality has regressed slightly from 2013-14 to 2015-16. Important indicators and targets at the EDD were not specific, measurable or well defined as they were too open-ended. We appreciate the dynamics of the economic environment having an impact on the department's performance information environment and its ability to predetermine the objectives. This consequently had an impact on the department's ability to report reliably on the related indicators and targets. Enhanced, finalised and approved technical indicator descriptions and standard operating procedures at the EDD will assist in providing a better understanding of its predetermined objectives in a complex, dynamic economic environment.

Itac did not have proper systems to ensure that evidence to support its reported performance information is complete and reliable, resulting in a material finding on the reliability of the performance report. A proper implementation process of the performance information management system at Itac will aid the entity to produce credible and reliable supporting evidence for its reported performance.

The department has been successful in reducing the number of vacancies from 2013-14 and key management positions at the remaining entities have been stable over the three years. Despite the dedication of the acting personnel, the accounting officer position and vacancies in key positions at the department necessitate continuous intervention to stabilise the internal control environment to ensure that basic accounting disciplines are enforced. The chief financial officer position at the Competition Commission was filled on 1 April 2016, after the incumbent acted for six months and the vacancy did not have a negative impact on the financial statements of the entity. Vacancies at the Competition Tribunal and Itac of tribunal members and deputy commissioner levels, which have been vacant from the previous year, continued to pose significant challenges to the operations of these entities as the tribunal runs the risk of not being able to convene if there are no sufficient members to adjudicate over cases. The minister noted that the inability to attract the right calibre of people was the stumbling block to the filling of these positions.

The overall assessment of the IT environment within the portfolio has remained stagnant from 2013-14 as the entities have been sharing IT infrastructure with the Department of Trade and Industry (DTI). However, we raised concerns relating to approved user access policies and procedures at the EDD and lack of a service level agreement (SLA) with the DTI to ensure that services provided by the DTI to EDD are stipulated and agreed upon. Itac has not honoured its commitments as it did not implement an IT strategic plan and governance framework. The leadership at the department should ensure that an SLA with the DTI is in place to ensure that the service of the DTI system controller is stipulated and agreed upon and Itac should focus on finalising, developing and implementing the IT strategic plan to govern IT goals and activities.

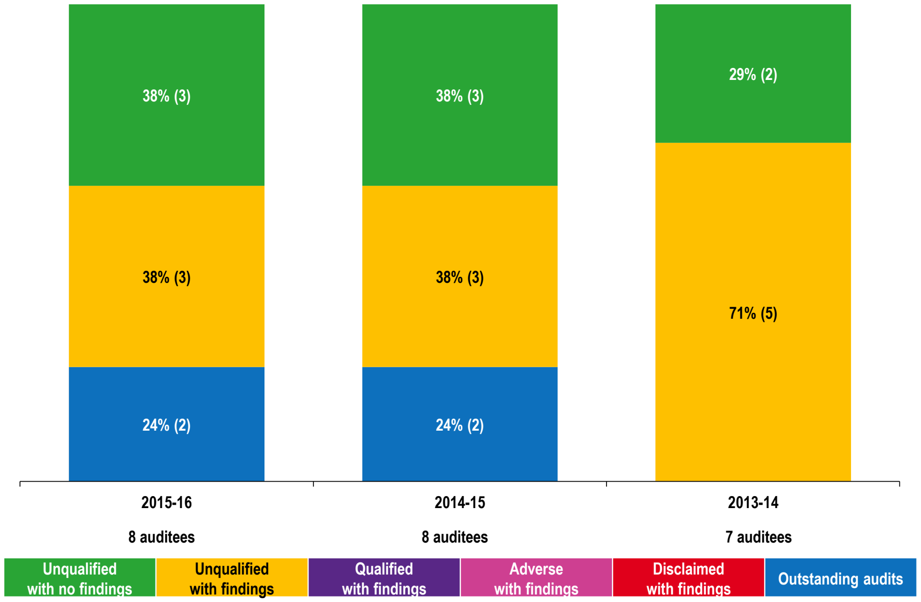
The level of assurance provided has improved over the three years. We commend the minister for ensuring that senior management develops and implements post audit plans and audit recommendations. However, in focusing on previous period's findings, other areas have not received the required attention resulting in new audit findings. The internal audit unit, audit committee, portfolio committee have provided assurance linked to their legislative mandates and contributed towards the overall aim of sustaining key controls, particularly those relating to financial and performance management. However, the focus of these governance structures must be further intensified in the area of robust review of financial management disciplines and rigorous review of compliance with legislation, especially where there have been deviations from SCM legislation.

Accounting officers or authorities at the entities have provided assurance in their ability to comply with the policies and procedures as well as the implemented internal controls to support credible financial and performance reporting and compliance with legislation, except for Itac and the EDD. In addressing findings and developing or improving those related internal controls, management within the portfolio should maintain a holistic view and not lose sight of other internal controls to ensure that there are no new audit findings in subsequent audits.

Vigilance is required to ensure diligent compliance with legislation, which should also be reinforced by continuing to implement consequences for unsatisfactory performance and transgressions. Management and the internal audit unit are required to improve on already implemented monthly financial management disciplines and review processes, as these are not successful in sustaining clean administration, through more consistent and robust financial management review processes, to produce credible, accurate and reliable financial statements .

Vote 26: Energy

Three- year audit outcome



The overall audit outcome improved slightly over the past three years. However, the audits of the South African Nuclear Energy Corporation (Necsa) and the National Radioactive Waste Disposal Institute (NRWDI) are not included in this report as their audits were not finalised by the cut-off date. The NRWDI did not submit annual financial statements for auditing for both the 2014-15 and 2015-16 financial years as it is not yet fully capacitated.

There was a disagreement between Necsa and the Department of Energy (DoE) on who should account for the decontamination and decommissioning (D&D) liability related to the operational strategic nuclear facilities at Necsa. The DoE obtained a legal opinion from senior legal counsel in March 2016 in this regard. At the end of April 2016 the minister of Energy instructed Necsa to disclose and account for all D&D liabilities, including the historical strategic nuclear facilities. Necsa therefore requested an extension from the minister of Energy, National Treasury and the AGSA to submit their annual financial statements. Necsa submitted the annual financial statements for the 2014-15 and 2015-16 financial years on 25 July 2016, which included the D&D liabilities. The audits for 2014-15 and 2015-16 were finalised on 21 September 2016.

We commend the DoE, the National Energy Regulator of South Africa (Nersa) and the National Nuclear Regulator (NNR) for submitting financial statements that were free from material misstatements. The Central Energy Fund (CEF), Equalisation Fund (EQF) and the South African National Energy Development Institute (Sanedi) submitted financial statements for auditing that contained material misstatements, and received unqualified audit opinions subsequent to them correcting all the misstatements we identified during the audit process.

The number of compliance audit findings within the portfolio improved slightly as compared to the previous year. At Sanedi, goods and services with a transaction value of below R500 000 were procured without obtaining the quotations, as required by treasury regulation 16A6.1. Invitations for competitive bidding were not always advertised in the government tender bulletin, as required by treasury regulation 16A6.3(c).

Non-compliance at Sanedi in the area of strategic planning and performance management was as a result of the approved strategic plan not forming the basis of the annual performance report.

The Strategic Fuel Fund Association (SFF), a subsidiary of the CEF, did not comply with section 54(2)(d) of the PFMA when it did not inform the National Treasury of its decision to dispose of a significant portion of its strategic crude oil reserves. It also did not take reasonable care to safeguard assets, as required by section 51(1)(c) of the PFMA and, as a result, they are likely to suffer financial losses due to some transactions they undertook.

Irregular expenditure for the portfolio decreased from R192,5 million in the previous year to R127,4 million in 2015-16; 98% of which was identified by the auditees. The largest contributor was the Necsa group, which incurred R43,6 million due to awarding contracts to bidders based on points given for criteria that were not clearly stipulated in the original invitation for bidding and quotations, in contravention of the Preferential Procurement Regulations.

Fruitless and wasteful expenditure in the portfolio totalled R12,5 million, which is a significant increase from the previous year's expenditure of R5 million, all of which was identified by the auditees. The fruitless and wasteful expenditure was mainly a result of interest and penalties incurred due to late payments.

Although we did not identify significant risks on the financial health of the portfolio; the NNR realised a deficit and negative cash flows due to a reduction of the government grant received from the DoE. The Petroleum Oil and Gas Corporation (PetroSA), a subsidiary of CEF, also has an obligation of approximately R10,7 billion to rehabilitate its offshore and onshore operations, which are currently not fully funded. In terms of the National Environmental

Management Act, 1998 (Act No. 107 of 1998) (Nema), PetroSA is required to have a fully-funded rehabilitation liability within 12 months from year-end. PetroSA appointed technical advisers to undertake the review and assessment of the abandonment liability in order to fully quantify the value of its financial obligations. The CEF has committed to assist PetroSA through various support and oversight mechanisms to close the funding gap.

Necsa's ability to continue as a going concern is dependent on the grant funding from government. Government funding for the 2016-17 financial year was approved as per the medium term expenditure framework. Although the group has adequate cash reserves, Necsa has experienced short-term cash flow shortages because its operations (commercial, research and development and state mandated obligations) are integrated, resulting in interdependencies and cross-subsidisation. The minister and National Treasury were aware of the constraints and the discussions were ongoing. The short-term shortages were funded with an overdraft facility of R60 million. Necsa also had to recognise the D&D liabilities in its financial statements. The recognition of the liabilities has impacted negatively on the equity of the company and the group to the amount of R209 million in 2014-15 and a further R255 million in the year under review. Despite the issues raised above, the group and Necsa remained solvent.

Sanedi's published annual performance report included information that was not consistent with its annual performance plan. The CEF, Sanedi and NNR submitted annual performance reports for auditing that contained material misstatements, which were identified and corrected during the audit process.

The EQF is not a listed entity in the PFMA and did not submit a performance report for auditing at it is not required to prepare performance information. The entity should resolve its legal status with the National Treasury, in consultation with the DoE.

Internal control disciplines, such as daily and monthly processing controls and performing regular reconciliations to ensure accurate and complete annual financial statements and annual performance reports, need to be strengthened to achieve clean audits.

Certain vacancies in key positions were not filled with appropriately skilled and competent people and in time to address instability in leadership and governance structures.

An accounting officer was appointed at the DoE during the financial year. The CEF had an overall vacancy rate of 8,1% and the chief executive officer position remained vacant for the full financial year. Although it did not have a significant impact on the current audit outcomes, it might affect the achievement of the objectives in the future.

There was an overall reduction in IT findings for the portfolio as the majority of previous findings relating to IT governance and security were addressed. The primary repeat findings related to user account management and IT service continuity. Due to the size of some entities within the portfolio, IT was not viewed as of strategic importance, which resulted in the formal structures not adequately overseeing IT to ensure that requisite processes were implemented. There was also a lack of clarity of roles and responsibilities between IT and business to ensure that IT controls were adequately implemented.

The first and second levels of assurance should be improved further through management taking immediate action to address internal control deficiencies and leadership implementing consequence management.

The internal audit unit effectively communicated the significance and impact of management not adhering to internal controls to the audit committee. The audit committee monitored risks and the implementation of management's commitments in corrective action plans.

We met with the minister once in the past year and the interaction had little impact on the portfolio's audit outcomes. The portfolio is subject to intense scrutiny due to the current energy shortages and the planned nuclear build programme. In the process of government considering options in respect of the nuclear programme, it is critical that the portfolio demonstrates good governance and strong internal controls that support credible financial and performance reporting and compliance with SCM regulations.

It is imperative for the to improve its audit outcomes and stabilise its governance structures before the country embarks on the nuclear build programme.

The level of assurance provided by the portfolio committee should be maintained. The committee should continue to hold the leadership and senior management accountable for performance and audit outcomes.

There was slow response by management and political leadership to implement consequence management for employees who did not effectively implement internal controls. At auditees such as Necsa there were vacancies in governance structures and this resulted in a lack of accountability for audit issues raised in the previous years.

The following controls and oversight responsibilities should be strengthened to create a control environment that supports reliable financial reporting, compliance with legislation and corrective actions that are effective in preventing a recurrence of findings:

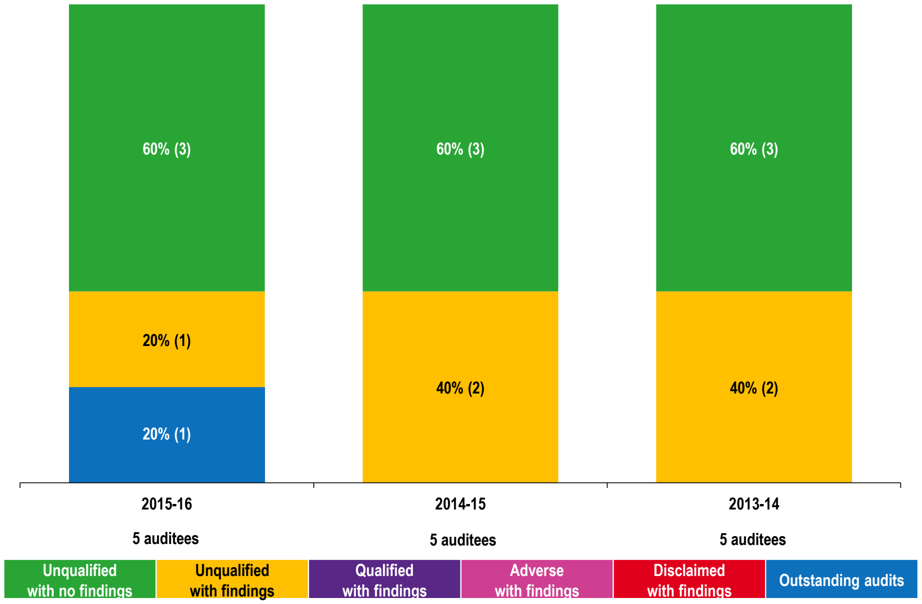
- Review annual financial statements adequately to ensure that they are reliable and supported by sufficient and appropriate information.
- Implement key commitments to address the root causes of findings promptly.
- Implement adequate controls to properly review and monitor compliance with legislation, mainly in the area of SCM.
- Take appropriate and prompt action against transgressors.
- Align procurement policies and procedures with the relevant legislation and include monitoring controls.

The following controls should be strengthened to create a control environment that supports the useful and reliable reporting of performance information:

- Competent personnel should implement and manage performance reporting systems.
- Senior management should thoroughly review quarterly reports to ensure that the information is credible.

Vote 27: Environmental Affairs

Three-year audit outcome



The portfolio consists of one national department and four entities. The analysis above indicates the audit outcomes of the portfolio over three years.

The Department of Environmental Affairs (DEA) is responsible for implementing a high number of EPWP and has implemented controls to ensure that money is spent for its intended purpose. The Modified Cash Standard requires these expenditures to be disclosed in the annual financial statements in a particular way. The department did not follow the Modified Cash Standard in disclosing the expenditure. We have therefore excluded the department in the analysis that follows as the opinion is in dispute and the minister has not tabled the report for the department.

The South African National Parks (Sanparks) and South African Weather Service (Saws) improved their outcomes to obtain clean audit opinions as a result of improved controls in SCM and/or the quality of their submitted annual performance reports. The iSimangaliso Wetland Park Authority sustained its clean audit opinion as a result of maintaining adequate controls throughout the period. The South African Biodiversity Institute (Sanbi) regressed from a clean audit opinion to an unqualified opinion with findings on compliance with legislation. This was the result of material misstatements in its submitted financial statements.

Three of the four auditees submitted financial statements that required no corrections. Sanbi received an unqualified opinion only as a result of correcting errors identified during the audit process. Sanbi submitted financial statements for auditing that were not prepared in accordance with the prescribed financial reporting framework due to management not having adequate controls over preparing and reviewing financial statements.

We commend the portfolio for maintaining a strong control environment of SCM practices. For the second year in a row, the portfolio had no material matters reported. A strong control environment was evident as the portfolio had minimal irregular expenditure to report and the amounts reported for the year were detected by their internal systems and controls.

The financial health of the portfolio was assessed as good, with no unfavourable indicators noted during the assessment.

The quality of the annual performance reports submitted for auditing improved from the previous year, with entities having no material findings on usefulness or reliability. Only one entity (Sanparks), as opposed to two in the previous year, required and made material amendments to the annual performance reports, which resulted in it avoiding material findings. This improvement can be attributed to enhanced controls over preparing and reviewing annual performance reports.

The key controls over financial and performance management regressed as management at Sanbi was unable to detect material deviations from the accounting framework. These controls should be strengthened by ensuring relevant staff are adequately trained.

Stability in key leadership positions and the capacity of finance divisions across the portfolio were sustained over the period, with no concerns relating to vacancies in key positions. This stability in leadership had a positive impact on achieving and sustaining clean audit opinions.

Risks surrounding the IT environment in the portfolio remained stagnant for the year. IT controls were designed and approved, but the auditees experienced challenges with the implementation of these policies and procedures for three of the four focus areas; i.e. IT governance, security management and user access management. The portfolio implemented IT continuity controls and these have been working effectively across the portfolio. Saws displayed noticeable improvement in the implementation of IT controls as there were no significant findings raised in the focus areas of IT governance, user account management and IT continuity. This was a result of an active audit committee and executive management, i.e. chief executive officer and chief financial officer's involvement in the implementation of IT controls. The control weaknesses identified within the portfolio were driven by the lack of expertise and skills, which resulted in IT being mostly outsourced. Budget constraints were a challenge to ensuring adequate IT controls were implemented.

Generally, assurance provided by governance structures was sufficient and remained unchanged. Assurance provided by senior management and the accounting authority at Sanbi should be improved by implementing adequate preparation and review controls that ensure that financial statements adhere to the prescribed financial reporting framework. We met the minister in the past year, which had an impact on the audit outcomes as one entity improved and two entities maintained their clean audit outcomes. The portfolio committee provided assurance and this should be maintained to improve audit outcomes.

Slow response by management to address audit findings was still a concern. The executive authority and accounting authorities should address the root cause of poor audit outcomes and inadequate controls as follows:

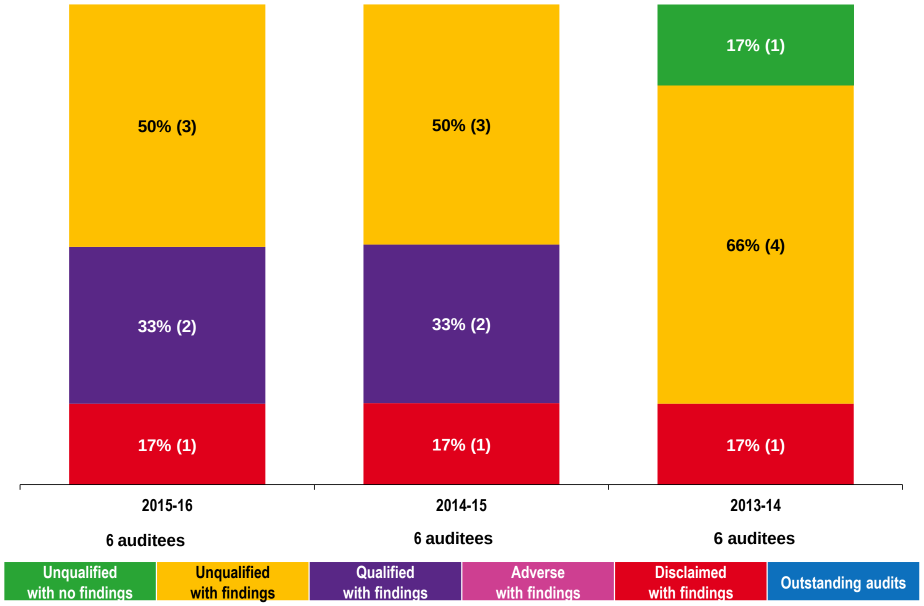
- Ensure key officials at auditees where material findings were noted have the appropriate competencies to accurately report on financial and/or performance information.
- Ensure management implements recommendations for material audit findings on time.

The following good practices within the portfolio should be maintained and enhanced:

- Implementing and monitoring action plans that monitor and improve the control weaknesses identified.
- Regularly preparing credible financial and performance reports.

Vote 28: Labour

Three-year audit outcome



The Labour portfolio consists of the Department of Labour (DoL) and five entities.

Overall, the portfolio has experienced a regression in audit outcomes over the past three years with auditees unable to improve the quality of their financial statements and/or address past material findings on their annual performance reports and/or compliance with legislation.

The published financial statements of the Compensation Fund were not supported by appropriate documents and we were unable to express an audit opinion on them for the fourth consecutive year. The existing accounting system and internal controls were not adequate and reliable to produce complete and credible financial statements and related appropriate supporting evidence. Management's inability to hold staff accountable resulted in lack of response to internal and external audit findings. Inadequate skills at the finance unit resulted in the entity being unable to account for the transactions in accordance with the relevant accounting standards relating to revenue and benefit claims.

The National Economic Development and Labour Council (Nedlac) and Sheltered Employment Factories (SEF) did not comply with the requirements of the applicable accounting standards in the following areas: revenue and receivables from exchange transactions (SEF), cost of sales (SEF), inventory (SEF), cash flow statements (SEF) and property, plant and equipment (Nedlac) and thus received a qualified audit opinion.

With the exception of the Unemployment Insurance Fund (UIF), all auditees submitted financial statements for auditing that contained material misstatements. The DoL and Commission for Conciliation, Mediation and Arbitration (CCMA) subsequently corrected all the misstatements identified in their financial statements, resulting in them receiving an unqualified audit opinion.

Management at these auditees did not sufficiently address the control deficiencies identified in the past to ensure that the material misstatements do not recur.

Compliance with legislation within the portfolio has deteriorated over the past three years. The main areas of non-compliance were the following:

- All six auditees failed to take effective steps to prevent irregular and/or fruitless and wasteful expenditure. This is concerning as only two auditees had findings in this area in the previous year.
- The Compensation Fund and Nedlac did not take effective and appropriate disciplinary steps against officials who permitted irregular and/or fruitless and wasteful expenditure. Furthermore, the Compensation Fund did not investigate all allegations of financial misconduct committed by officials, or hold disciplinary hearings for confirmed cases of financial misconduct committed by officials.
- The CCMA, Compensation Fund, SEF and UIF did not follow the SCM regulations. The Compensation Fund, CCMA and UIF did not adhere to legislation on the competitive bidding processes in all cases audited and the SEF did not always obtain the required three quotations. The Compensation Fund also did not always advertise its invitations for competitive bidding in at least the government tender bulletin, as required.
- The Compensation Fund and SEF did not establish systems, procedures and processes to ensure efficient and effective cash management.

The portfolio incurred R139,7 million of irregular expenditure, with the major contributors being the UIF at R64,6 million, CCMA at R37,5 million and DoL at R25,3 million. This was a decrease of 69% from the previous year. Of the total irregular expenditure incurred, R48 million was identified through the audit process. The Compensation Fund further incurred R404 million of fruitless and wasteful expenditure as a result of a breach of contract by the fund which resulted in them losing a court case.

Overall, the financial health of the portfolio was assessed as good. Although the financial statements of the Compensation Fund reflected significant reserves, the extent of its financial health could not be reliably determined due to its disclaimed audit opinion. The SEF and Compensation Fund had challenges in collecting outstanding debts. Furthermore, the SEF had a possible going concern risk as a result of decreased sales, non-recoverability of long-outstanding debts and overdependence on the DoL for funding.

The quality of annual performance reports has remained unchanged over the three years. All auditees submitted annual performance reports for auditing that contained material misstatements. Nedlac and the SEF avoided material findings on their performance reports by correcting all the misstatements identified during the audit. The published annual performance reports of the DoL, Compensation Fund, CCMA, and UIF included information on their performance against predetermined objectives that was not useful and/or reliable for the programmes or objectives audited.

All levels of assurance should be improved by providing effective leadership and overseeing financial and performance reporting and compliance with legislation.

Management should strengthen the following controls to create a control environment that supports reliable financial reporting, useful and reliable reporting on the performance of the portfolio and compliance with legislation:

- Enhance processes to ensure and monitor compliance with legislation, especially SCM, including relevant training interventions to ensure the understanding of the legislative requirements.
- Develop action plans and monitor their implementation to address internal control deficiencies.
- Ensure that there are policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.
- Improve record keeping to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting, and also improve controls over the daily and monthly processing and reconciliation of transactions.
- Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Interventions to recruit adequately qualified and skilled staff started too late in the financial year to have a positive impact on the audit outcomes of the Compensation Fund, SEF and Nedlac. This resulted in minimal improvement in key controls over the processing of claims, debt collection, compliance with legislation and the quality of the financial statements.

The portfolio has made some progress in addressing the findings previously raised on IT as a specific driver of audit outcomes; however, a number of control deficiencies still remained.

The portfolio still experienced challenges regarding the adequacy of controls over IT governance, security management, user access management and IT service continuity.

Senior management, accounting and executive authorities should implement consequence management for poor performance and enforce accountability. Action plans had been developed but their implementation remained slow, and as a result the control deficiencies remained unresolved. Accounting authorities did not hold officials accountable and create an environment that would support clean administration and service delivery.

The portfolio committee executed their functions adequately in the areas of reviewing the budgets, financial statements, performance information and service delivery of the portfolio. During 2015-16 the portfolio committee made the following two commitments which were still in progress:

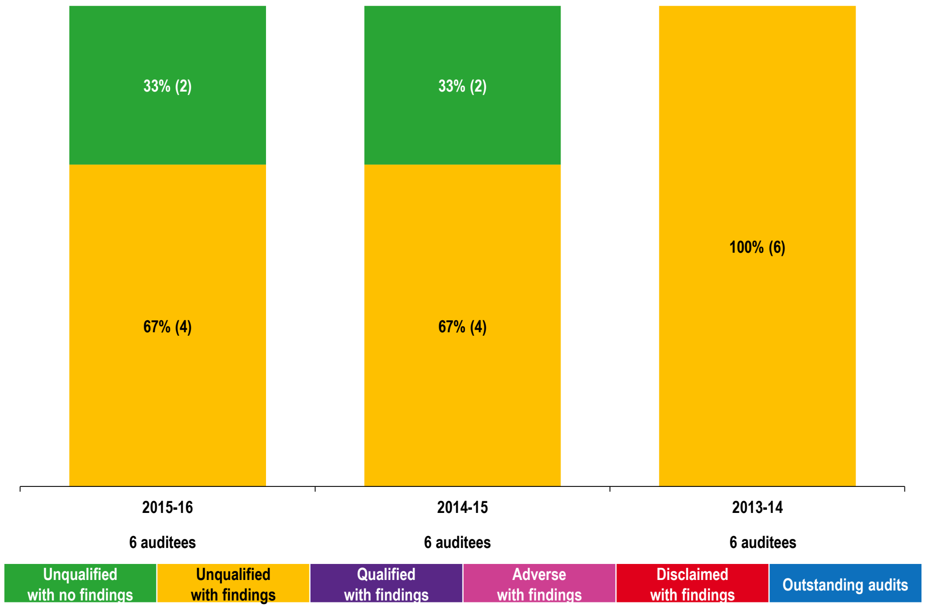
- Obtaining independent assurance from the internal audit unit and audit committee that quarterly reports presented at portfolio committee meetings were produced through reliable and credible control systems.
- Holding the accounting officer accountable for implementing an effective performance management process within the department and holding staff accountable for their actions.

The executive authority, accounting officers or authorities and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Implement effective human resource management processes to ensure that key management vacancies are filled with appropriately skilled and qualified personnel.
- Incorporate consequence management, and develop and implement adequate action plans in time to address control deficiencies and ensure compliance with relevant standards at all entities.

Vote 29: Mineral Resources

Three-year audit outcome



The overall audit outcome improved over the past three years, with the Council of Mineral Technology (Mintek) sustaining its clean audit status in the year under review. The South African Diamond and Precious Metal Regulator (SADPMR) improved from an unqualified opinion with findings on compliance to a clean audit opinion. The State Diamond Trader (SDT) regressed from a clean audit opinion to an unqualified opinion with findings on compliance. The audit opinions of the remaining auditees in the portfolio were unchanged because of their failure to implement the designed controls that would ensure compliance with legislation and financial statements that were free of material misstatements.

The Department of Mineral Resources (DMR), the Council for Geoscience (CGS) and the Mine Health and Safety Council (MHSC) submitted financial statements for auditing that contained material misstatements. This was due to inadequate review of financial statements by senior management and other assurance structures prior to submission for auditing. They received unqualified audit opinions subsequent to them correcting all the misstatements that we identified during the audit process.

The number of compliance audit findings within the portfolio decreased significantly compared to the previous year. The SDT, however, awarded contracts to bidders based on points given for functionality that were not stipulated in the original invitation for quotations, which was in contravention of the Preferential Procurement Regulations.

Irregular expenditure in the portfolio was R1,07 million, which is a significant decrease of R12 million from the previous year. The irregular expenditure was a result of non-compliance with SCM legislation identified during the previous year's audit. These contracts came to an end in the year under review, hence the decrease.

There were no significant risks relating to financial health assessment for the entities in the portfolio. This indicates that the entities had sound management of their resources. The DMR's financial health assessment, however, reflected an unfavourable indicator relating to the debt-collection period.

The published annual performance reports of all entities in the portfolio included information on their performance against predetermined objectives that was useful and reliable. Although three (50%) of the entities submitted annual performance reports for auditing that contained material misstatements, they avoided material findings in their audit reports because they corrected all the misstatements that we identified during the audit process.

The portfolio should improve on key controls that relate to reviewing of annual financial statements by senior management and other assurance players to ensure compliance with the requirements of the accounting framework and monitoring of compliance with legislation. The financial reporting framework should be applied correctly and monitored regularly.

The senior management vacancy rate of 16% at the DMR was of concern. Although it did not have a significant impact on the current audit outcomes, it might affect the achievement of the objectives in the future.

The IT control weaknesses identified at the DMR related to inadequate disaster recovery processes, non-participation in recovery test procedures performed by Sita for the transversal systems, and the lack of review of user activities. The weaknesses identified at Mintek related to officials not adhering to defined internal processes, the lack of review of administrator activities, and business continuity requirements that were not clearly articulated. The weakness identified at the SADPMR related to the lack of review of administrator activities and user access rights, which were also reported in the previous year. The weaknesses at the CGS related to a lack of documented user account management processes and the service performed by service providers not being reviewed.

Overall, the portfolio had implemented good IT governance structures and processes, with notable improvements in implementing corrective actions at Mintek and the SADPMR. The DMR and SADPMR further maintained good IT security and IT service continuity practices respectively. The control weaknesses identified in the portfolio were driven, primarily, by the limited resources at both the department and the entities.

The levels of assurance provided by senior management, audit committees and internal audit units improved steadily over the past three years; however, the first level of assurance should be improved by ensuring stability at the level of senior management. The internal audit units and audit committees should implement an effective and consistent method of following up on actions taken to address audit findings relating to internal control weaknesses. Adequately reviewing financial statements and monitoring compliance with legislation cannot be overemphasised.

We have noted a significant improvement in the portfolio committee's assurance level through their prompt analysis of strategic plans, annual reports and audit outcomes of the auditees in the portfolio. The committee's regular visits to communities and mining companies ensured that members gathered valuable information that assisted in identifying risks within the portfolio, which improved their oversight function.

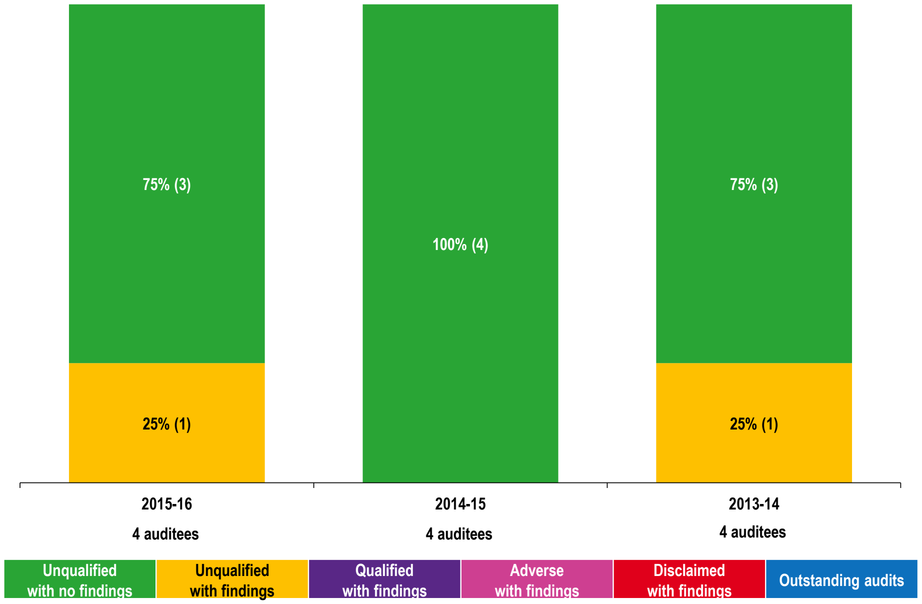
We met the minister once during the financial year. We noted a slight improvement in the minister's implementation of the previous year's commitments. We were very encouraged by the commitment and spirit of cooperation that the minister displayed. We recommend that the leadership strive towards fully implementing the remaining commitments by the end of the 2016-17 financial year.

The executive authority, accounting officer or authorities of these entities should address the root causes of poor audit outcomes and inadequate controls by ensuring that senior management responds quickly to audit findings and provides an effective review and monitoring of compliance with legislation.

Furthermore, senior management should fill all vacancies with people possessing the requisite skills, and provide training to address gaps in the development of existing staff.

Vote 30: Science and Technology

Three-year audit outcome



The portfolio's overall outcomes have regressed in 2015-16 as the Department of Science and Technology (DST) moved from a clean opinion to an unqualified audit opinion with findings on compliance with legislation. The National Research Foundation (NRF), the Council for Scientific and Industrial Research (CSIR) and the Human Sciences Research Council (HSRC) retained their clean audit status.

The entire portfolio has consistently submitted quality annual financial statements timeously and no material adjustments were made to any of the submitted financial statements.

Overall compliance within the portfolio has regressed because of the material non-compliance with legislation identified at the DST, whereby the department did not always settle its creditors within the prescribed period of 30 days from receiving an invoice. As a result, the portfolio did not maintain its clean audit status.

There has been an overall improvement in the SCM findings because management in the portfolio increased the level of monitoring to enhance compliance with legislation; therefore, no material non-compliance was reported in the audit reports on SCM.

The portfolio incurred R11,6 million (2014-15: R24,3 million) of irregular expenditure as a result of non-compliance with SCM regulations, 35% of which was identified by the auditees. There was an overall decrease in irregular expenditure by 52% from the previous year, due to the improvement in monitoring and implementation of controls within the SCM processes as well as awareness workshops held for all relevant staff.

The financial health of the portfolio remained good with the exception of the DST being unable to settle its creditors timeously, resulting in a significant increase in its accruals and payables. This was due to inadequate systems to enable proper tracking of invoices by the finance unit.

The quality of the annual performance reports still remained a concern at the DST and the NRF as they managed to avoid findings on reported performance only because they corrected material misstatements identified through the audit process. This is attributable to the lack of appropriate systems to collect, collate and verify information that supports reliability of performance reports.

The key internal controls relating to leadership remained a concern as senior management's oversight roles of reviewing and monitoring compliance with legislation at the DST and the NRF have still not been fully implemented since the previous year. However, the key internal controls over financial and performance management regressed. This was as a result of the expenditure management non-compliance identified at the DST, which requires intervention.

There was an overall stability at key management level within the portfolio. The competency levels of those in key positions have also improved because of training interventions and filling vacancies with competent staff.

The portfolio showed an improvement with no significant matters noted in the IT environment at the CSIR and the NRF; however, the HSRC regressed on formal controls over IT systems as there were weaknesses relating to the proper implementation of IT controls and IT policies that were not approved. Management was in the process of reviewing and implementing the relevant IT policies.

The portfolio committee provided adequate assurance over the entities in the portfolio. The minister, accounting officer, accounting authorities, audit committees and internal audit unit provided the necessary assurance, which contributed to the sustained key internal controls, particularly those relating to leadership, financial and performance management and governance. Senior management also provided the necessary assurance, with the exception of the DST and the NRF senior management who provided only some assurance with regard to performance information.

The slow response by management and the ineffective review and monitoring of compliance with legislation were the most significant root causes in the portfolio.

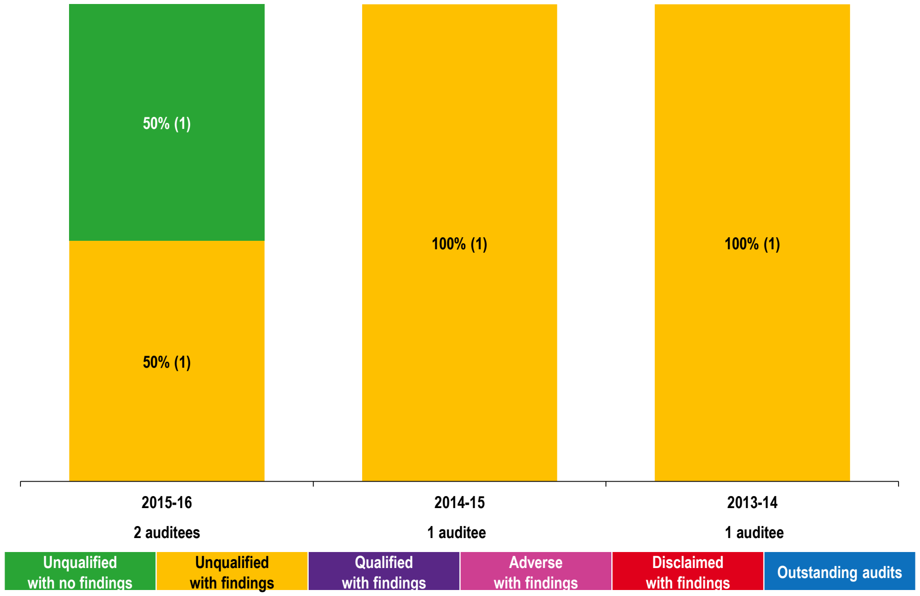
To improve and sustain the audit outcomes in the portfolio, senior management should implement key internal controls and the recommendations of various oversight structures. This will serve as the foundation for the following recommendations to improve and sustain the audit outcomes in the portfolio:

- Implement audit action plans that are based on the audit findings, root causes and recommendations.
- Ensure basic financial disciplines and monthly processing and reconciling of transactions.
- Continue to prepare credible financial and performance reports regularly.
- Hold officials accountable for non-compliance with legislation and track irregular expenditure, with proactive preventative measures being implemented.

The portfolio remained largely on track and was moving in the right direction. The leadership and senior management must ensure that effective leadership, which is based on a culture of honesty, ethical business practice and good governance is maintained to ensure good audit outcomes.

Vote 31: Small Business Development

Three-year audit outcome



The audit outcome of the Small Business Development portfolio improved from 2013-14 to 2015-16. The 2015-16 financial year was the department's first year of operation and it received a financially unqualified opinion with findings on predetermined objectives and compliance with legislation. The Small Enterprise Development Agency (Seda) that previously reported to the DTI improved from a financially unqualified opinion with findings on compliance with legislation over the past two years to a clean audit. The improvement in the audit outcome of Seda can be attributed to leadership's response to implement and monitor action plans to address the findings raised in the previous years.

Department of Small Business Development

The quality of financial statements should be improved as the department submitted financial statements that contained material misstatements in the appropriation statement, expenditure and disclosure items, which were later corrected. This was due to the department not having a chief financial officer for most of the year under review. As a result, in-year financial statements were not prepared and reviewed to identify weaknesses in the preparation of financial statements.

Similarly, compliance with legislation also required attention as non-compliance was identified in the areas of financial statements, strategic planning and procurement and contract management. This could have been prevented had the department been adequately resourced to perform appropriate reviews. Irregular expenditure of R1,8 million was incurred due to non-compliance with SCM prescripts relating to procurement made without following competitive bidding processes. This was due to key vacancies at the SCM unit, which were in the process of being filled subsequent to year-end.

The quality of annual performance reports also required attention as material findings were raised on the usefulness of reported information. This was mainly due to a lack of understanding of the framework prescribed by the National Treasury and there were also vacancies in critical positions, which resulted in a lack of adequate review of the planning processes for performance information.

There were no significant concerns relating to financial health. However, on the accrual basis of accounting, total expenses exceeded total revenue by R146 865 and total liabilities exceeded total assets by R169 891. The accounting officer and senior management should continue monitoring expenditure against the budget.

The accounting officer has set a tone and culture of integrity and high performance. However, this has not yet been entrenched in the culture of the department as there was no chief financial officer during the year, and monthly disciplines of record keeping and reconciling of transactions to ensure the credibility of financial and performance reports presented to oversight committees were not fully effective. This was the first year of existence for the department and it had vacancies in senior management positions for most of the financial year, once these vacancies have been filled it will enable sufficient monitoring which may contribute to an improvement in the audit outcomes.

The department relied on the DTI for IT infrastructure and systems hosting. The department did not develop user account management procedures as there were no clearly defined responsibilities between the DTI and the department.

The assurance provided by key role players at the level of the accounting officer and senior management should be improved. The finance, performance reporting and internal audit units must be capacitated with skilled and knowledgeable staff to strengthen the review processes and enhance the quality of reports produced. Furthermore, the impact of the audit committee was limited as members were appointed late in the financial year. The assurance provided by the portfolio committee was adequate as they performed their oversight responsibilities as required.

Small Enterprise Development Agency

Seda achieved a clean audit in 2015-16. In addition, there has been no irregular expenditure over the three years and they were able to maintain good quality performance reports. A notable improvement has been in the quality of financial statements over the three years, which has been the only barrier in achieving a clean audit. The improvement in the quality of the financial statements was due to leadership implementing detailed reviews of the supporting schedules before the audit process.

The positive audit outcome can be attributed to leadership who timely implemented internal and external audit recommendations, rigorously monitored compliance with legislation, held staff accountable and ensured that the organisation employed skilled officials.

Improved assurance provided by key role players contributed towards the clean audit. This is clearly reflected in the improved key controls, particularly those relating to the preparation and review of financial reports.

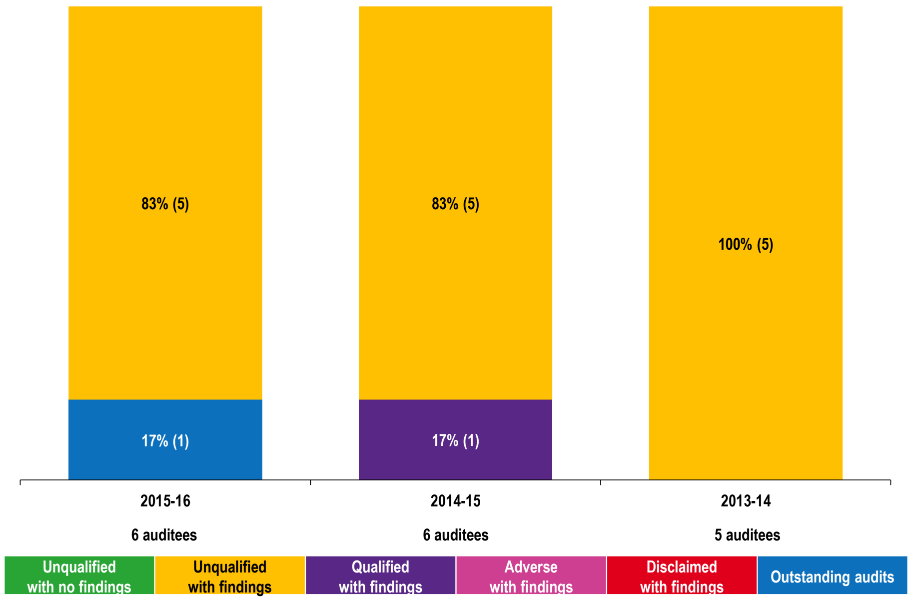
Recommendations

To improve and sustain the audit outcomes of the portfolio, the leadership must:

- address the internal control weaknesses identified
- fill vacancies in key positions
- develop, implement and monitor action plans to address matters raised by internal and external audit.

Vote 32: Telecommunications and Postal Services

Three-year audit outcome



Telecommunications and Postal Services is a newly established portfolio. The president signed a proclamation to restructure the national Department of Communications on 25 May 2014. This resulted in a change of name to the Department of Telecommunications and Postal Services (DTPS) and the creation of a new national Department of Communications allocated under vote 3. The proclamation also resulted in the department being allocated an additional state-owned entity: Sita. Sita previously reported to the DPSA portfolio. The SABC has been reallocated and is now included in the newly established Communications portfolio.

The portfolio's audit outcomes stagnated over the past three years, with the exception of 2014-15 when the South African Post Office (Sapo) was included in the portfolio as an entity audited by the AGSA. Sapo received a qualified opinion in 2014-15 and its 2015-16 audit outcome has not been included because the audit was still underway by the cut-off date for inclusion in this report. This was due to the annual financial statements being submitted late, mainly due to capacity and skills constraints at the finance unit. The report was subsequently completed and Sapo received a repeat qualified audit opinion. The significant amount of irregular and fruitless and wasteful expenditure incurred by Sapo remained a concern. Although a significant portion of this expenditure related to previous years, it is critical to ensure the completeness of these amounts and to regularise the expenditure through condonement.

The quality of the financial statements submitted for auditing regressed and is of concern. Eighty per cent (2014-15: 50%) of auditees submitted financial statements that required material amendments and were able to avoid qualified audit opinions only by making material amendments. The regression resulted from a lack of systems and procedures to deal effectively and accurately with new business developments, vacancies in key positions at finance departments and the lack of internal controls to validate and verify evidence supporting the financial statements. Although the quality of financial statements submitted regressed, the DTPS made some progress as no material corrections were required during the audit process. This was due to the DTPS implementing the auditor's recommendation to appoint a skilled chief financial officer who could perform adequate reviews.

Compliance with legislation remained a concern, with the portfolio seeing an increase in material findings on irregular expenditure and procurement management.

Irregular expenditure reported for the portfolio increased in 2015-16 to R282 million, evidenced by the increase in material findings on compliance relating to SCM management. Of the irregular expenditure reported, 91% related to non-compliance with SCM legislation and 77% was not detected by the auditees' internal control systems This was a result of the lack of monitoring and oversight of compliance with policies and legislation, and capacity constraints at SCM divisions. Of the portfolio's irregular expenditure, 67% relates to the Universal Service and Access Fund (USAF), which relates to the broadcasting digital migration contracts, where the contracts awarded to bidders were based on points given for criteria that differed from those stipulated in the original invitation for bidding and contracts were awarded to bidders that did not score the highest points in the evaluation process. This was a result of poor planning for procurement processes and a lack of oversight by leadership of the procurement process.

The financial health of the portfolio has been assessed as good, with a slight improvement in 2015-16. The National Electronic Media Institute of South Africa (Nemisa) did not maintain good cash flow practises and had a high percentage of bad debts when compared to the trade receivables balance at year-end.

The quality of the annual performance reports submitted for auditing remained a concern, USAASA required material amendments as a result of audit findings. Despite having made certain corrections to the information reported in the annual performance reports, Nemisa still had material findings on the reliability of actual performance reported, which was a regression from the previous year. The auditees that did not require material amendments maintained the implemented good performance management processes. The quality of annual performance plans submitted for auditing regressed, with two auditees receiving findings on usefulness in 2015-16. This was a result of insufficient controls and processes for planning and reporting performance information.

The key controls relating to leadership and financial and performance management remained stagnant as a result of instability in key positions and a lack of monitoring of compliance with policies and legislation. If this is not addressed it could lead to regression in the audit outcomes of the portfolio.

Stability in key leadership positions and the capacity at finance units were of concern. Nemisa, USAASA and USAF did not have chief financial officers. The USAASA, USAF and Sita did not have chairpersons of the board and the department had an acting director-general. Two deputy directors-general were still not appointed as at year-end. Twenty-three per cent of auditees had vacancies in key leadership positions, which regressed from the previous year (19% vacancy rate). Twenty-four per cent of auditees had finance and/or SCM units that were understaffed (2014-15: 9%). The instability in key positions was the main driver of the regression in audit outcomes.

The department did not have adequate firewall configurations and Sita did not implement adequate controls over application and operating system securities, which makes it vulnerable to attacks from external sources. Sita did not monitor and review access rights controls over their systems, which led to excessive access rights given to users and job responsibilities not aligned to rights granted to users. However, no significant findings were raised for IT governance, and IT continuity focus areas for the portfolio. This was a result of an active internal audit function and the audit committee. The control weaknesses identified were driven by the lack of expertise and skills and inadequate segregation of duties within the portfolio.

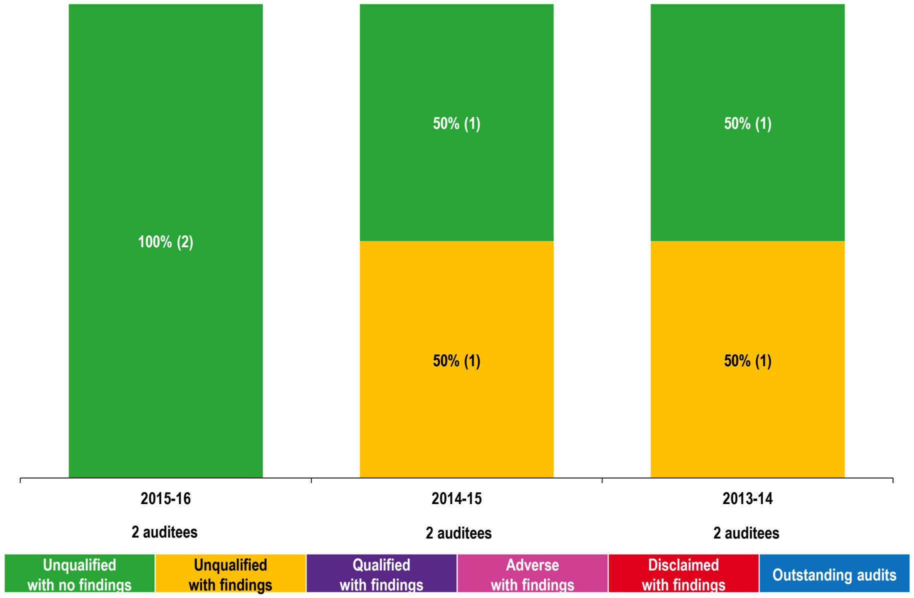
The level of assurance provided by senior management and the accounting officers or authorities should be improved by ensuring that processes and procedures adequately address all deficiencies in controls, and that recommendations by auditors are implemented on time. The audit committee and internal audit unit maintain effective and functional oversight by monitoring the implementation of commitments on corrective action through quarterly progress reporting on the action plans. However, these structures have to ensure that actions plans are updated as the audit process continues to surface new concerns that could have been prevented. We met with the minister twice during the year. Although these engagements led to the filling of some critical vacancies at the department, further action is required to prioritise filling key vacant executive positions in the portfolio. The portfolio committee provided assurance and this should be maintained to improve audit outcomes.

The executive authority and accounting officers or authorities should address the root causes of poor audit outcomes as follows:

- Oversee performance information and compliance management to ensure compliance with relevant legislation.
- Prioritise effective human resource management, resulting in stability in key positions. Vacant executive positions should be filled to ensure that there is adequate oversight of financial and performance reporting and compliance, as well as internal controls.
- Consistently monitor the implementation of action plans to address audit findings and internal control deficiencies.
- Implement effective processes of consequence management against those who allow irregular and fruitless and wasteful expenditure.

Vote 33: Tourism

Three-year audit outcome



The audit outcomes of the Tourism portfolio have improved over the three years. This was due to the improvement of the department from an unqualified audit opinion with findings to unqualified audit opinion with no findings. The department has addressed the previous year's findings through close monitoring of action plans to ensure that there are no repeat findings. The South African Tourism (SAT) sustained its audit opinion of unqualified with no findings.

The quality of the financial statements has improved from the previous year, as the department addressed the material misstatements in the area of disclosure notes (commitments) and further implemented controls to ensure that the accounting treatment for the infrastructure assets of the EPWP are accounted for in terms of the accounting framework.

The department implemented the following commitments from the previous year that led to a control environment that supported reliable financial reporting:

- Strengthened financial reporting and related controls to prevent misstatements.
- Enhanced oversight to detect misstatements prior to commencement of the audit process.
- Implemented proper record keeping for the collection and consolidation of information supporting disclosure notes.
- Engaged with the National Treasury regarding the correct accounting treatment for the EPWP infrastructure expenditure and assets.

The portfolio maintained its status of producing high quality and credible performance reports that are supported by sufficient appropriate evidence. The sustained quality in the portfolio was as a result of increased awareness of the requirement to report on performance. The leadership implemented our recommendations and monitored action plans to address our findings on a regular basis.

The Tourism portfolio has sustained the status of not having findings on compliance with legislation in the 2015-16 financial year. The sustained compliance in the portfolio was as a result of management's discipline to implement internal controls which include compliance checklists that were implemented as a tool to supplement policies and procedures. These enabled officials, supervisors and monitoring units (e.g. internal audit units) to independently determine whether all legislative requirements were met in the daily transactional management as well as SCM processes.

The financial health of the portfolio has remained acceptable with no unfavourable financial indicators.

The status of key control in the portfolio has improved as a result of an improvement in audit outcomes of the department. The leadership implemented and monitored internal controls by ensuring that there is proper oversight and financial and performance management.

The portfolio should continue to closely monitor good practices of:

- a culture of ethical behaviour
- commitment and good governance
- good human resource practices to ensure that adequate and sufficiently skilled officials are in place and that their performance is managed
- having basic disciplines and controls for daily and monthly processing and reconciling of transactions.

The senior leadership and oversight structures in the portfolio continued to provide the required level of assurance over financial, performance reporting and compliance with legislation. The assurance provided by senior management at the department improved from the previous year, which supported the improved audit outcomes of the portfolio. The portfolio committee provided the required assurance through following up on commitments provided during our engagements. We met with the minister once in 2015-16 and the minister has honoured the commitments made in the previous year.

Overall, stability in senior management posts and the finance components were sustained over the period, with no concerns relating to vacancies in key positions.

The overall assessment of the IT environment within the portfolio has improved as the SAT addressed the key deficiencies in IT controls identified during the previous year. This improvement was as a result of continued efforts made towards implementing the IT governance framework.

The portfolio's leadership should continue with the discipline of good practices of proper oversight, monitoring controls and action plans to ensure sustained audit outcomes.

Vote 34: Trade and Industry

Three-year audit outcome

The audit outcomes of the Trade and Industry portfolio improved over the past three years. Six entities within the portfolio achieved clean audit opinions in 2015-16, which is a significant increase from only two clean audits achieved in 2013-14. It should however be noted that the audit outcome of the DTI regressed from a clean opinion to an unqualified opinion with findings on compliance with legislation in the year under review. Furthermore, the audit outcomes of the Companies and Intellectual Property Commission (CIPC) and the National Consumer Commission (NCC) remained unchanged at unqualified with findings on compliance with legislation.

The overall improvement in the audit outcomes is attributed to the leadership and management at the National Gambling Board (NGB), National Lotteries Commission (NLC) and Companies Tribunal implementing and monitoring adequate action plans, which addressed previously identified deficiencies. The portfolio's leadership also managed to appoint skilled staff in key positions, within the past three years, which further contributed to the stability and, ultimately, the improved audit outcomes.

The minister embraced the concept of clean audits and, with the support of the leadership at the National Credit Regulator (NCR), National Consumer Tribunal (NCT) and South African Bureau of Standards (SABS), the NCT and SABS, managed to maintain the clean audit outcomes for three consecutive years and the NCR since 2014-15. The leadership at these entities instilled a culture of continuously enhancing key controls, implementing recommendations timeously and holding staff accountable.

The National Regulator for Compulsory Specifications (NRCS) received a qualified audit opinion for the third consecutive year. Although controls over the management of the levy database have improved, challenges still remained with regard to the recognition of levy revenue and receivables in the correct period and the completeness of such transactions. Importers whose products were subject to compulsory specifications were identified during physical inspections and levies due on these products were not paid by some of these importers. This was due to the internal processes of the NRCS not ensuring that invoices were issued and followed up for collection purposes, as the current performance and financial management systems were not linked.

Although the internal control environment remained stable during the year, the DTI's audit outcomes regressed due to the ineffective review and monitoring of compliance with the disclosure requirements of the accounting framework at year-end. This resulted in instances of material misstatements in the annual financial statements being identified during the year-end audit process. Furthermore, a material finding was raised on the reliability of a selected programme presented in the annual performance report due to management not confirming the reliability of the source information prior to compilation of the annual performance report.

It is commendable that the overall compliance outcomes have improved since 2013-14. This was mainly because the Companies Tribunal, NGB, NLC and NCR implemented the audit recommendations by implementing adequate controls which addressed compliance findings. The most common areas of non-compliance in 2015-16 related to material adjustments to the financial statements and expenditure management, which resulted in irregular expenditure.

There has been a marked improvement in the quality of the financial statements submitted for auditing. The number of entities where the internal controls did not prevent or detect material misstatements prior to submission for auditing has decreased gradually over the past three years from seven (70%) in 2013-14 to three (30%) in 2015-16. These entities were the DTI, NRCS and the NCC. This improvement is attributed to management's efforts of introducing the preparation of quarterly financial statements and thorough reviews of the annual financial statements by management and the internal audit prior to submission for auditing.

In 2015-16 irregular expenditure of R17,3 million was incurred at portfolio level, R11,3 million related to non-compliance with SCM prescripts and R6 million related to non-compliance with other legislation. This was significantly lower than the R40,2 million reported in the 2014-15 financial year. In all instances goods and/or services were received. The highest irregular expenditure of R9,5 million was reported at the NCC due to inadequate segregation which resulted in reviews not identifying non-compliance with the procurement processes. The CIPC incurred irregular expenditure of R6 million resulting from overpayments to staff due to incorrect application of the approved remuneration framework. The minister instituted an investigation to determine accountability for the salary overpayments.

At the DTI, NLC and NCR the current liabilities exceeded the current assets, which may result in an inability to pay debts as they fall due. This resulted in a regression in the financial viability at portfolio level. Management should implement adequate processes to ensure that the auditees remain liquid.

Since 2013-14 the audit outcomes in relation to predetermined objectives improved. Eight entities had no material findings and/or material adjustments reported during 2015-16. This is a steady improvement from six entities in 2013-14 and three entities in 2014-15. These entities focused on improving the design of the indicators and targets to ensure useful and reliable reporting. This resulted in no material findings on the usefulness of the indicators and targets within portfolio. The DTI was the only entity where evidence could not be provided to confirm the reliability of the achievements reported. The CIPC managed to resolve the material findings raised in the previous years by upgrading the system database to provide for reliable recording of actual performance. The quality of the reported information of the DTI and the NCC was of concern, and only NCC management was able to correct all misstatements to avoid material findings. Management at the DTI and NCC should implement proper reviews and improved record keeping processes.

The overall assessment of the IT environment within the portfolio reflected slow but steady improvement over the past three years. However, key IT matters at the NRCS should be addressed to allow the performance systems to integrate with the financial management systems. This will allow for inspections conducted to be completely and accurately recorded as revenue. The NCC had repeat findings on IT governance, user access management and IT service continuity. Management did not prioritise the action plan relating to these matters.

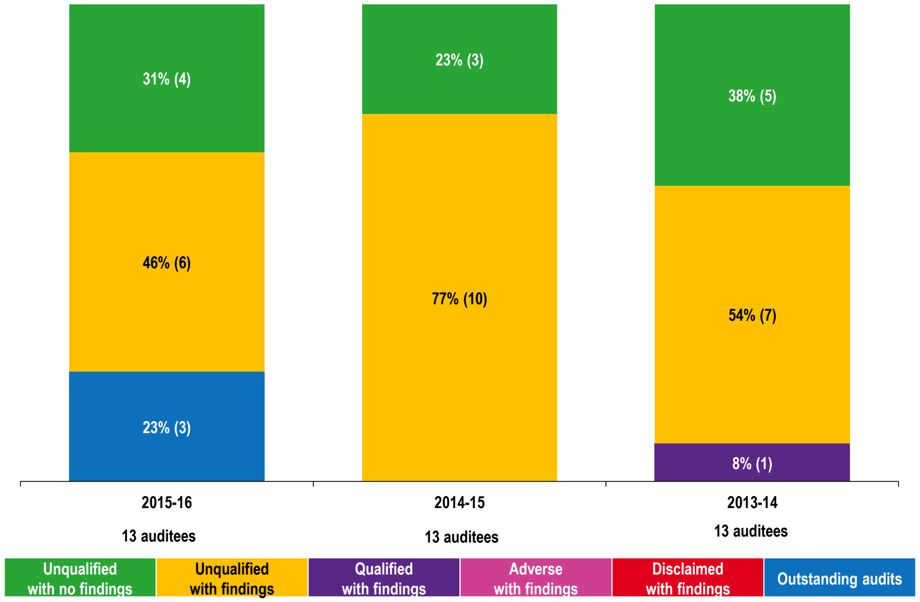
Improved assurance provided at the level of the accounting officer or authority and senior management contributed towards sustained and improved key controls through implementation and monitoring of action plans to address internal and external audit findings, timeous filing of key vacancies, appointing skilled staff, implementing and maintaining controls to ensure that irregular expenditure is prevented and transgressors are held accountable. The internal audit units and the audit committees played a key role in ensuring that work was done on key focus areas to improve the internal control environment. The assurance provided by the executive authority in monitoring the progress of the portfolio’s performance through quarterly reporting has improved as reflected in the improved audit outcomes. The portfolio committee supported the drive to clean administration and improved audit outcomes through regular briefing meetings with the DTI and other entities within the portfolio to monitor the implementation of action plans and key controls.

The assurance provided by key role players at the NCC has not improved adequately as it provided some assurance. The role players should focus on addressing the previous year’s findings. At the NRCS, interventions and commitments should be intensified to address the qualification. The assurance providers at the NCC and NRCS must assess and monitor the action plans implemented more frequently and prioritise the repeat findings raised during these audits. Staff should be held accountable for not meeting the deliverables as per the action plans. Furthermore, the assurance provided by the NCC’s internal audit unit regressed as it did not identify instances of material non-compliance with SCM legislation.

In order to sustain or improve the current audit outcomes, there should be regular and timeous monitoring of action plans to ensure that the identified deficiencies are addressed to avoid repeat findings and continued non-compliance, and consequence management for transgressions should be implemented.

Vote 35: Transport

Three-year audit outcome



The audit outcomes have improved slightly over the past three years.

The Cross Border Road Transport Agency (CBRTA) and Road Traffic Management Corporation (RTMC) improved from an unqualified audit opinion with findings to unqualified audit opinion with no findings. These auditees honoured previous year's commitments by implementing the action plans to address our previous year's findings and recommendations. The South African Civil Aviation Authority (SACAA) and Ports Regulator South Africa (PRSA) remained unchanged at unqualified audit opinion with no findings on compliance and/or predetermined objectives due to implementation of action plans to sustain the clean audit outcome. South African National Roads Agency SOC Ltd (Sanral), Road Traffic Infringement Agency (RTIA), Railway Safety Regulator (RSR), Driver's License Card Account (DLCA) and South African Maritime Safety Authority (Samsa) remained unchanged as they received an unqualified audit opinion with findings on compliance and/or predetermined objectives. The Road Accident Fund (RAF) regressed from unqualified audit opinion with no findings to unqualified audit opinion with findings due to compliance findings on irregular expenditure.

The audit outcomes of the Department of Transport (DoT), Passenger Rail Agency of South Africa (Prasa), and Airports Company South Africa SOC Limited (Acsa) are not included in this report. Due to resubmissions of financial statements, we had not finalised these audits by the cut-off date. The following are the reasons for resubmission of financial statements:

- Due to litigation with the service provider, the DoT did not account for e-Natis assets and was in the process of getting a technical opinion on the accounting implications regarding this on its financial statements.
- Acsa embarked on an intensive asset verification project for the 2015-16 financial year, which could not be completed on time for the submission of financial statements within the legislated deadline.
- Prasa embarked on the investigation of SCM contracts and accounting for irregular expenditure in the financial statements could not be finalised within the legislated deadline.

The audits of Prasa and Acsa were subsequently finalised and the outcomes remained unchanged at unqualified audit opinion with findings. Prasa incurred irregular expenditure of R13,97 billion in the year under review as a result of significant non-compliance with its own SCM policy and legislation. Included in this amount is R9,8 billion relating to irregular expenditure identified in the year under review, which related to previous years. Prasa fully disclosed all irregular expenditure identified. Several investigations into contracts previously awarded were ongoing. Furthermore, Prasa incurred fruitless and wasteful expenditure of R255 million in the year under review, mainly relating to the procurement of new locomotives that cannot be used optimally on the South African rail network. The root causes of the unchanged audit outcome at Prasa were instability in key positions and lack of financial and performance reporting discipline.

Acsa incurred irregular expenditure of R134 million in the year under review as a result of non-compliance with SCM policy and legislation. The root causes of the unchanged audit outcome at Acsa include slow response by management to address previous years' audit findings and lack of oversight by leadership to ensure proper monitoring of controls and compliance with legislation.

Due to late completion of both Acsa and Prasa audits, the total irregular expenditure incurred by these entities is not included in the portfolio amount reported in the paragraph below.

If Prasa and Acsa audits were finalised within the cut-off date, the audit outcomes of the portfolio would remain the same with slight improvement.

There was an improvement in the quality of the financial statements submitted for auditing in the portfolio. This was due to the RTIA, RSR and RTMC implementing our previous year's recommendations. The financial statements submitted for auditing by the DLCA, Samsa and Sanral contained material misstatements. These entities received an unqualified audit opinion only because they corrected all the misstatements that we identified during the audit process. This was due to slow response to implement the previous year's recommendations.

The following controls should be strengthened to support reliable financial reporting and ensure further improvement in the quality of financial statements:

- Relevant governance structures should promptly implement and monitor key commitments made to implement the AGSA's recommendations to address the root causes.
- Enhance a review process of financial statements to detect and correct errors prior to submitting financial statements for auditing.
- Fill key vacancies at the finance departments timely to avoid instability.
- Implement proper record keeping for the collection and consolidation of information supporting disclosure notes which are only finalised at year-end.

Compliance with key applicable legislation continued to be a challenge in the portfolio, especially in the areas of SCM, prevention of irregular and fruitless and wasteful expenditure, as well as consequence management. There was a slight improvement as the CBRTA and RTMC addressed the previous year's compliance findings.

The portfolio incurred irregular expenditure of R1,4 billion as a result of non-compliance with SCM legislation, with R1,2 billion of the total irregular expenditure incurred by Sanral. The irregular expenditure by Sanral decreased by 28% from the previous year because most of its irregular expenditure related to the existing contracts that were awarded based on preference points that were not calculated in accordance with the requirements of the PPPFA and its regulations and, therefore, on expiry of these contracts the expenditure decreased. Of the total irregular expenditure incurred, 67% was identified by Sanral while the remainder was identified through the audit process.

The portfolio also incurred fruitless and wasteful expenditure of R38 million, with R31 million of this expenditure being incurred by the RAF. All of the fruitless and wasteful expenditure was identified by the RAF. This expenditure by RAF was due interest as a result of delay in payment of claims and sheriff costs.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Stricter monitoring controls and training of staff on the SCM legislation.
- Review and monitoring of compliance with applicable legislation.
- Implement consequence management for staff members who fail to comply with applicable legislation.

The financial health of the portfolio was of concern and the accounting authorities of Sanral, Samsa, the RAF and CBRTA should closely monitor their turnaround strategies to improve their asset, liability and cash management.

The quality of submitted performance reports of the CBRTA, DLCA, Prasa, RTIA, and RTMC regressed; Sanral and Samsa had repeat findings which resulted in the regression in the portfolio. The following auditees had findings on usefulness and/or reliability: the RTIA, RSR, Samsa and Sanral. The regression was due to inadequate record and document management processes and the lack of oversight and monitoring of performance reporting by the senior leadership in the portfolio.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Proper record keeping of evidence to support the achievement or non-achievement of targets.
- Prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information.
- Perform quality reviews in a timely manner prior to submission of such reports for auditing.

The status of key controls indicated that an improvement was required in the areas of leadership and financial and performance management. This was due to slow response to implement action plans to address our findings and lack of consequences for poor performance and transgressions.

There were still concerns at Samsa, Sanral and the DLCA in the management of vacancies of key posts within the portfolio to ensure that there are fully capacitated units that support financial, performance reporting and compliance with key applicable legislation.

The IT environment in the portfolio required improvement in the areas of IT governance, security management, user access management and IT service continuity, which could compromise the confidentiality, integrity and availability of financial information.

The assurance provided by management should be improved further by taking immediate action to address our findings and recommendations. The level of assurance provided by accounting authorities, internal audit units and audit committees should be improved by ensuring more effective oversight of financial and performance reporting, compliance with key legislation and consequence management for transgressions.

We held three engagements with the minister during the past year and through honouring commitments made during these engagements, there was an improvement in the overall audit outcomes of the portfolio. The minister should continue monitoring matters in the portfolio through:

- requesting updates on preparation for the take-over of major information system contracts and reports on progress of the infrastructure projects worth billions of rand
- obtaining presentations on the implementation of action plans to improve audit outcomes regularly
- requesting compliance reports to have a view on SCM and contract management
- obtaining progress reports on implementation of consequence management
- requesting the evaluation of the effectiveness of audit committees and internal audit units within the portfolio.

The following were the overall root causes of material findings on compliance with legislation and/or predetermined objectives:

- Slow response by management (accounting officer or authorities and senior management) to implement action plans to address audit findings.
- Instability or vacancies in key positions and inadequate skills at some of the auditees created a weak control environment that resulted in the basic financial, performance reporting and compliance with legislation not being enforced.
- Lack of consequences for poor performance and transgressions.

The accounting officer and accounting authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

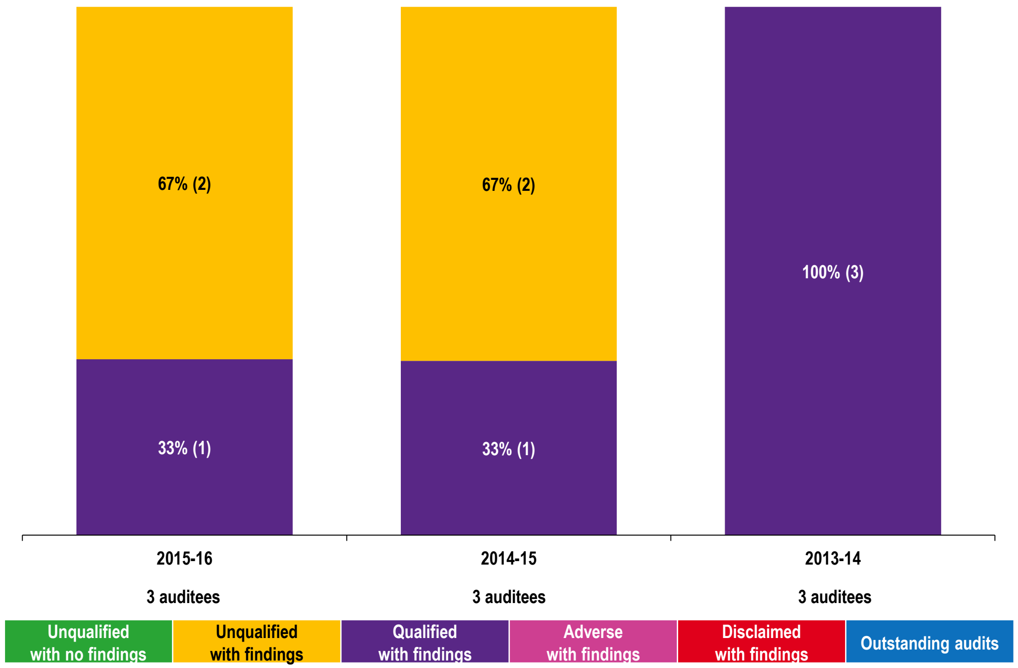
- Address the issue of slow response by management to address the concerns raised.
- Action the appointment process for key vacancies within the department and request regular updates on the process.
- Monitor progress on all consequence management cases and ensure implementation of recommendations.
- Monitor implementation of the IT governance framework and IT controls.

The accounting authorities and senior management of the entities that improved and/or sustained their audit outcomes implemented the following best practices:

- Had regular engagements with the AGSA on the key controls and internal control improvements.
- Took appropriate corrective action to address the previous year’s audit findings and implemented our recommendations.
- Enhanced consequence management for transgressions and poor performance.

Vote 36: Water and Sanitation

Three-year audit outcome



There was some improvement in the audit outcomes over the past three years. Two of the three auditees achieved an unqualified opinion in the past two years compared to three qualifications in 2013-14. The Department of Water and Sanitation (DWS) improved as it successfully resolved its qualification areas with the assistance of consultants. The Water Trading Entity's (WTE) outcome regressed to a qualified opinion in the year under review as material misstatements were identified on the useful lives of property, plant and equipment and some items of property, plant and equipment could not be verified.

The financial statements submitted for auditing in the portfolio were materially misstated in the areas of commitments and property, plant and equipment. The WTE could not revisit the entire population of infrastructure assets and review the useful lives of assets still in use, but previously carried at nil values, to clear their qualification due to the magnitude of the number of assets and the geographical allocation of sites.

Contractual obligations and money owed were not always settled within 30 days. The portfolio did not maintain, in all instances, effective, efficient and transparent systems of risk management and internal control with respect to performance information and performance management.

Non-compliance with SCM regulations in the portfolio included:

- not taking effective steps to prevent irregular and fruitless and wasteful expenditure
- procuring goods and services of a transaction value above R500 000 without inviting competitive bids
- awarding contracts to bidders based on preference points that were not calculated correctly
- not properly applying the thresholds for local content on procurement by designated sectors, as a specification committee was not established for a portion of the year.

The portfolio incurred R1,8 billion (2014-15: R94 million) of irregular expenditure, of which R1,3 billion (74%) related to payments made by the DWS to a contractor that was appointed by an implementing agent. The appointment was on the basis of it being an emergency without following proper SCM processes. Our audit identified that the multi-year project did not meet the definition of emergency procurement and as a result the implementing agent needed to apply the principles of an open tender.

Fruitless and wasteful expenditure of R60,3 million (2014-15: R2,1 million) was incurred and for the DWS a major portion related to possible double payments of R46,6 million made to implementing agents for the 2014-15 book year identified in 2015-16. At the time of this report, the double payments were under investigation to determine their validity. The department identified 68% of the expenditure while the remaining 32% was identified during the audit process.

The DWS' year-end accruals included accruals older than 30 days, which may have a negative impact on the following year's available funds. Impairment of WTE's debt was high mainly as a result of non-payment by municipalities and water boards. The cash that the WTE had on hand decreased significantly compared to the creditors' balance at year-end. This indicates inadequate managing of working capital, and that effective controls were not in place to ensure prompt payments in the portfolio.

The published annual performance report of the DWS was not useful and reliable for programmes 3 and 5, in all instances. Management also made material adjustments to the annual performance report.

The drivers of internal control over performance and compliance have improved slightly. This is evidenced by the overall improvement in the audit outcomes over the three years, reduction of compliance findings and improvement in matters relating to predetermined objectives. The financial internal control drivers at the WTE regressed as reflected in the qualification.

The overall vacancy rate for the portfolio increased. The senior management vacancy rate also increased, specifically at regional level. Subsequent to year-end, the director-general resigned resulting in the chief financial officer of the DWS being appointed as the acting director-general.

The department did not fully implement the IT governance framework and did not review user access rights and administrators’ activities on a regular basis. Adequate progress had not been made in addressing previous findings as risks remained in most of the focus areas.

The Water Research Commission improved by establishing and implementing controls over IT governance framework. We identified control weaknesses in the design and implementation of IT controls at the DWS. The portfolio was still vulnerable to attacks from external sources due to inadequate firewall configurations, SAP database configurations, operating system security settings and lack of patch management implementation, which could lead to exploitation of sensitive information. The control weaknesses identified were driven by the lack of expertise and skills as IT processes were mostly outsourced to professional service providers. There was also no governance information technology officer at the DWS and WTE.

Senior management, the accounting officer, audit committee and internal audit functions provided some assurance. The portfolio committee provided assurance and this should be maintained. We met with the minister once in the past year and this interaction had some impact. One of the three commitments made by the minister in the previous year was implemented.

The slow response by management to address audit findings and implementation of internal controls remained the top root causes for the portfolio.

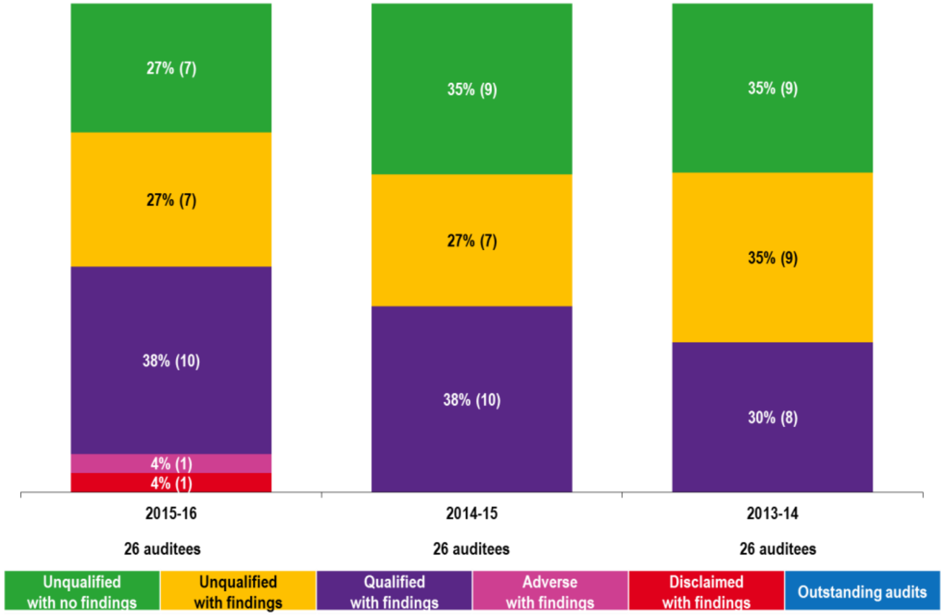
Management should enhance communication channels between the finance section and infrastructure project managers. Management should provide support to all regional staff responsible for infrastructure grants to ensure that regions are able to produce reliable commitment schedules and other related information. Implementing agencies’ compliance with applicable legislation should be monitored. The internal controls should be monitored and exceptions noted should be followed up and cleared in a timely manner.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting:

- Adequate reviews of information supporting the financial statements and annual performance reports and verify its accuracy and validity.
- Holding staff accountable for non-performance.
- Focusing on interim reports to allow management to identify any challenges in advance.
- Adequate reviews to ensure that reports are supported by sufficient and appropriate schedules. Management of documentation should be enhanced.
- Implementing or strengthening controls over implementing agents to ensure that SCM legislation is adhered to and that funds are used for their intended purpose.
- Ensuring integrated planning, proper communication and coordination to achieve the vision and mission of the DWS.
- Implementing and strengthening basic internal controls and accounting disciplines that are monitored on a regular basis to ensure compliance. Implement consequence management, where necessary.

Vote 37: Arts and Culture

Three-year audit outcome



The overall audit outcomes of the Arts and Culture portfolio regressed over the three years. The major contributor to this regression has been the requirements of GRAP 103, *Heritage assets* which came into effect in 2014-15 and affected 38% of the entities in the portfolio in 2015-16 (2014-15: 31%). The entities received exemption from the National Treasury to not comply with the measurement and recognition requirements of the standard. The exemption was assessed against the criteria for fair presentation of financial statements and was found wanting. Notwithstanding the exemption on measurement, the auditees were required to determine the classification of assets between heritage assets and other classes of assets, which were unfortunately also not done or not done adequately. The standard requires that heritage assets should only be recognised if the cost or fair value can be measured reliably. The entities faced the following challenges:

- They were unable to prove impracticability to comply with the measurement criteria.
- The budget to ensure compliance with the standard would only be available from the National Treasury in the 2017-18 financial year, even though the standard indicates that cost should not be a reason for not complying with the standard.
- Different measurement techniques and experts were used in valuating heritage assets.
- Some entities did not have adequate documentation and controls to account for all heritage assets.
- Although there was no clear guidance from the Accounting Standards Board and National Treasury, the entities did not individually engage these structures to support them in their plight to implement the standard.

Eight auditees regressed, three improved and 15 remained unchanged. The Ditsong Museum of South Africa regressed from a qualified to an adverse audit opinion and the South African State Theatre regressed from an unqualified opinion with findings to a disclaimer of audit opinion. The Iziko Museum, KwaZulu-Natal Museum and War Museum of the Boer Republics regressed from an unqualified opinion with no findings to a qualified audit opinion. The National Museum, Performing Arts Centre of Free State and William Humprey Art Gallery regressed from an unqualified opinion with findings to a qualified audit opinion. This was due to poor recording keeping, inadequate effort to comply with the accounting standards and instability in leadership. Three entities (DAC, National Arts Council of South Africa and Windybrow Theatre) improved from a qualified audit opinion to an unqualified audit opinion. The entities strengthened their internal controls over record keeping and consequence management was implemented for poor performance.

Sixteen auditees (62%) submitted financial statements that contained material misstatements and four auditees (15%) received an unqualified audit opinion after correcting all the misstatements identified during the audit process. Vacancies and instability in key positions contributed to a weak control environment at some entities. It is very important to fill the critical vacancies and provide training.

Although the overall audit outcomes regressed in the portfolio, the response to improve key controls and address risk areas was slow in the portfolio. These resulted in material non-compliance, mainly in the areas of expenditure management, procurement and contract management, strategic planning, and performance management. Compliance with legislation within the portfolio remained an area of concern as 18 auditees (69%) (2014-15: 65%) did not comply. Nine auditees (35%) that did not comply with the requirements of SCM regulations in 2014-15 remained non-compliant in 2015-16. This resulted in the portfolio incurring irregular expenditure of R163 million (2014-15: R178 million).

Internal controls were inadequate or not implemented to ensure compliance with SCM regulations. The leadership should design SCM procedures that are effective to reduce irregular expenditure to a minimum.

The overall financial health of the portfolio improved slightly as most entities were in a favourable position compared to the previous year. The contributing factors were the sound cash management systems implemented by the entities, and budget monitoring. However, 10 entities had concerning indicators as their operational costs exceeded revenues. This was a result of the lack of oversight from the leadership, as variances were not analysed and corrective action not taken. The leadership should monitor budgets, analyse variances and take corrective action. Furthermore, the leadership should design and implement sound cash management systems that will improve liquidity.

The quality of annual performance reports submitted regressed. More auditees were required to make material adjustments to obtain good audit outcomes on performance reports. Key performance indicators and targets at the National Heritage Council of South Africa were not well defined and did not meet the SMART criteria. Indicators were not verifiable at the South African State Theatre. Reasons for variances between planned targets and actual achievements were not provided at the Performing Arts Centre of the Free State and targets and indicators were not consistent between planning and reporting documents at the Ditsong Museum. Furthermore, information reported on the annual performance report was not reliable at five entities. This led to material non-compliance as the entities did not have formal documented standard operating procedures that governed their predetermined objectives or processes and systems of collecting, collating and storing information. Performance information policies and procedures must be implemented as a corrective measure for the material non-compliance.

Internal controls, especially over leadership and governance, have improved; however, financial and performance management remained a concern as evidenced by the overall regression of the audit outcomes.

There were key vacancies, including the director-general at the department and vacancies at some entities’ financial components. These were either occupied by acting persons or filled late in the financial year. Filling vacancies must be prioritised at senior management level to strengthen the oversight of financial and performance reporting, compliance and related internal controls.

IT controls have regressed in the portfolio. Weaknesses were due to IT controls not being implemented within the four focus areas – IT governance, security management, business continuity and user access management.

The controls were designed and formalised, but management struggled to implement them; therefore, risks remained in all the focus areas. The department progressed, as the control weaknesses had moved from the design to the implementation of IT controls.

Senior leadership and oversight structures provided the required level of assurance of financial and performance reporting and compliance with legislation. The portfolio committee provided assurance and this should be maintained to improve audit outcomes.

The minister, accounting officers or authorities and senior management should address the following root causes to improve the audit outcomes:

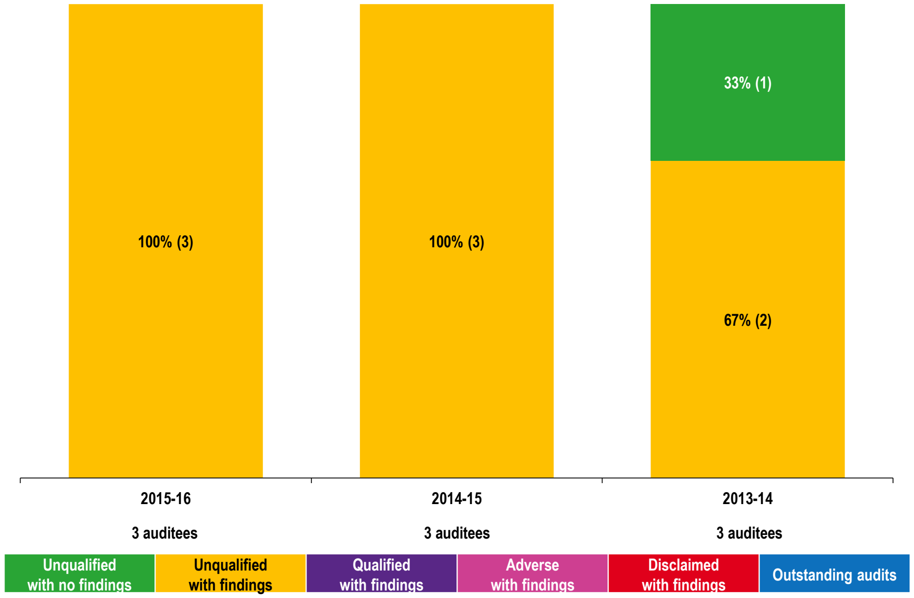
- Slow response to improve key controls and address risk areas.
- Instability or vacancies in key positions, or key officials lacking competencies.
- Inadequate consequences for poor performance and transgressions.

Constitutional institution

The overall audit outcome of the Pan South African Language Board (Pansalb), which is a constitutional institution, improved over the three years. The institution moved from a disclaimer of audit opinion in 2013-14 to a qualified audit opinion in 2015-16, as some material misstatements identified were subsequently corrected. Financial statements were not reviewed for completeness and accuracy prior to submission for auditing. Pansalb did not submit an annual performance report, strategic plan and annual performance plan for audit purposes. The institution incurred irregular expenditure of R8,3 million (2014-15: R8,7 million) as a result of not complying with the requirements of SCM regulations. These non-compliance matters were a result of a lack of oversight of financial and performance reports, compliance and internal controls, and instability in leadership positions. The board and audit committee were disbanded during the year.

Vote 38: Human Settlements

Three-year audit outcome



The audit outcome of the Human Settlements portfolio has regressed from 2013-14 to 2015-16 as the Community Schemes Ombuds Services (CSOS) moved from a clean audit in the 2013-14 financial year to an unqualified opinion with findings on predetermined objectives and compliance with legislation. The regression in CSOS' audit outcome was due to an increase in operational activities over the three years as 2013-14 was its first year of operation and staff had not been adequately trained.

There has been stagnation in the quality of the financial statements submitted for auditing over the three years. Two auditees (67%) submitted financial statements that contained material misstatements that were subsequently corrected in the areas of non-current assets, revenue, current liabilities, non-current liabilities, budget statement, cash flow statement, appropriation statement and disclosure notes. These misstatements were due to entities not having adequate controls and processes during the year to ensure complete and accurate financial statements that are supported by substantiating evidence, inadequate year-end reviews by management, staff who did not understand the requirements of the financial reporting framework, and critical positions in financial reporting vacant for more than 12 months. Management should ensure that staff are regularly trained on the relevant reporting framework, and should enhance year-end reviews to ensure that quality financial statements are submitted for auditing.

Similarly, there has been a regression since 2013-14 in compliance with legislation as non-compliance was reported in the areas of material misstatements in financial statements, irregular expenditure not prevented, payments not made to suppliers within 30 days, procurement from suppliers without Sars clearance, preference points incorrectly allocated, suppliers scoring highest points not selected, competitive bids not invited where the deviation was not justified, three written quotations not obtained and awards made to providers who were in service of the auditee without interest being declared. There was a significant increase in non-compliance with legislation reported at the CSOS and this was mainly due to insufficiently skilled and trained staff. At the department and the National Home Builders Registration Council (NHBRC) non-compliance persisted due to inadequate oversight and lack of monitoring and review of compliance with legislation.

Irregular expenditure in the portfolio decreased from R132 million in 2013-14 to R22 million in 2015-16. The amount identified through the audit process has also decreased from 20% to 13% over the three years. At the NHBRC irregular expenditure has decreased by R117 million over the three years as the leadership has implemented and monitored action plans to address the non-compliance. However, the irregular expenditure at the CSOS increased from R600 000 in 2014-15 to R8 million in 2015-16 because of non-compliance with SCM prescripts. This was due to inadequate oversight, lack of monitoring and review of compliance with legislation and inadequate skills. Since the establishment of the CSOS in 2013-14, procurement activities have increased. The irregular expenditure at both the NHBRC and CSOS has not yet been condoned as the processes to determine accountability have not been finalised. The leadership should timeously investigate instances of non-compliance and hold transgressors accountable.

The status of financial health for the portfolio has slightly regressed over the three financial years. The CSOS' state of financial health was of concern as a significant deficit was incurred in 2015-16. The funding of the CSOS' operations was, in part, reliant on the community scheme levies. However, there were delays in the approval of the regulations and this, together with the reduction in the transfer payment from the department, has had a negative impact on the financial health of the entity. The board and management of the CSOS should diligently manage the current budget to ensure that the entity does not overspend.

The quality of annual performance reports submitted for auditing has regressed since 2013-14. All entities had to effect material changes to their annual performance reports during the audit process. The number of entities with material findings over the three years remained unchanged (two entities). The NHBRC had material findings on the reliability of reported performance information and the CSOS had material findings on the usefulness of performance information. This was due to staff not being adequately trained on the framework prescribed by the National Treasury, senior management positions vacant for more than 12 months and leadership not implementing and regularly reviewing the progress on action plans to address audit findings previously raised.

The IT environment within the portfolio has remained a concern over the three years. There were findings relating to IT governance, IT service continuity, security management and user access control. There has been an improvement in the department's IT environment as there were findings in four of the focus areas in 2013-14 compared to two in 2015-16. This improvement was due to management implementing previous year's recommendations. The NHBRC has remained stagnant with findings in four focus areas over the three years. The CSOS was assessed for the first time in 2015-16 and had findings in two focus areas.

Assurance provided by senior management and accounting authorities has remained stagnant at providing some assurance and this can be improved by management overseeing financial and performance reporting, monitoring compliance with legislation and ensuring that adequate internal controls are implemented throughout the year.

The executive authority provided some assurance over the three years and this can be improved through regular interactions with the relevant audit committee chairpersons to discuss matters of concern identified by the committees. The audit committee, internal audit unit and the portfolio committee's support to drive clean administration and improved audit outcomes was adequate as they performed their oversight responsibilities as required. Management should implement the recommendations from the oversight structures to ensure positive audit outcomes.

Interventions and commitments still needed to be intensified for the portfolio. The findings included in the audit reports were largely due to management not regularly monitoring implementation of action plans to ensure resolution of findings raised by internal and external audit. Furthermore, there was inadequate consequence management. If these issues are firmly acknowledged by management and commitments followed up timeously, positive audit outcomes can be achieved.

Progress on findings reported in the previous year's sector report

In the year under review there was no separate sector audit performed on Human Settlements. A follow up on previous year's findings was performed to determine whether matters raised in the previous year sector report have been addressed adequately.

The sector focus areas in the previous year related to adequate housing and improved quality living environments as per outcome 8 of the MTSF. The focus areas were as follows:

- Compliance with Dora
- Management of individual housing subsidies
- Management of transfer and advance payments to municipalities and contractors.

Compliance with the Division of Revenue Act

The sector was still experiencing challenges with the focus areas relating to compliance with legislation and the management of transfer and advance payments to municipalities and contractors. There has been a reduction in the overall challenges identified in the compliance with legislation focus area from five provinces in 2013-14 to two provinces in 2015-16. The overall improvement was due to leadership's implementation of action plans and recommendations made in the previous years' sector reports. The only issue which recurred in this focus area related to expenditure that was incurred in contravention of the conditions of Dora in Gauteng and the Northern Cape, which was due to insufficient review and monitoring by management to ensure compliance with the applicable legislation.

Management of transfer and advance payments

Overall, there has been an improvement in the management of transfer and advance payments focus area, which can be attributed to improved project management controls and audit recommendations appropriately implemented. However, concerns were still raised in three provinces relating to the quality of houses built compared to five provinces in 2013-14. Furthermore, relating to the monitoring of, and controls over, projects, findings were identified in four provinces in 2015-16 compared to three in 2013-14. This was due to a lack of monitoring of projects and leadership not holding poor performers and transgressors accountable. Gauteng did not achieve its planned housing delivery targets as it only delivered 68% of the planned targets compared to 86% last year. This was due to R908 million of the allocated R4,9 billion which was withheld from Gauteng due to significant underspending in the first two quarters of the year. The underspending was due to ineffective planning and project management for the effective usage of the grant and poor intergovernmental relations. In the previous year the non-achievement of planned targets was identified in Limpopo and the Free State, but subsequently addressed.

Management of individual housing subsidies

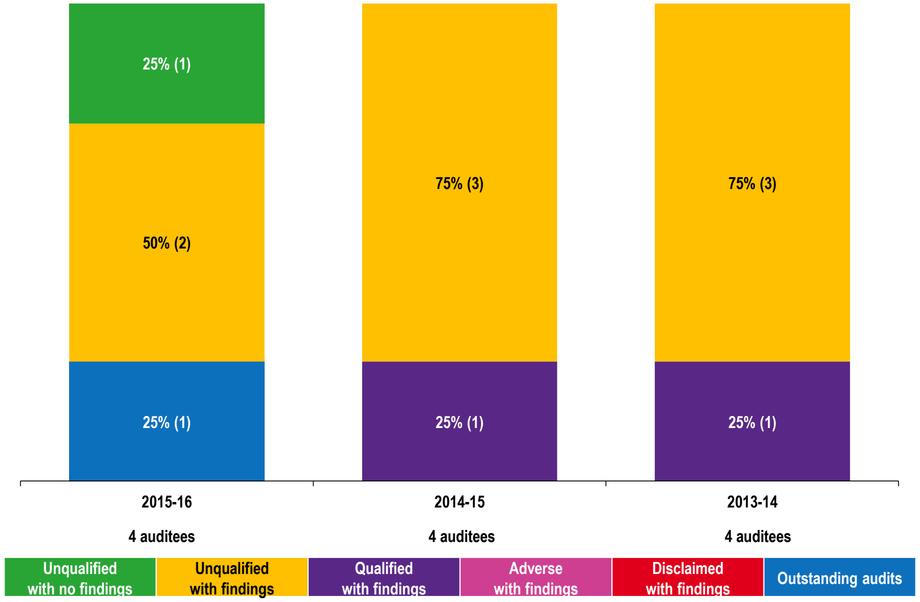
We did not note any challenges in the management of individual subsidies focus area for 2015-16. Previously, challenges regarding subsidies to beneficiaries not complying with the specified grant entry requirements were identified in the Western Cape, the Northern Cape, Mpumalanga and the Free State. Furthermore, no challenges were identified regarding subsidies approved and paid after applicant's date of death, as well as limitations of scope, which were previously common in the Western Cape. The overall improvement was due to management’s response to recommendations made.

Payments to suppliers made within 30 days of receipt of the invoice

Although this was not a specific sector focus area, the sector was still experiencing challenges with non-compliance relating to payments to suppliers made within 30 days of receipt of the invoice. This has been stagnant over the three years despite the minister’s intervention in 2015-16. In 2013-14, five provinces (Northern Cape, Free State, KwaZulu-Natal, Gauteng and North West) reported the non-compliance and in 2015-16 the non-compliance was reported at the Eastern Cape, Gauteng, KwaZulu-Natal, Northern West and the Free State, which is a repeat finding in four of the provinces. The delays in payments were mainly due to responsible officials disregarding the payment policy. We recommend that projects should be closely monitored to ensure that unsatisfactory performance is timeously identified and communicated to the suppliers, and that transgressors should be held accountable.

Vote 39: Rural Development and Land Reform

Three-year audit outcome



The portfolio consists of the Department of Rural Development and Land Reform (DRDLR) and three entities, being the Agricultural Land Holding Account (ALHA), the Deeds Registration Trading Account (Deeds) and the Ingonyama Trust Board (ITB).

The audit of the ITB was not finalised by the cut-off date. The ITB formed a separate trust, namely the Ingonyama Trust entity in 1998. The trust was required to produce annual financial statements, which were required to be audited by the AGSA. This had not been identified in our previous audits as management did not disclose the existence of a separate trust. The ITB prepared financial statements which included account balances and classes of transactions that should have been recognised in the financial statements of the trust. As a result of this there was a delay in the finalisation of the audit for the ITB. The audit of the ITB has since been finalised and financial statements received an adverse opinion as the trust account was not separated from the ITB accounts.

The trend in audit outcomes over the past three years indicated that the department and its entities have been able to demonstrate slight improvements in the audit outcomes of the portfolio. The department and Deeds received an unqualified opinion with findings on compliance, the ALHA received an unqualified opinion with no findings in 2015-16 and one audit (ITB) was not finalised at the time of this report. The department and Deeds did not have findings on performance information.

The quality of the ALHA’s financial statements submitted for auditing improved and they were free from material misstatement due to management implementing its action plans to address controls over financial reporting. The DRDLR and Deeds submitted financial statements for auditing that contained material misstatements in the areas of assets, commitments, cash flow statement, accruals, payables, unspent conditional grants and contingencies. The DRDLR and Deeds received an unqualified audit opinion through correcting all the misstatements we identified during the audit process. This was mainly due to inadequate monitoring and reviewing of processes to ensure complete and reliable reporting.

The portfolio incurred R3 million in irregular expenditure as a result of non-compliance with SCM regulations, majority of these instances being not obtaining the required three quotations as well as approval for services subsequent to the services being rendered, all of the irregular expenditure was identified by the auditees. Irregular expenditure decreased by 78% from the previous year and decreased by 85% when compared to the 2013-14 financial period. Fruitless and wasteful expenditure of R12,9 million was incurred within the portfolio, an increase of R6,7 million (108%) from the R6,2 million incurred in the previous year. The department contributed R11,9 million (92%) of this expenditure. The department’s fruitless and wasteful expenditure mainly related to stipends paid to students on the department’s National Rural Youth Service Corps programme, who did not attend training as required.

Overall, the financial health of the portfolio was assessed as good. However, it should be noted that the restitution commitment balance of R3 440 million disclosed in the financial statements of the DRDLR was more than the 2016-17 budget of R3 168 million for the restitution programme. This might result in the department not meeting all of its restitution commitments in the 2016-17 financial year. This could have a potential financial impact on settlement of future restitution claims if not monitored and managed well.

The quality of the annual performance report of the DRDLR has improved over the past three years due to management successfully implementing action plans relating to performance reporting. The annual performance report included information on performance against predetermined objectives that was useful and reliable for the programmes and objectives that were selected for auditing, and no material misstatements were identified during the audit. Furthermore, in 2015-16 there were no material adjustments to the performance report of the department, which also covers the performance of Deeds and ALHA.

There has been some improvement in the control environment of the portfolio; however, the following controls should be strengthened to create an environment that supports compliance with legislation:

- Develop and implement processes and procedures to monitor compliance with legislation, including establishing a compliance framework.
- Implement daily and monthly controls to proactively track and prevent non-compliance with legislation and related SCM regulations.

The overall and senior management vacancy rates were 10,5% and 19%, respectively. Although these did not have a negative impact on the audit outcomes in 2015-16, they should be monitored and managed to reduce the risk of a deterioration of the control environment due to inadequate human resources.

Information system deficiencies previously identified regarding the design and implementation of controls, mainly in the areas of security management, user access management and IT service continuity remained unaddressed.

The audit revealed significant weaknesses in the information system environment, which are not ideal for the preparation of complete and credible financial reports (monthly, quarterly and annual reports).

The assurance provided by the minister, accounting officer, internal audit unit and audit committee should be improved by reviewing and monitoring the implementation of action plans to ensure that the control deficiencies are being addressed to prevent repeat findings.

We met with the minister once during the period. Through our interactions with the minister regarding control deficiencies, key action plans have been developed. However, a quicker response is needed on the implementation of these action plans to see better outcomes on financial reporting.

The slow response by management, ineffective review and monitoring of compliance with legislation were the most significant root causes in the portfolio.

The portfolio committee executed their functions adequately and effectively in the areas of reviewing the budgets, financial statements, performance information and service delivery of the portfolio. During 2015-16 the portfolio committee made the following two commitments which were still in progress:

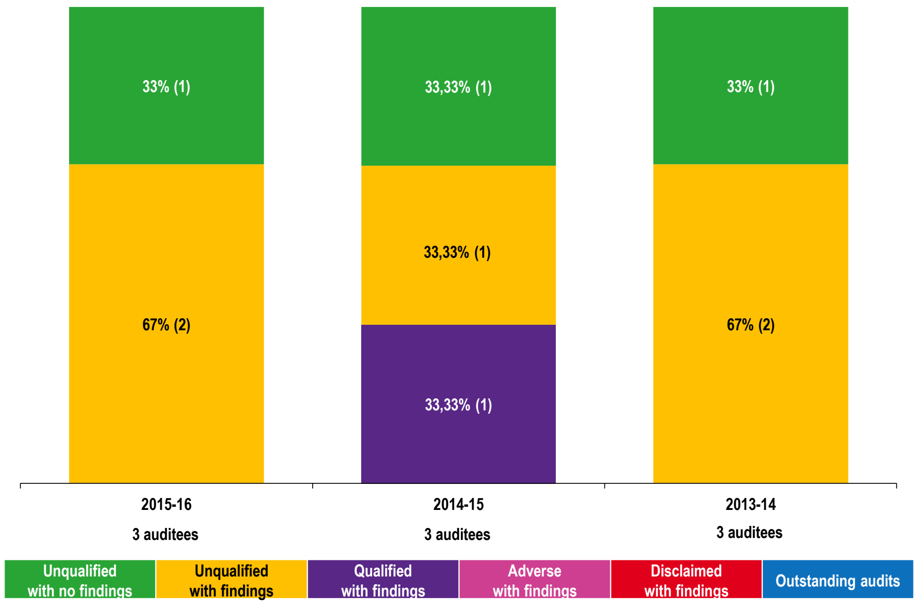
- Obtaining independent assurance from the internal audit unit and audit committee that quarterly reports presented at portfolio committee meetings were produced by reliable and credible control systems.
- Holding the accounting officer accountable for implementing an effective performance management process within the department and holding staff accountable for their actions.

To improve the audit outcomes in the portfolio, senior management should implement key internal controls and the recommendations of various oversight structures:

- Implement audit action plans that are based on addressing control deficiencies and are based on recommendations. Specific focus must be placed on implementing preventative controls over irregular and fruitless and wasteful expenditure.
- Implement basic financial disciplines, including monitoring and reviewing, and monthly processing and reconciling of transactions.
- Regularly prepare credible financial reports as well as controls that will ensure credibility of information submitted from branches within the department.

Vote 40: Sport and Recreation South Africa

Three-year audit outcome



Overall, there has been an improvement in the audit outcomes of the portfolio. The Department of Sport and Recreation South Africa (SRSA) maintained its clean audit status. The South African Institute for Drug Free Sport (Saids) received an unqualified opinion with findings on compliance, which has remained unchanged from previous years. Boxing South Africa (BSA) received an unqualified audit opinion with findings, which was an improvement from the previous year.

The SRSA maintained its clean audit opinion due to the strict implementation of daily and monthly monitoring of financial and performance reporting disciplines within the department. Governance structures that interrogate financial and performance reporting information ensured oversight of submitted reports.

The improved audit outcome at the BSA was due to the involvement of the SRSA's senior leadership in the governance structure of the BSA to ensure stability where there were key vacancies in the entity.

Although there were improvements in the overall audit outcomes, we identified some weak internal controls in the preparation of financial statements during the audit process for both Saids and the BSA. This was as a result of the lack of financial disciplines such as poor record keeping and inadequate review of financial statements before submission. The entities received an unqualified audit opinion only because they corrected the misstatements.

There was no improvement in compliance with legislation, resulting in compliance findings on revenue management as a result of effective and appropriate steps not taken to collect money due by the BSA and Saids. The BSA and Saids did not adhere to SCM regulations. The BSA did not submit financial statements on the legislated deadline and Saids did not manage expenses, resulting in expenditure incurred exceeding the budgeted amount.

The BSA incurred R2,69 million (2014-15: R1,92 million) in irregular expenditure and R0,24 million (2014-15: R0,39 million) in fruitless and wasteful expenditure, which represent 29% and 100%, respectively, of the total incurred by the portfolio. The BSA incurred irregular expenditure because of non-compliance with SCM regulations. Saids incurred irregular expenditure of R6,56 million (2014-15: R1 million), which represents 71% of the total incurred by the portfolio. A total of R4,56 million of the irregular expenditure incurred by Saids was as a result of expenditure exceeding budgeted amounts. A lack of consequence management for transgressors contributed to the findings on compliance with SCM regulations at the BSA and Saids. Fruitless and wasteful expenditure at the BSA was due to inadequate contract management.

The BSA and Saids should improve the management of their working capital to ensure that creditors are paid within 30 days. The creditor payment days for the BSA and Saids were 129 days and 64 days, respectively. Controls should be implemented to ensure that money owed to the entities is collected timeously. The BSA and Saids only collected debts within 341 days and 208 days, respectively. Saids should improve management of budgets to ensure that expenditure does not exceed the budget. If these weaknesses are not addressed it could have a negative impact on the entity's ability to achieve its performance targets.

The SRSA and Saids did not have any findings on the annual performance report; however, material misstatements had been identified on the SRSA's annual performance report, which were corrected by the department. The misstatements were due to sector indicators introduced for the first time. The leadership must ensure that controls over the collation of supporting documentation from the provinces are strengthened.

The BSA had material findings and was unable to set useful indicators and targets at the beginning of the year and report reliably on actual achievements against those targets at the end of the year. Management should ensure that reliable evidence is available to support performance information and that the oversight responsibility regarding performance reporting is fulfilled.

There was stagnation in the key controls of the portfolio. In order to achieve clean audit outcomes at the BSA and Saids, the leadership must ensure that action plans are developed, implemented and progress assessed regularly, and that key vacancies are filled at the BSA.

SRSA's stability in key positions resulted in the adequate implementation and monitoring of action plans to address the previous year's audit findings and timeously address the weaknesses in key controls identified by internal and external audit.

Key vacancies at chief executive officer and chief financial officer levels at the BSA were filled after year-end and a month before year-end, respectively. The chief operations officer position still needed to be filled. There was stability in the key positions at the department and Saids. There was regression in the IT control environment, and management had not implemented all the required preventative or detective controls to ensure that IT risks were adequately managed. This can be attributed to the slow response to audit findings by the leadership at the department and its entities.

The portfolio committee provided adequate assurance over the entities in the portfolio. The executive authority provided assurance at the SRSA and Saids, with some assurance at the BSA. The accounting officer provided assurance at the department, but only some assurance was provided by the accounting authority at the entities.

Senior management provided some assurance at the SRSA and Saids that financial statements and performance reports were reviewed and accurately prepared. Limited assurance was provided at the BSA. The BSA's chief executive officer and senior management must implement the audit recommendations to address the root causes reported by the internal and external auditors.

The second level of assurance, being the audit committee and internal audit unit at the SRSA and Saids, has provided assurance, particularly relating to financial and performance management. However, the focus of these governance structures must be intensified in the area of compliance with legislation at Saids and the BSA. The internal audit function at the BSA has not provided any assurance because there was a lack of adequately skilled personnel. The executive authority must ensure that the BSA's audit committee is well capacitated.

The root cause of these outcomes was the slow implementation of action plans developed, due to vacancies at the BSA and a lack of consequence management at Saids. The accounting authorities at the BSA and Saids must implement performance management systems to enhance accountability and create a culture of zero tolerance for poor performance and non-compliance with legislation. Performance contracts must define what needs to be delivered and should be monitored regularly. A culture of basic financial management disciplines should be enforced, which includes preparation of reliable monthly and quarterly financial statements and performance reports supported by schedules and reconciliations.

Best practices such as adequate review of financial statements, daily monitoring of internal controls, review of compliance with legislation, implementation and monitoring of action plans by a well-capacitated and skilled internal audit function and audit committee, which were embedded at the SRSA, should be applied at the BSA and Saids to enable them to improve their audit outcomes.

9 Provincial overview

9.1 Eastern Cape

Three-year audit outcome

In the previous general report, we expressed a concern that Education, Health and Roads and Public Works, which then represented 79% of the provincial budget, were unable to provide credible financial and performance reports. The level of irregular expenditure caused by SCM transgressions that were not prevented by the control environment was also highlighted as an area of concern. These SCM transgressions increased the risk that goods and services are acquired at higher prices and/or rates without additional value being received. In addition, we cautioned the leadership of the province that until the entire provincial leadership starts holding people accountable for their actions by implementing consequence management for non-compliance with legislation, the desired movement towards accountable, accurate and transparent financial and performance reporting would not take place.

In response to the 2014-15 outcomes, the provincial role players undertook to implement processes that enforce accountability, enhance compliance with legislation, as well as improve and enhance the credibility of in-year reporting and monitoring.

The 2015-16 audit outcomes indicate that the province has made strides in dealing with qualifications and increasing the number of unqualified opinions with no findings (clean audits). All the provincial departments and entities received unqualified audit opinions with the exception of the Department of Education. There were no disclaimers or adverse opinions for the third year in a row. We commend the provincial leadership for this achievement.

The improved audit outcomes and sustained clean audit outcomes are attributed to:

- the achievement of a sound leadership tone that promotes a culture of accountability and good governance practices
- stability of both political and administrative leadership
- enhanced oversight performed by coordinating departments and oversight bodies
- the appointment or development of competent key finance personnel, including the strategic use of consultants.

The Provincial Treasury played a significant role in the improved outcomes experienced by the province. It was visible at auditees during the audit process and proactively engaged our office on matters relating to transversal audit issues, technical issues and specific auditee matters. These engagements assisted in resolving findings that may have ended up in the audit report.

Education was the only provincial department in the qualified category. Although it is only one audit, the budget allocated to it represents 45% of the total budget allocation to the province. Instability in leadership, including acting personnel at head of department and senior management levels, resulted in a lack of accountability, a lack of good governance and a weak control environment at this department. In addition, there was a lack of monitoring and coordination between the head office and district offices, poor record keeping practices and failure to adequately implement action plans to address the previous year's audit findings. These factors contributed to repeat qualifications and findings on performance reporting and compliance.

Learner numbers are used as a basis for allocating resources and for performance reporting at Education, Transport and Sport, Recreation, Arts and Culture. The audit process revealed significant differences between the learner numbers captured on the computerised systems and the physical verification of learners. These differences had an impact on the reliability of the reported performance and the disclosure of fruitless and wasteful expenditure in the financial statements of Education. They also had an impact on the usefulness and reliability of reported performance information at Transport and constituted one of the many factors that had an impact on the reliability of reported performance information at Sport, Recreation, Arts and Culture.

The audit outcome of the legislature regressed from unqualified with no findings to unqualified with findings on compliance with legislation. This regression was due to the legislature's control environment not being ready to comply with the Financial Management of Parliament and Provincial Legislatures Act that came to effect at the start of 2015-16.

Having recognised the improved outcomes, we noted that weak internal controls were still common at those auditees that did not achieve clean audit status and those that had failed to improve their previous audit outcome. Basic financial management disciplines and observing controls were still not in place at these auditees. The IT controls in the province are of concern and have not improved significantly since the previous year. We reported the risks in the IT environment for a number of years and they still have not been adequately addressed. This points to a lack of ownership by the leadership over the provincial IT systems and processes. The underlying weak internal controls coupled with weak IT controls at those auditees that did not improve their audit outcomes, could increase the risk of misappropriation of funds and a lack of credible financial and performance reporting.

There was a slow response to audit recommendations at 88% of auditees that did not achieve clean audit outcomes. These recommendations related to improving record management systems, implementation of proactive processes and timely response to audit committee and internal audit recommendations. Furthermore, the lack of consequences for poor performance and non-compliance with legislation was not adequately addressed.

The quality of financial statements submitted for auditing has improved progressively over the past three years. Sixty per cent of financial statements submitted in 2013-14 contained material misstatements compared to only 32% in 2015-16. This improvement is attributed to the appointment or development of competent financial personnel, improved in-year reporting and monitoring and improvement in controls at those auditees that achieved a clean audit status. This was brought about by the implementation of the recommendations made during the regular AGSA interactions on internal controls.

The quality of annual performance reports of departments regressed, while that of the entities remained unchanged over the past three years. Auditees continued to avoid material findings by processing corrections during the audit. We raised material findings on the usefulness of reported information at 16% of auditees, while we raised material findings on the reliability of reported performance at 28% of auditees. The auditees with material findings on usefulness could have avoided them had they implemented all of the recommendations arising from the proactive audits of their annual performance plans. Poor record-keeping practices contributed to reliability findings because departments were unable to produce the documentation required to prove actual performance.

We have noted that the province has taken action in some cases; however, not all instances of irregular, fruitless and unauthorised expenditure were investigated or adequately investigated. In addition, investigations in progress were not completed timeously. In some cases where investigations were conducted and it was recommended that disciplinary and criminal charges be instituted against those responsible, no actions were taken against the responsible officials. This contributed to a culture of tolerance of non-compliance with legislation within the provincial administration, which in turn contributed to the findings on compliance. Although we acknowledge that compliance with legislation has improved, findings in this area have remained at high levels over the past three years. These findings, especially those relating to the prevention of irregular and fruitless and wasteful expenditure, as well as procurement and contract management, indicate that consequences are not effectively enforced.

The province disclosed irregular expenditure of R1,24 billion for the year under review. Education was qualified based on the irregular expenditure it disclosed. This department also disclosed that it was investigating a further R857 million in potential irregular expenditure, which meant the amount of R1,24 billion reported as irregular might not include all irregular expenditure incurred by the province during the year under review. The balance of irregular expenditure that has accumulated over the years and has not been sufficiently investigated and recovered, condoned or written off, as required by the PFMA, was R4,9 billion at 31 March 2016 for the province. Subsequent to year-end, Roads and Public Works received confirmation from the National Treasury that R1,8 billion included in the above amount had been condoned. The irregular expenditure was due to widespread conflict of interest and non-adherence to SCM requirements. Awards made to employees, their close family and employees in the service of the state where a conflict of interest existed amounted to R297 million. Associated with weaker controls over the SCM and procurement management environments is a heightened risk that value for money may not be realised for goods or services procured at higher than market-related costs.

The financial commitments of Human Settlements exceed their allocations over the next three years by an amount of R6 billion. Health disclosed that it had paid out R321 million in medical legal claims. It also disclosed contingent liabilities of R13,4 billion relating to such claims. If these claims materialise, they have the potential to derail service delivery by this department as they are not budgeted for. These situations should be monitored closely by the affected departments, Provincial Treasury and the office of the premier to ensure that service delivery is not interrupted. In addition, three provincial public entities were facing cash flow difficulties that could affect their ability to render services and deliver on their mandate. These entities may require a cash injection to continue delivering service at existing levels. The financial health indicators of seven departments, the Provincial Legislature and two entities regressed from the good indicator status in the previous year to a concerning status. This was a result of pressures on budgets caused by the constrained fiscal environment. Other than the matters highlighted above, there were no material findings or concerns identified on financial health.

Work was performed on the infrastructure spending by the province during the year under review. Our audit approach was meant to respond to risks associated with the significance of budgets that were allocated and service delivery aspects related to the nature of these projects as pointed out in the state of the province address. Key findings raised included failure to follow SCM processes in the appointment of contractors at 32% of the projects selected for testing, and 19% of the projects tested resulted in irregular expenditure. Of the sample tested, 50% of the projects were not completed on time. These findings point to a lack of contract and project management capacity and capability within the Eastern Cape provincial government. This requires leadership attention if all planned infrastructure projects are to be delivered as planned. The good practices observed included proper planning; all required feasibility studies were conducted; performing proper checks on contractors to ensure that they are capable of delivery; monitoring of delivery (including review of the prepared progress reports); proper maintenance and follow up of site records, which included snag lists; and the implementation of consequences for poorly performing contractors.

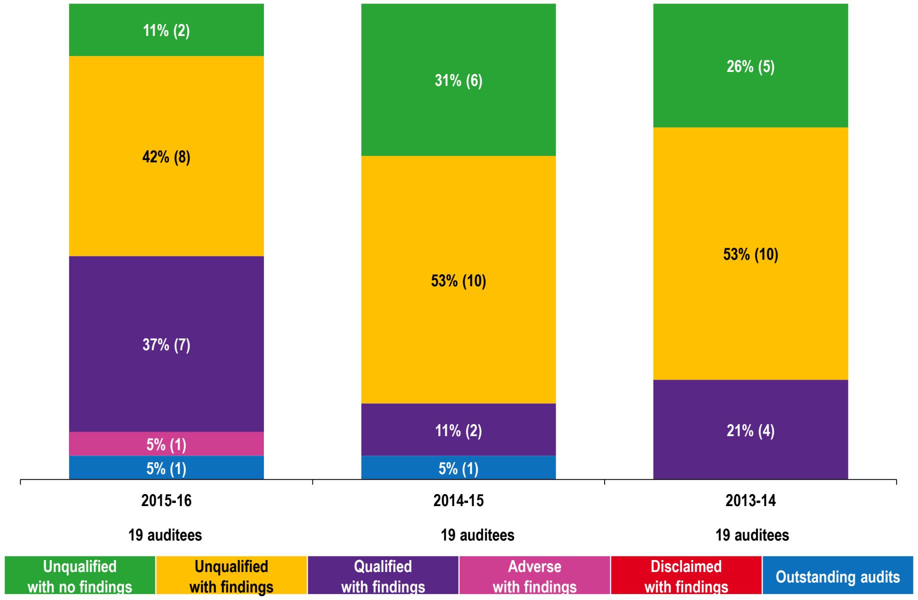
The levels of assurance provided by senior management, accounting officers or authorities, MECs, audit committees and internal audit units have improved slowly but steadily over the past three years. The improvement in the assurance provided was more pronounced in 2015-16, which correlates with the improved audit outcomes. Although the levels of assurance have improved, there are a number of auditees where the assurance providers only provided some or limited assurance. These auditees need to strengthen their control environments to improve their levels of assurance.

We recommend that the provincial leadership implement the following to sustain the positive momentum towards accounting for public resources in a transparent manner and improving governance and accountability in the public sector:

- Prioritise the filling of all key vacant posts at Education, including the head of department position. The leadership should also focus on communication and coordination between the head office and district offices to ensure effective service delivery at schools and on maintaining appropriate records to enable credible financial and performance reporting.
- Enforce a culture of basic financial management discipline and adherence to good controls. This includes preparing reliable monthly and quarterly financial statements as well as daily and monthly reconciliations to ensure that all transactions, balances and disclosures are accurately and completely recorded.
- Implement proper systems and processes, including adequate record-keeping systems, for managing and reporting on predetermined objectives.
- Adopt a zero-tolerance approach to poor performance and breaches of legislation. Particular attention should be paid to all instances of unauthorised, irregular and fruitless and wasteful expenditure, investigations sanctioned and that those started are completed; that funds are recovered where the liability of officials is proven; and that consequences are implemented in the case of undeclared conflicts of interest.
- Institutionalise performance management systems to enhance accountability. The performance contracts of heads of department should include clauses relating to the elimination of compliance findings and irregular expenditure.
- Put proper systems and processes in place to monitor infrastructure delivery and to ensure that project management capacity and capability are built within the province. In addition, the best practices observed in the province should be rolled out to all projects.

9.2 Free State

Three-year audit outcome



Up to the 2014-15 financial year there had been a slow but steady year-on-year improvement in audit outcomes. The year under review was a turning point that saw a noticeable regression in eight audit opinions. The main root cause of these regressions was the slow response by management (83% of auditees) and the political leadership (50% of auditees) to the recommendations made as well as failure to honour their commitments.

In our previous general report we mentioned that ‘the financial statements of six auditees disclosed that they still had to review the procurement process undertaken to determine the possibility or full extent of their irregular expenditure, which could result in a significant increase in irregular expenditure in the coming year. The regression in five departments’ audit opinions (Agriculture and Rural Development, Economic, Small Business Development, Tourism and Environmental Affairs [DESTEA], Education, Sport, Arts, Culture and Recreation, as well as treasury) was due to the failure of executive and administrative leadership to conduct adequate investigations into these contracts and agreements, notwithstanding the recommendation we provided in the previous year.

A further two departments regressed, namely the Office of the Premier and the Department of Public Works and Infrastructure, due to material non-compliance identified in the procurement processes. The Central Medical Trading Account regressed due to a lack of supporting documentation relating to payables as disclosed in the financial statements. It is concerning that no auditees were able to improve their audit outcome in the year under review. Only two auditees, the Free State Provincial Legislature and Fleet Management, maintained their clean audit status of the previous year. In 2015-16, only certain requirements of the Financial Management of Parliament and Provincial Legislatures Act were applicable. Legislatures would only be required to fully comply with this legislation in 2016-17, posing a potential risk of them losing clean audit status if the situation is not closely monitored.

In the previous year the commitments made by the provincial leadership included MECs meeting with us on a quarterly basis to discuss the status of key controls and giving more attention to compliance with SCM prescripts. The provincial leadership further committed to investigate unauthorised and irregular expenditure to ensure appropriate consequence management, as well as to provide departments with guidance on the use of implementing agents and the procurement processes to be used by these implementing agents.

Due to management’s failure to implement these commitments, the improvement in key controls in the previous year was not sustained, which in turn contributed to the significant increase in non-compliance with SCM prescripts due to uncompetitive or unfair procurement processes. This resulted in an increase of irregular expenditure. The most notable regression in internal controls resulted in the deterioration of our assessment of assurance at executive authority and accounting officer levels.

The audit intervention forum chaired by the MEC for Finance was established in the previous year to discuss transversal audit matters; to intervene, where required; to facilitate conclusion of unresolved outstanding matters; and to provide the necessary leadership to auditees during the audit process. While we support the objective of this intervention committee, it resulted in a lack of ownership by the accounting officers. This, in turn, resulted in mounting pressure on the MEC for Finance to deal with the audit findings at year-end, while the internal controls implemented by the individual departments deteriorated as a result of inadequate control disciplines.

As mentioned, the quality of financial management and control disciplines regressed. This is evidenced by the number of material audit adjustments made to the financial statements submitted by 61% of auditees. Had these adjustments not been allowed, only six auditees (33%) would have received unqualified opinions. These adjustments were required notwithstanding the fact that 78% of auditees had chief financial officers with an average of 65 months in the position. Unfortunately, eight auditees (42%) could not make all the audit adjustments in their financial statements resulting in either a qualified or adverse audit opinion, mainly due to the following:

- The completeness of irregular expenditure, because they failed to disclose all instances where implementing agents and partners did not follow procurement processes when procuring goods and services, including capital expenditure. In many instances the implementing agents or partners were appointed through deviations
- The incorrect accounting treatment of expenditure by implementing agents, where the goods are later transferred in kind to beneficiaries, was not accounted for in accordance with the Modified Cash Standard. Appropriate classification of payments to, and expenditure by, the implementing agents is critical to ensure transparent reporting on the departments' actual performance, even if the departments discharge their core mandate by using implementing agents. Notwithstanding the additional guidance from the National Treasury on the accounting treatment relating to implementing agents, the previous year's findings were not addressed.

It is concerning that Education and Health, which comprise 69% of the province's budget, were qualified, as they were unable to report accurate and reliable information in their financial statements.

Material non-compliance with legislation was still evident at 84% of auditees, which was an overall regression in the level of compliance with legislation in the province. Material SCM findings resulted in irregular expenditure increasing by R362 million from R1,6 billion in the previous year to R1,9 billion. The most common material SCM findings related to uncompetitive or unfair procurement processes, which occurred at 10 auditees (56%).

SCM and the high levels of irregular expenditure remain high-risk areas due to the overall disregard for procurement processes and the limited consequences for these actions. The leadership failed to lead by example and take decisive steps to enforce zero tolerance for deviations from SCM processes due to lack of consequences for poor performance and transgressions which occurred at 50% of auditees. Human Settlements incurred R965 million (50%), Health R466 million (24%) and Education R399 million (21%) in irregular expenditure. In total these three departments incurred R1,8 billion (95%) of the total irregular expenditure. In the previous year they accounted for 99% of irregular expenditure incurred.

While irregular expenditure levels were high, some departments did not disclose all irregular expenditure in their financial statements and were qualified as a result. This would have resulted in a further increase of at least R1,1 billion in irregular expenditure. However, the total value of the contracts awarded was much higher than what was expensed and the continued use of these contracts will result in additional irregular expenditure.

Unauthorised expenditure decreased from R601 million to R202 million. Most unauthorised expenditure, i.e. R157 million (78%), was incurred by the Department of Education due to overspending of their budget. However, had the department settled the invoices outstanding for longer than 30 days, unauthorised expenditure would have increased to R2,3 billion, which puts pressure on the province's severely constrained cash flow.

The financial health of the province has continued to deteriorate since nine auditees (50%) experienced problems relating to financial sustainability due to significant accruals and commitment balances that still need to be paid which affect the next year budget while in most instances the funds to be surrendered are not always supported by the available cash. The Department of Education had an overdraft of R641 million, while the remaining 11 departments had a total positive cash balance of R111 million. This resulted in a net bank overdraft of R530 million for the province (2015: R761 million). Additionally, funds to be surrendered to the revenue fund amounted to R453 million (2015: R307 million) and total accruals to R2,7 billion. Taking into account the overdraft, funds to be surrendered and long-outstanding accruals, the province required R3,1 billion (2015: R1,6 billion) to clear the backlog.

The financial distress at the Department of Education is concerning. The department had outstanding accruals and payables of R380 million (2015: R270 million), a bank overdraft of R641 million (2015: R826 million), as well as commitments approved and contracted for of R1 billion (2015:R2,5 billion). The actions of the Department of Education negatively affected the whole province as they committed themselves to funds that were not available despite the backlog in paying creditors. The Provincial Treasury intervened as from 1 April 2015 by taking over the financial administration of the department, and this action has started to yield positive results although there was still a lot of work to be done to turn this situation around.

Despite an improvement in the area of reporting on performance information, with 63% of auditees (2015: 50%) producing credible and useful performance reports, five auditees (32%) avoided findings by making material audit adjustments to their annual reports. Four of the auditees, namely Education, Health, Human Settlements and Police, Roads and Transport, which did not produce credible and useful performance reports, were responsible for 81% of the total provincial budget. These departments failed to focus on predetermined objectives as required, resulting in material findings on annual performance information.

The IT control environment of Free State departments and public entities improved during the 2015-16 financial year. The improvement comes as a result of increased attention given to IT challenges and risks. Furthermore, the introduction of the DPSA IT governance framework had a positive effect on the outcomes over these past three years. However, there remains a challenge in ensuring that those responsible for implementing controls within the IT environments of departments and public entities consistently comply with existing policies and procedures. During the year under review such non-compliance caused the patient administration and debtors system at the Department of Health to crash. Due to inadequate backup processes, this had a negative impact on their audit opinion.

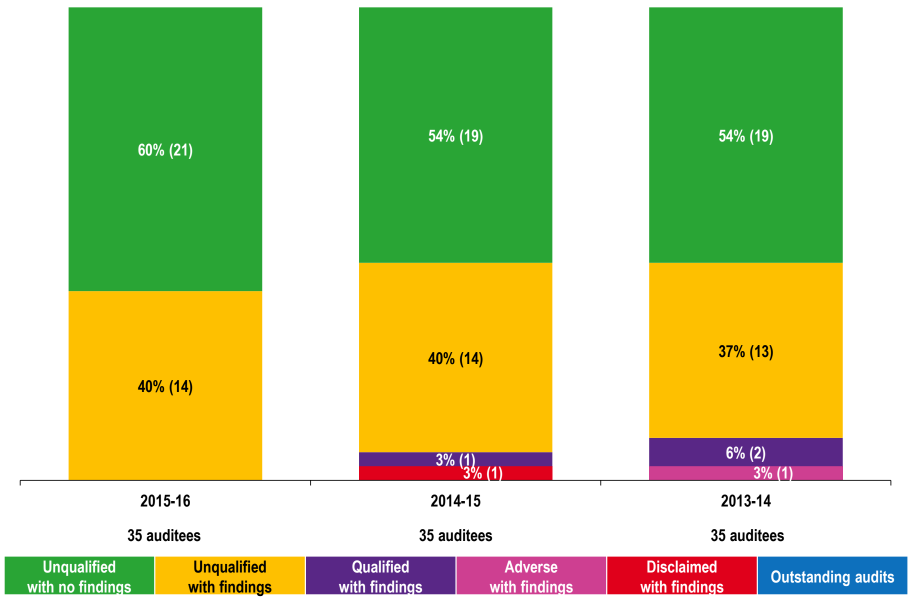
Finally, immense resistance by auditees to audit findings raised by audit teams was experienced in the year under review as leadership, advised by state law advisers, argued that payments to implementing agents ceased to be public funds once transferred, thus falling outside the AGSA mandate. As a result, undue pressure was placed on the audit teams not to audit a number of transactions, especially those relating to transfers of state funds to implementing agents or where deviations from normal procurement processes were approved by accounting officers. Instead of focusing on improving the control environment, auditees responded to findings by involving state law advisers with more emphasis being placed on legal interpretation than on accounting treatment of transactions. Therefore, the challenge remains for the province to build a public service characterised by transparent financial and performance reporting. Greater effort is needed to strengthen key controls, especially those relating to financial and predetermined objective reporting, budget management and SCM practices, to ensure that funds are spent through a procurement process which is fair, equitable, transparent, competitive and cost-effective so that services of the required quality and quantity can be rendered.

At the heart of improved audit outcomes is a leadership tone that must inform the seriousness and urgency with which appropriate action plans and initiatives are implemented and monitored relating to the following:

- Procurement processes in appointing implementing agents and partners should be fair and transparent.
- Guidance on procurement processes which implementing agents and partners need to follow when spending public funds to ensure that they are spent in a fair, equitable and transparent manner by setting clear performance measures.
- Addressing the province’s financial sustainability.
- The first level of assurance (senior management, accounting officers and MECs) should be improved by ensuring that the leadership responds to our recommendations.

9.3 Gauteng

Figure 1: Three-year audit outcome



The Gauteng provincial audit outcomes improved once again in 2015-16, with 21 auditees (60%) (2014-15: 19 [54%]) achieving clean audit outcomes, while no auditee received a modified audit opinion on their financial statements. It is encouraging to see 17 auditees (49%) sustaining a clean audit status from 2013-14 in 2015-16, due to internal controls and regular financial and performance reporting disciplines that have been institutionalised. Three new auditees joined those with clean audit opinions in 2015-16 (Gauteng Growth and Development Agency, Gauteng Infrastructure Financing Agency and Cost Recovery Trading Account). However, the Greater Newtown Development Agency regressed from clean to unqualified with findings due to a lack of monitoring of the basic financial disciplines around the preparation of the financial statements.

The improvement in the overall audit outcomes is attributable to the premier, the Provincial Legislature and MECs leading by example. The premier, with the support of the MECs, insisted on a culture of accountability, sound financial management practices and demonstrated timely and effective consequence management where non-performance was identified. The political leadership embraced the premier's vision of a clean administration that is transparent and accountable to the people (termed 'going green') and upheld their commitments by effectively working with the administrative leadership and holding them accountable for the institutionalisation of internal controls and sound financial management practices. Audit committees, coordinating departments and external oversight structures intensified their robust discussions in exercising their oversight responsibilities to improve the governance of provincial government.

A big milestone for the province was the Department of Health and g-Fleet Management that improved to unqualified opinions with findings in 2015-16 from a qualified (for three consecutive years) and disclaimed audit opinion, respectively, in 2014-15. At the department, stability in the positions of accounting officer and chief financial officer assisted in implementing corrective action plans and at g-Fleet Management, the MEC for Roads and Transport (overseeing g-Fleet Management) released the chief executive officer and chief financial officer from their positions. Consultants played an important role assisting these auditees to improve the quality of their financial statements and address the qualification areas. However, the sustainability of the current audit outcomes remains at risk as there is no clear business continuity plan regarding the transfer of knowledge from the consultants. To sustain these audit outcomes, the accounting officers need to ensure that improvements in internal controls are institutionalised. The Department of Health needs to ensure that the upgrading and implementation of the health recording system is completed to provide accurate and reliable information for financial and performance reporting.

The Provincial Treasury complemented the ever-maturing assurance model through financial management support mechanisms, which contributed to the quality of financial statements submitted for auditing improving slightly from the previous year, most noticeably at the Department of Health and the Department of Education. Although all auditees submitted their financial statements for auditing on time, 10 auditees (29%) had material misstatements that were identified and corrected during the audit. This was as a result of chief financial officers not implementing basic financial disciplines and regular financial reporting controls during the year. The continued reliance on auditors to identify errors in the financial statements, which are then corrected by the auditee to obtain an unqualified opinion, is not a sustainable practice.

Although there was a slight improvement in the number of auditees that complied with key legislation, all 14 auditees (40%) that did not obtain clean audit outcomes had material findings on compliance with key legislation and this remains the major obstacle preventing the province from 'going green'. There was a slower than expected response by the administrative leadership and senior management to their commitments to address compliance findings, specifically SCM and expenditure management findings. The non-compliance with key legislation was compounded by vacancies in the positions of accounting officer, chief financial officer and head of SCM unit at some auditees.

Irregular expenditure increased to R6,5 billion (2014-15: R5,6 billion) and can primarily be attributed to continued non-compliance with SCM legislation (concentrated around uncompetitive or unfair procurement processes). Most of the irregular expenditure incurred related to payments made against non-compliant contracts awarded in previous financial years (legacy contracts) at the Department of Roads and Transport and the Department of Human Settlements. Notwithstanding the increase in irregular expenditure, we have determined that goods and services were received for all the irregular expenditure incurred due to SCM non-compliance. To minimise the risk of procurement processes that are not transparent, cost-effective and equitable, the premier and MEC for Finance have committed to fast track the implementation of the open tender system across all Gauteng provincial departments.

The quality of performance information regressed and remains a concern. Although there were only four auditees (13%) with material findings on usefulness and reliability, there were 13 auditees (43%) that relied on the audit process to correct the reliability of the information in the final performance report. With the provincial focus on service delivery through the transformation, modernisation and reindustrialisation plan, it is critical that actual performance is reported accurately and supported by adequate document management systems. Accounting officers and accounting authorities should hold heads of monitoring and evaluation accountable for ensuring that sound processes are in place to ensure that performance information is supported by sufficient and credible evidence. In addition, the provincial IT strategy must provide solutions for the information systems that were not stable and secure to produce accurate and verifiable information.

IT remains critical to ensure the confidentiality, integrity and availability of information to enable accurate reporting, service delivery, national security and promote effective oversight. The Gauteng IT environment improved from previous years due to the stability of chief information officers and skilled resources. In addition, senior management was more involved in providing support and monitoring of auditees' commitments. However, more attention is required at 14 auditees (40%) in the areas of operating effectiveness of user access management, security management and IT service continuity controls. Accounting officers and accounting authorities must ensure that the IT units are fully staffed with skilled resources and there is adequate monitoring of IT governance processes.

The status of the financial health showed a slight improvement at some auditees and there were no auditees with significant going concern or financial sustainability challenges. Although the number of auditees with findings on payables that exceeded the payment term of 30 days remained unchanged, the Department of Education and the Department of Health, which constitute almost 74% of the provincial budget for 2015-16, would have incurred unauthorised expenditure had all their accrued expenses been paid by year-end. This places additional pressure on the service delivery objectives for the following financial year. The provincial leadership should guard against the increased risk of legal lawsuits and claims at the Department of Health where payments of medical claims in 2015-16 amounted to R436 million, placing strain on financial resources. As the Gauteng population is increasing at a greater rate than the national average *(Source: Statistics South Africa: Census 2011 and Mid-year population estimates 2015),* largely due to interprovincial migration, the efficient use of available financial resources needs to be heightened.

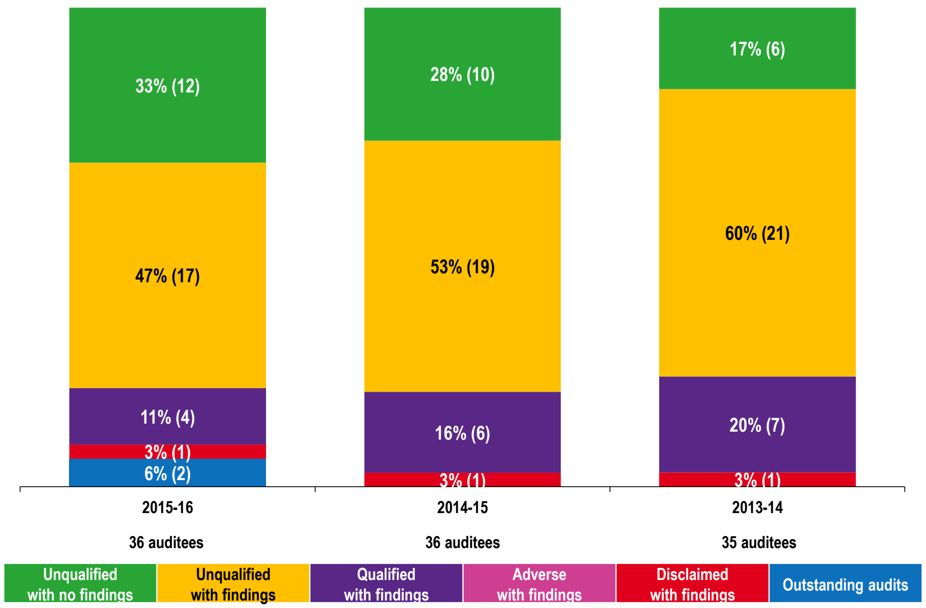
The combined assurance model continued to show maturity; however, senior management should be decisive and continue to strengthen financial and performance management internal controls as well as compliance management practices to build a public service characterised by transparent financial and performance reporting. The oversight committees should continue to collaborate with each other and should improve continuously and standardise key oversight activities, including the timely tabling and regular follow up of key resolutions. Portfolio committees need to increase their focus on keeping auditees accountable for accurate and complete performance information. The follow-up and feedback mechanisms during the year between the auditees and the oversight committees need to be formalised.

Although the internal control environment has matured over the years, in order to sustain and further improve the audit outcomes the premier, Provincial Legislature and MECs must continue to lead the way and positively influence key role players to honour their commitments and institutionalise internal controls. More attention must be given to the filling of vacancies in key positions, and senior management should perform their duties with the required disciplines and should respond proactively by implementing sustainable internal controls.

The premier made it clear in his 2016 state of the province address that action will be taken where departments and entities show ongoing poor performance and unethical conduct. We will continuously track this and other commitments to ascertain that they yield the desired impact in improving financial governance, reducing irregular expenditure and further improving overall audit outcomes of the province.

9.4 KwaZulu-Natal

Three-year audit outcome



The KwaZulu-Natal provincial government comprises 14 departments – the Provincial Legislature and 21 public entities. The overall audit outcomes exclude the results of Ithala Limited and Ithala Development Finance Corporation, as these audits were not finalised on time due to the pending approval of the annual banking exemption licence by the minister of Finance, subject to certain financial requirements being met by these auditees.

The overall audit outcomes depict progress over three years. Seven auditees (19%) improved by obtaining clean audits and four (11%) sustained clean audits since 2013-14. The KZN Growth Fund Trust came into existence in 2014-15 and has retained a clean audit since then. Public entities achieved the majority of clean audits; however, this is offset by having the Provincial Treasury as the only department that retained a clean audit for the past three years. The auditees that achieved clean audits were at the pinnacle of excellence in transparent and credible reporting and were epitomised by effective basic disciplines on records management, daily and monthly processes as well as enhanced regular reviews and reconciliations. Additionally, dedication and commitment by senior management were instrumental in the institutionalisation of these basic controls at public entities. Twelve auditees (33%) remained unchanged at unqualified opinions with findings since 2013-14. The accounting officers and senior management of these auditees did not implement timely and decisive corrective actions, which ensured that adequate controls were in place for credible performance and compliance reporting.

Qualified audit opinions decreased since 2013-14. Education, which accounted for 41% of the total provincial budget, had received a qualified opinion for five years prior to 2014-15. In 2014-15, they received an unqualified opinion with findings, which they retained in the year under review. This was only possible through the dedication of leadership and management coupled with an institutionalisation of basic disciplines and fine-tuning of SCM controls. The Provincial Legislature also improved from a qualified audit opinion with findings in 2014-15 to an unqualified opinion with findings in the year under review. The qualification on assets was addressed due to the filling of key posts and improved controls. Consultants were also appointed to assist in ensuring that assets were accurately and completely recorded. Arts and Culture, the Housing Fund and the Traditional Levies and Trust Account also improved to an unqualified opinion with findings in the year under review after receiving qualifications in 2013-14.

Two auditees (6%) regressed since the previous year. Cooperative Governance and Traditional Affairs regressed from a clean audit to an unqualified opinion with findings while Human Settlements moved from an unqualified audit opinion with findings to a qualified audit opinion with findings. At these auditees, management failed to implement elementary controls over proper record keeping and regular reviews and reconciliations over financial, compliance and performance information. The Business Rehabilitation Trust Fund received a disclaimed audit opinion for the past three years due to inadequate records to support underlying transactions, arising from inappropriate management oversight and reviews.

Qualifications at Health and Transport, together which account for 42% of the provincial budget, persisted for the past three years as these auditees struggled to implement effective controls over asset management, SCM and human resource management. This was largely due to a lack of understanding of accounting and regulatory requirements by key officials, which contributed to the slow response by management in adhering to action plans.

The quality of financial statements submitted for auditing improved from 50% in 2014-15 to 74% in 2015-16. Eight departments (53%) and 17 public entities (89%) submitted financial statements that contained no material misstatements. Strong internal controls over record keeping, monthly processing, reconciling of transactions, regular review, supervision, and preparation of credible financial reports on a regular basis largely contributed to this improvement. In addition, regular engagements at financial forums with the provincial accountant-general, coupled with monitoring of action plans, assisted in reducing the extent of misstatements identified at certain departments.

The province made little progress on the reporting of predetermined objectives to solidify undertakings made to the public. It is concerning that the three key service delivery departments in the province (Education, Health and Transport), which accounted for 83% of the total provincial budget, had repeat material findings on their annual performance reports. These three departments need to take urgent corrective action and accountability for the ongoing shortcomings in reporting on the performance outcomes. In addition, 12 departments (80%) and seven public entities (47%) made material adjustments to their performance reports and only received favourable conclusions on predetermined objectives due to audit corrections. Poor records management, inadequate review and monitoring of the preparation of annual performance reports, as well as a lack of implementation of standard operating procedures for reporting on predetermined objectives resulted in reports not being useful and reliable.

Compliance with legislation improved from 26% in 2014-15 to 35% in 2015-16. However, there was still a high rate of compliance findings, as 14 departments (93%) and eight public entities (42%) had material findings on compliance. Vacancies in vital posts and inadequate implementation of compliance checklists contributed to the high rate of findings reported.

Although training workshops were held to address issues on SCM, this did not have an optimal impact. The status of SCM and related controls remained unchanged from 2014-15 at departments with 11 (73%) reporting findings on SCM whereas at public entities these regressed from the previous year as the number of entities with material findings reported increased from two (11%) to four (21%). The findings reported related predominantly to uncompetitive and unfair processes and awards made to close family members of employees. Administrative and political leadership at these auditees should strengthen their performance and consequence management processes by implementing stricter monitoring controls.

Irregular expenditure increased by 112%, from R1,69 billion in the previous year to R3,57 billion in 2015-16. This was largely due to Health's contribution of R2,52 billion (71%) to the total incurred. The inflated irregular expenditure incurred at Health was as a result of a clean-up exercise to identify possible irregular expenditure on all contracts and quotations to resolve the qualification from the previous year. It is evident that although the province implemented controls over SCM, these controls were not effective as they did not prevent irregular expenditure. The main reasons were that controls over SCM were not adequately monitored and action was not taken in time to address the risks identified. A total of R845 million (24%) of the R3,57 billion in irregular expenditure incurred was audited and it was confirmed that goods and services were received, despite the normal processes governing procurement not having been followed.

There was a noticeable improvement in all three drivers of internal controls, namely leadership, financial and performance management as well as governance, which contributed to the improved outcomes. Where inadequate key controls still existed, it was mainly due to vacancies and instability in supporting roles to the chief financial officer, the head of SCM and the manager responsible for the reporting on predetermined objectives.

The status of financial health showed a slight improvement when compared to 2014-15. Forty-one per cent of auditees had favorable financial health indicators and 59% had more than two unfavourable indicators, compared to the 44% and 53% reported in 2014-15. No auditees reported materially unfavourable indicators or going concern uncertainties in the year under review. It is concerning that 11 departments (79%) had findings relating to accruals older than 30 days. This was because of payments being withheld at year-end as departments attempted to avoid incurring unauthorised expenditure.

Human resource management controls improved, with good controls being reported at four departments (27%) and 13 public entities (68%), compared to three departments (20%) and 12 public entities (63%) in the previous year. Although vacancies in the positions of accounting officer, chief executive officer and chief financial officer are still a challenge, stability in these positions has improved. This was due to the commitments made by the coordinating departments to empower these officials. Improvements in stability in key positions also contributed to the improved audit outcomes. Chief executive officers and chief financial officers at auditees that attained clean audit outcomes were in their positions on average for more than three years.
In addition, improved stability at accounting officer level contributed to the reduction in qualified opinions at departments.

Although the IT audit outcomes of the province improved, with one department (7%) and 10 public entities (53%) having no IT findings, the majority of provincial departments and public entities experienced challenges with the implementation of IT controls. Management often failed to realise the importance of IT controls and this has resulted in many financial and performance information processes not being fully automated and frequently requiring manual intervention or being performed using Excel spreadsheets, which make accountability for actions performed difficult to track and are more susceptible to the manipulation of data. The key factors that resulted in the IT deficiencies identified in the province were the moratorium on the hiring of staff which resulted in key positions within IT units being vacant and limited funding which affected the completion of key projects. Additionally, management did not prioritise resolving the previous year's findings in a timely manner and new systems to automate performance information and operations were in the process of being implemented.

The assurance provided by executive authorities, accounting officers and audit committees improved since 2014-15, whereas the assurance provided by senior management and internal audit units remained unchanged. Assurance provided by the public accounts committee and the coordinating departments declined. Although accounting officers and executive authorities at more than 50% of auditees are providing effective leadership, including oversight and monitoring of action plans to address deficiencies, their effectiveness is dependent on senior management implementing the required financial and performance management disciplines. The positive and robust tone of the audit committee in holding accounting officers accountable enabled them to exercise oversight roles effectively and improve the assurance provided. However, operational challenges such as vacancies and skills gaps at some auditees, coupled with the challenges faced by internal audit units, limited the audit committees' ability to perform at optimum levels. Capacity and budget constraints faced by internal audit units prevented them from fully executing their operational plans in a manner that covered all the high-risk areas and contributed to the lack of movement in the assurance provided. The public accounts committee needs to amplify its oversight role and authority by being firm on resolutions made and time frames on actions required. There was minimal progress on the commitments made by the coordinating departments to improve audit outcomes since the previous year.

The vast number of auditees that displayed little or no progress in audit outcomes was plagued by root causes pertaining to the slow response by management (19 auditees: 86%), instability and/or vacancies in key positions (nine auditees: 41%) and lack of consequences for transgressions (seven auditees: 32%). The slow response by political leadership to ensure that there are consequences for poor performance and transgressions created an environment where poor performance was tolerated. This, in turn, resulted in the slow response by senior management to implement internal and external auditor recommendations. The non-filling of key vacancies was in some instances attributed to budget constraints while, in other cases, it was merely a matter of it taking too long to fill key vacancies.

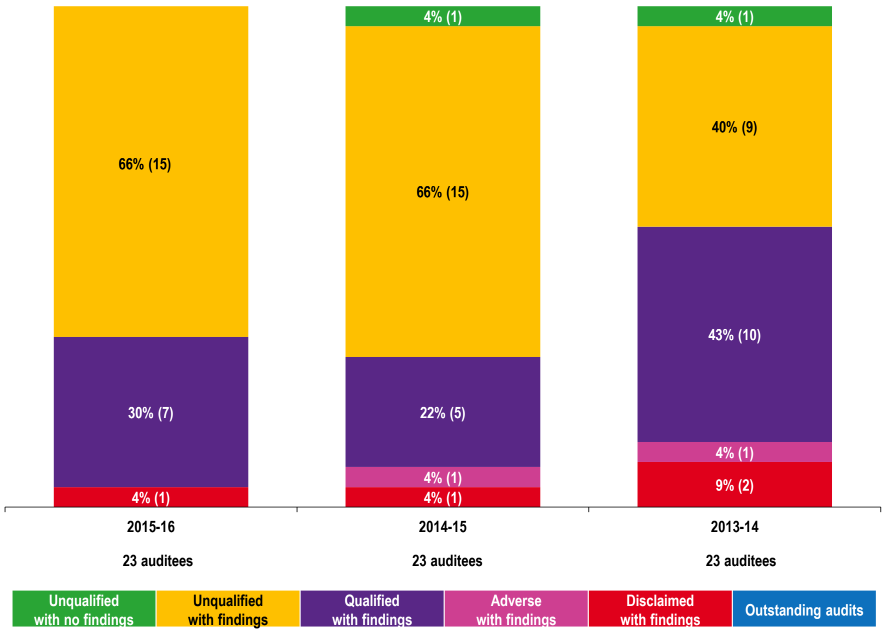
The prospect for further sustainable improvements in the provincial outcomes is not an insurmountable task, as positive leaps have been made by Education and a majority of public entities over the past three years.

To further improve the audit outcomes, specifically at Education, Health and Transport, we recommend the following:

- Accounting officers or authorities should ensure that risk assessments and strategies adequately address key SCM risks.
- A reliable recording system should be implemented to ensure that all source documents in support of actual achievement of performance targets are filed in a systematic way such that they are readily available for verification.
- Records management – the manner in which supporting documents are stored and referenced to information in the financial statements should be addressed.
- Key officials should be trained on the accounting and regulatory requirements applicable to their departments.
- Administrative and political leadership must pursue meeting their commitments and act rapidly when implementing effective and sustainable internal controls that support credible financial, performance and compliance reporting.
- Senior management, political leadership and oversight structures should continue to pay close attention to the prevalence of SCM transgressions. Investigations and/or appropriate corrective steps and consequence management should be implemented for non-compliance identified and/or irregular expenditure incurred.
- Accounting officers should be agile and energised and hold heads of performance monitoring and evaluation accountable for ensuring that there are robust processes in place to ensure that reported performance is supported by sufficient and credible evidence.
- Accounting officers and senior management must implement basic internal controls and accounting disciplines successfully by preparing regular and accurate financial and performance reports that enable governance structures to play an effective and value-adding assurance and risk advisory role.

9.5 Limpopo

Three-year audit outcome



In the 2014-15 general report we acknowledged the strides made by the province in improving its audit outcomes as it registered a net improvement at seven auditees, which included a clean audit opinion achieved by the Office of the Premier. We further noted the advances made by the province to address competency challenges by performing a skills audit followed by formal training interventions by the Provincial Treasury where gaps had been identified. The Provincial Treasury also invoked section 18(2)(g) of the PFMA at the Department of Education by seconding experienced officials from the Provincial Treasury and other departments to address the lack of financial discipline at the department.

Regrettably, the province was unable to build on the momentum from the previous year. The Office of the Premier could not maintain its clean audit status. In addition, two departments (Health and Economic Development, Environment and Tourism [LEDET]) regressed to a qualified opinion, due to their failure to maintain sound internal control discipline to ensure that daily and monthly financial recording is accurate, complete and valid.

Instability at the level of head of department remains a concern that threatens the province's ability to improve its audit outcomes and submit quality financial statements and performance reports. Of the 13 departments (including the Provincial Legislature) in the province, there were six vacancies (46%) at the level of head of department at year-end, with the average period in this position being less than 36 months. The provincial accountant-general was also deployed to a municipality during the 2015-16 financial year, which further depleted the skills available to support the provincial departments. These high vacancy rates and instability in key positions, coupled with the lack of appropriate competencies, were also some of the root causes of the lack of improvement in audit outcomes.

The two key service delivery departments (Health and Education), which are the cornerstone of the national development plan and the Limpopo development plan and account for approximately 76% of the provincial budget, received a qualified opinion and disclaimer of opinion, respectively. The regression to a qualified opinion at the Department of Health can be ascribed to instability in the positions of accounting officer and chief financial officer following the withdrawal of the intervention team in terms of section 100(1)(b) of the Constitution in January 2015. At year-end, the position of accounting officer was vacant for six months and that of the chief financial officer for 12 months. This hampered the drive towards creating a sustainable control environment with effective monitoring controls. We have repeatedly stated in our previous reports that auditees continue to rely on the audit process to identify shortcomings and errors, and request corrections to the financial statements and/or annual reports. This was evident at the Department of Health, as the audit team identified a significant number of errors that were indicative of a breakdown in internal controls. The department was not able to correct these.

The Department of Education continued to disappoint with its performance and retained a disclaimer of opinion for a fifth consecutive financial year, despite being one of the departments that were placed under section 100(1)(b) intervention. The department has the biggest budget allocation in the province, which amounts to approximately 47% (R25 billion) of the provincial budget. The Provincial Treasury seconded experienced officials from various provincial departments to assist in implementing sound financial management practices at the Department of Education. Of particular concern was the inability of the political and administrative leadership to effectively integrate the seconded officials into the department to work with departmental officials towards a common goal and take joint accountability for the development and implementation of the financial management resuscitation plan. We recommend that the MEC: Treasury take the lead in addressing these matters, together with the MEC: Education, as the success of this intervention is highly dependent on a good working relationship between these two departments. Although there was no improvement in the audit outcome as a result of this intervention, there have been some notable successes in the eradication of unauthorised expenditure and a reduction in the amounts of irregular expenditure (by R658 million to R336 million) and fruitless and wasteful expenditure (by R55 million to R17 million).

The most common qualification area in the province was on property, infrastructure and equipment. Five departments had one or more qualification paragraphs in their audit reports on property, infrastructure and equipment. Departments maintain and control their assets on Excel spreadsheets due to ongoing implementation challenges experienced with the provincial asset management system (the BAUD system), which was procured by the Provincial Treasury in 2013-14. The Department of Health and LEDET are clear examples as both departments had new qualification findings on assets in the period under review. However, we are pleased to note that subsequent to the financial year-end, the BAUD system was implemented at the Provincial Treasury, the Office of the Premier and the Department of Safety, Security and Liaison. It is envisaged that all departments would have electronic asset registers in place by the end of the 2016-17 financial year. It is imperative that the political leadership keep a close eye on the implementation process and support the administrative leadership's efforts to ensure sustainable improvements in the future.

Two entities (Corridor Mining Resources and Road Agency Limpopo) improved their outcomes. The Corridor Mining Resources improved from a qualified audit opinion to an unqualified audit opinion with findings and Roads Agency Limpopo improved from an adverse opinion to a qualified opinion in the year under review. The improvement at the Road Agency Limpopo was due to the tone set by the leadership in ensuring that consequence management was implemented within the entity.

The level of non-compliance with legislation remained very high, as 100% (23) of the auditees had material findings. The drive for clean administration should include focused attention in addressing the root causes of findings on compliance with legislation. The slow response in improving internal controls at 78% (18) of the auditees was identified as one of the root causes of the lack of improvement in the audit outcomes in the province.

Only four auditees submitted annual financial statements and five submitted performance reports that did not have material misstatements. At the heart of these financial misstatements identified during our audits was auditees that failed to institutionalise internal control mechanisms that are mature and responsive enough to detect and prevent misstatements during the year and to correct these timeously. The auditees' failure to develop action plans to address the root causes of material misstatements and the continued tendency of only focusing on areas identified by the audit process for correction, prevents the province from improving the quality of submitted financial statements.

The overall outcome of performance reports has improved and has been at its highest in the last three years, where 65% (2014-15: 35%) of auditees had no findings on reported performance for programmes selected for testing. The support provided by the Office of the Premier during the year through an established performance management forum contributed to the improvement, particularly over the usefulness of reporting. However, of concern was that a significant number of these auditees (43%) had to make material corrections to the reported performance information in order to clear the audit findings. The lack of performance management systems for the collection and recording of, and reporting on, performance information, and poor record management system were at the root of these recurring misstatements. The risk exists that information used during the year to evaluate progress made on the achievement of government priorities as outlined in the strategic goals of various departments may be based on unreliable information, resulting in incorrect interventions and resource allocation.

We noted a significant decrease in the amounts of unauthorised expenditure from R5 million in 2014-15 to R555 000 and fruitless and wasteful expenditure from R141 million in 2014-15 to R43 million, which has been at its lowest levels for a number of years. The decrease in the amount of unauthorised expenditure is encouraging and is indicative of the maturity of the financial planning and monitoring processes of the auditees. The decrease in the amount of fruitless and wasteful expenditure is an indication of improvement in financial and budgeting disciplines to ensure that late payments are avoided and any disputes are settled via arbitration instead of litigation.

Although irregular expenditure has been at its lowest level for the past three years (R1 billion compared to R2 billion and R3,5 billion for the past two years, respectively), it remained high and required further strengthening of SCM processes to eliminate non-compliance. In addition, there were three auditees that were qualified on the completeness of amounts disclosed as irregular expenditure in their financial statements and as a result the total irregular expenditure incurred in the province was understated by an unknown amount. This once again points to internal control systems that do not prevent, detect or address deviations, as well as a lack of consequences for poor performance and transgression, which were identified at 70% (16) of the auditees.
Of concern was that approximately R7,6 billion of the accumulated irregular expenditure at the end of the 2014-15 financial was still under investigation.
A bigger portion of this balance has remained in this account for longer than

three years, which reduces the probability that the funds will be recovered if any negligence is identified due to movement of officials and loss of records.

The financial health of the province continues to be a challenge. The poor revenue collection strategies, especially of revenue generated by departments and public entities, as well as ineffective debt-management processes, pose a threat to the provincial financial management capabilities. At 78% (18) of the auditees, we identified more than two unfavourable financial indicators, 9% (two) of which had significant doubt that operations could continue in the foreseeable future. The leadership should address these concerns by implementing rigorous cash flow and project management mechanisms to ensure that critical projects and services are prioritised.

The status of IT reflected a regression, as the majority (52%) of the auditees' outcomes were concerning. The regression was mainly in security management due to the challenges with the ageing or obsolete infrastructure. This resulted in security updates not being performed and the firewalls that protect the departments' networks from external perpetrators not being configured to address risks of vulnerabilities. This was mainly due to vacancies within the IT structure, lack of adequate skills to maintain network and firewall, and lack of adequate budget to implement IT controls. However, we are encouraged by the overall improvement in IT continuity as more auditees received good outcomes.

IT remains critical to ensure the confidentiality, integrity and availability of information to enable service delivery and national security, and to promote effective oversight. Planning and budgeting for IT should not be done in isolation; it should form part of the overall business planning and budgeting. This will assist in ensuring that enough budget is available for upgrading infrastructure and the department can fill critical IT vacancies with skilled resources.

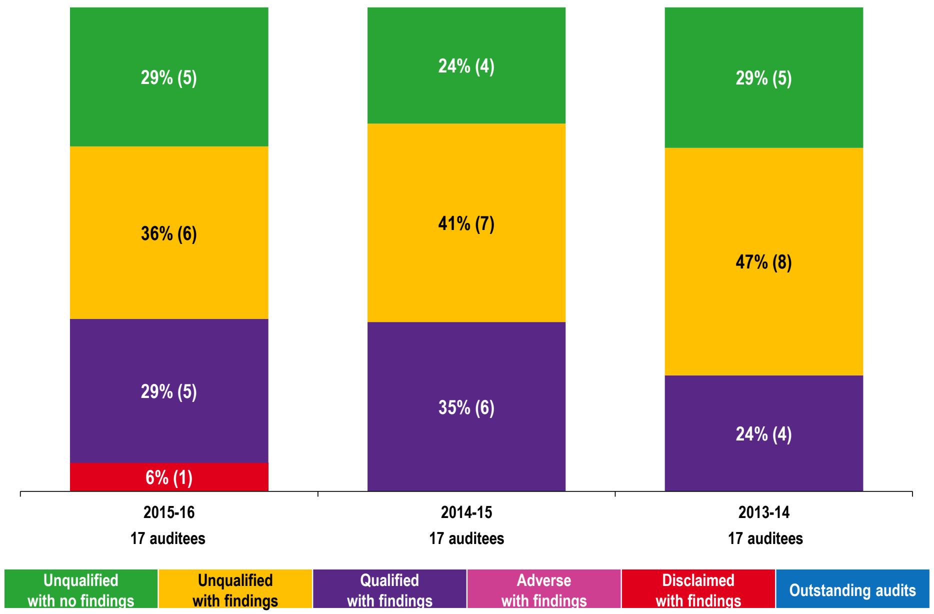
The key control environment and the level of assurance provided by the key role players regressed during the year. In the previous year, we noted an increased interest by MECs in the auditing process, which was not a characteristic of the provincial leadership in the past. However, such interest was short-lived and did not result in improved focus on the development and institutionalisation of internal controls throughout the year. It is important that MECs take a keen interest in institutionalising effective internal control systems by monitoring the implementation of recommendations provided by internal and external audit, including an in-depth interrogation of the quarterly audit committee reports.

The slow progress of hearings by Scopa is a concern. The Scopa hearings for the 2013-14 and 2014-15 audit outcomes were yet to be concluded. We recommend that the committee should develop an action plan to address this backlog to ensure the timely resolution to outstanding hearings, including the implementation of its recommendation to drive a culture of accountability, ethical conduct and sound financial management. This backlog also hampers the oversight role that Scopa plays in the accountability cycle. Corrective action recommended for matters that occurred two to three years ago become difficult to implement as officials responsible for wrongdoing move on and can no longer be held accountable. The public accounts committee and the portfolio committees should also collaborate more effectively in their oversight work as this will ensure that root causes of audit outcomes are addressed by management and that decisive actions are taken against poor performance and transgressions. We are pleased to note that the deputy speaker of the legislature has started working closely with the central audit committee to discuss and identify areas requiring attention. These issues must be shared with the portfolio committees for further action and follow up during the quarterly meetings with the departments. The role that the audit committee plays in ensuring good governance should be encouraged and supported.

We engaged the premier during the financial year and he once again stressed the importance of appointing the right people into the right positions before the province will be able to improve its overall audit outcomes. A meeting with the executive and top management of all departments is envisaged to identify challenges at each auditee to ensure proactive action in order to find sustainable, improved audit outcomes. Filling the current key vacant positions with skilled and competent people is an area that requires the utmost attention by both the political and administrative leadership in the year ahead. The three coordinating departments in the province, namely the Provincial Treasury, the Provincial Legislature and the Office of the Premier play a critical role in the drive towards clean administration and must work together to strengthen financial management practices in the province.

9.6 Mpumalanga

Three-year audit outcome



The province has been successful in attaining unqualified audit outcomes for more than 60% of the auditees for the past three years. The province has struggled to make a significant improvement in the audit outcomes towards clean administration over the years due to weaknesses in the internal control environment. Over the years, we have intensified our efforts to assist with improving the audit outcomes by regularly assessing and sharing the status of the key controls at auditees with executive authorities, accounting officers, accounting authorities and audit committees. The provincial administrative and political leadership responded positively to these interactions, commitments were made to address the internal control weaknesses highlighted during our engagement. However, the slow response to honour these commitments has been the main driver for these stagnant audit outcomes.

Eleven auditees (65%) received unqualified audit outcomes, five (29%) received such outcomes because they corrected all the errors identified during the audit. The continued reliance on the auditors to identify corrections to be made to the financial statements to obtain an unqualified audit opinion is not a sustainable practice. We acknowledge the review processes of the Provincial Treasury, internal audit units and audit committees, which focus on the presentation of the financial statements. The effectiveness of these reviews is limited, as the underlying data that supports the financial statements is often not accurate, leading to material misstatements that were not identified during these reviews.

Six auditees (35%) could not make all the audit adjustments in their financial statements leading to either a disclaimed or a qualified audit opinion. The departments of Education, and Health and Community Safety, Security and Liaison (DCSSL) were committed to addressing their previous qualifications as they dedicated time and resources to work on addressing these challenges (immovable assets and revenue from traffic fines). However, the time and resources were not invested in strengthening the implementation of internal controls aimed at improving credibility of the information. The qualified areas are central to the mandate of each of these departments, which means that the high number of transactions (volumes and amounts) makes it difficult to make accurate adjustments in the absence of a stronger control environment. This led to repeat qualification on those areas.

At the Mpumalanga Economic Development Agency (Mega), the significant weaknesses in the internal controls were a main driver for the regression to a disclaimed audit outcome. In the absence of a strong internal control environment and adequate capacity at the finance department, the entity was unable to make accurate, timely adjustments to the financial statements. We acknowledge the effort made by the leadership of the entity to strengthen the governance structures and fill vacancies at key management level with experienced and skilled personnel. This will serve as a strong foundation for the entity to start strengthening the internal control environment, which in turn will result in improved audit outcomes.

The province has been struggling to improve its compliance with legislation for the past three years, with poor quality of the financial statements submitted for auditing as indicated above and non-adherence to SCM prescripts being the main contributors. This was due to inadequate controls over monitoring of compliance with legislation and a lack of timely, decisive action against transgressors, especially regarding compliance with SCM prescripts.

Non-compliance with SCM legislation has been the main cause of the escalating irregular expenditure, representing R3,9 billion (98%) of the total irregular expenditure of R4 billion in 2015-16, which is a significant increase from R1,0 billion reported in 2013-14. The departments of Health and Human Settlements have been the highest contributors in the province with irregular expenditure of R1,9 billion and R1,1 billion, respectively. At the Department of Health, the prolonged vacancy in the position of head of SCM unit of over eight years and the decentralisation of some procurement to the hospitals and facilities where the requirements of the SCM prescript were not properly understood, led to this increasing irregular expenditure.

Most of the irregular expenditure stemmed from the procurement of linen, food, pharmaceuticals, medical waste removal and RDP houses, which are central to the mandate of these two departments. These high levels of irregular expenditure indicate that the disciplines that should be in place to ensure that awards are made in a fair, equitable and transparent manner are not institutionalised, which makes the auditees susceptible to the risk of fraud.

The results on reported performance information show a steady improvement of 12% over the past three years, as six auditees (35%) reported findings in 2015-16 compared to eight auditees (47%) in 2013-14. However, five auditees (29%) managed to avoid findings on reported performance in 2015-16 because they corrected misstatements identified during the audit process. Some of these auditees are responsible for the implementation of certain government's priorities as outlined in the MTSF. Their inability to set quality indicators and to accurately report on their performance might hinder government's ability to assess the progress made in implementing those priorities. It could further lead to executives taking incorrect decisions. Daily and monthly checks and balances, regular and accurate reporting, as well as effective oversight and risk management are essential for improved performance reporting.

Two auditees improved their financial status to good due to strict adherence to cost containment measures and increased funding. Although we acknowledge the effort put in place by the province to improve revenue collection at cash-generating departments such as the DCSSL, more work still needs to be done at Health, Mega and Mpumalanga Parks and Tourism Agency. If this is improved, more funds would be available for service delivery.

Some of the auditees' (Department of Agriculture Rural Development Land and Environmental Affairs, Public Works, Roads and Transport, Cooperative Governance and Traditional Affairs and Mpumalanga Gambling Board) overall status of IT controls in the province was fairly well managed to support the auditees' business objectives due to a skilled workforce, management taking accountability to maintain good IT controls and addressing previous audit findings. Furthermore, the oversight bodies such as the Mpumalanga Gito Council and internal audit played an important role in maintaining good IT controls at all the auditees in the province. However, there were still some challenges in ensuring the effectiveness of security management controls and user access management controls. Additionally, intervention was required at the Provincial Legislature and Mega that were experiencing challenges in all focus areas. The main reasons for this were lack of chief information officer or IT manager that was appointed to implement IT controls and there was inadequate oversight by management to ensure that previous findings were addressed. Going forward, it is very important that IT representatives from departments and entities continue to participate in the Mpumalanga Gito Council to share knowledge on how to maintain good IT controls.

Internal control weaknesses in the province have remained a challenge as the daily and monthly disciplines have not been institutionalised at the auditees. Senior management has been unable to adequately monitor the implementation of internal controls, recommendations from governance structures and external auditors, as well as progress on action plans to improve on the internal controls and ultimately the audit outcomes. The executive authorities did not set the right tone at the top as evidenced by the irregular expenditure that was left to accumulate to a closing balance of over R8 billion and the continued transgression on SCM prescripts with little action being taken to avoid recurrence.

The effectiveness of the work performed by the various assurance providers such as the internal audit unit, audit committee, Provincial Treasury and PAC has been hampered significantly by management's failure to implement their recommendations or resolutions. Consequently, the slow response by management and political leadership was recognised as the key root cause that hindered the progress in audit outcomes, as management failed to improve the controls and the political leadership failed to deal with transgressors as we kept on highlighting the same deficiencies.

Throughout the year we monitor commitments and initiatives of the premier, MECs, PAC and portfolio committees that are meant to improve the audit outcomes. In the previous year, both the legislature and the executives made commitments, but these have not been fully honoured. We believe that should they start tracking these commitments, it would have a positive impact on the audit outcomes in the province.

We further encourage that the political leadership should continue with the efforts to stabilise the administrative leadership by filling vacancies in key positions and, together, they should play a critical role in monitoring the implementation of key internal controls and the recommendations of various oversight and governance structures aimed at improving the overall control environment at the departments and public entities. This will serve as the foundation for the following recommendations to move the audit outcomes in the province forward:

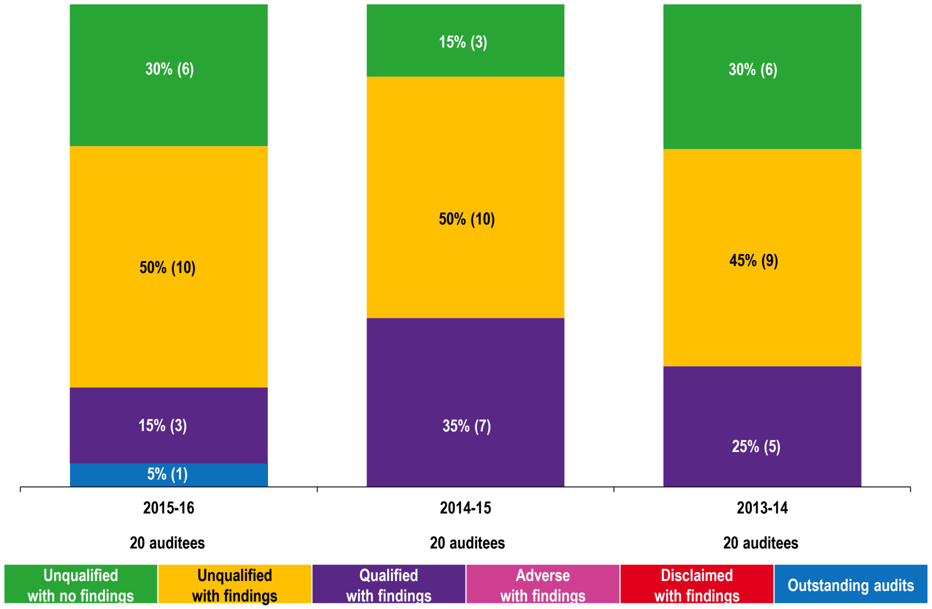
- Institute consequence management for poor performance and compliance transgressions. This will serve as a deterrent for poor performance and transgressions and set a foundation for improving the internal control. This will lead to zero tolerance to non-compliance with SCM, which would result in a decrease on irregular expenditure.

- Design and implement a credible and comprehensive action plan to address the root causes of risks and the matters raised by risk management, internal and external auditors, audit committees, PACs and other governance structures.
- Adhere to basic financial disciplines, such as regularly reconciling financial information (e.g. reconciliations to the general ledger each month or quarter) and continuously validating the information in the accounting records (e.g. physical verifications).

In addition, an internal control environment will be qualitatively stronger when all role players in the system know and experience consequences for deviating from the prescribed rules and processes designed to protect finances and enhance transparent reporting over them. These are key ingredients for establishing strong accountability and a culture of good performance.

9.7 Northern Cape

Three-year audit outcome



The three-year audit outcomes for the province show a resurgence in retaining the momentum that had been lost with the regressions suffered in 2014-15. During the 2015-16 financial year, the Department of Social Development and the Northern Cape Tourism Authority maintained their clean status, while the Office of the Premier, Provincial Treasury, Provincial Legislature and the Gambling Board managed to improve their audit outcomes and also achieve clean audits. It is commendable that the three oversight departments (Office of the Premier, Provincial Treasury and Provincial Legislature) were all able to achieve clean audits.

The six clean audits, the decline in the number of qualified auditees, as well as the fact that once again no auditees were disclaimed, confirm the progress made with the premier's previous year specific commitment to implement consequences for poor performance as seen in the non-renewal of two HoD contracts. In addition, the premier redeployed two other HoDs who had attained negative audit outcomes in exchange for those who had attained and sustained clean audit outcomes. The improvement in the assurance provided by the key role players at the levels of senior management, accounting officer or accounting authority and executive authorities contributed to improvements in key controls, particularly those relating to the area of leadership. While the improvement is commendable, the leadership at a number of auditees continued to be heavily reliant on auditors and external service providers to achieve their eventual audit outcome. Seven auditees (37%) avoided qualifications by making material adjustments to their financial statements and seven auditees (37%) were assisted by consultants. This practice is unsustainable and leadership is encouraged to be proactive in addressing the findings raised by the internal and external auditors and not to wait until the time when the audit team follows up on the previous year's audit findings.

For the past three years, the financial audit areas where auditees struggled the most related to correctly measuring and disclosing property, infrastructure and equipment, irregular expenditure and commitments, but there has been improvement in terms of the number of qualifications in all three areas in the year under review. Two auditees (11%) were qualified on property, infrastructure and equipment in the year under review (2014-15: three [16%]), two (11%) on irregular expenditure (2014-15: three [16%]) and none on commitments (2014-15: four [21%]).

Although the Department of Health, with a budget allocation of 29% of the provincial budget, was unable to move to an unqualified audit opinion during the 2015-16 financial year, some improvement was evident in the reduction in the number of areas qualified. This is proof that the efforts made by the leadership to address the various challenges faced by this department have started to yield results. Continuous attention from the provincial leadership is required to ensure further improvement, especially relating to the supervision that is provided at the operational sites where funds are used to ensure that intended services are delivered to citizens.

The quality of financial statements submitted for auditing remained a major concern, with only nine auditees (47%) submitting quality financial statements (requiring no material adjustments) during 2015-16. Although this represents some improvement compared to the seven (37%) in 2014-15, it confirms that many auditees continued to experience difficulties around internal controls and their ability to produce accurate financial reports. This highlights the fact that in many instances financial statements are not sufficiently reviewed.

There has been an improvement, from three auditees (16%) to six (32%), in the number of auditees with no material findings on compliance with key legislation. It is, however, of concern that 13 auditees (68%) still had findings on compliance with legislation, with 12 (63%) being unable to prevent and deal with unauthorised, irregular and fruitless expenditure and 11 (58%) with findings on the management of procurement and contracts.

The premier in the previous year undertook to put a process in place to improve the quality of financial statements submitted for auditing and to address the high number of instances of non-compliance with legislation. Although some improvements were noted in the year under review, to ensure further improvement in audit outcomes in the future, this process still needs to be fully implemented.

Irregular expenditure was reported at 16 auditees (84%), mainly due to the lack of basic controls and non-compliance with SCM legislation. The value of these controls cannot be emphasised enough as they are an important mechanism to curb widespread abuse of the public resources that are required to provide services to citizens. The controls that require attention relate to the record-keeping and review of information to support the procurement process. Irregular expenditure in the year under review amounted to R1 756 million (2014-15: R1 372 million), of which 99,7% resulted from instances of non-compliance with SCM legislation. The most common SCM findings related to uncompetitive or unfair procurement processes and inadequate contract management.

The quality of annual performance reports had stagnated year-on-year from 11 auditees (58%) with no findings in 2014-15 to 10 (53%) in 2015-16. The fact that eight auditees (42%) still had findings on their annual performance reports is of concern and indicative of a lack of systems and skills required for planning, collating and reporting annual performance information. There has been an 11% increase in the number of annual performance reports requiring material adjustments. This is concerning and indicates that the reporting, review and oversight processes in place were not sufficient.

The reliability of performance information remained a challenge. In 2015-16 seven auditees (39%) had findings in this area (2014-15: six [33%]). The two largest departments in the province, Health and Education, both had findings on the reliability of their performance information. The root cause of this finding at these two departments related to basic controls over record-keeping that were not properly implemented. Inconsistencies in the documentation provided by the various regional and local offices contributed to this problem and a well-coordinated effort is required to ensure that standard documentation is generated and securely stored in a manner that allows for easy retrieval.

We noted a 16% regression in the financial health of the Northern Cape. There is doubt about two public entities' ability to continue as going concern, while only two departments were favourably assessed on their financial health (i.e. fewer than two unfavourable financial health indicators). We are concerned that 11 departments (85%) were in an accrual-adjusted net current liability position at year-end (total current liabilities exceeded total current assets mainly due to amounts accrued but not yet paid at year-end). This confirms that a number of departments did not manage their budgets properly. The practice of departments committing a substantial portion of the next year's budget in the current year is unsustainable and can have a negative impact on service delivery. Budgetary controls need to be implemented in such a way that departments only spend what they budgeted for in a particular period. This is only possible if proper budget management principles are applied throughout the financial year.

The status of internal controls improved at an overall level. Considering the improvement in audit outcomes, the internal control area that had the most impact on driving this improvement in the audit outcomes was leadership (moved from 20% to 42% effectives). Although the area of leadership improved, more needs to be done to ensure the sustainability of audit outcomes. This will only be achieved if the leadership proactively responds to audit findings and takes full responsibility for the audit outcomes.

The area of governance also improved and the shared internal audit units and audit committees continued to operate effectively. Failure to establish internal audit units and audit committees at 16% and 11% of auditees (2014-15: 21% and 16%), respectively, remained a concern and since this problem mostly relates to public entities, we urge oversight bodies to intervene in order to find a solution.

The stability in the chief executive officer and chief financial officer positions improved compared to the previous year. However, vacancies in HoD positions increased, with five HoD positions being vacant at year-end. Although the individuals acting in these vacant positions generally performed well, the high vacancy rate is a concern that requires the premier's attention.

The overall assessment of IT has stagnated when compared to the previous year. The lack of improvement in the status of IT can be attributed to concerns around IT managers not having adequate skills to ensure that IT controls were adequately implemented. This resulted in the majority of auditees addressing symptoms rather than implementing process improvements and as a result new IT control weaknesses are identified each year.

The following key root causes were noted at auditees that have not yet achieved clean audit status:

- Slow response by management (11 auditees, 58%).
- Inadequate consequences for poor performance and transgressions (eight auditees, 42%).
- Slow response by political leadership (seven auditees, 37%).

Overall, there were fewer root causes in the year under review. The improvement is reflected in the improved audit outcomes, which confirms that the province is moving in the right direction, although some auditees still have some work ahead in addressing the weaknesses identified in their internal control environment.

The administrative leadership needs to focus on the critical areas where progress is still lacking, namely:

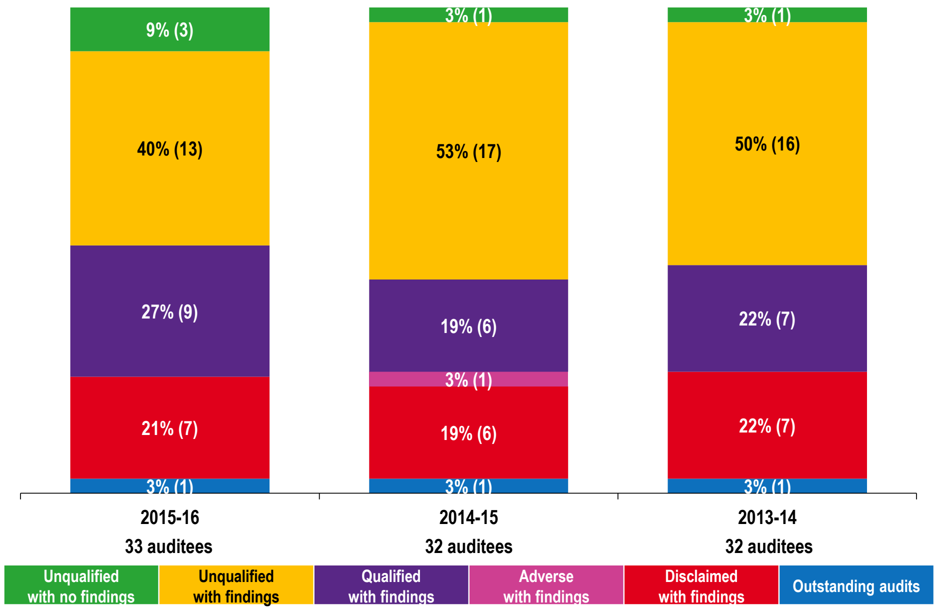
- the quality of the financial statements submitted for auditing
- compliance with key legislation, in particular SCM legislation
- the quality of annual performance reports, with emphasis on the reliability of performance information.

All three oversight departments achieved clean audits and the following good practices at these three departments should be emphasised and shared when carrying out their oversight responsibilities at the departments directly involved in delivering services to the public:

- Accounting officers maintained an effective control environment that prevented or detected and corrected breaches timeously.
- The leadership responded to the findings from internal and external audit, avoiding a recurrence of previous year’s findings.
- Officials were held accountable for their actions.
- Sound record-keeping systems, resulting in easy retrieval of information.
- Regular interaction with auditors to ensure a better understanding of audit findings and recommendations.

9.8 North West

Three-year audit outcome



Overall, the audit outcomes of North West for 2015-16 have remained largely unchanged from previous years. The 2013-14 audit outcome of the former Department of Human Settlements is included in the three-year audit outcome figure for comparison purposes. Four auditees registered improved outcomes and five regressed, resulting in only 49% of auditees with financially unqualified opinions compared to 56% in 2014-15 and 53% in 2013-14. It is encouraging, however, to note that the Department of Finance has maintained its clean audit status for three consecutive years. Two more auditees improved to a clean audit status in 2015-16, namely the Department of Economic and Enterprise Development and the North West Agricultural Bank.

The effort by these two departments to institutionalise key controls, ensure that there is stability and appropriate competencies in key positions and have committed leadership, are best practices that should be replicated in the province as a whole.

The outcomes of the public entities in the province remained poor with seven entities being disclaimed. This includes a regression in the outcome of the North West Development Corporation group after a significant restructuring with entities previously part of the North West Parks and Tourism Board group. The current performance and outcomes of the public entities can be attributed to a lack of effective monitoring by the provincial leadership as well as the responsible departments.

While we recognise the need for the restructuring and repositioning of public entities to achieve efficiencies in delivering on the provincial leadership's mandate, we raised a number of material findings in terms of legal and administrative compliance in implementing these strategic decisions. The implications of these decisions should be appropriately considered and clear guidance be provided by the responsible accounting officers or authorities, to ensure that all legal, administrative and accounting issues are taken into account to ensure a smooth implementation. The public entities in the province control significant assets and the risk exists that if these assets are not used to their full potential, these public entities might become redundant.

The commitment of implementing the back-to-basics approach adopted by the provincial leadership is yet to yield the desired outcomes and impact in the administrative environment. Simple key controls such as records management, daily and monthly processing and reconciling controls and accurate and regular financial and performance reporting were still not being implemented or needed to be strengthened. Vacancies in the key positions of accounting officer or authority, chief executive officer, chief financial officer and head of the SCM unit continued to impact the ability of senior management and the administrative leadership to respond decisively to internal control weaknesses and implement corrective actions. Officials lacked the discipline to prepare accurate financial and performance reports throughout the year, while financial statements and performance reports were not effectively reviewed by management and the internal audit unit or audit committee before being submitted for auditing. Addressing these root causes is critical to ensure that audit outcomes are improved in the future.

Although there has been an improvement in the timely submission of financial statements over the past three years, the financial statements of the North West Tribal and Trust Fund (D-account) (included in the three-year audit outcome figure for illustrative purposes) remain outstanding since 2001, with the last audit as at 31 March 2001, resulting in a disclaimer of opinion. Furthermore, the books and accounts of the 92 individual tribal authorities have not been submitted for auditing since 1994, as required by the North West Traditional Leaderships and Governance Act, 2005 (Act No. 2 of 2005), as amended. Further details of these accounts are highlighted below.

We commend the province for submitting annual financial statements; however, the quality and availability of the underlying financial records remained a concern, with auditees relying on the audit process to produce credible financial statements. Had the material misstatements identified by the auditors not been corrected, only six of the auditees (19%) would have received a financially unqualified opinion as opposed to the reported 16 (49%). The material misstatements were due to the vacancies and lack of skills in key positions, which then contributed to the lack of daily and monthly financial disciplines.

Except for the three clean audits, all other auditees (91%) had material findings on compliance. These findings included material misstatements in the submitted financial statements, the auditees' inability to prevent irregular and fruitless and wasteful expenditure, as well as continued findings on procurement and contract management where SCM prescripts were not adhered to. These SCM transgressions resulted in 98% of the irregular expenditure in the year under review and were mainly due to a lack of consequence management, non-compliance with legislation and a slow response by political leadership.

This lack of consequence management has led to increased levels of irregular expenditure, with a further R2 976 million (2015: R2 062 million) incurred in the year under review, resulting in a total balance of R13 216 million in unresolved irregular expenditure for the province. It should be noted that while not all irregular expenditure results in financial losses for the auditee, the high levels of non-compliance with SCM prescripts increase the risk that value for money might not be achieved when goods and services are procured. It is imperative that the provincial executive leadership and oversight structures lead by example and hold officials accountable for poor performance and transgressions and implement the consequence management as required by law.

Over the past three years, there was increased pressure on the auditees' financial viability. Most public entities were unable to pay their creditors within 90 days and at year-end their debt in most cases exceeded the cash available. At the Department of Health, the timeous payment of payables that exceeded the 30-day payment period would have resulted in possible unauthorised expenditure. Strong discipline is required on how funds are managed, monitored and spent to ensure the most effective, efficient and economic use of resources.

There has been an increased culture of auditees only collating supporting evidence on their performance reporting, once the audit process commences. Consequently, most auditees still had material findings on the usefulness and reliability of their performance reports. Four of the seven auditees with no findings, had to make material adjustments to their annual performance reports while three public entities did not report on their performance at all. The major findings on usefulness related to indicators or targets not being measurable; inconsistency of indicators and targets reported between the strategic plans or annual performance plan and annual performance report; and the reasons for variances between planned and actual performance not being disclosed. The most common finding on reliability of the information remained the inability of management to provide sufficient appropriate evidence to support the reported performance information, as controls were not in place to ensure that the information being reported was accurate and complete when compared to source documentation. These findings were mainly as a result of programme managers not being knowledgeable about the performance management requirements and taking responsibility to implement monitoring controls over performance reporting.

We noted that most public entities and some departments made minimal progress in attending to IT control weaknesses reported in previous years and that further improvement is needed, specifically regarding controls over systems that directly generate information required for financial and performance reporting. The coordinating departments responsible for managing and administering these departmental financial systems did not effectively play their role to ensure that adequate controls over areas of security management, user account management and IT service continuity are implemented and adequately managed. Contributing to the latter was the late appointment of the provincial Gito, which was only concluded towards the end of the financial year, and the fact that most IT managers did not have the required skills and qualifications. The weak IT controls identified not only increased the risk of fraud, but could also undermine the business continuity of these auditees.

Commitments made by various levels of assurance providers, including the coordinating departments and provincial executives over the past two years, did not translate into tangible implementation because of little or no consequential monitoring thereof. A concerted effort is required in terms of decisively addressing the quality of financial statements, the prevalence of non-compliance, the lack of consequence management and the investigation of irregular expenditure in the province as a whole.

The provincial executive leadership and oversight structures should collaborate to develop a comprehensive assurance model, including strong and effective governance structures, which is needed so that all key role players adequately perform their monitoring duties and the leadership is held accountable for future commitments made with regard to improved financial and performance reporting disciplines. This should include key oversight activities, especially on matters of consequence management, tracking of commitments, implementation of audit action plans and the timely tabling and regular follow-up of key resolutions.

North West Tribal and Trust Fund

The North West Tribal and Trust Fund (commonly known as the D-account) is one central bank account maintained by the Provincial Treasury, with individual ledger accounts, comprising the following:

- A total of 785 trust accounts (funds held in trust) from the former Bophuthatswana era totalling approximately R122,7 million as at 30 June 2016.
- A total of 92 traditional authority accounts totalling approximately R42,2 million as at 30 June 2016.

We last received financial statements for the North West Tribal and Trust Fund for audit purposes in 2001. The audit outcome of these financial statements was a disclaimed opinion.

The D-account has recently been given attention in the media after the Public Protector launched an investigation, specifically, into the Bapo Ba Mogale account in 2013. We received confirmation from the Provincial Treasury that the Public Protector's investigation was specifically around the Bapo Ba Mogale account and not the D-account as a whole.

North West traditional authorities

The 92 traditional authorities in the province have been governed by various pieces of legislation since their establishment by the former Bophuthatswana government. The current North West Traditional Leadership and Governance Act, 2005 (Act No. 2 of 2005), as amended, stipulates the premier as being the ultimate custodian in terms of the act. Since promulgation of the act, the previous premiers did allocate certain functions to the MEC responsible for traditional affairs. However, the extent to which the current premier has delegated powers and functions to the MEC needs to be established and formalised by the North West provincial leadership.

Section 30 of the said act provides for the basis of maintaining the books and accounts for these traditional authorities, while section 31 provides for the auditing of these accounts by the auditor-general. However, since 1994 we have not received financial statements for audit purposes from any of these traditional authorities. This fact has been communicated to all premiers and directors-general from that time to date, at regular intervals.

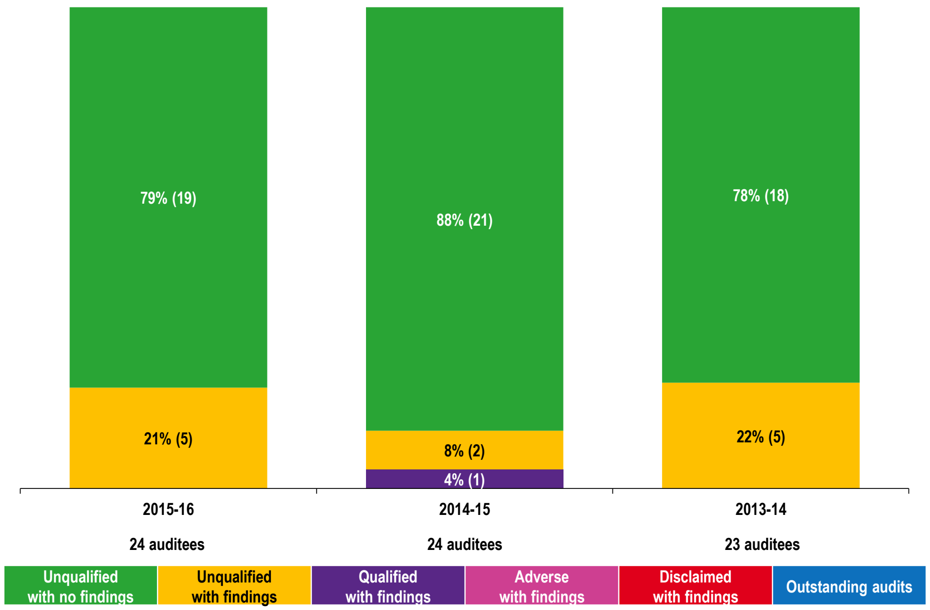
The emerging risks facing the provincial leadership when taking accountability in preparing financial statements for these traditional authorities for submission to the auditor-general for auditing include the following:

- The act is not prescriptive regarding the applicable accounting framework to be applied by the traditional authorities in preparing such financial statements.
- Clarity on the total number of the tribal and trust accounts in the North West.
- The completeness of revenue in these accounts in terms of mining royalties, due to the absence of monitoring controls as required by the act.
- The availability of supporting documentation since 1994, to facilitate the compilation of the books and accounts for auditing.

We have previously consulted with other affected provincial treasuries and the National Treasury on the accounting framework required for these financial statements, but have not received clarity. The last meeting we convened was on 26 June 2013, to clarify what their way forward would be in dealing with the challenges in preparing financial statements for accountability and audit of both the tribal and trust fund and the various traditional authority accounts. We have not yet seen any progress or received feedback, although we follow up annually on receipt of PFMA financial statements.The National Treasury has been working on a research paper which seeks to make recommendations on how to deal with the abovementioned challenges, but limited progress has been made in this regard. It has recently come to our attention that government has been working on a new bill, namely the Traditional and Khoi-San Leadership Bill, 2015, which also seeks to address these challenges.

9.9 Western Cape

Three-year audit outcome



The overall provincial audit outcomes for the Western Cape have regressed slightly compared to the previous year, but it sustained its outcomes for the past three years. It is encouraging to report that the provincial departments that received clean audit outcomes in 2014-15 were able to sustain their clean audit status in the period under review. The Department of Health remained the only provincial department with a financially unqualified opinion with findings for both the year under review and previous year due to a material finding reported on the reliability of their annual performance report. The department improved in the area of compliance with legislation because, unlike the previous year, no material findings on compliance were reported. The 13 provincial departments that sustained their clean audit outcomes comprised 64% of the provincial budget, while Health comprised 36% of the provincial budget. The Western Cape Housing Development Fund also managed to improve from a qualified audit outcome in the previous year to an unqualified audit outcome with findings in the year under review. The Western Cape Tourism, Trade and Investment Promotion Agency improved from unqualified with findings to a clean audit outcome. Three entities, however, regressed from a clean audit outcome in 2014-15 to unqualified with findings in 2015-16.

Three auditees (13%) submitted financial statements that contained material misstatements and had to make corrections to avoid a qualified audit opinion. Overall, there has been a slight regression in the quality of financial statements submitted for auditing by provincial public entities, which remained the biggest risk to further improvement and maintenance of good audit outcomes in the province. The misstatements identified at these entities related to year-end closing processes and were mainly as a result of vacancies that arose late in the financial year necessitating reliance on consultants to assist with the compilation of the financial statements.

The number of auditees with material findings on compliance remained unchanged since the previous year at 13%. The areas of non-compliance related to the quality of financial statements submitted (three auditees) and procurement and contract management (one auditee).

Irregular expenditure decreased from R124 million in the previous year to R28 million in the year under review. Auditees that were able to avoid material findings on procurement processes were able to do so because senior management regularly monitored and reviewed controls to ensure proactive compliance with legislation and instilled discipline among staff to adhere to the regulations. It is pleasing to note that the province did not incurr any unauthorised expenditure for the fourth consecutive year and that fruitless and wasteful expenditure decreased from R2,7 million to R168 325 in the current year.

Overall, five auditees (22%) submitted annual performance reports that contained material errors, as was the case in the previous year. The quality of annual performance reports remained a concern for the sustainability of clean audit outcomes as two auditees were unable to correct their annual performance reports, compared to one in the previous year. This resulted in material findings for the two auditees. No findings were raised on the usefulness of annual performance reports. The main reason for misstatements in submitted performance reports related to inadequate processes to collate information for reporting purposes.

The drivers of key controls for the year indicated that the leadership-related controls were sustained compared to the previous year, mainly due the stability in leadership roles and established policies, procedures and processes. Financial and performance management key controls were not sustainably effective at all auditees, considering the adjustments to the financial statements and performance reports. The control environment was also not always supported by adequate review processes during the reporting phase. As in the previous year, we noted that controls over performance reporting would be effective for programmes audited in the past, but the same level of controls was not always rolled out to other programmes. Audit committees and internal audit functions (governance) were in place at all auditees and were robust and proactive regarding the implementation and monitoring of action plans to address internal control deficiencies. This has contributed to the sustained audit outcomes. Although the internal control environment is encouraging at most departments, the discipline of good practices should be duplicated across the provincial government to further improve the audit outcomes.

Overall, there has been a slight increase in the number of vacancies in key positions. All chief financial officer and senior management for monitoring and evaluation positions were filled at the end of 2014-15; however, one position became vacant during 2015-16 in each of these categories. Stability in these key positions is important to sustain and improve audit outcomes and control environments for financial and performance management and compliance with legislation.

The analysis for financial viability shows a regression in the status of financial health for departments. Fifty-seven per cent of the affected departments had an accrual adjusted net current liability position at year-end (current liabilities exceeded current assets) and it is therefore important that departments appropriately manage the amount of accruals and payables to limit the impact on their working capital at 31 March of each year.

The overall assessment of the IT control environment for departments has improved, with six departments that had no significant findings in the previous year and two additional departments that had no significant findings in the year under review. Although certain departments and public entities still experienced challenges in implementing IT controls, no significant IT risks were identified over the past two years. This is as a result of the centralised nature of IT services in the province as well as continued involvement, support and monitoring of commitments by the Centre for e-Innovation, Provincial Treasury and senior management at the auditees.

Our assessment of assurance providers confirmed that the required level of assurance provided by most of the key role players contributed to the overall audit outcomes for the province. Senior management should however strengthen the implementation of controls in the financial and performance reporting areas. They should focus on year-end processes and the related controls which mainly contributed to the material misstatements noted.

The executive leadership has continued with commitments made in the previous year relating to their monitoring and implementation of the corporate governance and review outlook (CGRO) process. The Provincial Treasury also continued their support and guidance through budgetary control, monitoring of monthly reports and enforcement of financial management practices. It is pleasing to note that these initiatives contributed to the province not incurring unauthorised expenditure for the fourth consecutive year.

Accounting officers, accounting authorities and senior management are committed to achieve and maintain clean administration and provide consistent oversight to ensure that the required action is taken where weaknesses for controls have been reported. The assurance provided by audit committees through their oversight continued to contribute to the drive for clean administration.

In order to sustain and improve audit outcomes for the province, the following actions should be monitored or improved:

- The administrative and political leadership should continue meeting their commitments and act in a timely manner when implementing effective and sustainable internal controls that support credible financial and performance reports and compliance with key legislation.
- Accounting officers and accounting authorities should hold senior management accountable for processes implemented in relation to annual performance reports being supported by sufficient and credible evidence for all programmes reported on (and not only those previously subjected to audit).
- Accounting officers and accounting authorities should continue and improve the review of controls in place to facilitate compliance with procurement legislation, such as the use of compliance checklists by many of the auditees to avoid a regression in this area.
- Oversight committees should continue to collaborate with each other and improve key oversight activities, including the timely tabling and regular follow up of key resolutions.
- Accounting officers or authorities and senior management must implement basic internal controls and accounting disciplines effectively, by preparing regular and accurate financial statements and performance reports, which enable governance structures to sufficiently review them. They should further implement processes which ensure an adequate and timely response to any new accounting, performance reporting and compliance developments to facilitate accurate reporting.

Annexure 1: *Auditees' audit outcomes; areas qualified; and findings on predetermined objectives, compliance, specific risk areas and unauthorised, irregular as well as fruitless and wasteful expenditure*

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted perfomance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Sphere of government: National																																												
Portfolio: Agriculture, Forestry and Fisheries																																												
Departments																																												
1	Agriculture, Forestry and Fisheries	🟨	R	R	🟨	R	R										R	A			N	R								A		A	A				R	A	F	🟨	🟨	-	🟩 0.83m	🟩 0.001m
Public entities																																												
2	Agricultural Research Council	🟨		R	🟨		R														R	A																N	F	🟩	🟨	-	🟩 -	🟥 0.27m
3	Marine Living Resources Fund	🟨		N	🟩		A																											N				R	F	🟩	🟨	-	🟩 12.5m	🟩 0.01m
4	National Agricultural Marketing Council	🟩	A	A	🟨	R	N										A				A																A		🟩	🟩	🟩	-	-	-
5	Onderstepoort Biological Products	🟩	A	A	🟨	R	R										A	A												A		A					A	N	F	🟩	🟨	-	🟥 0.19m	🟩 -
Public entities (Not audited by the AGSA)																																												
6	Ncera Farms	▨			🟨		R																																							
7	Perishable Products Export Control Board	▨			🟩																																									
Portfolio: Arts and Culture																																												
Departments																																												
8	Arts and Culture	🟨	R	R	🟨	R	R											R			R	R	A	A			R	A						R	A		R	R	F	🟨	🟨	-	🟩 111.5m	🟥 6.9m
Public entities																																												
9	Artscape	🟩			🟩																																A	R	🟩	🟩	🟩	-	🟥 5.7m	-
10	Die Afrikaanse Taalmuseum	🟨		N	🟩	A	A														N																	R	🟩	🟨	🟩	-	🟥 0.12m	🟥 0.01m
11	Ditsong: Museums of South Africa	🟣	R	R	🟪	R	R	R	R			N	N	N	R		R	R			R	R	A	A				N			R	R		R			R	R	M	🟥	🟥	-	🟥 1.2m	🟥 0.3m
12	Freedom Park	🟩			🟩																																	R	🟩	🟨	🟨	-	🟩 0.04m	🟩 0.08m
13	Iziko Museums of Cape Town	🟪		R	🟪		N	R			N			N							R																R	N	🟩	🟩	🟨	-	🟥 0.08m	🟥 0.06m
14	KwaZulu-Natal Museum	🟪		R	🟪		N	R													R																		🟩	🟩	🟨	-	-	-
15	Luthuli Museum	🟩		A	🟨		N																							A	A						A		🟩	🟩	🟨	-	-	🟥 0.02m
16	Market Theatre Foundation	🟨		R	🟨		R															R															N	R	F	🟩	🟨	-	🟩 0.21m	🟥 0.004m
17	Msunduzi/Voortrekker Museum	🟪	A	R	🟪	N	R	R									A				R	R		A					A	A				R			R	R	🟩	🟥	🟨	-	🟩 0.19m	-
18	National Arts Council of South Africa	🟩			🟩		A																																F	🟩	🟨	-	🟩 -	🟩 0.002m
19	National Film and Video Foundation of South Africa	🟩			🟩																																N		🟩	🟩	🟩	-	🟥 0.59m	-

Legend (audit outcomes): 🟩 Unqualified with no findings; 🟨 Unqualified with findings; 🟪 Qualified with findings; 🟣 Adverse with findings; 🟥 Disclaimed with findings; ▨ Audit not finalised at legislated date; 🟦 New auditee

Legend (findings): Addressed (A); New (N); Repeat (R); Not reported (NR)

Financial health findings: 🟩 No unfavourable indicators; 🟨 Unfavourable indicators; 🟥 Material unfavourable indicators

Controls (human resource and information technology management): 🟩 Good; 🟨 Concerning; 🟥 Intervention required

Legend (expenditure): 🟩 Improved; 🟥 Regressed

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	nformation not submitted in time for audit	o annual performance report	Material misstatement or imitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
20	National Heritage Council of South Africa	🟨	R	A	🟨	R	R										R					A												A			R	R	F	🟨	🟩	-	4.1m	0.53m
21	National Library of South Africa	🟪	R	R	🟪	R	R	R		A					A		A	R			R	R		A				R		A		A		R			R	R	🟩	🟩	🟨	-	10.0m	0.007m
22	National Museum	🟪		N	🟩		A	N													N																		🟩	🟩	🟩	-	-	0.003m
23	Nelson Mandela National Museum	🟪		R	🟪	A	R	R													R	R						A						R			A	R	🟩	🟨	🟥	-	2.4m	-
24	Pan South African Language Board	🟪	R	R	🟥	R	R	R		A		R		R	R		A			R	R	R	R	A			R	A				N		R		R	R	R	F	🟨	🟨	-	8.3m	0.51m
25	Performing Arts Centre of the Free State	🟪	R	R	🟨	R	R		N			N		N			R	R			R	R	A	A				A	A	A	R	R		R			R	R	M	🟥	🟥	-	7.7m	-
26	Robben Island Museum, Cape Town	🟩			🟩																																N		🟩	🟨	🟨	-	-	0.33m
27	South Africa Library for the Blind	🟨		R	🟨	A	R														N	N								A				N			N	N	🟩	🟩	🟩	-	0.97m	-
28	South Africa Heritage Resources Agency	🟨		R	🟨	A	R														A													N			R	N	F	🟩	🟨	-	4.0m	0.17m
29	The South African State Theatre	🟥	N	R	🟪		R	R	N	N	N	N	N	N	N	A	N	N			R	R		A				A	A	A	N			A			N	R	M	🟥	🟨	-	13.3m	0.05m
30	National English Literary Museum	🟪		R	🟪		R	R		N		R		N	A						R	R		A				N						A				R	F	🟩	🟨	-	-	0.01m
31	The Playhouse Company	🟩			🟩																																		🟩	🟩	🟩	-	-	-
32	War Museum of the Boer Republics	🟪		N	🟩			N													N																		F	🟩	🟩			
33	William Humphreys Art Gallery	🟪		R	🟪	A	R	R													R	N												N				N	🟩	🟩	🟩	-	0.18m	-
34	Windybrow Theatre	🟨		R	🟪	A	R								A						N	A								A		A						A	🟩	🟨	🟩	-	0.64m	0.01m
Portfolio: Basic Education																																												
Departments																																												
35	Basic Education	🟨	R	R	🟨	R	R										A	R			R	R					A	N						R			R	R	F	🟨	🟨	131.8m	599.7m	44.3m
Public entities (Not audited by the AGSA)																																												
36	Education Labour Relations Council	⬜			🟨	R	R																																					
37	South African Council of Educators	🟨		R	🟨	A	N														A													R										
38	Umalusi QA on Further Training and Education	🟨	R		🟨	N											R																				R							
Portfolio: Communications																																												
Departments																																												
39	Communications	🟩			🟦																																		🟩	🟩	🟨	-	-	0.01m
40	Government Communications and Information System	🟩			🟩		A																															A	F	🟩	🟨	-	-	-
Public entities																																												
41	Film and Publication Board	🟨		R	🟨		R														A	R																A	🟩	🟩	🟨	-	0.46m	0.08m
42	Independent Communications Authority of South Africa	🟨	R	R	🟨	R	R										R					A					N							A			R	A	🟩	🟨	🟥	-	2.5m	0.37m
43	Media Development and Diversity Agency	🟨		R	🟨		N														R	N										R		N			N	N	🟩	🟥	🟨	-	5.3m	1.2m
44	South African Broadcasting Corporation	🟪	R	R	🟪	R	R			A			A		R		R	R			R	R		R			A	R			A	R		R		R	R	R	M	🟨	🟨	-	763.5m	34.7m
45	The South African International Marketing Council Trust/Brand South Africa	🟩		A	🟨		R																											A				R	🟩	🟩	🟨	-	-	0.15m

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Portfolio: Cooperative Governance and Traditional Affairs																																												
Departments																																												
46	Cooperative Governance	⬜			🟨	R	R																																			-	-	-
47	Traditional Affairs	🟨		R	🟨		N														R	R				A	A			A								N	F	🟨	🟩	🟩 -	🟩 4.2m	-
Public entities																																												
48	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	🟨		R	🟨	A	R														A	N																N	F	🟨	🟨	-	🟥 0.04m	🟥 0.05m
49	Municipal Demarcation Board	🟨	N	R	🟨		R										N	N			A	R					A							A			N	R	F	🟨	🟩	-	🟩 0.07m	-
50	Municipal Infrastructure Support Agency	⬜			🟨	R	R																																					
51	South African Local Government Association (SALGA)	🟩			🟩																																	A	🟩	🟩	🟩	-	🟥 1.1m	🟥 0.006m
Portfolio: Defence and Military Veterans																																												
Departments																																												
52	Defence	🟨		R	🟨		R														R	R					N							N			R	N	F	🟨	🟥	-	🟥 672.0m	🟥 7.5m
53	Military Veterans	🟪	R	R	🟪	R	R	R						A			R	R			R	R		A		A	R	A		A		R	A	R	A		R	R	F	🟥	🟨	-	🟥 123.7m	🟥 0.81m
Public entities																																												
54	Armaments Corporation of South Africa	🟩			🟩		A																															R	🟩	🟩	🟨	-	🟩 13.2m	🟥 0.001m
55	Castle Control Board	🟩	A	A	🟨	R	R										A													A							A	N	🟩	🟨	🟨	-	🟩 0.06m	🟩 -
56	South African National Defence Force Fund	🟩			🟩		A																														NR		🟩	🟩		-	-	-
57	Special Defence Account	🟪			🟪		A	R						R																							NR		🟩	🟩	🟨	-	🟩 108.1m	🟩 -
Portfolio: Economic Development																																												
Departments																																												
58	Economic Development	🟨	N	R	🟨		R										N	N			N														A		N	N	🟩	🟩	🟨	-	🟥 0.4m	-
Public entities																																												
59	Competition Commission	🟨		N	🟩		A																											N				R	🟩	🟩	🟩	-	🟥 2.5m	🟥 0.02m
60	Competition Tribunal	🟨		R	🟨		N															N					A							R				R	🟩	🟩	🟩	-	🟥 1.2m	🟥 0.7m
61	International Trade Administration Commission	🟨	N	R	🟨		R											N			R																N	A	F	🟩	🟩	-	🟥 0.36m	-
Portfolio: Energy																																												
Departments																																												
62	Energy	🟩			🟩		A																															N	🟩	🟩	🟩	-	🟥 0.68m	🟩 0.01m

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	⬜ Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed

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Public entities																																												
63	CEF	🟨		R	🟨	A	R														R	R							A					A			N	R	🟩	🟩	🟨	-	82.7m	11.1m
64	Equalisation Fund	🟨		R	🟨	R	R													A	A		N							A		A				A	NR		🟩	🟥	🟨	-	-	-
65	National Energy Regulator of South Africa	🟩			🟩																																		🟩	🟩	🟩	-	-	0.001m
66	National Nuclear Regulator	🟩			🟩																																R		F	🟩	🟨	-	0.005m	-
67	National Radioactive Waste Disposal Institute (NRWDI)	▨			▨																																							
68	South African National Energy Development Institute	🟨	R	R	🟨	R	R										R	A			R	R										N		N			R	R	🟩	🟩	🟨	-	0.42m	0.13m
69	The South African Nuclear Energy Corporation	▨			▨																																					-	-	-
Portfolio: Environmental Affairs																																												
Departments																																												
70	Environmental Affairs	▨			🟩																																		🟩	🟩	🟨	-	-	-
Public entities																																												
71	iSimangaliso Wetland Park Authority	🟩			🟩																																		🟩	🟩	🟩	-	-	-
72	South African National Biodiversity Institute (SANBI)	🟨		R	🟨		N														R																A		🟩	🟩	🟨	-	-	-
73	South African National Parks	🟩	A	A	🟨	R	R										A	A														A					R		🟩	🟩	🟨	-	1.7m	0.19m
74	South African Weather Services	🟩			🟩		A																																🟩	🟩	🟨	-	-	-
Portfolio: Finance (Treasury)																																												
Departments																																												
75	National Treasury	🟨	R	N	🟨	R	A										R	R			N																R	N	🟩	🟩	🟥	-	-	-
Public entities																																												
76	Co-operative Banks Development Agency	🟨	N	R	🟨		R										N	N			R															R	N	N	🟩	🟩	🟨	-	-	0.007m
77	Financial Intelligence Centre	🟨	N	R	🟨		R										N	N			A	N							A	A							N	N	🟩	🟩	🟨	-	0.65m	0.004m
78	Financial and Fiscal Commission	🟩		A	🟨		R																											A				A	🟩	🟩	🟩	-	-	-
79	Financial Services Board	🟩	A		🟨	R											A	A																			R		🟩	🟩	🟨	-	-	-
80	Government Pensions Administration Agency	🟨		R	🟨		R														A	N					A							R			N	R	🟩	🟨	🟥	-	9.5m	0.36m
81	Government Technical Advisory Centre (GTAC)	▨			🟨	N	N																																			-	-	-
82	Independent Regulatory Board for Auditors	🟩			🟩																																	R	🟩	🟩	🟩	-	0.44m	-
83	Land and Agricultural Bank of South Africa	🟨		N	🟩																													N			R	R	🟩	🟩	🟨	-	31.8m	1.1m
84	Office of the Ombud for Financial Service Providers	🟩			🟩		A																																🟩	🟩	🟩	-	-	-
85	Office of the Pension Funds Adjudicator	🟨		R	🟨		N															A												R			R	R	🟩	🟩	🟩	-	-	-

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86	Public Investment Corporation Limited	🟨		R	🟨	A	N														N													A				A	🟩	🟩	🟩	-	🟩 -	🟩 -
87	South African Revenue Services (Own Account)	🟩			🟩																																		🟩	🟩	🟨	-	-	-
Public entities (Not audited by the AGSA)																																												
88	Accounting Standards Board	⬜			🟩																																							
89	Development Bank of Southern Africa	⬜			🟩																																							
90	SASRIA	⬜			🟩																																							
91	South African Airways	⬜			⬜																																							
Portfolio: Health																																												
Departments																																												
92	Health	🟨	R	R	🟨	R	R											R			N											R					R	R	F	🟩	🟨	-	🟩 2.9m	🟩 -
Public entities																																												
93	Compensation Commissioner for Occupational Diseases	⬜			⬜																																							
94	Council for Medical Schemes	🟩		A	🟨		R																											A				A	🟩	🟩	🟨	-	🟩 0.98m	-
95	Medical Research Council of South Africa	🟩			🟩																																R	R	🟩	🟩	🟩	-	🟥 1.5m	🟥 0.01m
96	Office of the Health Standard Compliance	🟨		N	🟦																N													N			N	N	🟩	🟨	🟨	-	🟥 2.0m	🟥 0.006m
Public entities (Not audited by the AGSA)																																												
97	National Health Laboratory Service	🟨	N	R	🟨		R										N	N			R	R		A													N							
Portfolio: Higher Education and Training																																												
Departments																																												
98	Higher Education and Training	🟨	R	R	🟨	R	R										N	R			R											A		R	A		R	R	F	🟥	🟨	-	🟥 31.3m	-
Public entities																																												
99	Agricultural Sector Education and Training (AGRISETA)	🟨	R	A	🟨	R	R										A	N			A							A				A					R	A	🟩	🟩	🟩	-	🟩 -	🟩 -
100	Banking Sector Education and Training Authority (BANKSETA)	🟩			🟩																																R		🟩	🟩	🟩	-	🟥 0.13m	🟥 0.006m
101	Central JHB TVET College	🟪		A	🟪		R		R		A	N		A													A			A				A		A	NR		F	🟥	🟥			
102	Chemical Industries Education and Training Authority	🟩			🟩		A																																🟩	🟩	🟩	-	-	-
103	Coastal TVET College	🟪		N	🟩			N	N						N								N														NR		F	🟨	🟥	-	-	-
104	Construction Education and Training Authority	🟩	A	A	🟨	R	R											A			A											A					R		🟩	🟩	🟩		🟩	
105	Council on Higher Education	🟨	N	N	🟩		A										N	N			N																N	N	🟩	🟩	🟨	-	-	🟥 0.03m

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee
Legend (findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)			
Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators				
Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required				
Legend (expenditure)	🟩 Improved	🟥 Regressed					

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106	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	🟩	A	A	🟨	R	R										A	A			A						A					A		A			A	A	🟩	🟩	🟨	-	35.1m	0.09m
107	East Cape Midlands TVET College	⬜			⬜																																							
108	Education, Training and Development Practices Sector Education and Training Authority	🟨		N	🟩		A														N																N		🟩	🟩	🟩	-	-	0.06m
109	Ekurhuleni East TVET College	🟩			🟪					A																											NR		🟩	🟩	🟥			
110	Energy and Water Sector Education and Training Authority	🟨	R	R	🟨	N	R										R				R	R					A							A			R	A	🟩	🟨	🟥	-	39.8m	0.13m
111	Esayidi TVET College	🟨		R	🟪		R	A		A			A										A													N	NR		F	🟩	🟨	-	-	-
112	Fibre Processing Manufacturing Sector Education and Training Authority	🟩		A	🟨		R														A																		🟩	🟩	🟩	-	0.82m	0.003m
113	Finance and Accounting Services Sector Education Training Authority	🟩			🟩																																N		🟩	🟩	🟩	-	7.5m	-
114	Food and Beverages Manufacturing Industry Sector Education Training Authority	🟨	N	R	🟨		R										N				R																R		🟩	🟨	🟨	-	7.6m	0.04m
115	Goldfields TVET College	🟥		R	🟪		N	R					N										N			N										R	NR		M	🟨	🟨			
116	Health and Welfare Sector Education and Training Authority	🟩			🟩																																		🟩	🟩	🟩	-	-	0.003m
117	Ikhala TVET College	🟥		R	🩷		R	R	R	R	A	R	R	R									R													N	NR		M	🟥	🟥			
118	Ingwe TVET College	🟥		R	🟪		N	R	R	R		N	R	R									N	N												R	NR		M	🟥	🟥			
119	Insurance Sector Education and Training Authority (INSETA)	🟩		A	🟨		R														A											A					A		🟩	🟩	🟩	-	0.01m	0.001m
120	King Hintsa TVET College	🟥		R	🟥		R	R	R	R		R	N	R							A		R													R	NR		M	🟥	🟥			
121	King Sabatha Dalindyebo TVET College	🟥		R	🟥		R	R	R	N		N	R	R	N								R													R	NR		M	🟥	🟥	-	-	-
122	Lephalale TVET College	🩷		R	🟨		N	N	N	N	N	N	N	N									A			N										R	NR		M	🟩	🟥			
123	Letaba TVET College	🟥		R	🟥		R	R	R			R	R	R		R							R							A						N	NR		M	🟥	🟥			
124	Local Government Education and Training Authority	🟨	R	A	🟨	R	R										R	R			A						A							A			R	A	🟩	🟨	🟨	-	-	0.16m
125	Lovedale TVET College	🟪		R	🟪		N		R	R		A	A	R		N							R							A						A	NR		F	🟨				
126	Maluti TVET College	🟨		R	🟪		R	A	A	A			A	A									R							A						R	NR		🟩	🟨	🟥			
127	Manufacturing Engineering and Related Services Education and Training Authority	🟨		R	🟨		R														A	N												N			R	N	🟩	🟩	🟩	-	1.0m	-
128	Media, Information and Communication Technologies Sector Education and Training Authority	🟩			🟩																																A		🟩	🟩	🟨	-	-	0.25m
129	Mining Qualifications SETA	🟪	N	R	🟨		R					N		N				N			R	N												N			R	N	🟩	🟩	🟨	-	16.0m	-
130	Mnambithi TVET College	🟨		R	🟨		R																N							A							NR		F	🟥	🟥	-	-	-
131	Motheo TVET College	⬜			🟥		R																																					
132	Mthashana TVET College	🟨		R	🟪		N	A															N			N										A	NR		F	🟨	🟥	-	-	-

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitles and wasteful expenditure Amount R
133	National Institute for the Humanities and Social Sciences	⬜			🟦																																							
134	National Skills Fund	🟨	A	R	🟨	R	R										A	A			R						A					A					R		🟩	🟨	🟨	-	196.7m	-
135	National Student Financial Aid Scheme	🟨	R	R	🟨	R	R										R				R										R						R	R	F	🟨	🟨	-	3.6m	-
136	Northern Cape Urban TVET College	🟨		R	🟪		R	A	A	A			A	A		A							A													R	NR		F	🟩	🟨	-	-	-
137	Northlink TVET College	🟪		R	▨		R	A	R	R	N	A	R										R													R	NR		F	🟨		-	-	-
138	Orbit TVET College	⬜			🟪		R																																			-	-	-
139	Port Elizabeth TVET College	🟪		R	🟪		R		R					N									N													A	NR		F	🟥	🟥	-	-	0.04m
140	Public Service Sector Education and Training Authority	🟪	R	R	🟪	R	R			R		N		N			A	R			R	N					A										R	N	🟩	🟨	🟨	-	0.11m	0.08m
141	Quality Council for Trades and Occupations	🟨		N	🟩	A	A																												N				N	F	🟩	🟨	-	0.19m	-
142	Safety and Security Sector Education and Training Authority (SASSETA)	🟨	R	R	🟨	N	R										N	R			R	N		A			A	A							R			R	R	🟩	🟨	🟥	-	138.9m	0.6m
143	Sedibeng TVET College	⬜			🟨		R																																					
144	Sekhukhune TVET College	🟥		R	🟪		N	N	R	N		N	N	N							N		N													R	NR		M	🟨	🟥			
145	Services Sector Education and Training Authority (Services SETA)	🟩			🟩	A	A																														R	N	🟩	🟨	🟥	-	32.5m	-
146	South African Qualifications Authority	🟨		R	🟨		N														A													N				N	F	🟩	🟩	-	0.71m	-
147	South Cape TVET College	🟨		N	🟩		A																N													N	NR		🟩	🟨	🟨	-	-	-
148	South West Gauteng TVET College	⬜			🟨		R																																					
149	Taletso TVET College	🟥		R	🟪		R		R	R	A		R										R													R	NR		M	🟥	🟥	-	-	-
150	Transport Education and Training Authority (TETA)	🟨	R		🟨	R	A										A	N																			R	N	🟩	🟩	🟨	-	0.03m	-
151	Tshwane South TVET College	🟥		R	🟥		R	R	R	R	N	R	R	N							A		N							A						N	NR		M	🟨	🟨	-	-	-
152	Vuselela TVET College	⬜			🟥		R																																					
153	West Coast TVET College	🟪		N	🟩			N															N														NR		M	🟥	🟨	-	-	-
154	Western College for TVET	🟥		R	🟥		R	R	R	R		A	R	A							A									A						N	NR		M	🟥	🟩			
155	Wholesale and Retail Sector Education and Training Authority	🟪	N	R	🟪		R			A		R		A			N				R	R															R	R	🟩	🟨	🟨	-	57.3m	0.27m
Public entities (Not audited by the AGSA)																																												
156	Boland TVET College	⬜			🟩																																							
157	Buffalo City TVET College	⬜			🟩																																							
158	Cape Peninsula University of Technology	⬜			🟩																																							

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	▨ Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	Improved	Regressed

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
159	Capricorn TVET College	⬜			🟩																																							
160	Central University of Technology	⬜			🟩																																							
161	College of Cape Town (TVET)	🟩			🟩																																NR							
162	Durban University of Technology	⬜			🟩																																							
163	Ehlanzeni TVET College	⬜			⬜																																							
164	Ekurhuleni West TVET College	🟩			🟩		A																														NR							
165	Elangeni TVET College	⬜			⬜																																							
166	False Bay TVET College	⬜			🟩																																							
167	Flavius Mareka TVET College	🟨		R	🟨		N																													R	NR							
168	Gert Sibande TVET College	⬜			🟥																																							
169	Majuba TVET College	⬜			⬜																																							
170	Mangosuthu University of Technology	⬜			🟩		A																																					
171	Mopani South East TVET College	🟪		N	🟩				N														N														NR							
172	National Institute for Higher Education - MP	⬜			🟩																																							
173	Nelson Mandela Metropolitan University	⬜			🟩																																							
174	Nkangala TVET College	⬜			🟨		R																																					
175	North West University	⬜			🟩																																							
176	Northern Cape Rural TVET College	🟨		N	🟩		A																N													N	NR							
177	Rhodes University	⬜			🟩																																							
178	Sol Plaatjie University	⬜			⬜																																							
179	Thekwini TVET College	⬜			🟨		N																																					
180	Tshwane North TVET College	⬜			⬜																																							
181	Tshwane University of Technology	⬜			🟩																																							
182	Umfolozi TVET College	⬜			⬜																																							
183	Umgungundlovu TVET College	⬜			⬜																																							
184	University of Cape Town	⬜			🟩																																							
185	University of Fort Hare	⬜			⬜																																							
186	University of Johannesburg	⬜			🟩																																							
187	University of Kwa-Zulu Natal	⬜			⬜																																							
188	University of Limpopo	⬜			🟪		R																																					
189	University of Mpumalanga	⬜			⬜																																							
190	University of Pretoria	⬜			🟩																																							
191	University of South Africa	⬜			🟪		R																																					
192	University of Stellenbosch	⬜			🟩																																							
193	University of the Free State	⬜			🟩																																							
194	University of the Western Cape	⬜			🟩																																							

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
195	University of the Witwatersrand	▨			🟨		N																																					
196	University of Venda	▨			🟩																																							
197	University of Zululand	▨			🟩		A																																					
198	Vaal University of Technology	▨			🟩		A																																					
199	Vhembe TVET College	🟩			▨																																NR							
200	Walter Sisulu University for Technology and Science	▨			▨																																							
201	Waterberg TVET College	▨			🟨		N																																					
Portfolio: Home Affairs																																												
Departments																																												
202	Home Affairs	▨			🟪	R	R																																					
Public entities																																												
203	Electoral Commission	🟨	R	R	🟨	R	R											R			A	R										A		R			R	R	🟩	🟩	🟨	-	39.3m	0.02m
204	Government Printing Works	🟨		N	🟩		A															N												N				R	🟩	🟩	🟩	-	32.3m	-
Portfolio: Human Settlements																																												
Departments																																												
205	Human Settlements	🟨	A	R	🟨	R	R											A			R						N					A			A		R	A	F	🟨	🟨	-	-	0.18m
Public entities																																												
206	Community Schemes Ombuds Service	🟨	N	R	🟨		N										N				N	N							A	A		A		N			N	R	M	🟨	🟨	-	8.4m	0.01m
207	National Home Builders Regulatory Council	🟨	R	R	🟨	R	R										A	R				R										A		R			R	R	F	🟩	🟨	-	13.6m	0.06m
Portfolio: International Relations and Cooperation																																												
Departments																																												
208	International Relations and Cooperation	🟪		R	🟪		R	R													N	R	A	R			A	R			R		A	R				R	🟩	🟥	🟥	166.5m	344.0m	5.5m
Public entities																																												
209	African Renaissance and International Cooperation Fund	🟨		R	🟨		R														R	A	N					A			R	A		A		R	A	A	🟩	🟨	🟨	-	0.2m	-
Portfolio: Justice and Constitutional Development																																												
Departments																																												
210	Correctional Services	🟨	R	R	🟪	R	R					A					R	R			R	N					A		A	A	R	R		R	A		R	R	F	🟥	🟨	0.12m	219.3m	1.7m
211	Justice and Constitutional Development	🟨		R	🟨		R														R	R					R							N	A		N	R	F	🟨	🟩	-	14.0m	2.2m
212	Office of the Chief Justice	🟨	N	N	🟦												N	N			N						N										N	N	🟩	🟨	🟥	-	0.03m	0.02m
Public entities																																												
213	Guardians Fund	🟩			🟩																																NR			🟩	🟨	-	-	-
214	Legal Aid South Africa	🟩			🟩																																	A	🟩	🟩	🟩	-	3.3m	0.005m

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	▨ Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	▨ Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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215	President's Fund	🟩			🟩																																NR			🟩	🟩	-	-	-
216	South African Human Rights Commission	🟩		A	🟨		R																				A											N	F	🟩	🟨	-	-	0.01m
217	Special Investigating Unit	🟨		R	🟨		R														R													A				R	🟩	🟨	🟨	-	2.5m	0.009m
218	The Public Protector of South Africa	🟨		R	🟨		R														R		A				A			A							R	R	F	🟨	🟨	-	5.5m	0.002m
219	Third Party Funds (Monies in Trust)	🟪			🟥				A	R		N																									NR			🟩		-	-	-
Portfolio: Labour																																												
Departments																																												
220	Labour	🟨	R	R	🟨	R	R										R	R			R	N	N	A			A	A									R	A	🟩	🟨	🟥	-	25.3m	0.03m
Public entities																																												
221	Commission for Conciliation, Mediation and Arbitration	🟨	N	R	🟨		R										N	N			R	R	N											N			N	R	🟩	🟩	🟨	-	37.5m	-
222	Compensation Fund	🟥	R	R	🟥	R	R		R	R		R	R	R	R		R	R			R	R			A		A	R			R			R		N	R	R	M	🟥	🟥	-	6.6m	403.8m
223	National Economic Development and Labour Council	🟪		R	🟪		R	R	A							A					R	N					A	R			A			A			N	R	🟩	🟨	🟨	-	4.0m	0.12m
224	Sheltered Employment Factories	🟪	A	R	🟪	R	R		N			R		R		A	A				R	N					A				R			R			R	R	F	🟨	🟥	-	1.7m	0.04m
225	Unemployment Insurance Fund	🟨	R	N	🟨	N											R	R				N	N											N			R	N	🟩	🟩	🟥	-	64.6m	-
Public entities (Not audited by the AGSA)																																												
226	Productivity SA	▨			🟨	N	R																																							
Portfolio: Mineral Resources																																												
Departments																																												
227	Mineral Resources	🟨		R	🟨		R														R	A												A				A	F	🟨	🟨	-	0.48m	-
Public entities																																												
228	Council for Geoscience	🟨		R	🟨		R														R	A												A			R	R	🟩	🟩	🟨	-	0.22m	-
229	MINTEK	🟩			🟩		A																																🟩	🟩	🟨	-	0.29m	-
230	Mine Health and Safety Council	🟨		R	🟨		R														N	A												A			N	R	🟩	🟩	🟨	-	-	0.01m
231	South Africa Diamond and Precious Metals Regulator	🟩		A	🟨		R														A																N	A	🟩	🟩	🟩	-	-	-
232	State Diamond Trader	🟨		N	🟩		A																											N				N	🟩	🟩	🟩	-	0.08m	-
Portfolio: Parliament																																												
Departments																																												
233	Parliament of the Republic of South Africa	🟩			🟩		A																														R	N	F	🟩	🟩	-	0.65m	0.28m
Portfolio: Police																																												
Departments																																												
234	Civilian Secretariat for Police	🟪	R	R	🟪	N	N		N	N		A					R	R			R	N					N		A	A		A		R	A		R	R	F	🟨	🟥	-	14.8m	0.001m
235	Independent Police Investigative Directorate	🟨		R	🟨		R														A						R	N		A							R	A	F	🟩	🟨	-	2.1m	0.002m
236	Police	🟨	R	R	🟨	R	R											R			N											R		N			R	N	🟩	🟨	🟨	-	0.35m	0.14m
Public entities																																												
237	Private Security Industry Regulatory Authority	🟨	R	R	🟨	R	R										A	R			R	N					A	R			A	R		A			R	R	F	🟩	🟨	-	-	0.18m

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		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Portfolio: Public Enterprises																																												
Departments																																												
238	Public Enterprises	🟨		R	🟨		N														N	R												A	A			R	🟩	🟨	🟨	-	🟩 3.1m	🟩 0.002m
Public entities																																												
239	South African Express Airways	▨			🟪	R	R																																					
240	South African Forestry Company	🟨		R	🟨		R														R	R												A			A	R	🟩	🟨	🟨	-	🟩 44.1m	🟩 0.2m
Public entities (Not audited by the AGSA)																																												
241	Alexkor	🟨		R	🟨		R															R						N						N						🟩	🟩			
242	Denel	🟩			🟩																																			🟩	🟩			
243	Eskom Holdings	🟨		R	🟨		N															R												N										
244	Transnet	🟨	R	R	🟨	N	R										R	N				R												N			R			🟩	🟩			
Portfolio: Public Service and Administration																																												
Departments																																												
245	National School of Government	🟨	N	R	🟨		R										N					R												A			N	R	🟩	🟩	🟨	-	🟩 0.04m	-
246	Public Service and Administration	🟩		A	🟨	A	R																												A			R	🟩	🟨	🟨	-	🟩 0.11m	-
247	Public Service Commission	🟨		N	🟩		A																											N			N	N	F	🟩	🟩	-	-	-
Public entities																																												
248	Centre for Public Service Innovation	🟩			🟦																																		🟩	🟩	🟩	-	-	-
249	National School of Government Trading Entity	🟨	N	R	🟨		R										N					R												N			N	N	🟩	🟩	🟨	-	🟥 0.25m	-
Portfolio: Public Works																																												
Departments																																												
250	Public Works	🟨	R	R	🟨	R	R											R			R	R						A		A		A			A		R	R	F	🟩	🟨	🟩 -	🟩 1.7m	🟩 1.6m
Public entities																																												
251	Construction Industry Development Board	🟨		R	🟨		R															R															A	R	🟩	🟨	🟩	-	🟩 2.3m	-
252	Council for the Built Environment (CBE)	🟨	N	R	🟨		R											N			R	R		A										A			R	R	🟩	🟩	🟥	-	🟩 2.3m	🟥 0.12m
253	Independent Development Trust	▨			🟥	N	R																																			-	-	-
254	The Property Management Trading Entity	▨			🟪		R																																					
Portfolio: Rural Development and Land Reform																																												
Departments																																												
255	Rural Development and Land Reform	🟨		R	🟨		R														R	R															A	R	F	🟨	🟥	-	🟩 4.5m	🟥 11.9m
Public entities																																												
256	Agricultural Land Holding Account	🟩		A	🟨		R																									A						NR	A	F		🟥	-	-	🟥 1.0m
257	Deeds Registration Trading Account	🟨		R	🟨		R														R																	NR		🟩	🟨	🟥	-	🟥 0.001m	🟥 0.009m
258	Ingonyama Trust Board	▨			🟪	A	R																																			-	-	-

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	▨ Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed			

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Portfolio: Science and Technology																																												
Departments																																												
259	Science and Technology	🟨		N	🟩		A																				N										R	R	F	🟩	🟨	-	1.1m	0.06m
Public entities																																												
260	Council for Scientific and Industrial Research (CSIR)	🟩			🟩																																		🟩	🟩	🟩	-	-	-
261	Human Sciences Research Council	🟩			🟩																																		🟩	🟩	🟨	-	4.0m	0.18m
262	National Research Foundation	🟩			🟩																																R	R	🟩	🟩	🟩	-	6.6m	0.04m
Portfolio: Social Development																																												
Departments																																												
263	Social Development	🟩			🟩																																	N	🟩	🟩	🟨	-	8.3m	0.67m
Public entities																																												
264	Disaster Relief Fund	🟩			🟩																																NR		🟩	🟩	🟩	-	-	-
265	National Development Agency	🟨		R	🟨		R														N	N										N		R			R	R		🟥	🟨	-	18.9m	0.02m
266	Refugee Relief Fund	🟩			🟩																																NR		🟩	🟩	🟩	-	-	-
267	Social Relief Fund	🟩			🟩																																NR		🟩	🟩	🟩	-	-	-
268	South African Social Security Agency (SASSA)	🟨		R	🟨		R														A	R					A			A							A	N	🟩	🟩	🟨	-	1 047.4m	7.9m
269	State President Fund	🟩			🟩																																NR		🟩	🟩	🟩	-	-	-
Portfolio: Small Business Development																																												
Departments																																												
270	Small Business Development	🟨	N	N	🟦												N				N											N		N			N	N	F	🟥	🟨	-	1.8m	-
Public entities																																												
271	Small Enterprise Development Agency	🟩		A	🟨		R														A																N		🟩	🟩	🟨	-	-	0.68m
Portfolio: Sport and Recreation South Africa																																												
Departments																																												
272	Sport and Recreation South Africa	🟩			🟩																																N		F	🟩	🟨	-	-	-
Public entities																																												
273	Boxing South Africa	🟨	R	R	🟪	R	R		A	A			A				N	R			R	N	N				A		A	A	R	A		R			R	R	🟩	🟥	🟥	-	2.7m	0.24m
274	SA Institute for Drug-free Sport	🟨		R	🟨		R														R	R				N					N			R				R	F	🟩	🟨	-	6.6m	-
Portfolio: Statistics South Africa																																												
Departments																																												
275	Statistics South Africa	🟩			🟩																																R		🟩	🟩	🟨	6.8m	0.22m	0.47m
Portfolio: Telecommunications and Postal Services																																												
Departments																																												
276	Telecommunications and Postal Services	🟨		R	🟨		R														A	N					A							N	A			N	🟩	🟨	🟨	-	27.4m	0.05m

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Public entities																																												
277	National Electronic Media Institute of South African	🟨	N	R	🟨	A	R										N	N			N	N										R					R	R	F	🟨	🟩	-	2.5m	0.09m
278	South African Post Office Limited	▨			🟪	R	R																																			-	-	-
279	State Information Technology Agency	🟨		R	🟨	A	R														N	R												A			A	R	🟩	🟨	🟨	-	63.4m	1.3m
280	Universal Service and Access Agency of South Africa	🟨	N	R	🟨		R										N				R	N						N				N					R	N	🟩	🟨	🟩	-	0.46m	0.09m
281	Universal Service and Access Fund	🟨		R	🟨		N														R	N												N			A	N	🟩	🟨		-	188.8m	-
Public entities (Not audited by the AGSA)																																												
282	Broadband Infraco	🟩		A	🟨		R														A				A												N			🟩				
283	Sentech	🟩			🟩																																			🟨				
Portfolio: The Presidency																																												
Departments																																												
284	Planning, Monitoring and Evaluation	🟩			🟩																																R	N	F	🟨	🟩	-	0.15m	0.35m
285	The Presidency	🟨	N	N	🟩	A	A											N			N						N							N			R	N	F	🟨	🟨	-	10.2m	0.02m
Public entities																																												
286	National Youth Development Agency	🟩			🟩		A																														A	N	F	🟩	🟨	-	0.26m	0.004m
Portfolio: The Presidency: Women																																												
Departments																																												
287	Women	🟨	R	R	🟨	N	R										R				R	N	A							A				N	A		R	R	F	🟩	🟨	2.2m	13.8m	2.0m
Public entities																																												
288	Commission on Gender Equality	🟩		A	🟨		R															A												A				R	F	🟩	🟥	-	-	0.25m
Portfolio: Tourism																																												
Departments																																												
289	Tourism	🟩		A	🟨		N																A																🟩	🟩	🟩	-	0.04m	0.92m
Public entities																																												
290	South African Tourism	🟩			🟩		A																																🟩	🟩	🟩	-	0.08m	-
Portfolio: Trade and Industry																																												
Departments																																												
291	Trade and Industry	🟨	N	N	🟩		A											N			N																N	R	F	🟩	🟩	-	0.06m	-
Public entities																																												
292	Companies and Intellectual Property Commission	🟨	A	N	🟨	R	A											A				N															A	R	🟩	🟨	🟨	-	6.8m	0.03m
293	Companies Tribunal	🟩		A	🟨	A	R														A																		🟩		🟩	-	0.57m	0.13m
294	National Consumer Commission	🟨	A	R	🟨	N	R											A			N	R															R	R	🟩	🟩	🟥	-	9.5m	0.004m

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295	National Consumer Tribunal	🟩			🟩																																		🟩	🟩	🟩	-	-	-
296	National Credit Regulator	🟩			🟩		A																																F	🟩	🟨	-	-	-
297	National Gambling Board	🟩		A	🟨	A	R														A	A												A		A		A	🟩	🟩	🟩	-	0.07m	-
298	NationaL Lotteries Commission	🟩		A	🟨	A	R														A										A								F	🟩	🟨	-	0.2m	-
299	National Regulator for Compulsory Specifications	🟪	A	R	🟪	N	R		N				R				A	A			R	R									R	A					A		🟩	🟩		-	0.11m	0.05m
300	South African Bureau of Standards	🟩			🟩																																		🟩	🟩	🟨	-	-	0.2m
Portfolio: Transport																																												
Departments																																												
301	Transport	⬜			🟨	R	R																																			-	-	-
Public entities																																												
302	Airports Company South Africa	⬜			🟨	N	N																																			-	-	-
303	Cross-Border Road Transport Agency	🟩		A	🟨	A	R															A															N		M	🟩	🟨	-	-	-
304	Driving Licence Card Account	🟨		R	🟨		N														R	N										N		N			N	N	🟩	🟥	🟨	-	43.1m	0.06m
305	Passenger Rail Agency of South Africa	⬜			🟨		R																																			-	-	-
306	Ports Regulator of South Africa	🟩			🟩		A																														N	A	🟩	🟩	🟩	-	-	-
307	Railway Safety Regulator	🟨	N	R	🟨		R										N	N			A	N												N			N	R	F	🟩	🟩	-	1.8m	0.007m
308	Road Accident Fund	🟨		N	🟩																	N																	M	🟩	🟨	-	11.4m	31.1m
309	Road Traffic Infringement Agency	🟨	N	R	🟨		N											N			A	N												A			N	A	🟩	🟩	🟨	-	0.96m	-
310	Road Traffic Management Corporation	🟩		A	🟨	A	R														A													A			N	A	F	🟩	🟨	-	0.32m	0.64m
311	South African Civil Aviation Authority	🟩			🟩																																		🟩	🟩	🟩	-	-	-
312	South African Maritime Safety Authority	🟨	R	R	🟨	R	R										N	R			R	R				N		R	A	A				N			R	N	M	🟥	🟥	-	159.1m	5.7m
313	The South African National Roads Agency	🟨	N	R	🟨		R										N				R	R												R			R	R	M	🟨	🟥	-	1 156.3m	-
Public entities (Not audited by the AGSA)																																												
314	Air Traffic Navigation Services	⬜			🟩																																							
Portfolio: Water and Sanitation																																												
Departments																																												
315	Water and Sanitation	🟨	R	R	🟪	R	R			A		A					R	R			R	R		A								R		R	A		R	R	F	🟨	🟨	-	1 711.3m	59.1m
Public entities																																												
316	Water Research Commission	🟨		R	🟨	A	R														R	A					A	A										R	🟩	🟩	🟩	-	0.009m	0.004m
317	Water Trading Entity	🟪	A	R	🟨	R	R	N									A	A			N	R					N					A		A			A	R	F	🟨	🟨	-	54.6m	1.2m
Public entities (Not audited by the AGSA)																																												
318	Breede-Gouritz Catchment Management Agency	🟨		R	🟨		N														A		N																					
319	Inkomati Catchment Management Agency	🟩			🟩																																			🟩				
320	Trans-Caledon Tunnel Authority	⬜			🟨		N																																					

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Sphere of government: Provincial																																												
Eastern Cape																																												
Departments																																												
321	CoOperative Governance and Traditional Affairs	🟨		R	🟨		N															N						A							A		N	A	F	🟨	🟨	-	🟩 6.8m	🟥 5.5m
322	Economic Development, Environmental Affairs and Tourism	🟨	N	R	🟨		R										N	N			R	R					R	R		A	A	R	A	N	A		R	R	F	🟥	🟨	🟥 4.4m	🟩 151.5m	🟩 0.02m
323	Education	🟪	R	R	🟪	R	R	A		A		R			R	A	A	R			R	R		A				R	A	A	A	A	R	R	A		R	R	F	🟥	🟥	-	🟥 265.5m	🟥 73.6m
324	Health	🟨	R	R	🟪	R	R					A			A			R			R	R					A	R				A		R	A		R	R	F	🟨	🟥	🟩 -	🟩 11.5m	🟩 2.2m
325	Human Settlements	🟨		R	🟨		R														R	A					N					A					R	R	M	🟩	🟨	-	🟩 0.02m	🟩 0.03m
326	Legislature	🟨		N	🟩		A																											N				N	F	🟩	🟨	-	🟥 2.2m	🟥 0.003m
327	Office of the Premier	🟨		R	🟨		N														A	N					A							A				R	F	🟩	🟨	-	🟥 3.0m	🟥 0.02m
328	Provincial Treasury	🟩		A	🟨		N																											A				R	🟩	🟩	🟨	-	🟩 0.98m	-
329	Roads and Public Works	🟨	R	R	🟪	R	R		A					A	A	A		R			A	R					A	N			A	A		R			R	R	F	🟨	🟨	-	🟩 659.6m	🟥 5.6m
330	Rural Development and Agrarian Reform	🟨		R	🟨		R															R					N	N						A	A		N	R	F	🟩	🟥	-	🟩 0.34m	🟥 0.6m
331	Safety and Liaison	🟩			🟩		A																														R	R	🟩	🟩	🟨	-	🟩 -	🟥 0.02m
332	Social Development	🟨	R	R	🟨	N	R											R				R					N	A				A	R	N			R	R	F	🟨	🟨	-	🟥 75.8m	🟥 0.23m
333	Sport, Recreation, Arts and Culture	🟨	R	R	🟨	R	R										R	R				R										A		R	A		R	R	F	🟥	🟨	🟩 -	🟩 9.2m	🟩 0.03m
334	Transport	🟨	R	R	🟨	R	R										N	R			R	R					A					A		A	A		R	R	F	🟨	🟥	-	🟩 21.4m	🟥 0.11m
Public entities																																												
335	COEGA Development Corporation	🟨	A	R	🟨	N	R										A				N		A														R	N	M	🟨	🟩	-	-	🟥 13.5m
336	East London Industrial Development Zone Corporation	🟩		A	🟨		R														A	A												A			N	R	F	🟩	🟩	-	🟩 3.2m	🟩 0.13m
337	Eastern Cape Development Corporation	🟨		R	🟪		R		A							A					R	R	A					A			A			A				R	F	🟩	🟩	-	🟩 26.9m	-
338	Eastern Cape Gambling and Betting Board	🟩			🟩		A																																🟩	🟩	🟩	-	-	🟩 -
339	Eastern Cape Government Fleet Management Services	🟨	N	A	🟨		R										N				A							A			A						N		🟩	🟨	🟥	-	-	🟩 -
340	Eastern Cape Liquor Board	🟨		R	🟨		R															A				N								N				N	🟩	🟩	🟨	-	🟩 0.11m	🟩 0.001m
341	Eastern Cape Parks and Tourism Agency	🟩		A	🟨	A	R															A										A		A			A	A	F	🟩	🟨	-	🟩 -	-
342	Eastern Cape Provincial Arts and Culture Council	🟩	A	A	🟨	N	R										A	A			A	A								A		A		A			R	A	M	🟨	🟩	-	🟩 0.63m	🟩 0.002m

Legend (audit outcomes)	
🟩	Unqualified with no findings
🟨	Unqualified with findings
🟪	Qualified with findings
🟪	Adverse with findings
🟥	Disclaimed with findings
⬜	Audit not finalised at legislated date
🟦	New auditee
Legend (findings)	
🟩	Addressed (A)
🟨	New (N)
🟥	Repeat (R)
⬜	Not reported (NR)
Financial health findings	
🟩	No unfavourable indicators
🟨	Unfavourable indicators
🟥	Material unfavourable indicators
Controls (human resource and information technology management)	
🟩	Good
🟨	Concerning
🟥	Intervention required
Legend (expenditure)	
🟩	Improved
🟥	Regressed

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343	Eastern Cape Rural Development Agency	🟩		A	🟨	A	R																											A			N	A	F	🟩	🟨	-	-	0.006m
344	Eastern Cape Socio Economic Consultative Council	🟩			🟩																																		F	🟩	🟩	-	-	-
345	Mayibuye Transport Corporation	🟨		R	🟪		R						A								R	R		A										N				R	M	🟨	🟨	-	2.2m	0.08m
Free State																																												
Departments																																												
346	Agriculture and Rural Development	◼	A	R	🟨	R	R	N						N	N		A				N	N										A	R	N			A	R	M	🟨	🟩	-	1.2m	0.19m
347	Cooperative Governance and Traditional Affairs	🟨		R	🟨	A	R														R	A		A			A							A			A	A	F	🟨	🟨	-	1.6m	0.21m
348	Economic Development, Tourism and Environmental Affairs	🟪	A	R	🟨	N	R							N			A				R	N		A						A	R	A	N	N			R	R	F	🟨	🟨	-	72.6m	0.19m
349	Education	🟪	R	R	🟨	R	R	N				N		N	N		N	R			R	R			A		R	A					R	R			R	R	M	🟨	🟨	157.1m	399.3m	2.2m
350	Health	🟪	R	R	🟪	R	R	A		A		N			R			R			R	R		A	A		R	A			R	A	N	R	A		R	R	M	🟥	🟥	31.8m	466.5m	2.6m
351	Human Settlements	🟪	R	R	🟪	R	R			R		A		N	N		N	R			R	R		A			R	A				R	A	R	A		R	R	M	🟥	🟨	-	964.6m	1.0m
352	Legislature	🟩			🟩																																N	R	M	🟨	🟨	-	2.0m	0.004m
353	Office of the Premier	🟨		N	🟩		A															N					N							N			R	R	M	🟩	🟩	-	12.8m	4.2m
354	Police, Roads and Transport	🟨	R	R	🟨	N	R										A	N			R													N			R	R	F	🟩	🟨	12.9m	1.2m	0.82m
355	Provincial Treasury	🟪		N	🟩										N																			N				R	F	🟩	🟨	-	0.005m	0.004m
356	Public Works and Infrastructure	🟨		N	🟩	A	A																											N				R	M	🟩	🟨	-	1.3m	0.23m
357	Social Development	🟨	A	R	🟨	R	R											A				N											A		A		R	R	F	🟨	🟨	-	2.0m	0.69m
358	Sport, Arts, Culture and Recreation	🟪		N	🟩									N	N						N	N												N			A	R	M	🟩	🟨	-	0.33m	-
Public entities																																												
359	Central Medical Trading Account	🟪		R	🟨		R			N											R						R				A				A		NR	R	🟩	🟨	🟨	-	0.01m	-
360	Free State Development Corporation	🟨	N	R	🟨		R											N			R	R												N			R	R	F	🟨	🟨	-	1.4m	-
361	Free State Fleet Management Trading Entity	🟩			🟩																																NR		F	🟨	🟩	-	0.02m	-
362	Free State Gambling and Liquor Authority	🟨	R	R	🟨	R	R										R	R			R	R	A					A			R			A			R	R	F	🟨	🟨	-	1.1m	0.02m
363	Free State Political Party Fund	▨			▨																																							
364	Free State Tourism Authority	🟨		R	🟨	A	R														A	R						A	A	A	A			R			N	R	M	🟨	🟨	-	3.4m	0.01m
Gauteng																																												
Departments																																												
365	Agriculture and Rural Development	🟨		R	🟨		R														N	R		A										N			N	R	🟩	🟨	🟩	-	52.3m	-
366	Community Safety	🟨		R	🟨		R														R	R		A			R								A		R	R	F	🟨	🟩	-	5.0m	0.3m
367	Cooperative Governance and Traditional Affairs	🟩			🟩																																		🟩	🟩	🟨	-	0.08m	-
368	Economic Development	🟩			🟩		A																														N	R	🟩	🟨	🟩	-	31.5m	-

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
369	Education	🟨		R	🟨		R														A	R					R							R			R	R	F	🟨	🟨	-	622.9m	0.66m
370	e-Government	🟩			🟩																																	N	🟩	🟨	🟨	-	86.5m	-
371	Health	🟨	R	R	🟪	R	R		A								R	R			A	R					R				R	A		R	A		R	R	F	🟨	🟥	-	827.9m	7.4m
372	Human Settlements	🟨	R	R	🟨	R	R										N	R			R	R	A	A			R						R	A			R	R	🟩	🟨	🟨	-	2 375.6m	14.8m
373	Infrastructure Development	🟨	A	R	🟨	R	R										A	A			R	A		A			R				A			A			R	R	F	🟩	🟨	-	187.5m	0.67m
374	Legislature	🟩			🟩																																N		🟩	🟩	🟨	-	0.97m	3.2m
375	Office of the Premier	🟩			🟩																																		F	🟩	🟩	-	-	-
376	Provincial Treasury	🟩			🟩																																		🟩	🟩	🟩	-	-	-
377	Roads and Transport	🟨	R	R	🟨	R	R										R	R				R											A	A			R	R	🟩	🟨	🟨	-	2 031.8m	0.5m
378	Social Development	🟩			🟩																																		🟩	🟩	🟨			
379	Sports, Arts, Culture and Recreation	🟨		R	🟨		N														R	R												R				R	🟩	🟨	🟨	12.8m	194.4m	1.5m
Public entities																																												
380	Constitutional Hill Development Company	🟩			🟩																																		🟩	🟩	🟩			
381	Cost Recovery Trading Entity	🟩		A	🟨		R														A										A						NR			🟩	🟩			
382	Cradle of Humankind Trading Entity	🟩			🟩																																		🟩	🟨	🟩			
383	Dinokeng World Heritage Trading Entity	🟩			🟩																																		🟩	🟨	🟩	-	-	-
384	Gauteng Enterprise Propeller	🟨	A	R	🟨	N	R											A			N	A	A	A							R						R	A	🟩	🟩	🟨	-	-	-
385	Gauteng Film Commission	🟩			🟩																																NR		F	🟨	🟩	-	-	-
386	Gauteng Gambling Board	🟩			🟩		A																																🟩	🟩	🟩	-	-	0.11m
387	Gauteng Growth and Development Agency	🟩		A	🟨		N														A																		🟩	🟩	🟩	-	-	-
388	Gauteng Housing Fund	🟨		R	🟨		R														R			A													NR		F	🟨	🟨			
389	Gauteng Infrastructure Financing Agency	🟩	A	A	🟨	N	N										A				A													A			A	A	🟩	🟩	🟩	-	-	-
390	Gauteng Liquor Board	🟨		R	🟨		R														R						A				R						NR	A	F	🟨	🟩	-	-	0.01m
391	Gauteng Medical Supplies Depot	🟨	A	R	🟨	R	R											A				N					R							N	A		R	N	🟩	🟨	🟥	-	31.1m	-
392	Gauteng Partnership Fund	🟩			🟩																																		🟩	🟩	🟩	-	-	-
393	Gauteng Tourism Authority	🟩			🟩																																R	N	🟩	🟩	🟩	-	0.05m	-
394	Gautrain Management Agency	🟩			🟩																																		🟩	🟩	🟩	-	-	-
395	g-FleeT Management	🟨	R	R	🟥	N	R	A	A			A	A	A			R	R			R	A					R				A			R			R	R	F	🟨	🟨	-	2.6m	2.0m
396	Greater Newtown Development Company	🟨		N	🟩																N																NR			🟩	🟩	-	-	-
397	Industrial Development Zone	🟩			🟩																																		🟩	🟩	🟩	-	2.5m	-
398	Supplier Park Development Company	🟩			🟩																																		🟩	🟩	🟩	-	0.15m	0.29m
399	The Innovation Hub	🟩			🟩																																		🟩	🟩	🟩	-	0.02m	-

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings	Audit not finalised at legislated date	New auditee
	🟩	🟨	🟪	🟪	🟥	⬜	🟦

Legend (findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)

Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators

Controls (human resource and information technology management)	Good	Concerning	Intervention required
	🟩	🟨	🟥

Legend (expenditure)	Improved	Regressed
	🟩	🟥

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
KwaZulu-Natal																																												
Departments																																												
400	Agriculture and Rural Development	🟨		R	🟨	A	R															R											A		A		R	R	🟨 F	🟨	🟨	-	🟥 34.2m	🟩 0.18m
401	Arts and Culture	🟨	R	R	🟪	R	R	A		A							R	R			R	R		A			A					A	A	A	A		R	R	🟨 F	🟨	🟨	-	🟩 39.3m	🟩 0.04m
402	Community Safety and Liaison	🟨	A	R	🟨	R	R											A				N										A			A		R	R	🟨 F	🟨	🟨	-	🟩 0.88m	-
403	Co-operative Governance and Traditional Affairs	🟨	N	N	🟩		A											N			N																N		🟨 F	🟩	🟨	-	🟥 23.9m	🟥 0.14m
404	Economic Development, Environmental Affairs and Tourism	🟨		R	🟨		R															R															N		🟨 F	🟨	🟨	🟥 7.0m	🟩 12.8m	-
405	Education	🟨	R	R	🟨	R	R										N	R			R	R					R				A	A	R	R	A		R	R	🟨 F	🟨	🟨	🟥 45.2m	🟩 283.3m	🟥 141.6m
406	Health	🟪	R	R	🟪	R	R	R				A		R	R		R	R			R	R		A			A					A	R	R	A		R	R	🟨 F	🟥	🟨	🟥 147.1m	🟥 2 520.6m	🟥 5.1m
407	Human Settlements	🟪		R	🟨		R								N						A	N					R							N			N	N	🟨 F	🟩	🟨	🟥 5.6m	🟥 6.4m	🟩 -
408	Legislature	🟨		N	🟪		A	A																										N			N	R	🟩	🟩	🟨	-	🟥 7.2m	🟥 1.0m
409	Office of the Premier	🟨		R	🟨	A	R														A	R					A							A			R	R	🟨 F	🟨	🟨	🟩 -	🟩 18.5m	🟥 0.02m
410	Provincial Treasury	🟩			🟩																																		🟨 F	🟨	🟩	-	🟥 0.87m	-
411	Public Works	🟨		R	🟨		R															R												R			R	R	🟨 F	🟩	🟨	-	🟩 5.3m	🟩 -
412	Social Development	🟨		R	🟪		R	A													R	R		A	A						A		A	A			A	R	🟨 F	🟨	🟨	🟩 -	🟥 110.2m	🟥 0.55m
413	Sport and Recreation	🟨		R	🟨		R														R	A					N												🟨 F	🟨	🟨	-	🟩 0.16m	-
414	Transport	🟪	R	R	🟪	R	R	R				N		N	R			R			R	R					A					A		R	A		R	R	🟨 F	🟨	🟨	🟥 13.1m	🟥 477.2m	🟩 0.003m
Public entities																																												
415	Agri-Business Development Agency	🟨	R	R	🟨	R	R											R			A	R															R	R	🟩	🟨	🟩	-	🟥 0.56m	🟩 0.003m
416	Amafa Akwazulu-Natali	🟩			🟩																																		🟩	🟩	🟩			
417	Dube Tradeport Company	🟩			🟩																																		🟩	🟩	🟩	-	-	-
418	Ithala Development Finance Corporation	▨			🟩																																					-	-	-
419	Ithala Limited	▨			🟩																																					-	-	-
420	KwaZulu-Natal Business Rehabilitation Trust Fund	🟥		R	🟥		N	R	R				R								A		N	A													NR			🟥	🟨	-	-	-
421	KwaZulu-Natal Gaming and Betting Board	🟩	A	A	🟨	N	R											A				A						A				A					R	A	🟩	🟩	🟨	-	🟥 3.9m	🟩 -
422	KwaZulu-Natal Nature Conservation Board	🟨		R	🟨		R														A	R		A										R			N	R	🟩	🟨	🟨	-	🟥 11.3m	🟩 0.25m
423	Kwazulu-Natal Property Development Holdings	🟩			🟩																																		🟨 F	🟩	🟨	-	-	-
424	KwaZulu-Natal Provincial Pharmaceutical Supply Depot	🟨	R	R	🟨	N	R										N	R				N							A	A		A					R	N	🟩	🟩	🟨	-	🟩 0.73m	-
425	KwaZulu-Natal Sharks Board	🟩		A	🟨		R																													A		R	🟨 F	🟩	🟨	-	🟩 0.02m	🟥 0.05m
426	KwaZulu-Natal Tourism Authority	🟩			🟩		A																														N		🟩	🟩	🟩	-	-	🟥 0.13m
427	KZN Film Company	🟩		A	🟨	A	R															A																A	🟩	🟩	🟩	-	🟩 0.13m	🟩 0.009m

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428	KZN Growth Fund Trust	🟩			🟩																																NR			🟩	🟩	-	-	-
429	KZN Housing Fund	🟨		R	🟨		R														A		N											N		N	N		F	🟩	🟩	-	6.2m	-
430	KZN Liquor Authority	🟩		A	🟨		R														A								A								A		🟩	🟩	🟩	-	-	-
431	Mjindi Farming	🟪		R	🟨	A	R	N													R	N									R			N			A	N	F	🟨	🟨	-	3.0m	0.001m
432	Moses Kotane Institute	🟩		A	🟨		R														A																NR	A	F	🟩	🟩	-	2.8m	0.08m
433	The KwaZulu-Natal Royal Household Trust	🟨	R	R	🟨	R	R										R	R			R	R	A									A		R		A	R	R	🟩	🟥	🟨	-	1.6m	0.36m
434	Trade and Investment KwaZulu-Natal	🟩			🟩		A																														A	R	🟩	🟩	🟩	-	-	-
435	Traditional Levies and Trust Account	🟨		R	🟪		R						A								A		N								A						NR		🟩	🟨	🟨	-	-	0.001m
Limpopo																																												
Departments																																												
436	Agriculture	🟨		R	🟨	A	R														R	R		A				A						R			N	R	F	🟩	🟨	-	24.8m	-
437	Cooperative Governance, Human Settlements and Traditional Affairs	🟨	A	R	🟨	N	N											A			R	R												R			R	R	F	🟨	🟨	-	-	1.8m
438	Economic Development, Environment and Tourism	🟪	R	R	🟨	R	R	N		N		N					R	R			R	R	A	A		N	A	R			N	R		R	A		R	R	F	🟨	🟨	0.56m	0.43m	0.27m
439	Education	🟥	R	R	🟥	R	R	R	R	N		R		R	R		A	R			R	R		A			R	R			A	R	R	R	A		R	R	M	🟥	🟥	-	336.3m	17.3m
440	Health	🟪	R	R	🟨	R	R	N				N		N				R			R	R		A		A	R	A			R	A		R	A		R	R	F	🟥	🟥	-	259.1m	15.9m
441	Legislature	🟨	A	N	🟨	N	A										A					N					N							N			A	N	F	🟨	🟨	-	0.7m	-
442	Office of the Premier	🟨		N	🟩		A															N															R	R	F	🟨	🟩	-	3.9m	-
443	Provincial Treasury	🟨		R	🟨		R														R													N			N	N	F	🟨	🟨	-	0.62m	-
444	Public Works, Roads and Infrastructure	🟪	R	R	🟪	R	R	R	A			N			A		R	R			R	R	N	A			A	R			R	R		R			R	R	F	🟨	🟨	-	27.3m	0.05m
445	Safety, Security and Liaison	🟨		R	🟨		R														R	R						A						N				A	🟩	🟩	🟨	-	0.15m	0.24m
446	Social Development	🟨	A	R	🟨	N	R										A	A			A	A		A				R				A	A	A	A		A	R	F	🟨	🟥	-	0.01m	0.04m
447	Sport, Arts and Culture	🟪	N	R	🟪		R	R							R			N			R	R		A			A	A						R	A		N	R	F	🟨	🟨	-	1.2m	0.007m
448	Transport	🟨	R	R	🟨	N	R										N	A			R	A	N					A			A	A		A			R	R	F	🟩	🟨	-	0.07m	0.01m
Public entities																																												
449	Corridor Mining Resources	🟨	A	R	🟪	R	R	A		A							A	A			R	R			A			A	A	A		A		R			R	R	F	🟨	🟥	-	0.89m	0.01m
450	Gateway Airport Authority Limited	🟪	R	R	🟪	R	R	R	A				A	N	A		A	R			R	R	A	A	A		A	A	A	A	A	A		R			R	R	🟩	🟨	🟨	-	0.68m	0.66m
451	Great North Transport	🟨		R	🟨	A	R														A	R		A	A			R	A	A	A			R			R	R	F	🟨	🟩	-	296.3m	6.6m
452	Limpopo Economic Development Agency	🟨	A	R	🟨	R	R										A	A			R	R								A	R	A		A			R	R	🟩	🟥	🟥	-	18.3m	0.18m
453	Limpopo Gambling Board	🟨		R	🟨		R														N	A															A		🟩	🟨	🟨	-	-	-
454	Limpopo Tourism Agency	🟪	R	R	🟪	R	R	R		N		R		N			R	R			R	R	N	A				R		A	A	A		R			R	R	F	🟨	🟥	-	1.9m	0.38m

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	Improved	Regressed

Nr.	Auditee	2015-16 audit outcome			2014-15 audit outcome			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Consequence management	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
455	Mununzwu Estate	🟨	A	R	🟨	R	R										A	A			R						A			A	A	A		A			R	A	M	🟨	🟥	-	-	0.01m
456	Risima Housing Finance Corporation	🟨	A	R	🟨	R	R										A				R																A		🟩	🟨	🟥	-	-	-
457	Roads Agency Limpopo	🟪		R	🩷		R	R		A		A		R	R	A					R	R	A	A	A			A	A			A		R			R	R	F	🟨	🟨	-	48.7m	0.008m
458	Venteco	🟨	A	R	🟨	N	R										A				R	R								A		A		A			R	A	F	🟨	🟥	-	-	0.007m
Mpumalanga																																												
Departments																																												
459	Agriculture,Rural Development,Land And Environmental Affairs	🟨	A	R	🟨	R	R											A			N	N												R	A		A	R	F	🟨	🟩	2.7m	33.1m	-
460	Community Safety, Security and Liaison	🟪	A	R	🟪	R	R					R	R		A			A			R	R		A			R	A		A	R			R			R	R	F	🟨	🟨	-	271.1m	18.0m
461	Co-operative Governance and Traditional Affairs	🟩			🟩																																	N	F	🟩	🟩	-	1.4m	0.12m
462	Culture, Sport and Recreation	🟪		R	🟨		R					N									N									A					A			R	🟩	🟥	🟨	6.4m	15.8m	-
463	Economic Development and Tourism	🟩		A	🟨		R														A									A				A	A		R	R	F	🟨	🟨	-	-	-
464	Education	🟪	N	R	🟪		R	R				N						N			R	R		A									R	R			R	R	F	🟨	🟨	-	355.8m	9.6m
465	Health	🟪	R	R	🟪	R	R	R		A		R		N	R		R	R			R	R		A			R	A	A		R	A		R	A		R	R	F	🟥	🟨	-	1 919.6m	1.0m
466	Human Settlement	🟨	R	R	🟨	R	R										A	R			R									A				R	A		R	R	F	🟨	🟨	-	1 134.4m	0.32m
467	Legislature	🟨		N	🟩	A	A																											N			R	N	🟩	🟨	🟥	-	9.9m	0.01m
468	Office of the Premier	🟨		R	🟨		R														N	R					N			A				R				R	F	🟨	🟨	-	54.7m	5.1m
469	Provincial Treasury	🟩			🟩																																R	N	🟩	🟩	🟨	-	-	-
470	Public Works, Roads and Transport	🟨	R	R	🟨	R	R											R			R	R						A		A				R			R	R	F	🟨	🟩	-	1.3m	-
471	Social Development	🟩		A	🟨		N																		A												R	R	🟩	🟨	🟨	-	58.4m	-
Public entities																																												
472	Mpumalanga Economic Growth Agency	🟥	R	R	🟪	R	R	R	R			N	N	A	A		R	R			R	R		A							R	A		R			R	R	M	🟥	🟥	-	100.5m	-
473	Mpumalanga Gambling Board	🟩			🟩																																		🟩	🟩	🟩	-	-	-
474	Mpumalanga Regional Training Trust	🟨		R	🟪		N	A													R	A												A				R	🟩	🟨	🟨	-	1.7m	0.005m
475	Mpumalanga Tourism and Parks Agency	🟪	R	R	🟪	R	R	R		A	A		R				A	R			R	R		A		N					R	A		A			R	R	F	🟥	🟨	-	13.6m	0.46m
Northern Cape																																												
Departments																																												
476	Agriculture, Land Reform and Rural Development	🟨	R	R	🟪	N	R	A				A				A		R			R	R		A			A	R				A		R	A		R	R	F	🟨	🟥	-	108.3m	0.06m
477	Co-Operative Governance, Human Settlements and Traditional Affairs	🟨	R	R	🟪	R	R					A			A		R	R			R	R	A		A	N	A	R				A	R	R			R	R	F	🟨	🟨	66.0m	147.1m	-
478	Economic Development and Tourism	🟨		R	🟨		N														A	R												R	A			R	F	🟩	🟨	-	12.6m	-
479	Education	🟨	R	R	🟨	R	R											R			A	R		A			R	R				A		R	A		R	R	F	🟨	🟥	-	220.8m	0.55m

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480	Environment and Nature Conservation	🟨		N	🟩																N																N	R	F	🟩	🟨	-	🟥 0.1m	🟥 0.01m
481	Health	🟪	R	R	🟪	R	R	R	A	R		R		A	R			R			R	R		A			R	R			R	A		R	A		R	R	F	🟨	🟥	🟥 92.8m	🟩 1 006.2m	🟩 4.4m
482	Legislature	🟩		A	🟨	A	R																												A			R	R	🟩	🟨	🟥	-	🟩 0.001m	🟥 0.009m
483	Office of the Premier	🟩		A	🟨		R															A													A				R	F	🟩	🟨	-	🟩 -	-
484	Provincial Treasury	🟩		A	🟨		N																													A		N	N	🟩	🟩	🟨	-	🟩 0.03m	🟥 0.13m
485	Roads and Public Works	🟨	A	R	🟨	R	R										A	A			R	R		A			N	N			A	A		R	A		A	R	F	🟨	🟨	-	🟩 61.9m	🟩 1.6m
486	Social Development	🟩			🟩																																		F	🟩	🟨	-	-	-
487	Sport, Arts and Culture	🟨	N	R	🟪		R	A										N			A	R		A			A	A						R	A		N	R	F	🟨	🟨	-	🟩 5.2m	🟥 0.02m
488	Transport, Safety and Liaison	🟨	R	R	🟪	R	R		A	A		A		A	A		R	A			R	R		A			R	R			A	A		R	A		R	R	F	🟨	🟥	🟥 2.9m	🟥 170.2m	🟥 0.46m
Public entities																																												
489	Kalahari Kid Corporation	🟪	N	R	🟨	A	R			N		N		N	N		N	N			R	R		A	A			R	A	A				N			N	R	M	🟨	🟨	-	🟩 0.19m	🟩 0.003m
490	McGregor Museum	🟪	R	R	🟪	N	N	R									N	N		A	R	R	A	A				R	A	A	N	A		R			R	R	🟩	🟨	🟨	-	🟥 0.5m	-
491	Northern Cape Economic Development, Trade and Investment Promotion Agency	⬜			🟪	R	R																																			-	-	-
492	Northern Cape Fleet Management	🟨	R	R	🟨	R	R										A			N	R	R				A		A			N	R		N			R	R	F	🟨	🟨	-	🟥 23.0m	🟥 0.1m
493	Northern Cape Gambling Board	🟩		A	🟨	A	R															A												A				R	🟩	🟩	🟩	-	🟩 0.14m	🟥 0.002m
494	Northern Cape Liquor Board	🟨		R	🟨	A	R															R							A	A				A				R	M	🟩	🟨	-	🟩 0.19m	🟥 0.01m
495	Northern Cape Tourism Authority	🟩			🟩																																		🟩	🟩	🟩	-	-	-
North West																																												
Departments																																												
496	Community Safety and Transport Management	🟪	R	R	🟪	R	R					R	A	R			R	R			R	R					A	R			R	A	R	R	A		R	R	F	🟨	🟨	🟩 -	🟥 891.8m	🟩 0.05m
497	Culture, Arts and Traditional Affairs	🟨	R	R	🟨	R	R										R	R			N	A	N									A			A		R	R	🟩	🟩	🟨	-	🟩 4.3m	🟩 0.22m
498	Economic and Enterprise Development	🟩		A	🟨		R														A	A										A					N	R	F	🟨	🟨	-	🟩 -	🟩 0.03m
499	Education and Sports Development	🟨	R	R	🟨	R	R										N	R			R	R			A		A	R			A	A	A	R	A		R	R	F	🟥	🟨	🟩 -	🟩 128.9m	🟩 0.11m
500	Health	🟪	R	R	🟨	R	R							N			N	R			R	R			A		R	A			N	A	R	R	A		R	R	F	🟨	🟥	🟩 -	🟩 696.7m	🟩 15.3m
501	Legislature	🟨		R	🟨		R														N	N											R	R			R	R	F	🟨	🟨	🟥 9.0m	🟥 72.8m	-
502	Local Government and Human Settlements	🟪	R	R	🟨	R	R			N					N		R	R			R	R			A		N	A			A	A					R	R	F	🟥	🟨	-	🟥 99.1m	🟩 0.003m
503	Office of the Premier	🟪		R	🟨	A	R							N							R	R		A			R	A				A		R	A		R	R	F	🟨	🟥	-	🟥 124.7m	🟥 3.7m
504	Provincial Treasury	🟩			🟩																																	R	F	🟩	🟨	-	-	🟩 -
505	Public Works and Roads	🟪	R	R	🟪	R	R	R				R			R		R	R			R	R		A	A		R	R			A	R	A	R	A		R	R	F	🟥	🟩	-	🟥 482.7m	🟥 10.4m

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee	Legend (findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	⬜ Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed

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506	Rural, Environment and Agricultural Development	🟨	R	R	🟨	R	R										N	R			A	R										A		R	A		R	R	F	🟩	🟨	-	158.9m	0.11m
507	Social Development	🟨		R	🟨		R														R	R					N	A				A		R	A		R	R	F	🟨	🟨	-	15.6m	0.59m
508	Tourism	🟨	R	R	🟨	N	N										R	R			R	R		A			A					A		N	A		R	R	F	🟨	🟨	-	17.4m	0.13m
Public entities																																												
509	Agribank	🟩		A	🟨	N	R													A			A									A					NR			🟩	🟩	-	-	-
510	Atteridgeville Bus Services	🟨	R	R	🟨	R	R										R				N		A					A	A		A	R					R	R	F	🟨	🟨	-	20.2m	2.5m
511	Dirapeng	🟥	R	R	🟥	R	R	R	R	R	R	R	R	N	R	A	N	N		A	R	R	R			A		N			N	R		R			R	R	M	🟥	🟥	-	3.7m	0.58m
512	Golden Leopard Resorts	🟥		R	🟥	R	R	R	R	R	R	R	R	R	R					A	R	R	A	A	A		A	R	A	A	R	A		R			NR	R	M	🟥	🟥	-	58.7m	2.4m
513	Kgama Wildlife Operations	🟨		R	🟨	R	R										A				A		N						A	A							NR	A		🟩	🟨	-	-	-
514	Madikwe River Lodge	🟥		R	🩷	R	R	R	R	R	A	R		R	R					A	R	R	A	A	A		A	R	A	A	A	A		R			NR	R	M	🟥	🟥	-	9.6m	0.62m
515	Mmabana Arts, Culture and Sport	🟥	R	R	🟥	R	R	R	R	R	R	R	R	R	R		R	R			R	R		A		N		A	A	A	R	A		R			R	R	M	🟥	🟨	-	21.5m	0.07m
516	North West Parks Board	🟪	R	R	🟥	R	R	R	R	A	R	A	A		R	A	R	R			R	N	R								N	N		R			R	R	🟩	🟥	🟥	-	0.08m	0.06m
517	North West Development Corporation	🟥	R	R	🟪	R	R	R			N				N			R			R	R		A	A		A				R	A		R			R	R	M	🟨	🟨	-	29.3m	2.3m
518	North West Directorate of Entrepreneurial Development in Natural Resources	🟨		R	🟨		R														R	R	A					R	A	A	R			R			NR	R		🟩	🟨	-	0.34m	0.002m
519	North West Gambling Board	🟨		R	🟨		R														A											N					A	A	🟩	🟩	🟥	-	-	0.007m
520	North West Housing Corporation	🟥	N	R	🟥		R	R	N	R	R	R	R							N	R		N					A	A	A	R	N					N		M	🟥	🟥	-	-	-
521	North West Provincial Aids Council	🟨	R	R	🟨	R	R										R	R			N	R	R					A	A	A		R		N		A	R	R	M	🟨	🟨	-	0.03m	0.004m
522	North West Provincial Arts and Cultural Council	🟨	A	R	🟪	R	R							A						A	R	R	A			N		A	A	A		A		R			A	R	F	🟨	🟨	-	2.6m	0.04m
523	North West Star	🟨	R	R	🟨	R	R										R				R		A					A	A			R					R	R	F	🟨	🟨	-	136.2m	0.01m
524	North West Tourism Board	🟪	N	N	🟦			N	N		N				N		N	N			N	N	N								N	N		N			N	N	F	🟥	🟥	-	0.21m	0.04m
525	North West Transport Investments	🟪	R	R	🟪	R	R	R		A							R				R		A						A		R	R					R		F	🟨	🟨	-	-	2.5m
526	North West Youth Development Trust	🟪	R	R	🟪	R	R		R											R	R	R	R			R		A	A	A	R	R				A	R		M	🟥	🟥	-	0.36m	0.02m
527	Signal Developments	🟥	R	R	🟥	R	R	R	R	R	R	R	R	R	N					R	A		R	A		A	A		A	A	A	N		N			R		M	🟥	🟥	-	-	-
Western Cape																																												
Departments																																												
528	Agriculture	🟩			🟩																																	A	F	🟩	🟩	-	-	0.02m
529	Community Safety	🟩			🟩																																		🟩	🟩	🟩	-	-	0.03m
530	Cultural Affairs and Sport	🟩			🟩																																		F	🟩	🟩	-	1.2m	-
531	Economic Development and Tourism	🟩			🟩																																		🟩	🟩	🟩	-	-	-
532	Education	🟩			🟩		A																															R	F	🟩	🟨	-	0.02m	0.01m
533	Environmental Affairs and Development Planning	🟩			🟩	A	A																														R		🟩	🟩	🟩	-	-	0.001m
534	Health	🟨	R	A	🟨	N	R											R				A					A										R	R	F	🟩	🟨	-	7.3m	-
535	Human Settlements	🟩			🟩																																	R	F	🟩	🟨	-	0.78m	-

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536	Local Government	🟩			🟩																																	N	F	🟩	🟩	-	-	-
537	Office of the Premier	🟩			🟩																																	N	🟩	🟩	🟨	-	2.8m	0.01m
538	Provincial Parliament	🟩			🟩																																		F	🟩	🟨	-	0.22m	-
539	Provincial Treasury	🟩			🟩																																	R	🟩	🟩	🟩	-	0.14m	0.008m
540	Social Development	🟩			🟩																																R	N	F	🟩	🟩	-	2.3m	0.08m
541	Transport and Public Works	🟩			🟩																																		F	🟩	🟨	-	3.4m	-
Public entities																																												
542	Government Motor Transport	🟩			🟩																																		🟩	🟩	🟨	-	-	-
543	Saldanha Bay IDZ Licencing Company	🟩			🟩																																		🟩	🟩	🟩	-	-	-
544	The Heritage Western Cape	🟨		N	🟩																		N																🟩	🟩	🟩	-	-	-
545	Western Cape Cultural Commission	🟩			🟩																																		🟩	🟩	🟩	-	-	-
546	Western Cape Gambling and Racing Board	🟩			🟩																																		🟩	🟩	🟩	-	-	-
547	Western Cape Housing Development Fund	🟨		R	🟪		R	A													A		N														NR		F	🟩	🟨	-	-	-
548	Western Cape Language Committee	🟩			🟩																																		🟩	🟩	🟩	-	-	-
549	Western Cape Liquor Authority	🟨		N	🟩	A	A														N													N			A	N	🟩	🟩	🟨	-	9.5m	0.001m
550	Western Cape Nature Conservation Board	🟨	N		🟩													N																			N	N	🟩	🟩	🟨	-	0.03m	-
551	Western Cape Tourism, Trade and Investment Promotion Agency	🟩		A	🟨		N														A																R		🟩	🟩	🟨	-	-	-
Public entities (Not audited by the AGSA)																																												
552	Cassidra	🟩			🟩	A																																						

Annexure 2: *Auditees' financial health indicators, supply chain management findings and root causes*

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
Financially unqualified with no findings																						
1	Communications	Nat	DP	🟩																		
2	Energy	Nat	DP	🟩					🟦			🟦										
3	Government Communication and Information System	Nat	DP	🟩							🟦	🟦										
4	Parliament	Nat	DP	🟩						🟦	🟦				🟨							
5	Planning, Monitoring and Evaluation	Nat	DP	🟩								🟦			🟨							
6	Public Service and Administration	Nat	DP	🟩		A						🟦	🟦			🟨						
7	Social Development	Nat	DP	🟩											🟨				🟨			
8	Sport and Recreation of South Africa	Nat	DP	🟩							🟦	🟦	🟦									
9	Statistics South Africa	Nat	DP	🟩								🟦		🟦								
10	Tourism	Nat	DP	🟩		A						🟦										
11	Agricultural Land Holding Account	Nat	PE	🟩		A		🟦	🟦	🟦												
12	Armaments Corporation of SA	Nat	PE	🟩					🟦	🟦	🟦				🟨							
13	Artscape	Nat	PE	🟩						🟦					🟨							
14	Banking Seta (Bankseta)	Nat	PE	🟩																		
15	Castle Control Board	Nat	PE	🟩	A	A					🟦				🟨							
16	Centre for Public Service Innovation	Nat	PE	🟩								🟦										
17	Chemical Industries Seta (CHIETA)	Nat	PE	🟩							🟦											
18	Companies Tribunal	Nat	PE	🟩		A					🟦											
19	Construction Seta (CETA)	Nat	PE	🟩	A	A																
20	Council for Medical Schemes	Nat	PE	🟩		A																
21	Council for Scientific and Industrial Research	Nat	PE	🟩						🟦												
22	Council of Mineral Technology	Nat	PE	🟩																		
23	Cross-Border Road Transport Agency	Nat	PE	🟩		A	🟦			🟦		🟦										
24	Culture, Arts, Tourism, Hospitality and sports Seta (CATHSSETA)	Nat	PE	🟩	A	A																

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings

DP - department **PE - public entity**

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
25	Disaster Relief Fund	Nat	PE	🟩			🟦															
26	Ekurhuleni East TVET College	Nat	PE	🟩					🟦	🟦												
27	Fibre Processing Manufacturing Seta (FPMSETA)	Nat	PE	🟩		A																
28	Financial and Accounting Services Seta (FASSET)	Nat	PE	🟩																		
29	Financial Services Board	Nat	PE	🟩	A					🟦												
30	Freedom Park	Nat	PE	🟩					🟦		🟦				🟨							
31	Guardian Fund	Nat	PE	🟩																		
32	Health and Welfare Seta (HWSETA)	Nat	PE	🟩																		
33	Human Sciences Research Council	Nat	PE	🟩																		
34	Independent Regulatory Board for Auditors	Nat	PE	🟩						🟦	🟦				🟨							
35	Insurance Seta (INSETA)	Nat	PE	🟩		A																
36	iSimangaliso Wetland Park	Nat	PE	🟩																		
37	Legal Aid South Africa	Nat	PE	🟩							🟦											
38	Luthuli Museum	Nat	PE	🟩		A					🟦											
39	Media, Information and Communication Technologies Seta (MICTS)	Nat	PE	🟩																		
40	National Agricultural Marketing Council	Nat	PE	🟩	A	A						🟦										
41	National Arts Council of South Africa	Nat	PE	🟩					🟦		🟦											
42	National Consumer Tribunal	Nat	PE	🟩																		
43	National Credit Regulator	Nat	PE	🟩						🟦	🟦	🟦										
44	National Energy Regulator of South Africa	Nat	PE	🟩																		
45	National Film and Video Foundation of South Africa	Nat	PE	🟩																		
46	National Gambling Board	Nat	PE	🟩		A																
47	NationaL Lotteries Commission	Nat	PE	🟩		A				🟦	🟦	🟦										
48	National Nuclear Regulator	Nat	PE	🟩						🟦	🟦											
49	National Research Foundation	Nat	PE	🟩											🟨							
50	National Youth Development Agency	Nat	PE	🟩					🟦	🟦	🟦	🟦			🟨		🟨					

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings

DP - department **PE - public entity**

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
51	Ombudsman for Financial Services Providers	Nat	PE	🟩																		
52	Onderstepoort Biological Products	Nat	PE	🟩	A	A		🟦			🟦					🟨						
53	Ports Regulator of South Africa	Nat	PE	🟩																		
54	President's Fund	Nat	PE	🟩																		
55	Refugee Relief Fund	Nat	PE	🟩			🟦															
56	Road Traffic Management Corporation	Nat	PE	🟩		A				🟦	🟦											
57	Robben Island Museum	Nat	PE	🟩						🟦												
58	SA Civil Aviation Authority	Nat	PE	🟩						🟦												
59	SA Human Rights Commission	Nat	PE	🟩		A					🟦	🟦							🟨			
60	SA Medical Research Council	Nat	PE	🟩											🟨							
61	SANDF Fund	Nat	PE	🟩																		
62	SARS - Own Accounts	Nat	PE	🟩						🟦	🟦											
63	Service Sector Education and Training Authority	Nat	PE	🟩												🟨						
64	Small Enterprise Development Agency	Nat	PE	🟩		A					🟦											
65	Social Relief Fund	Nat	PE	🟩			🟦															
66	South Africa Diamond and Precious Metals Regulator	Nat	PE	🟩		A				🟦												
67	South African Bureau of Standards	Nat	PE	🟩						🟦												
68	South African Local Government Association (SALGA)	Nat	PE	🟩						🟦												
69	South African National Parks	Nat	PE	🟩	A	A				🟦												
70	South African Tourism	Nat	PE	🟩					🟦													
71	South African Weather Service	Nat	PE	🟩						🟦	🟦											
72	State President Fund	Nat	PE	🟩			🟦															
73	The Commission on Gender Equality	Nat	PE	🟩		A						🟦			🟨							
74	The Financial and Fiscal Commission	Nat	PE	🟩		A																
75	The Playhouse Company	Nat	PE	🟩					🟦													
76	The South African International Marketing Council Trust/Brand South Africa	Nat	PE	🟩		A			🟦										🟨			
77	Provincial Treasury	EC	DP	🟩		A						🟦			🟨							
78	Safety and Liaison	EC	DP	🟩																		
79	East London Industrial Development Zone Corporation	EC	PE	🟩		A				🟦		🟦			🟨	🟨	🟨					
80	Eastern Cape Gambling and Betting Board	EC	PE	🟩								🟦										

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
81	Eastern Cape Parks and Tourism Agency	EC	PE	🟩		A				🟦		🟦										
82	Eastern Cape Provincial Arts and Culture Council	EC	PE	🟩	A	A	🟦		🟦		🟦	🟦										
83	Eastern Cape Rural Development Agency	EC	PE	🟩		A		🟦		🟦	🟦											
84	Eastern CapeSocio-Economic Consultative Council	EC	PE	🟩								🟦										
85	Legislature	FS	DP	🟩			🟦		🟦	🟦	🟦	🟦			🟨		🟨					
86	Free State Fleet Management Trading Entity	FS	PE	🟩				🟦	🟦	🟦	🟦											
87	Cooperative Governance and Traditional Affairs	GP	DP	🟩								🟦										
88	Economic Development	GP	DP	🟩								🟦			🟨	🟨						
89	e-Government	GP	DP	🟩											🟨							
90	Legislature	GP	DP	🟩																		
91	Office of the Premier	GP	DP	🟩							🟦	🟦										
92	Provincial Treasury	GP	DP	🟩																		
93	Social Development	GP	DP	🟩																		
94	Constitution Hill Development Company	GP	PE	🟩							🟦											
95	Cost Recovery Trading Account	GP	PE	🟩		A																
96	Cradle of Human Kind World Heritage Site	GP	PE	🟩																		
97	Dinokeng Trading Account	GP	PE	🟩																		
98	Gauteng Film Commission	GP	PE	🟩							🟦	🟦										
99	Gauteng Gambling Board	GP	PE	🟩																		
100	Gauteng Growth and Development Agency	GP	PE	🟩		A			🟦	🟦												
101	Gauteng Infrastructure Funding Agency	GP	PE	🟩	A	A																
102	Gauteng Partnership Fund	GP	PE	🟩																		
103	Gauteng Tourism Authority	GP	PE	🟩					🟦						🟨							
104	Gautrain Management Agency	GP	PE	🟩							🟦											
105	Industrial Development Zone	GP	PE	🟩																		
106	Supplier Park Development Company	GP	PE	🟩																		

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	🟨 With findings	🟥 With material findings

DP - department **PE - public entity**

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
107	The Innovation Hub	GP	PE	🟩																		
108	Provincial Treasury	KZN	DP	🟩								🟦										
109	Amafa aKwaZulu-Natali	KZN	PE	🟩							🟦											
110	Dube TradePort Corporation	KZN	PE	🟩						🟦												
111	Gaming and Betting Board	KZN	PE	🟩	A	A																
112	Kwazulu-Natal Property Development Holdings	KZN	PE	🟩				🟦	🟦													
113	KwaZulu-Natal Sharks Board	KZN	PE	🟩		A				🟦	🟦						🟨					
114	KZN Film Company	KZN	PE	🟩		A					🟦											
115	KZN Growth Fund Trust	KZN	PE	🟩																		
116	KZN Liquor Authority	KZN	PE	🟩		A																
117	KZN Tourism Authority	KZN	PE	🟩						🟦												
118	Moses Kotane Institute	KZN	PE	🟩		A						🟦										
119	Trade and Investment	KZN	PE	🟩													🟨					
120	Cooperative Governance and Traditional Affairs	MP	DP	🟩							🟦	🟦		🟦			🟨					
121	Economic Development and Tourism	MP	DP	🟩		A						🟦			🟨							
122	Provincial Treasury	MP	DP	🟩								🟦										
123	Social Development	MP	DP	🟩		A						🟦			🟨							
124	Mpumalanga Gambling Board	MP	PE	🟩																		
125	Legislature	NC	DP	🟩		A			🟦						🟨							
126	Office of the Premier	NC	DP	🟩		A						🟦	🟦		🟨							
127	Provincial Treasury	NC	DP	🟩		A						🟦										
128	Social Development	NC	DP	🟩								🟦	🟦									
129	Northern Cape Gambling Board	NC	PE	🟩		A			🟦													
130	Northern Cape Tourism Authority	NC	PE	🟩					🟦													
131	Economic and Enterprise Development	NW	DP	🟩		A			🟦			🟦			🟨							
132	Provincial Treasury	NW	DP	🟩					🟦			🟦			🟨							
133	North West Agricultural Bank	NW	PE	🟩		A																
134	Agriculture	WC	DP	🟩					🟦	🟦		🟦										
135	Community Safety	WC	DP	🟩								🟦										
136	Cultural Affairs and Sport	WC	DP	🟩					🟦			🟦										
137	Economic Development and Tourism	WC	DP	🟩								🟦										
138	Education	WC	DP	🟩								🟦					🟨					
139	Environmental Affairs and Development Planning	WC	DP	🟩								🟦										
140	Human Settlements	WC	DP	🟩					🟦	🟦	🟦				🟨	🟨						

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
141	Local Government	WC	DP	🟩								🟦										
142	Office of the Premier	WC	DP	🟩								🟦			🟨							
143	Provincial Parliament	WC	DP	🟩						🟦		🟦										
144	Provincial Treasury	WC	DP	🟩								🟦										
145	Social Development	WC	DP	🟩							🟦	🟦			🟨							
146	Transport and Public Works	WC	DP	🟩					🟦	🟦		🟦										
147	Gambling and Racing Board	WC	PE	🟩							🟦											
148	Government Motor Transport	WC	PE	🟩																		
149	Saldanha Bay IDZ Licencing Company	WC	PE	🟩																		
150	Western Cape Cultural Commission	WC	PE	🟩							🟦											
151	Western Cape Language Committee	WC	PE	🟩																		
152	Western Cape Tourism, Trade and Investment Promotion Agency	WC	PE	🟩		A																
Financially unqualified with findings																						
153	Agriculture, Forestry and Fisheries	Nat	DP	🟨	R	R			🟦	🟦		🟦								🟦		
154	Arts and Culture	Nat	DP	🟨	R	R						🟦			🟥					🟦		🟦
155	Basic Education	Nat	DP	🟨	R	R			🟦			🟦			🟥	🟥				🟦		🟦
156	Correctional Services	Nat	DP	🟨	R	R					🟦	🟦	🟦		🟥		🟥		🟥		🟦	🟦
157	Defence	Nat	DP	🟨		R				🟦			🟦		🟨	🟥					🟦	🟦
158	Economic Development	Nat	DP	🟨	N	R									🟨						🟦	
159	Health	Nat	DP	🟨	R	R						🟦			🟨					🟦		
160	Higher Education and Training	Nat	DP	🟨	R	R					🟦	🟦	🟦		🟥					🟦		🟦
161	Human Settlements	Nat	DP	🟨	A	R						🟦								🟦	🟦	🟦
162	Independent Police Investigative Directorate	Nat	DP	🟨		R					🟦		🟦								🟦	🟦
163	Justice and Constitutional Development	Nat	DP	🟨		R					🟦	🟦	🟦		🟥					🟦	🟦	🟦
164	Labour	Nat	DP	🟨	R	R			🟦		🟦	🟦								🟦		🟦
165	Mineral Resources	Nat	DP	🟨		R			🟦	🟦		🟦									🟦	
166	National School of Government	Nat	DP	🟨	N	R						🟦			🟨							🟦

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🟪 Adverse with findings	🟥 Disclaimed with findings

Legend (findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	🟨 With findings	🟥 With material findings

DP - department PE - public entity

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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167	National Treasury	Nat	DP	🟨	R	N			🟦		🟦				🟨					🟦	🟦	
168	Office of the Chief Justice	Nat	DP	🟨	N	N						🟦								🟦	🟦	
169	Police	Nat	DP	🟨	R	R						🟦	🟦		🟨		🟨		🟨			🟦
170	Public Enterprises	Nat	DP	🟨		R									🟨		🟨				🟦	
171	Public Service Commission	Nat	DP	🟨		N					🟦	🟦			🟨					🟦		
172	Public Works	Nat	DP	🟨	R	R			🟦	🟦			🟦		🟨			🟨			🟦	
173	Rural Development and Land Reform	Nat	DP	🟨		R			🟦	🟦		🟦			🟨	🟨				🟦		
174	Science and Technology	Nat	DP	🟨		N			🟦			🟦			🟨	🟨				🟦		
175	Small Business Development	Nat	DP	🟨	N	N					🟦	🟦			🟥						🟦	
176	Telecommunications and Postal Services	Nat	DP	🟨		R									🟥						🟦	
177	The Presidency	Nat	DP	🟨	N	N					🟦	🟦			🟥	🟨		🟨		🟦		
178	Trade and Industry	Nat	DP	🟨	N	N					🟦	🟦			🟨					🟦	🟦	🟦
179	Traditional Affairs	Nat	DP	🟨		R					🟦	🟦			🟨					🟦		
180	Water and Sanitation	Nat	DP	🟨	R	R						🟦			🟥					🟦		
181	Women	Nat	DP	🟨	R	R					🟦	🟦	🟦	🟦	🟥					🟦		🟦
182	African Renaissance and International Co-operation Fund	Nat	PE	🟨		R														🟦		
183	Agricultural Research Council	Nat	PE	🟨		R			🟦		🟦				🟨	🟨				🟦		
184	Agriculture Seta (AGRISETA)	Nat	PE	🟨	R	A														🟦	🟦	
185	Boxing SA	Nat	PE	🟨	R	R		🟦	🟦						🟥	🟨				🟦	🟦	
186	CEF	Nat	PE	🟨		R		🟦			🟦				🟨					🟦	🟦	
187	Commission for Conciliation, Mediation and Arbitration	Nat	PE	🟨	N	R					🟦				🟥					🟦		
188	Commission for the Promotion and Protection of the Rights of Cultural Religious	Nat	PE	🟨		R					🟦	🟦			🟨					🟦		
189	Community Schemes Ombuds Service	Nat	PE	🟨	N	R	🟦				🟦				🟥					🟦	🟦	
190	Companies and Intellectual Property Commission	Nat	PE	🟨	A	N				🟦					🟨					🟦		
191	Competition Commission	Nat	PE	🟨		N		🟦									🟨				🟦	
192	Competition Tribunal	Nat	PE	🟨		R									🟥					🟦		
193	Construction Industry Development Board	Nat	PE	🟨		R				🟦						🟨					🟦	
194	Co-operative Banks Development Agency	Nat	PE	🟨	N	R		🟦			🟦				🟨					🟦	🟦	
195	Council for Geoscience	Nat	PE	🟨		R									🟨						🟦	
196	Council for the Built Environment	Nat	PE	🟨	N	R					🟦				🟨					🟦	🟦	

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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197	Council on Higher Education	Nat	PE	🟨	N	N					🟦				🟨						🟦	
198	Die Afrikaanse Taalmuseum: Paarl	Nat	PE	🟨		N									🟨						🟦	
199	Driving License Card Trading Account	Nat	PE	🟨		R									🟥					🟦	🟦	
200	Education, Training and Development Practices SETA (ETDP)	Nat	PE	🟨		N																🟦
201	Electoral Commission	Nat	PE	🟨	R	R									🟥		🟨			🟦		
202	Energy and Water Seta (EWSETA)	Nat	PE	🟨	R	R		🟦			🟦									🟦	🟦	🟦
203	Equalisation Fund	Nat	PE	🟨		R		🟦	🟦											🟦	🟦	
204	Esayidi TVET College	Nat	PE	🟨		R		🟦		🟦	🟦									🟦		
205	Film and Publication Board	Nat	PE	🟨		R														🟦		
206	Financial Intelligence Centre	Nat	PE	🟨	N	R					🟦				🟨					🟦	🟦	
207	Food and Beverages Manufacturing Industry (FOODBEV)	Nat	PE	🟨	N	R															🟦	
208	Government Pensions Administration Agency	Nat	PE	🟨		R									🟥					🟦	🟦	
209	Government Printing Works	Nat	PE	🟨		N									🟥					🟦		🟦
210	International Trade Administration Commission	Nat	PE	🟨	N	R				🟦	🟦									🟦		
211	Land and Agricultural Bank of SA	Nat	PE	🟨		N		🟦	🟦						🟥	🟨					🟦	
212	Local Government Seta (LGSETA)	Nat	PE	🟨	R	A		🟦												🟦		🟦
213	Maluti TVET College	Nat	PE	🟨		R				🟦										🟦		
214	Manufacturing and Enginering Seta (MERSETA)	Nat	PE	🟨		R									🟥					🟦		
215	Marine Living Resources Fund	Nat	PE	🟨		N				🟦	🟦				🟥	🟨	🟨				🟦	
216	Market Theatre Foundation	Nat	PE	🟨		R				🟦		🟦			🟨	🟨				🟦		
217	Media Development and Diversity Agency	Nat	PE	🟨		R		🟦							🟥	🟨					🟦	
218	Mine Health and Safety Council	Nat	PE	🟨		R				🟦	🟦				🟨					🟦	🟦	
219	Mnambithi TVET College	Nat	PE	🟨		R				🟦										🟦		
220	Mthashana TVET College	Nat	PE	🟨		R				🟦	🟦									🟦		
221	Municipal Demarcation Board	Nat	PE	🟨	N	R					🟦	🟦			🟨						🟦	
222	National Consumer Commission	Nat	PE	🟨	A	R					🟦				🟨					🟦	🟦	🟦
223	National Development Agency	Nat	PE	🟨		R				🟦	🟦				🟥	🟨	🟨					🟦

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings

DP - department **PE - public entity**

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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224	National Electronic Media Institute of SA	Nat	PE	🟨	N	R			🟦	🟦					🟨					🟦	🟦	
225	National Heritage Council	Nat	PE	🟨	R	A						🟦			🟨						🟦	
226	National Home Builders Registration Council	Nat	PE	🟨	R	R		🟦		🟦					🟥				🟥	🟦		
227	National School of Government Trading Entity	Nat	PE	🟨	N	R				🟦	🟦				🟥							🟦
228	National Skills Fund	Nat	PE	🟨	A	R					🟦										🟦	
229	National Student Financial Aid Scheme	Nat	PE	🟨	R	R		🟦	🟦						🟨	🟨						🟦
230	Northern Cape Urban TVET College	Nat	PE	🟨		R				🟦	🟦										🟦	
231	Office of the Health Standard Compliance	Nat	PE	🟨		N									🟥					🟦		
232	Pension Funds Adjudicator	Nat	PE	🟨		R					🟦				🟥					🟦		
233	Private Security Industry Regulatory Authority	Nat	PE	🟨	R	R				🟦		🟦			🟨					🟦	🟦	🟦
234	Public Investment Corporation Limited	Nat	PE	🟨		R				🟦										🟦		
235	Quality Council for Trades and Occupations	Nat	PE	🟨		N					🟦	🟦			🟥					🟦		
236	Railway Safety Regulator	Nat	PE	🟨	N	R					🟦				🟨		🟨		🟨		🟦	
237	Reg Of Deeds Trading Account	Nat	PE	🟨		R		🟦												🟦		
238	Road Accident Fund	Nat	PE	🟨		N	🟦	🟦			🟦	🟦								🟦		
239	Road Traffic Infringement Agency	Nat	PE	🟨	N	R		🟦		🟦											🟦	
240	SA Institute for Drug Free Sport	Nat	PE	🟨		R			🟦		🟦	🟦			🟥					🟦		
241	SA Library for the Blind	Nat	PE	🟨		R									🟥							🟦
242	SA Maritime Safety Authority	Nat	PE	🟨	R	R	🟦	🟦			🟦	🟦			🟥					🟦	🟦	🟦
243	Safety and Security Seta	Nat	PE	🟨	R	R									🟥					🟦	🟦	
244	South Africa Heritage Resources Agency	Nat	PE	🟨		R				🟦	🟦				🟥						🟦	
245	South African Forestry Company	Nat	PE	🟨		R				🟦	🟦				🟨	🟨				🟦	🟦	
246	South African National Biodiversity Institute	Nat	PE	🟨		R														🟦		
247	South African National Energy Development Institute	Nat	PE	🟨	R	R			🟦	🟦	🟦				🟥		🟨			🟦		🟦
248	South African National Roads Agency	Nat	PE	🟨	N	R	🟦		🟦		🟦	🟦			🟥		🟥			🟦		
249	South African Qualifications Authority	Nat	PE	🟨		R		🟦			🟦				🟥					🟦		
250	South African Social Security Agency	Nat	PE	🟨		R			🟦	🟦	🟦				🟨		🟨		🟨	🟦		
251	South Cape TVET College	Nat	PE	🟨		N			🟦	🟦										🟦		
252	Special Investigating Unit	Nat	PE	🟨		R			🟦	🟦					🟨						🟦	
253	State Diamond Trader	Nat	PE	🟨		N					🟦				🟥					🟦		
254	State Information Technology Agency	Nat	PE	🟨		R					🟦				🟨	🟨			🟨	🟦	🟦	

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255	The Independent Communication Authority SA	Nat	PE	🟨	R	R				🟦										🟦		
256	The Public Protector of South Africa	Nat	PE	🟨		R		🟦				🟦			🟨	🟨				🟦	🟦	🟦
257	Transport Seta (TETA)	Nat	PE	🟨	R										🟨					🟦		
258	Unemployment Insurance Fund	Nat	PE	🟨	R	N				🟦					🟥					🟦		
259	Universal Service Agency (USAASA)	Nat	PE	🟨	N	R		🟦							🟨						🟦	🟦
260	Universal Service Fund (USAAF)	Nat	PE	🟨		R		🟦							🟥	🟥					🟦	
261	Water Research Commission	Nat	PE	🟨		R									🟨					🟦		
262	Windybrow Theatre	Nat	PE	🟨		R						🟦									🟦	
263	CoOperative Governance and Traditional Affairs	EC	DP	🟨		R						🟦	🟦							🟦		
264	Department of Sport, Recreation, Arts and Culture	EC	DP	🟨	R	R						🟦			🟥	🟨				🟦		
265	Economic Development, Environmental Affairs and Tourism	EC	DP	🟨	N	R			🟦			🟦			🟥		🟨			🟦		🟦
266	Health	EC	DP	🟨	R	R			🟦	🟦		🟦		🟦	🟨		🟥		🟥	🟦		🟦
267	Human Settlements	EC	DP	🟨		R	🟦		🟦							🟨				🟦		
268	Legislature	EC	DP	🟨		N					🟦	🟦			🟥	🟨				🟦		
269	Office of the Premier	EC	DP	🟨		R					🟦	🟦			🟨					🟦		
270	Roads and Public Works	EC	DP	🟨	R	R			🟦	🟦	🟦	🟦			🟥	🟨	🟥	🟨		🟦	🟦	
271	Rural Development and Agrarian Reform	EC	DP	🟨		R					🟦	🟦			🟨	🟨	🟨			🟦		🟦
272	Social Development	EC	DP	🟨	R	R					🟦	🟦			🟨	🟨	🟨		🟥	🟦		🟦
273	Transport	EC	DP	🟨	R	R				🟦	🟦	🟦			🟨	🟨				🟦		
274	COEGA Development Corporation	EC	PE	🟨	A	R	🟦	🟦		🟦					🟨					🟦	🟦	
275	Eastern Cape Development Corporation	EC	PE	🟨		R		🟦		🟦	🟦				🟨					🟦		
276	Eastern Cape Government Fleet Management Services	EC	PE	🟨	N	A			🟦											🟦		
277	Eastern Cape Liquor Board	EC	PE	🟨		R						🟦			🟥							🟦
278	Mayibuye Transport Corporation	EC	PE	🟨		R	🟦				🟦				🟥					🟦		🟦
279	Cooperative Governance and Traditional Affairs	FS	DP	🟨		R		🟦			🟦	🟦		🟦						🟦		
280	Office of the Premier	FS	DP	🟨		N	🟦				🟦	🟦		🟦	🟥	🟨				🟦		🟦
281	Police, Roads and Transport	FS	DP	🟨	R	R			🟦	🟦		🟦			🟥					🟦	🟦	

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Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings

DP - department PE - public entity

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282	Public Works and Infrastructure	FS	DP	🟨		N	🟦			🟦	🟦	🟦		🟦	🟥						🟦	
283	Social Development	FS	DP	🟨	A	R					🟦	🟦			🟨					🟦		
284	Free State Development Corporation	FS	PE	🟨	N	R		🟦	🟦	🟦					🟥					🟦		🟦
285	Free State Gambling and Liquor Authority	FS	PE	🟨	R	R					🟦				🟨		🟨			🟦		🟦
286	Free State Tourism Authority	FS	PE	🟨		R	🟦			🟦		🟦			🟥					🟦	🟦	
287	Agriculture and Rural Development	GP	DP	🟨		R						🟦			🟥					🟦		
288	Community Safety	GP	DP	🟨		R			🟦	🟦		🟦			🟨					🟦		🟦
289	Education	GP	DP	🟨		R				🟦	🟦	🟦			🟥	🟨	🟨	🟨	🟨	🟦	🟦	
290	Health	GP	DP	🟨	R	R			🟦	🟦	🟦	🟦	🟦	🟦	🟥		🟨	🟨	🟨	🟦	🟦	🟦
291	Human Settlements	GP	DP	🟨	R	R					🟦				🟨	🟨				🟦	🟦	
292	Infrastructure Development	GP	DP	🟨	A	R		🟦	🟦	🟦	🟦	🟦		🟦	🟨				🟨	🟦		
293	Roads and Transport	GP	DP	🟨	R	R						🟦			🟨					🟦	🟦	
294	Sport, Arts, Culture and Recreation	GP	DP	🟨		R						🟦			🟥					🟦	🟦	
295	G- Fleet	GP	PE	🟨	R	R		🟦	🟦	🟦					🟨			🟥				🟦
296	Gauteng Enterprise Propeller	GP	PE	🟨	A	R				🟦										🟦		
297	Gauteng Housing Fund	GP	PE	🟨		R			🟦	🟦	🟦	🟦	🟦							🟦		
298	Gauteng Liquor Board	GP	PE	🟨		R				🟦	🟦	🟦								🟦	🟦	
299	Greater Newtown Development Agency	GP	PE	🟨		N															🟦	
300	Medical Supplies Depot	GP	PE	🟨	A	R									🟥					🟦	🟦	🟦
301	Agriculture and Rural Development	KZN	DP	🟨		R			🟦			🟦			🟨					🟦	🟦	
302	Arts and Culture	KZN	DP	🟨	R	R						🟦			🟨					🟦	🟦	
303	Community Safety and Liaison	KZN	DP	🟨	A	R					🟦	🟦	🟦		🟨					🟦	🟦	
304	Co-operative Governance and Traditional Affairs	KZN	DP	🟨	N	N						🟦										🟦
305	Economic Development, Environmental Affairs and Tourism	KZN	DP	🟨		R						🟦	🟦							🟦		
306	Education	KZN	DP	🟨	R	R			🟦			🟦	🟦	🟦	🟨		🟥	🟥	🟥		🟦	🟦
307	Legislature	KZN	DP	🟨		N				🟦					🟥					🟦		
308	Office of the Premier	KZN	DP	🟨		R						🟦			🟨						🟦	
309	Public Works - KZN	KZN	DP	🟨		R			🟦	🟦		🟦	🟦	🟦	🟥					🟦		🟦
310	Social Development	KZN	DP	🟨		R			🟦			🟦			🟨					🟦	🟦	
311	Sport and Recreation	KZN	DP	🟨		R						🟦	🟦							🟦	🟦	
312	Agri-Business Development Agency	KZN	PE	🟨	R	R									🟨					🟦	🟦	

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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313	Housing Fund	KZN	PE	🟨		R			🟦	🟦	🟦									🟦		
314	KZN Nature Conservation Board	KZN	PE	🟨		R				🟦					🟥		🟨			🟦	🟦	
315	Provincial Pharmaceutical Supply Depot	KZN	PE	🟨	R	R					🟦				🟨					🟦		🟦
316	The KwaZulu-Natal Royal Household Trust	KZN	PE	🟨	R	R									🟥					🟦		
317	Traditional Levies and Trust Account	KZN	PE	🟨		R		🟦												🟦	🟦	
318	Agriculture	LP	DP	🟨		R			🟦						🟥					🟦	🟦	🟦
319	Cooperative Governance, Human Settlements and Traditional Affairs	LP	DP	🟨	A	R			🟦			🟦							🟥		🟦	
320	Legislature	LP	DP	🟨	A	N			🟦	🟦		🟦			🟥			🟥		🟦	🟦	🟦
321	Office of the Premier	LP	DP	🟨		N					🟦	🟦			🟨					🟦		
322	Provincial Treasury	LP	DP	🟨		R						🟦			🟥					🟦	🟦	
323	Safety, Security and Liaison	LP	DP	🟨		R														🟦	🟦	
324	Social Development	LP	DP	🟨	A	R					🟦		🟦		🟨					🟦	🟦	🟦
325	Transport	LP	DP	🟨	R	R			🟦	🟦		🟦			🟨					🟦	🟦	🟦
326	Corridor Mining Resource	LP	PE	🟨	A	R		🟦			🟦	🟦			🟥					🟦	🟦	🟦
327	Great North Transport	LP	PE	🟨		R		🟦		🟦	🟦				🟥					🟦	🟦	🟦
328	Limpopo Economic Development Agency	LP	PE	🟨	A	R			🟦	🟦					🟨	🟨		🟨		🟦	🟦	🟦
329	Limpopo Gambling Board	LP	PE	🟨		R														🟦	🟦	
330	Mununzwu Estate	LP	PE	🟨	A	R	🟦			🟦	🟦										🟦	🟦
331	Risima Housing Finance Corporation	LP	PE	🟨	A	R			🟦												🟦	
332	Venteco	LP	PE	🟨	A	R				🟦	🟦										🟦	
333	Agriculture, Rural Development, Land And Environmental Affairs	MP	DP	🟨	A	R					🟦	🟦	🟦		🟥		🟨			🟦	🟦	
334	Human Settlements	MP	DP	🟨	R	R						🟦			🟥					🟦	🟦	
335	Legislature	MP	DP	🟨		N			🟦						🟥	🟨		🟥			🟦	
336	Office of the Premier	MP	DP	🟨		R						🟦			🟥					🟦	🟦	
337	Public Works, Roads and Transport	MP	DP	🟨	R	R						🟦	🟦		🟥		🟨			🟦	🟦	🟦
338	Mpumalanga Regional Training Trust	MP	PE	🟨		R		🟦		🟦										🟦	🟦	
339	Agriculture, Land Reform and Rural Development	NC	DP	🟨	R	R						🟦			🟥					🟦	🟦	

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings
	🟩	🟨	🟪	🟪	🟥

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings
	🟨	🟥

DP - department PE - public entity

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340	Co-Operative Governance, Human Settlements and Traditional Affairs	NC	DP	🟨	R	R							🟦	🟦	🟥	🟨		🟨		🟦		🟦
341	Economic Development and Tourism	NC	DP	🟨		R			🟦		🟦	🟦			🟥							🟦
342	Education	NC	DP	🟨	R	R						🟦	🟦		🟥	🟨			🟨	🟦		🟦
343	Environment and Nature Conservation	NC	DP	🟨		N			🟦		🟦	🟦			🟨					🟦		
344	Roads and Public Works	NC	DP	🟨	A	R			🟦		🟦	🟦		🟦	🟥	🟨				🟦	🟦	🟦
345	Sport, Arts and Culture	NC	DP	🟨	N	R						🟦			🟥					🟦	🟦	🟦
346	Transport, Safety and Liaison	NC	DP	🟨	R	R			🟦			🟦		🟦	🟥					🟦		🟦
347	Northern Cape Fleet Management Trading Entity	NC	PE	🟨	R	R		🟦	🟦		🟦				🟥					🟦	🟦	
348	Northern Cape Liquor Board	NC	PE	🟨		R	🟦				🟦	🟦								🟦		
349	Culture, Arts and Traditional Affairs	NW	DP	🟨	R	R									🟨	🟨					🟦	🟦
350	Education and Sports Development	NW	DP	🟨	R	R						🟦			🟥	🟨	🟥	🟨		🟦		🟦
351	Legislature	NW	DP	🟨		R			🟦	🟦	🟦	🟦			🟥					🟦	🟦	
352	Rural, Environment and Agricultural Development	NW	DP	🟨	R	R				🟦	🟦	🟦	🟦		🟥					🟦		
353	Social Development	NW	DP	🟨		R						🟦			🟥				🟨	🟦	🟦	🟦
354	Tourism	NW	DP	🟨	R	R						🟦			🟥					🟦	🟦	
355	Atteridgeville Bus Services	NW	PE	🟨	R	R					🟦	🟦			🟨		🟨			🟦	🟦	🟦
356	Kgama Wildlife Operations	NW	PE	🟨		R														🟦		
357	North West Directorate of Entrepreneurial Development in Natural Resources	NW	PE	🟨		R									🟥					🟦		🟦
358	North West Gambling Board	NW	PE	🟨		R			🟦											🟦		
359	North West Provincial Aids Council	NW	PE	🟨	R	R	🟦								🟥						🟦	🟦
360	North West Provincial Arts and Cultural Council	NW	PE	🟨	A	R				🟦	🟦	🟦			🟥					🟦	🟦	🟦
361	North West Star	NW	PE	🟨	R	R					🟦	🟦			🟨					🟦	🟦	🟦
362	Health	WC	DP	🟨	R	A			🟦	🟦		🟦			🟨		🟨		🟨	🟦		
363	Heritage Western Cape	WC	PE	🟨		N															🟦	
364	Western Cape Housing Development Fund	WC	PE	🟨		R			🟦	🟦	🟦									🟦		
365	Western Cape Liquor Authority	WC	PE	🟨		N						🟦			🟥						🟦	
366	Western Cape Nature Conservation Board	WC	PE	🟨	N					🟦					🟨				🟨		🟦	
Qualified with findings																						
367	Civilian Secretariat for Police	Nat	DP	🟪	R	R					🟦	🟦	🟦	🟦	🟥						🟦	🟦
368	International Relations and Co-operation	Nat	DP	🟪		R						🟦			🟥					🟦		🟦
369	Military Veterans	Nat	DP	🟪	R	R						🟦			🟥	🟨		🟨		🟦	🟦	

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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370	Central JHB TVET College	Nat	PE	🟪		A			🟦	🟦	🟦									🟦		
371	Coastal TVET College	Nat	PE	🟪		N				🟦	🟦									🟦	🟦	
372	Iziko Museums of South Africa	Nat	PE	🟪		R									🟨					🟦		
373	KwaZulu-Natal Museum: Pietermaritzburg	Nat	PE	🟪		R			🟦											🟦		
374	Lovedale TVET College	Nat	PE	🟪		R				🟦	🟦									🟦	🟦	
375	Mining Qualifications Authority	Nat	PE	🟪	N	R		🟦			🟦				🟥					🟦		🟦
376	Msunduzi / Voortrekker Museum: Pietermaritzburg	Nat	PE	🟪	A	R					🟦				🟥					🟦	🟦	
377	National Economic Development and Labour Council	Nat	PE	🟪		R				🟦	🟦				🟨					🟦	🟦	🟦
378	National Library of South Africa	Nat	PE	🟪	R	R									🟥							🟦
379	National Museum: Bloemfontein	Nat	PE	🟪		N			🟦											🟦		
380	National Regulator for Compulsory Specifications	Nat	PE	🟪	A	R		🟦		🟦										🟦		
381	Nelson Mandela Museum: Mthatha	Nat	PE	🟪		R			🟦	🟦					🟥	🟨				🟦		🟦
382	Northlink TVET College	Nat	PE	🟪		R		🟦		🟦	🟦	🟦								🟦		
383	Pan SA Language Board	Nat	PE	🟪	R	R			🟦	🟦					🟥	🟥		🟨			🟦	🟦
384	Performing Arts Centre of the Free State	Nat	PE	🟪	R	R	🟦	🟦	🟦		🟦				🟥			🟨		🟦	🟦	
385	Port Elizabeth TVET College	Nat	PE	🟪		R				🟦	🟦										🟦	
386	Public Service Seta (PSETA)	Nat	PE	🟪	R	R		🟦							🟨	🟨						🟦
387	Sheltered Employment Factories	Nat	PE	🟪	A	R			🟦	🟦					🟥					🟦	🟦	
388	South African Broadcasting Corporation	Nat	PE	🟪	R	R		🟦			🟦				🟥	🟨		🟥			🟦	🟦
389	Special Defence Account	Nat	PE	🟪																		
390	The National English Literary Museum: Grahamstown	Nat	PE	🟪		R				🟦	🟦				🟨					🟦		🟦
391	Third Party Fund (former MIT)	Nat	PE	🟪																		🟦
392	War Museum of the Boer Republics	Nat	PE	🟪		N					🟦	🟦								🟦		
393	Water Trading Entity	Nat	PE	🟪	A	R		🟦	🟦	🟦					🟨	🟨				🟦		
394	West Coast TVET College	Nat	PE	🟪		N	🟦			🟦										🟦		
395	Wholesale and Retail Seta (W&R SETA)	Nat	PE	🟪	N	R									🟨	🟨					🟦	
396	William Humphreys Art Gallery: Kimberley	Nat	PE	🟪		R		🟦	🟦						🟥					🟦		

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings

DP - department **PE - public entity**

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
				Audit opinion	Predetermined objectives	Compliance with legislation	Going concern uncertainty	Creditor-payment period of more than 90 days	Debtor-collection period of more than 90 days	More than 10% of debt irrecoverable	Expenditure exceeded revenue	A net current liability position was realised	The year-end bank balance was in overdraft	More than 10% of next year's budget (excluding "compensation of employees") will fund current year cash shortfall	Uncompetitive or unfair procurement process	Inadequate contract management	Awards to close family members	Limitations of scope	Awards to employees	Slow response in improving key controls and addressing risk areas	Instability or vacancies in key positions or key officials lacking competencies	Inadequate consequences for poor performance and transgressions
397	Education	EC	DP	🟪	R	R						🟦			🟥	🟥	🟥	🟨	🟥	🟦	🟦	🟦
398	Economic Development, Tourism and Environmental Affairs	FS	DP	🟪	A	R			🟦	🟦					🟥		🟥	🟥		🟦	🟦	🟦
399	Education	FS	DP	🟪	R	R	🟦		🟦			🟦	🟦	🟦	🟥	🟨	🟨		🟨	🟦		🟦
400	Health	FS	DP	🟪	R	R	🟦		🟦	🟦	🟦	🟦			🟥		🟨	🟨	🟨	🟦	🟦	🟦
401	Human Settlements	FS	DP	🟪	R	R	🟦		🟦					🟦	🟨			🟥		🟦		🟦
402	Provincial Treasury	FS	DP	🟪		N						🟦			🟥					🟦	🟦	
403	Sport, Arts, Culture and Recreation	FS	DP	🟪		N	🟦				🟦	🟦		🟦	🟥	🟨				🟦		
404	Central Medical Trading Account	FS	PE	🟪		R									🟨					🟦		🟦
405	Health	KZN	DP	🟪	R	R			🟦	🟦	🟦	🟦	🟦		🟥	🟨	🟥	🟨		🟦		🟦
406	Human Settlements	KZN	DP	🟪		R					🟦		🟦	🟦				🟥		🟦		🟦
407	Transport	KZN	DP	🟪	R	R				🟦			🟦		🟥	🟨	🟨		🟨	🟦		🟦
408	Mjindi Farming	KZN	PE	🟪		R			🟦	🟦	🟦				🟥					🟦	🟦	
409	Economic Development, Environment and Tourism	LP	DP	🟪	R	R						🟦	🟦		🟥		🟨			🟦	🟦	🟦
410	Health	LP	DP	🟪	R	R				🟦	🟦	🟦	🟦	🟦	🟥	🟥	🟥			🟦	🟦	🟦
411	Public Works, Roads and Infrastructure	LP	DP	🟪	R	R			🟦	🟦		🟦			🟥	🟨	🟨			🟦	🟦	🟦
412	Sport, Arts and Culture	LP	DP	🟪	N	R						🟦			🟥					🟦	🟦	🟦
413	Gateway Airports Authority Limited	LP	PE	🟪	R	R				🟦	🟦				🟥						🟦	🟦
414	Limpopo Tourism Agency	LP	PE	🟪	R	R		🟦		🟦		🟦			🟥	🟨	🟥	🟥		🟦	🟦	🟦
415	Roads Agency Limpopo	LP	PE	🟪		R		🟦	🟦	🟦	🟦	🟦			🟥	🟨				🟦		🟦
416	Community Safety, Security and Liaison	MP	DP	🟪	A	R			🟦	🟦		🟦			🟥					🟦	🟦	
417	Culture, Sport and Recreation	MP	DP	🟪		R						🟦			🟨					🟦	🟦	
418	Education	MP	DP	🟪	N	R						🟦		🟦	🟥	🟨				🟦		🟦
419	Health	MP	DP	🟪	R	R			🟦			🟦			🟥	🟥	🟥		🟥	🟦	🟦	🟦
420	Mpumalanga Tourism and Parks Agency	MP	PE	🟪	R	R			🟦	🟦	🟦	🟦			🟨	🟨				🟦	🟦	
421	Health	NC	DP	🟪	R	R			🟦	🟦		🟦	🟦	🟦	🟥		🟥		🟥	🟦		🟦
422	Kalahari Kid Corporation	NC	PE	🟪	N	R	🟦								🟥					🟦		🟦
423	McGregor Museum	NC	PE	🟪	R	R				🟦					🟥	🟨				🟦	🟦	
424	Community Safety and Transport Management	NW	DP	🟪	R	R			🟦	🟦		🟦			🟨		🟥	🟥	🟥	🟦		🟦

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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425	Health	NW	DP	🟪	R	R				🟦		🟦	🟦	🟦	🟥	🟥	🟥	🟥	🟥	🟦	🟦	🟦
426	Local Government and Human Settlements	NW	DP	🟪	R	R			🟦		🟦	🟦			🟨	🟨					🟦	🟦
427	Office of the Premier	NW	DP	🟪		R						🟦	🟦	🟦	🟥					🟦	🟦	🟦
428	Public Works and Roads	NW	DP	🟪	R	R			🟦			🟦	🟦		🟥	🟨	🟥	🟥		🟦	🟦	🟦
429	North West Parks Board	NW	PE	🟪	R	R		🟦		🟦					🟥		🟥			🟦		🟦
430	North West Tourism Board	NW	PE	🟪	N	N		🟦	🟦	🟦		🟦			🟥		🟥			🟦	🟦	
431	North West Transport Investments	NW	PE	🟪	R	R		🟦	🟦	🟦	🟦									🟦	🟦	🟦
432	North West Youth Development Trust	NW	PE	🟪	R	R	🟦			🟦	🟦									🟦		
Adverse with findings																						
433	Ditsong: Museums of South Africa	Nat	PE	🩷	R	R	🟦			🟦					🟥	🟥		🟨			🟦	🟦
434	Lephalale TVET College	Nat	PE	🩷		R				🟦	🟦									🟦		
435	Agriculture and Rural Development	FS	DP	🩷	A	R	🟦		🟦			🟦			🟥	🟨				🟦		🟦
Disclaimed with findings																						
436	Compensation Fund	Nat	PE	🟥	R	R		🟦			🟦				🟥			🟨		🟦	🟦	
437	Goldfields TVET College	Nat	PE	🟥		R	🟦			🟦	🟦	🟦								🟦	🟦	
438	Ikhala TVET College	Nat	PE	🟥		R			🟦	🟦										🟦	🟦	
439	Ingwe TVET College	Nat	PE	🟥		R			🟦	🟦	🟦									🟦	🟦	
440	King Hintsa TVET College	Nat	PE	🟥		R				🟦										🟦		
441	King Sabatha Dalindyebo TVET College	Nat	PE	🟥		R			🟦											🟦	🟦	🟦
442	Letaba TVET College	Nat	PE	🟥		R			🟦	🟦	🟦									🟦	🟦	🟦
443	Sekhukhune TVET College	Nat	PE	🟥		R				🟦										🟦	🟦	
444	State Theatre	Nat	PE	🟥	N	R				🟦	🟦				🟨	🟨				🟦	🟦	🟦
445	Taletso TVET College	Nat	PE	🟥		R		🟦	🟦	🟦											🟦	🟦
446	Tshwane South TVET College	Nat	PE	🟥		R			🟦	🟦										🟦	🟦	
447	Western College for TVET	Nat	PE	🟥		R			🟦	🟦											🟦	🟦

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings
	🟩	🟨	🟪	🩷	🟥

Legend (findings)	Addressed (A)	New (N)	Repeat (R)

Legend (findings - financial health indicators and root causes)	🟦

Legend (supply chain management)	With findings	With material findings
	🟨	🟥

DP - department PE - public entity

Nr.	Auditee	Portfolio	Auditee category	2015-16 audit outcomes			Financial health indicators								Supply chain management findings					Root causes		
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448	KZN Business Rehabilitation Trust Fund	KZN	PE	🟥		R														🟦		
449	Education	LP	DP	🟥	R	R						🟦			🟥		🟥	🟥	🟨	🟦	🟦	🟦
450	Mpumalanga Economic Growth Agency	MP	PE	🟥	R	R		🟦		🟦		🟦			🟥	🟨				🟦	🟦	🟦
451	Dirapeng	NW	PE	🟥	R	R	🟦	🟦	🟦		🟦	🟦			🟥			🟥		🟦	🟦	🟦
452	Golden Leopard Resorts	NW	PE	🟥		R	🟦	🟦		🟦	🟦	🟦			🟥	🟨				🟦	🟦	🟦
453	Madikwe River Lodge	NW	PE	🟥		R	🟦	🟦		🟦	🟦	🟦			🟥	🟨				🟦	🟦	🟦
454	Mmabana Arts, Culture and Sport Foundation	NW	PE	🟥	R	R		🟦		🟦	🟦	🟦			🟥					🟦	🟦	🟦
455	North West Development Corporation	NW	PE	🟥	R	R	🟦		🟦	🟦		🟦			🟥					🟦	🟦	🟦
456	North West Housing Corporation	NW	PE	🟥	N	R	🟦	🟦			🟦	🟦								🟦	🟦	🟦
457	Signal Developments	NW	PE	🟥	R	R					🟦									🟦	🟦	🟦

Annexure 3: *Auditees' audit opinions over the past five years*

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
Audits conducted by the Auditor-General of South Africa								
Financially unqualified with no findings								
1	Communications	Nat	DP	🟩	🟦	🟦	🟦	🟦
2	Energy	Nat	DP	🟩	🟩	🟨	🟨	🟨
3	Government Communications and Information System	Nat	DP	🟩	🟩	🟨	🟨	🟨
4	Parliament of the Republic of South Africa	Nat	DP	🟩	🟩	🟨	🟨	🟨
5	Planning, Monitoring and Evaluation	Nat	DP	🟩	🟩	🟩	🟩	🟨
6	Public Service and Administration	Nat	DP	🟩	🟨	🟨	🟨	🟨
7	Social Development	Nat	DP	🟩	🟩	🟩	🟩	🟨
8	Sport and Recreation South Africa	Nat	DP	🟩	🟩	🟩	🟨	🟨
9	Statistics South Africa	Nat	DP	🟩	🟩	🟩	🟨	🟪
10	Tourism	Nat	DP	🟩	🟨	🟩	🟨	🟨
11	Agricultural Land Holding Account	Nat	PE	🟩	🟨	🟨	🟨	🟨
12	Armaments Corporation of South Africa	Nat	PE	🟩	🟩	🟨	🟩	🟨
13	Artscape	Nat	PE	🟩	🟩	🟩	🟩	🟨
14	Banking Sector Education and Training Authority (BANKSETA)	Nat	PE	🟩	🟩	🟩	🟩	🟩
15	Castle Control Board	Nat	PE	🟩	🟨	🟨	🟨	🟨
16	Centre for Public Service Innovation	Nat	PE	🟩	🟦	🟦	🟦	🟦
17	Chemical Industries Education and Training Authority	Nat	PE	🟩	🟩	🟨	🟨	🟩
18	Commission on Gender Equality	Nat	PE	🟩	🟨	🟨	🟨	🟨
19	Companies Tribunal	Nat	PE	🟩	🟨	🟨	🟨	🟩
20	Construction Education and Training Authority	Nat	PE	🟩	🟨	🟨	🟨	🟨
21	Council for Medical Schemes	Nat	PE	🟩	🟨	🟨	🟨	🟩
22	Council for Scientific and Industrial Research	Nat	PE	🟩	🟩	🟩	🟩	🟩
23	Cross-Border Road Transport Agency	Nat	PE	🟩	🟨	🟨	🟨	🟪
24	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	Nat	PE	🟩	🟨	🟪	🟨	🟨
25	Disaster Relief Fund	Nat	PE	🟩	🟩	🟩	🟩	🟨
26	Ekurhuleni East TVET College	Nat	PE	🟩	🟪	🟨	🟨	🟨
27	Fibre Processing Manufacturing Sector Education and Training Authority	Nat	PE	🟩	🟨	🟨	🟪	🟪
28	Finance and Accounting Services Sector Education Training Authority	Nat	PE	🟩	🟩	🟩	🟩	🟩
29	Financial and Fiscal Commission	Nat	PE	🟩	🟨	🟨	🟨	🟨
30	Financial Services Board	Nat	PE	🟩	🟨	🟨	🟩	🟩
31	Freedom Park	Nat	PE	🟩	🟩	🟩	🟩	🟩
32	Guardians Fund	Nat	PE	🟩	🟩	🟩	🟩	🟨
33	Health and Welfare Sector Education and Training Authority	Nat	PE	🟩	🟩	🟩	🟨	🟨
34	Human Sciences Research Council	Nat	PE	🟩	🟩	🟩	🟩	🟩
35	Independent Regulatory Board for Auditors	Nat	PE	🟩	🟩	🟩	🟩	🟩
36	Insurance Sector Education and Training Authority (INSETA)	Nat	PE	🟩	🟨	🟨	🟨	🟨
37	iSimangaliso Wetland Park Authority	Nat	PE	🟩	🟩	🟩	🟩	🟩
38	Legal Aid South Africa	Nat	PE	🟩	🟩	🟩	🟩	🟨
39	Luthuli Museum	Nat	PE	🟩	🟨	🟩	🟩	🟩
40	Media, Information and Communication Technologies Sector Education and Training Authority	Nat	PE	🟩	🟩	🟩	🟩	🟩
41	Medical Research Council of South Africa	Nat	PE	🟩	🟩	🟩	🟩	🟨
42	MINTEK	Nat	PE	🟩	🟩	🟨	🟩	🟩
43	National Agricultural Marketing Council	Nat	PE	🟩	🟨	🟨	🟨	🟩
44	National Arts Council of South Africa	Nat	PE	🟩	🟩	🟪	🟨	🟪
45	National Consumer Tribunal	Nat	PE	🟩	🟩	🟩	🟩	🟨
46	National Credit Regulator	Nat	PE	🟩	🟩	🟨	🟨	🟨
47	National Energy Regulator of South Africa	Nat	PE	🟩	🟩	🟩	🟨	🟨

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	Audit not finalised at legislated date	🟦 New auditee

DP - department **PE -** public entity

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
48	National Film and Video Foundation of South Africa	Nat	PE	🟩	🟩	🟩	🟩	🟨
49	National Gambling Board	Nat	PE	🟩	🟨	🟨	🟨	🟨
50	NationaL Lotteries Commission	Nat	PE	🟩	🟨	🟨	🟨	🟨
51	National Nuclear Regulator	Nat	PE	🟩	🟩	🟩	🟨	🟨
52	National Research Foundation	Nat	PE	🟩	🟩	🟩	🟩	🟩
53	National Youth Development Agency	Nat	PE	🟩	🟩	🟨	🟨	🟨
54	Office of the Ombud for Financial Service Providers	Nat	PE	🟩	🟩	🟨	🟩	🟨
55	Onderstepoort Biological Products	Nat	PE	🟩	🟨	🟨	🟨	🟨
56	Ports Regulator of South Africa	Nat	PE	🟩	🟩	🟨	🟨	🟨
57	President's Fund	Nat	PE	🟩	🟩	🟩	🟩	🟩
58	Refugee Relief Fund	Nat	PE	🟩	🟩	🟩	🟩	🟨
59	Road Traffic Management Corporation	Nat	PE	🟩	🟨	🟪	🟨	🟨
60	Robben Island Museum, Cape Town	Nat	PE	🟩	🟩	🟩	🟨	🟨
61	Services Sector Education and Training Authority (Services SETA)	Nat	PE	🟩	🟩	🟨	🟪	🟨
62	Small Enterprise Development Agency	Nat	PE	🟩	🟨	🟨	🟨	🟩
63	Social Relief Fund	Nat	PE	🟩	🟩	🟩	🟩	🟨
64	South Africa Diamond and Precious Metals Regulator	Nat	PE	🟩	🟨	🟨	🟩	🟩
65	South African Bureau of Standards	Nat	PE	🟩	🟩	🟩	🟩	🟩
66	South African Civil Aviation Authority	Nat	PE	🟩	🟩	🟩	🟩	🟨
67	South African Human Rights Commission	Nat	PE	🟩	🟨	🟨	🟪	🟨
68	South African Local Government Association	Nat	PE	🟩	🟩	🟩	🟩	🟨
69	South African National Defence Force Fund	Nat	PE	🟩	🟩	🟨	🟩	🟩
70	South African National Parks	Nat	PE	🟩	🟨	🟨	🟩	🟩
71	South African Revenue Services (Own Account)	Nat	PE	🟩	🟩	🟩	🟨	🟩
72	South African Tourism	Nat	PE	🟩	🟩	🟨	🟩	🟨
73	South African Weather Services	Nat	PE	🟩	🟩	🟨	🟨	🟩
74	State President Fund	Nat	PE	🟩	🟩	🟩	🟩	🟨
75	The Playhouse Company	Nat	PE	🟩	🟩	🟩	🟩	🟩
76	The South African International Marketing Council Trust/Brand South Africa	Nat	PE	🟩	🟨	🟨	🟨	🟨
77	Provincial Treasury	EC	DP	🟩	🟨	🟩	🟩	🟨

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
78	Safety and Liaison	EC	DP	🟩	🟩	🟨	🟨	🟨
79	East London Industrial Development Zone Corporation	EC	PE	🟩	🟨	🟨	🟪	🟨
80	Eastern Cape Gambling and Betting Board	EC	PE	🟩	🟩	🟨	🟨	🟨
81	Eastern Cape Parks and Tourism Agency	EC	PE	🟩	🟨	🟨	🟨	🟨
82	Eastern Cape Provincial Arts and Culture Council	EC	PE	🟩	🟨	🟨	🟨	🟨
83	Eastern Cape Rural Development Agency	EC	PE	🟩	🟨	🟨	🟨	🟨
84	Eastern Cape Socio Economic Consultative Council	EC	PE	🟩	🟩	🟩	🟩	🟨
85	Legislature	FS	DP	🟩	🟩	🟩	🟨	🟩
86	Free State Fleet Management Trading Entity	FS	PE	🟩	🟩	🟩	🟩	🟨
87	Cooperative Governance and Traditional Affairs	GP	DP	🟩	🟩	🟩	🟦	🟦
88	Economic Development	GP	DP	🟩	🟩	🟨	🟨	🟨
89	e-Government	GP	DP	🟩	🟩	🟨	🟨	🟨
90	Legislature	GP	DP	🟩	🟩	🟩	🟩	🟨
91	Office of the Premier	GP	DP	🟩	🟩	🟩	🟩	🟨
92	Provincial Treasury	GP	DP	🟩	🟩	🟩	🟩	🟦
93	Social Development	GP	DP	🟩	🟩	🟩	🟩	🟦
94	Constitutional Hill Development Company	GP	PE	🟩	🟩	🟩	🟨	🟨
95	Cost Recovery Trading Entity	GP	PE	🟩	🟨	🟨	🟨	🟨
96	Cradle of Humankind Trading Entity	GP	PE	🟩	🟩	🟩	🟨	🟩
97	Dinokeng World Heritage Trading Entity	GP	PE	🟩	🟩	🟩	🟨	🟩
98	Gauteng Film Commission	GP	PE	🟩	🟩	🟩	🟨	🟨
99	Gauteng Gambling Board	GP	PE	🟩	🟩	🟨	🟨	🟨
100	Gauteng Growth and Development Agency	GP	PE	🟩	🟨	🟩	🟨	🟦
101	Gauteng Infrastructure Financing Agency	GP	PE	🟩	🟨	🟩	🟩	🟨
102	Gauteng Partnership Fund	GP	PE	🟩	🟩	🟩	🟩	🟩
103	Gauteng Tourism Authority	GP	PE	🟩	🟩	🟩	🟨	🟨
104	Gautrain Management Agency	GP	PE	🟩	🟩	🟩	🟩	🟨
105	Industrial Development Zone	GP	PE	🟩	🟩	🟩	🟨	🟩
106	Supplier Park Development Company	GP	PE	🟩	🟩	🟩	🟨	🟨
107	The Innovation Hub	GP	PE	🟩	🟩	🟩	🟨	🟩
108	Provincial Treasury	KZN	DP	🟩	🟩	🟩	🟩	🟩

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
109	Amafa Akwazulu-Natali	KZN	PE	🟩	🟩	🟩	🟩	🟩
110	Dube Tradeport Company	KZN	PE	🟩	🟩	🟩	🟩	🟨
111	KwaZulu-Natal Gaming and Betting Board	KZN	PE	🟩	🟨	🟨	🟩	🟨
112	Kwazulu-Natal Property Development Holdings	KZN	PE	🟩	🟩	🟩	🟩	🟨
113	KwaZulu-Natal Sharks Board	KZN	PE	🟩	🟨	🟨	🟩	🟨
114	KwaZulu-Natal Tourism Authority	KZN	PE	🟩	🟩	🟨	🟩	🟨
115	KZN Film Company	KZN	PE	🟩	🟨	🟨	🟦	🟦
116	KZN Growth Fund Trust	KZN	PE	🟩	🟩	🟦	🟦	🟦
117	KZN Liquor Authority	KZN	PE	🟩	🟨	🟨	🟨	🟦
118	Moses Kotane Institute	KZN	PE	🟩	🟨	🟪	🟨	🟩
119	Trade and Investment KwaZulu-Natal	KZN	PE	🟩	🟩	🟨	🟩	🟨
120	Co-operative Governance and Traditional Affairs	MP	DP	🟩	🟩	🟩	🟨	🟨
121	Economic Development and Tourism	MP	DP	🟩	🟨	🟨	🟨	🟪
122	Provincial Treasury	MP	DP	🟩	🟩	🟩	🟩	🟩
123	Social Development	MP	DP	🟩	🟨	🟩	🟨	🟨
124	Mpumalanga Gambling Board	MP	PE	🟩	🟩	🟩	🟩	🟩
125	Legislature	NC	DP	🟩	🟨	🟨	🟪	🟪
126	Office of the Premier	NC	DP	🟩	🟨	🟨	🟨	🟨
127	Provincial Treasury	NC	DP	🟩	🟨	🟩	🟨	🟨
128	Social Development	NC	DP	🟩	🟩	🟩	🟩	🟨
129	Northern Cape Gambling Board	NC	PE	🟩	🟨	🟨	🟨	🟨
130	Northern Cape Tourism Authority	NC	PE	🟩	🟩	🟩	🟨	🟨
131	Economic and Enterprise Development	NW	DP	🟩	🟨	🟨	🟨	🟨
132	Provincial Treasury	NW	DP	🟩	🟩	🟩	🟨	🟨
133	Agribank	NW	PE	🟩	🟨	🟨	🟨	🟨
134	Agriculture	WC	DP	🟩	🟩	🟩	🟩	🟨
135	Community Safety	WC	DP	🟩	🟩	🟩	🟩	🟩
136	Cultural Affairs and Sport	WC	DP	🟩	🟩	🟩	🟩	🟨
137	Economic Development and Tourism	WC	DP	🟩	🟩	🟩	🟩	🟨
138	Education	WC	DP	🟩	🟩	🟨	🟨	🟪
139	Environmental Affairs and Development Planning	WC	DP	🟩	🟩	🟨	🟨	🟩
140	Human Settlements	WC	DP	🟩	🟩	🟩	🟨	🟨
141	Local Government	WC	DP	🟩	🟩	🟩	🟨	🟨
142	Office of the Premier	WC	DP	🟩	🟩	🟩	🟨	🟨
143	Provincial Parliament	WC	DP	🟩	🟩	🟩	🟨	🟩
144	Provincial Treasury	WC	DP	🟩	🟩	🟩	🟨	🟩
145	Social Development	WC	DP	🟩	🟩	🟩	🟨	🟨
146	Transport and Public Works	WC	DP	🟩	🟩	🟩	🟩	🟨
147	Government Motor Transport	WC	PE	🟩	🟩	🟩	🟩	🟨
148	Saldanha Bay IDZ Licencing Company	WC	PE	🟩	🟩	🟦	🟦	🟦
149	Western Cape Cultural Commission	WC	PE	🟩	🟩	🟩	🟩	🟩
150	Western Cape Gambling and Racing Board	WC	PE	🟩	🟩	🟩	🟩	🟩
151	Western Cape Language Committee	WC	PE	🟩	🟩	🟩	🟩	🟩
152	Western Cape Tourism, Trade and Investment Promotion Agency	WC	PE	🟩	🟨	🟩	🟩	🟨
Financially unqualified with findings								
153	Agriculture, Forestry and Fisheries	Nat	DP	🟨	🟨	🟨	🟨	🟨
154	Arts and Culture	Nat	DP	🟨	🟨	🟪	🟨	🟨
155	Basic Education	Nat	DP	🟨	🟨	🟨	🟨	🟨
156	Correctional Services	Nat	DP	🟨	🟪	🟪	🟪	🟪
157	Defence	Nat	DP	🟨	🟨	🟪	🟪	🟨
158	Economic Development	Nat	DP	🟨	🟨	🟨	🟨	🟨
159	Health	Nat	DP	🟨	🟨	🟨	🟨	🟨
160	Higher Education and Training	Nat	DP	🟨	🟨	🟨	🟨	🟨
161	Human Settlements	Nat	DP	🟨	🟨	🟨	🟨	🟨
162	Independent Police Investigative Directorate	Nat	DP	🟨	🟨	🟨	🟨	🟨
163	Justice and Constitutional Development	Nat	DP	🟨	🟨	🟨	🟨	🟪
164	Labour	Nat	DP	🟨	🟨	🟨	🟨	🟨

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

DP - department **PE -** public entity

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
165	Mineral Resources	Nat	DP	🟨	🟨	🟨	🟪	🟨
166	National School of Government	Nat	DP	🟨	🟨	🟨	🟨	🟨
167	National Treasury	Nat	DP	🟨	🟨	🟨	🟨	🟨
168	Office of the Chief Justice	Nat	DP	🟨	🟦	🟦	🟦	🟦
169	Police	Nat	DP	🟨	🟨	🟨	🟨	🟨
170	Public Enterprises	Nat	DP	🟨	🟨	🟩	🟨	🟩
171	Public Service Commission	Nat	DP	🟨	🟩	🟨	🟩	🟩
172	Public Works	Nat	DP	🟨	🟨	🟨	🟪	🟥
173	Rural Development and Land Reform	Nat	DP	🟨	🟨	🟨	🟨	🟪
174	Science and Technology	Nat	DP	🟨	🟩	🟨	🟨	🟨
175	Small Business Development	Nat	DP	🟨	🟦	🟦	🟦	🟦
176	Telecommunications and Postal Services	Nat	DP	🟨	🟨	🟨	🟨	🟨
177	The Presidency	Nat	DP	🟨	🟩	🟨	🟨	🟨
178	Trade and Industry	Nat	DP	🟨	🟩	🟨	🟨	🟨
179	Traditional Affairs	Nat	DP	🟨	🟨	🟦	🟦	🟦
180	Water and Sanitation	Nat	DP	🟨	🟪	🟪	🟪	🟪
181	Women	Nat	DP	🟨	🟨	🟨	🟨	🟨
182	African Renaissance and International Cooperation Fund	Nat	PE	🟨	🟨	🟨	🟨	🟨
183	Agricultural Research Council	Nat	PE	🟨	🟨	🟨	🟨	🟨
184	Agricultural Sector Education and Training (AGRISETA)	Nat	PE	🟨	🟨	🟨	🟨	🟨
185	Boxing South Africa	Nat	PE	🟨	🟪	🟨	🟨	🟪
186	CEF	Nat	PE	🟨	🟨	🟨	🟨	🟨
187	Commission for Conciliation, Mediation and Arbitration	Nat	PE	🟨	🟨	🟨	🟨	🟨
188	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	Nat	PE	🟨	🟨	🟨	🟨	🟨
189	Community Schemes Ombuds Service	Nat	PE	🟨	🟨	🟩	🟦	🟦
190	Companies and Intellectual Property Commission	Nat	PE	🟨	🟨	🟨	🟨	🟪
191	Competition Commission	Nat	PE	🟨	🟩	🟨	🟨	🟨
192	Competition Tribunal	Nat	PE	🟨	🟨	🟩	🟨	🟨
193	Construction Industry Development Board	Nat	PE	🟨	🟨	🟨	🟨	🟨
194	Co-operative Banks Development Agency	Nat	PE	🟨	🟨	🟨	🟨	🟨
195	Council for Geoscience	Nat	PE	🟨	🟨	🟨	🟨	🟨
196	Council for the Built Environment	Nat	PE	🟨	🟨	🟨	🟨	🟨
197	Council on Higher Education	Nat	PE	🟨	🟩	🟨	🟨	🟩
198	Deeds Registration Trading Account	Nat	PE	🟨	🟨	🟨	🟨	🟪
199	Die Afrikaanse Taalmuseum	Nat	PE	🟨	🟩	🟨	🟨	🟨
200	Driving Licence Card Account	Nat	PE	🟨	🟨	🟩	🟩	🟨
201	Education, Training and Development Practices Sector Education and Training Authority	Nat	PE	🟨	🟩	🟨	🟩	🟩
202	Electoral Commission	Nat	PE	🟨	🟨	🟨	🟩	🟨
203	Energy and Water Sector Education and Training Authority	Nat	PE	🟨	🟨	🟨	🟪	🟨
204	Equalisation Fund	Nat	PE	🟨	🟨	🟨	▨	🟨
205	Esayidi TVET College	Nat	PE	🟨	🟪	🟪	🟨	🟥
206	Film and Publication Board	Nat	PE	🟨	🟨	🟨	🟨	🟨
207	Financial Intelligence Centre	Nat	PE	🟨	🟨	🟨	🟨	🟨
208	Food and Beverages Manufacturing Industry Sector Education Training Authority	Nat	PE	🟨	🟨	🟨	🟨	🟨
209	Government Pensions Administration Agency	Nat	PE	🟨	🟨	🟨	🟨	🟨
210	Government Printing Works	Nat	PE	🟨	🟩	🟨	🟨	🟨
211	Independent Communications Authority of South Africa	Nat	PE	🟨	🟨	🟨	🟨	🟪
212	International Trade Administration Commission	Nat	PE	🟨	🟨	🟨	🟩	🟨
213	Land and Agricultural Bank of South Africa	Nat	PE	🟨	🟩	🟩	🟩	🟩
214	Local Government Education and Training Authority	Nat	PE	🟨	🟨	🟪	🟪	🟥
215	Maluti TVET College	Nat	PE	🟨	🟪	🟥	🟥	🟩
216	Manufacturing Engineering and Related Services Education and Training Authority	Nat	PE	🟨	🟨	🟨	🟨	🟨
217	Marine Living Resources Fund	Nat	PE	🟨	🟩	🟨	🟨	🟨
218	Market Theatre Foundation	Nat	PE	🟨	🟨	🟨	🟨	🟩
219	Media Development and Diversity Agency	Nat	PE	🟨	🟨	🟩	🟩	🟨
220	Mine Health and Safety Council	Nat	PE	🟨	🟨	🟨	🟨	🟨
221	Mnambithi TVET College	Nat	PE	🟨	🟨	🟨	🟩	🟩
222	Mthashana TVET College	Nat	PE	🟨	🟪	⬜	🟥	🟥
223	Municipal Demarcation Board	Nat	PE	🟨	🟨	🟨	🟨	🟨

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
224	National Consumer Commission	Nat	PE	🟨	🟨	🟨	🟪	🟨
225	National Development Agency	Nat	PE	🟨	🟨	🟨	🟨	🟨
226	National Electronic Media Institute of South African	Nat	PE	🟨	🟨	🟨	🟨	🟨
227	National Heritage Council of South Africa	Nat	PE	🟨	🟨	🟨	🟨	🟨
228	National Home Builders Regulatory Council	Nat	PE	🟨	🟨	🟨	🟨	🟪
229	National School of Government Trading Entity	Nat	PE	🟨	🟨	🟨	🟨	🟨
230	National Skills Fund	Nat	PE	🟨	🟨	🟨	🟨	🟨
231	National Student Financial Aid Scheme	Nat	PE	🟨	🟨	🟨	🟨	🟨
232	Northern Cape Urban TVET College	Nat	PE	🟨	🟪	🟪	🟨	🟪
233	Office of the Health Standard Compliance	Nat	PE	🟨	🟦	🟦	🟦	🟦
234	Office of the Pension Funds Adjudicator	Nat	PE	🟨	🟨	🟩	🟩	🟨
235	Private Security Industry Regulatory Authority	Nat	PE	🟨	🟨	🟨	🟪	🟨
236	Public Investment Corporation Limited	Nat	PE	🟨	🟨	🟨	🟩	🟨
237	Quality Council for Trades and Occupations	Nat	PE	🟨	🟩	🟨	🟨	🟨
238	Railw ay Safety Regulator	Nat	PE	🟨	🟨	🟨	🟨	🟨
239	Road Accident Fund	Nat	PE	🟨	🟩	🟩	🟩	🟨
240	Road Traffic Infringement Agency	Nat	PE	🟨	🟨	🟩	🟨	🟨
241	SA Institute for Drug-free Sport	Nat	PE	🟨	🟨	🟨	🟨	🟨
242	Safety and Security Sector Education and Training Authority (SASSETA)	Nat	PE	🟨	🟨	🟨	🟪	🟪
243	South Africa Heritage Resources Agency	Nat	PE	🟨	🟨	🟨	🟪	🟥
244	South Africa Library for the Blind	Nat	PE	🟨	🟨	🟨	🟨	🟨
245	South African Forestry Company	Nat	PE	🟨	🟨	🟨	🟪	🟩
246	South African Maritime Safety Authority	Nat	PE	🟨	🟨	🟨	🟨	🟨
247	South African National Biodiversity Institute	Nat	PE	🟨	🟨	🟩	🟨	🟨
248	South African National Energy Development Institute	Nat	PE	🟨	🟨	🟨	🟨	🟨
249	South African Qualifications Authority	Nat	PE	🟨	🟨	🟩	🟨	🟩
250	South African Social Security Agency	Nat	PE	🟨	🟨	🟨	🟨	🟩
251	South Cape TVET College	Nat	PE	🟨	🟩	🟨	🟨	🟨

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings	Audit not finalised at legislated date	New auditee
	🟩	🟨	🟪	🟪	🟥	⬜	🟦

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
252	Special Investigating Unit	Nat	PE	🟨	🟨	🟨	🟨	🟨
253	State Diamond Trader	Nat	PE	🟨	🟩	🟨	🟩	🟩
254	State Information Technology Agency	Nat	PE	🟨	🟨	🟨	🟨	🟨
255	The Public Protector of South Africa	Nat	PE	🟨	🟨	🟨	🟨	🟨
256	The South African National Roads Agency	Nat	PE	🟨	🟨	🟨	🟨	🟩
257	Transport Education and Training Authority (TETA)	Nat	PE	🟨	🟨	🟨	🟨	🟨
258	Unemployment Insurance Fund	Nat	PE	🟨	🟨	🟩	🟩	🟩
259	Universal Service and Access Agency of South Africa	Nat	PE	🟨	🟨	🟨	🟨	🟨
260	Universal Service and Access Fund	Nat	PE	🟨	🟨	🟩	🟪	🟨
261	Water Research Commission	Nat	PE	🟨	🟨	🟪	🟨	🟨
262	Windybrow Theatre	Nat	PE	🟨	🟪	🟪	🟨	🟨
263	CoOperative Governance and Traditional Affairs	EC	DP	🟨	🟨	🟩	🟨	🟨
264	Economic Development, Environmental Affairs and Tourism	EC	DP	🟨	🟨	🟨	🟨	🟨
265	Health	EC	DP	🟨	🟪	🟪	🟪	🟪
266	Human Settlements	EC	DP	🟨	🟨	🟨	🟨	🟪
267	Legislature	EC	DP	🟨	🟩	🟨	🟨	🟨
268	Office of the Premier	EC	DP	🟨	🟨	🟩	🟩	🟨
269	Roads and Public Works	EC	DP	🟨	🟪	🟪	🟥	🟪
270	Rural Development and Agrarian Reform	EC	DP	🟨	🟨	🟨	🟪	🟪
271	Social Development	EC	DP	🟨	🟨	🟨	🟨	🟨
272	Sport, Recreation, Arts and Culture	EC	DP	🟨	🟨	🟨	🟪	🟪
273	Transport	EC	DP	🟨	🟨	🟨	🟨	🟨
274	COEGA Development Corporation	EC	PE	🟨	🟨	🟨	🟩	🟩
275	Eastern Cape Development Corporation	EC	PE	🟨	🟪	🟪	🟨	🟨
276	Eastern Cape Government Fleet Management Services	EC	PE	🟨	🟨	🟪	🟪	🟨
277	Eastern Cape Liquor Board	EC	PE	🟨	🟨	🟨	🟨	🟨
278	Mayibuye Transport Corporation	EC	PE	🟨	🟪	🟪	🟥	🟪
279	Cooperative Governance and Traditional Affairs	FS	DP	🟨	🟨	🟨	🟨	🟨
280	Office of the Premier	FS	DP	🟨	🟩	🟪	🟩	🟩
281	Police, Roads and Transport	FS	DP	🟨	🟨	🟨	🟨	🟪
282	Public Works and Infrastructure	FS	DP	🟨	🟩	🟨	🟪	🟪

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
283	Social Development	FS	DP	🟨	🟨	🟨	🟨	🟨
284	Free State Development Corporation	FS	PE	🟨	🟨	🟨	🟪	🟥
285	Free State Gambling and Liquor Authority	FS	PE	🟨	🟨	🟨	🟨	🟪
286	Free State Tourism Authority	FS	PE	🟨	🟨	🟨	🟪	🟨
287	Agriculture and Rural Development	GP	DP	🟨	🟨	🟨	🟨	🟨
288	Community Safety	GP	DP	🟨	🟨	🟨	🟨	🟨
289	Education	GP	DP	🟨	🟨	🟨	🟨	🟨
290	Health	GP	DP	🟨	🟪	🟪	🟪	🟦
291	Human Settlements	GP	DP	🟨	🟨	🟪	🟦	🟦
292	Infrastructure Development	GP	DP	🟨	🟨	🟨	🟨	🟨
293	Roads and Transport	GP	DP	🟨	🟨	🟨	🟨	🟨
294	Sports, Arts, Culture and Recreation	GP	DP	🟨	🟨	🟩	🟩	🟨
295	Gauteng Enterprise Propeller	GP	PE	🟨	🟨	🟨	🟨	🟨
296	Gauteng Housing Fund	GP	PE	🟨	🟨	🟨	🟨	🟨
297	Gauteng Liquor Board	GP	PE	🟨	🟨	🟨	🟪	🟪
298	Gauteng Medical Supplies Depot	GP	PE	🟨	🟨	🟨	🟨	🟨
299	g-FleeT Management	GP	PE	🟨	🟥	▩	🟨	🟨
300	Greater New tow n Development Company	GP	PE	🟨	🟩	🟩	🟨	🟩
301	Agriculture and Rural Development	KZN	DP	🟨	🟨	🟨	🟨	🟨
302	Arts and Culture	KZN	DP	🟨	🟪	🟪	🟪	🟩
303	Community Safety and Liaison	KZN	DP	🟨	🟨	🟨	🟨	🟨
304	Co-operative Governance and Traditional Affairs	KZN	DP	🟨	🟩	🟨	🟨	🟨
305	Economic Development, Environmental Affairs and Tourism	KZN	DP	🟨	🟨	🟨	🟨	🟨
306	Education	KZN	DP	🟨	🟨	🟪	🟪	🟪
307	Legislature	KZN	DP	🟨	🟪	🟨	🟩	🟨
308	Office of the Premier	KZN	DP	🟨	🟨	🟨	🟨	🟨
309	Public Works	KZN	DP	🟨	🟨	🟨	🟨	🟨
310	Social Development	KZN	DP	🟨	🟪	🟨	🟪	🟨
311	Sport and Recreation	KZN	DP	🟨	🟨	🟨	🟨	🟨
312	Agri-Business Development Agency	KZN	PE	🟨	🟨	🟨	🟨	🟨
313	Kw aZulu-Natal Nature Conservation Board	KZN	PE	🟨	🟨	🟨	🟪	🟪

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
314	Kw aZulu-Natal Provincial Pharmaceutical Supply Depot	KZN	PE	🟨	🟨	🟨	🟨	🟨
315	KZN Housing Fund	KZN	PE	🟨	🟨	🟪	🟥	▩
316	The Kw aZulu-Natal Royal Household Trust	KZN	PE	🟨	🟨	🟨	🟨	🟨
317	Traditional Levies and Trust Account	KZN	PE	🟨	🟪	🟪	🟪	🟪
318	Agriculture	LP	DP	🟨	🟨	🟪	🟪	🟨
319	Cooperative Governance, Human Settlements and Traditional Affairs	LP	DP	🟨	🟨	🟩	🟨	🟨
320	Legislature	LP	DP	🟨	🟨	🟨	🟨	🟨
321	Office of the Premier	LP	DP	🟨	🟩	🟨	🟨	🟨
322	Provincial Treasury	LP	DP	🟨	🟨	🟨	🟨	🟨
323	Safety, Security and Liaison	LP	DP	🟨	🟨	🟨	🟨	🟨
324	Social Development	LP	DP	🟨	🟨	🟪	🟪	🟨
325	Transport	LP	DP	🟨	🟨	🟨	🟨	🟪
326	Corridor Mining Resources	LP	PE	🟨	🟪	🟪	🟪	🟪
327	Great North Transport	LP	PE	🟨	🟨	🟨	🟨	🟪
328	Limpopo Economic Development Agency	LP	PE	🟨	🟨	🟨	🟪	🟪
329	Limpopo Gambling Board	LP	PE	🟨	🟨	🟨	🟨	🟨
330	Mununzw u Estate	LP	PE	🟨	🟨	🟪	🟪	🟪
331	Risima Housing Finance Corporation	LP	PE	🟨	🟨	🟨	🟨	🟨
332	Venteco	LP	PE	🟨	🟨	🟪	🟪	🟨
333	Agriculture, Rural Development, Land And Environmental Affairs	MP	DP	🟨	🟨	🟪	🟪	🟨
334	Human Settlements	MP	DP	🟨	🟨	🟨	🟨	🟨
335	Legislature	MP	DP	🟨	🟩	🟨	🟨	🟪
336	Office of the Premier	MP	DP	🟨	🟨	🟨	🟩	🟩
337	Public Works, Roads and Transport	MP	DP	🟨	🟨	🟨	🟨	🟨
338	Mpumalanga Regional Training Trust	MP	PE	🟨	🟪	🟩	🟨	🟨
339	Agriculture, Land Reform and Rural Development	NC	DP	🟨	🟪	🟨	🟨	🟪
340	Co-Operative Governance, Human Settlements and Traditional Affairs	NC	DP	🟨	🟪	🟨	🟨	🟨
341	Economic Development and Tourism	NC	DP	🟨	🟨	🟩	🟨	🟪
342	Education	NC	DP	🟨	🟨	🟪	🟪	🟪
343	Environment and Nature Conservation	NC	DP	🟨	🟩	🟩	🟨	🟨

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
344	Roads and Public Works	NC	DP	🟨	🟨	🟨	🟨	🟪
345	Sport, Arts and Culture	NC	DP	🟨	🟪	🟪	🟪	🟪
346	Transport, Safety and Liaison	NC	DP	🟨	🟪	🟨	🟨	🟪
347	Northern Cape Fleet Management	NC	PE	🟨	🟨	🟪	🟪	🩷
348	Northern Cape Liquor Board	NC	PE	🟨	🟨	🟨	🟨	🟪
349	Culture, Arts and Traditional Affairs	NW	DP	🟨	🟨	🟨	🟪	🟨
350	Education and Sports Development	NW	DP	🟨	🟨	🟨	🟪	🟪
351	Legislature	NW	DP	🟨	🟨	🟨	🟪	🟨
352	Rural, Environment and Agricultural Development	NW	DP	🟨	🟨	🟨	🟨	🟨
353	Social Development	NW	DP	🟨	🟨	🟨	🟪	🟪
354	Tourism	NW	DP	🟨	🟨	🟦	🟦	🟦
355	Atteridgeville Bus Services	NW	PE	🟨	🟨	🟨	🟨	🟨
356	Kgama Wildlife Operations	NW	PE	🟨	🟨	🟨	🟨	🟨
357	North West Directorate of Entrepreneurial Development in Natural Resources	NW	PE	🟨	🟨	🟨	🟨	🟨
358	North West Gambling Board	NW	PE	🟨	🟨	🟨	🟨	🟩
359	North West Provincial Aids Council	NW	PE	🟨	🟨	🟪	🟪	🟪
360	North West Provincial Arts and Cultural Council	NW	PE	🟨	🟪	🟥	🟥	🟥
361	North West Star	NW	PE	🟨	🟨	🟨	🟨	🟨
362	Health	WC	DP	🟨	🟨	🟨	🟨	🟨
363	The Heritage Western Cape	WC	PE	🟨	🟩	🟩	🟨	🟩
364	Western Cape Housing Development Fund	WC	PE	🟨	🟪	🟨	🟪	🟨
365	Western Cape Liquor Authority	WC	PE	🟨	🟩	🟨	🟩	🟦
366	Western Cape Nature Conservation Board	WC	PE	🟨	🟩	🟩	🟪	🟨
Qualified with findings								
367	Civilian Secretariat for Police	Nat	DP	🟪	🟪	🟦	🟦	🟦
368	International Relations and Co-operation	Nat	DP	🟪	🟪	🟪	🟨	🟨
369	Military Veterans	Nat	DP	🟪	🟪	🟥	🟦	🟦
370	Central JHB TVET College	Nat	PE	🟪	🟪	🟪	🟨	🟨
371	Coastal TVET College	Nat	PE	🟪	🟩	🟩	🟩	🟩
372	Iziko Museums of Cape Town	Nat	PE	🟪	🟪	🟩	🟨	🟩
373	KwaZulu-Natal Museum	Nat	PE	🟪	🟪	🟩	🟩	🟩
374	Lovedale TVET College	Nat	PE	🟪	🟪	🟥	🟨	🟨
375	Mining Qualifications SETA	Nat	PE	🟪	🟨	🟨	🟨	🟩
376	Msunduzi/Voortrekker Museum	Nat	PE	🟪	🟪	🟪	🟨	🟩
377	National Economic Development and Labour Council	Nat	PE	🟪	🟪	🟨	🟨	🟪
378	National English Literary Museum	Nat	PE	🟪	🟪	🟪	🟨	🟨
379	National Library of South Africa	Nat	PE	🟪	🟪	🟪	🟨	🟨
380	National Museum	Nat	PE	🟪	🟩	🟨	🟩	🟨
381	National Regulator for Compulsory Specifications	Nat	PE	🟪	🟪	🟪	🟨	🟪
382	Nelson Mandela National Museum	Nat	PE	🟪	🟪	🟪	🟨	🟨
383	Northlink TVET College	Nat	PE	🟪	🩷	🟪	🟩	🟩
384	Pan South African Language Board	Nat	PE	🟪	🟥	🟥	🟪	🟪
385	Performing Arts Centre of the Free State	Nat	PE	🟪	🟨	🟨	🟨	🟪
386	Port Elizabeth TVET College	Nat	PE	🟪	🟪	🟨	🟨	🟨
387	Public Service Sector Education and Training Authority	Nat	PE	🟪	🟪	🟪	🟪	🟪
388	Sheltered Employment Factories	Nat	PE	🟪	🟪	🟨	🟪	🟨
389	South African Broadcasting Corporation	Nat	PE	🟪	🟪	🟪	🟥	🟪
390	Special Defence Account	Nat	PE	🟪	🟪	🟨	🟩	🟨
391	Third Party Funds (Monies in Trust)	Nat	PE	🟪	🟥	🟥	🟥	🟥
392	War Museum of the Boer Republics	Nat	PE	🟪	🟩	🟩	🟩	🟨
393	Water Trading Entity	Nat	PE	🟪	🟨	🟪	🟪	🟪
394	West Coast TVET College	Nat	PE	🟪	🟩	🟩	🟩	🟩
395	Wholesale and Retail Sector Education and Training Authority	Nat	PE	🟪	🟪	🟨	🟨	🟪
396	William Humphreys Art Gallery	Nat	PE	🟪	🟪	🟨	🟪	🟨
397	Education	EC	DP	🟪	🟪	🟪	🟪	🟥
398	Economic Development, Tourism and Environmental Affairs	FS	DP	🟪	🟨	🟨	🟪	🟪
399	Education	FS	DP	🟪	🟨	🟪	🟨	🟨
400	Health	FS	DP	🟪	🟪	🟪	🟪	🟪
401	Human Settlements	FS	DP	🟪	🟪	🟪	🟪	🟪
402	Provincial Treasury	FS	DP	🟪	🟩	🟩	🟩	🟩

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🩷 Adverse with findings	🟥 Disclaimed with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
403	Sport, Arts, Culture and Recreation	FS	DP	🟪	🟩	🟩	🟩	🟨
404	Central Medical Trading Account	FS	PE	🟪	🟨	🟨	🟨	🟨
405	Health	KZN	DP	🟪	🟪	🟪	🟪	🟪
406	Human Settlements	KZN	DP	🟪	🟨	🟨	🟨	🟨
407	Transport	KZN	DP	🟪	🟪	🟪	🟩	🟨
408	Mjindi Farming	KZN	PE	🟪	🟨	🟨	🟨	🟨
409	Economic Development, Environment and Tourism	LP	DP	🟪	🟨	🟪	🟨	🟨
410	Health	LP	DP	🟪	🟨	🟪	🟥	🟥
411	Public Works, Roads and Infrastructure	LP	DP	🟪	🟪	🟪	🟥	🟥
412	Sport, Arts and Culture	LP	DP	🟪	🟪	🟪	🟪	🟪
413	Gateway Airport Authority Limited	LP	PE	🟪	🟪	🟥	🟪	🟪
414	Limpopo Tourism Agency	LP	PE	🟪	🟪	🟪	🟥	🟥
415	Roads Agency Limpopo	LP	PE	🟪	▩	▩	🟥	🟨
416	Community Safety, Security and Liaison	MP	DP	🟪	🟪	🟪	🟨	🟨
417	Culture, Sport and Recreation	MP	DP	🟪	🟨	🟨	🟨	🟨
418	Education	MP	DP	🟪	🟪	🟨	🟨	🟨
419	Health	MP	DP	🟪	🟪	🟪	🟪	🟪
420	Mpumalanga Tourism and Parks Agency	MP	PE	🟪	🟪	🟨	🟨	🟨
421	Health	NC	DP	🟪	🟪	🟪	🟪	🟥
422	Kalahari Kid Corporation	NC	PE	🟪	🟨	🟨	🟪	🟪
423	McGregor Museum	NC	PE	🟪	🟪	🟩	🟪	🟪
424	Community Safety and Transport Management	NW	DP	🟪	🟪	🟨	🟨	🟪
425	Health	NW	DP	🟪	🟨	🟨	🟨	🟪
426	Local Government and Human Settlements	NW	DP	🟪	🟨	🟪	🟨	🟪
427	Office of the Premier	NW	DP	🟪	🟨	🟨	🟪	🟪
428	Public Works and Roads	NW	DP	🟪	🟪	🟪	🟥	🟥
429	North West Parks Board	NW	PE	🟪	🟥	🟥	🟥	🟥
430	North West Tourism Board	NW	PE	🟪	🟦	🟦	🟦	🟦
431	North West Transport Investments	NW	PE	🟪	🟪	🟪	🟪	🟪
432	North West Youth Development Trust	NW	PE	🟪	🟪	🟪	🟪	🟪

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
Adverse with findings								
433	Ditsong: Museums of South Africa	Nat	PE	▩	🟪	🟪	🟨	🟨
434	Lephalale TVET College	Nat	PE	▩	🟨	🟩	🟩	🟩
435	Agriculture and Rural Development	FS	DP	▩	🟨	🟨	🟨	🟨
Disclaimed with findings								
436	Compensation Fund	Nat	PE	🟥	🟥	🟥	🟥	🟪
437	Goldfields TVET College	Nat	PE	🟥	🟪	🟩	🟩	🟨
438	Ikhala TVET College	Nat	PE	🟥	▩	🟥	▩	🟪
439	Ingwe TVET College	Nat	PE	🟥	🟪	🟪	🟪	🟥
440	King Hintsa TVET College	Nat	PE	🟥	🟥	🟥	🟥	🟩
441	King Sabatha Dalindyebo TVET College	Nat	PE	🟥	🟥	🟥	⬜	⬜
442	Letaba TVET College	Nat	PE	🟥	🟥	🟥	🟨	🟨
443	Sekhukhune TVET College	Nat	PE	🟥	🟪	⬜	⬜	🟪
444	Taletso TVET College	Nat	PE	🟥	🟪	🟪	🟥	🟨
445	The South African State Theatre	Nat	PE	🟥	🟪	🟨	🟪	🟪
446	Tshwane South TVET College	Nat	PE	🟥	🟥	🟥	🟩	🟨
447	Western College for TVET	Nat	PE	🟥	🟥	🟥	🟨	🟩
448	KwaZulu-Natal Business Rehabilitation Trust Fund	KZN	PE	🟥	🟥	🟥	🟥	🟥
449	Education	LP	DP	🟥	🟥	🟥	🟥	🟥
450	Mpumalanga Economic Growth Agency	MP	PE	🟥	🟪	🟪	🟪	🟥
451	Dirapeng	NW	PE	🟥	🟥	🟥	🟥	🟥
452	Golden Leopard Resorts	NW	PE	🟥	🟥	🟥	🟥	🟥
453	Madikwe River Lodge	NW	PE	🟥	▩	🟥	🟥	🟥
454	Mmabana Arts, Culture and Sport	NW	PE	🟥	🟥	🟥	🟥	🟪
455	North West Development Corporation	NW	PE	🟥	🟪	🟪	🟨	🟨
456	North West Housing Corporation	NW	PE	🟥	🟥	🟪	🟥	🟥
457	Signal Developments	NW	PE	🟥	🟥	🟥	🟥	🟥
Audit not finalised at legislated date								
458	Cooperative Governance	Nat	DP	⬜	🟨	🟨	🟨	🟨
459	Environmental Affairs	Nat	DP	⬜	🟩	🟩	🟨	🟩
460	Home Affairs	Nat	DP	⬜	🟪	🟥	🟪	🟪

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
461	Transport	Nat	DP	⬜	🟨	🟨	🟨	🟨
462	Airports Company South Africa	Nat	PE	⬜	🟨	🟩	🟩	🟨
463	Compensation Commissioner for Occupational Diseases	Nat	PE	⬜	⬜	⬜	⬜	⬜
464	East Cape Midlands TVET College	Nat	PE	⬜	⬜	🟥	🟨	🟪
465	Government Technical Advisory Centre	Nat	PE	⬜	🟨	🟦	🟦	🟦
466	Independent Development Trust	Nat	PE	⬜	🟥	🟪	🟨	🟨
467	Ingonyama Trust Board	Nat	PE	⬜	🟪	🟪	🟪	🟪
468	Motheo TVET College	Nat	PE	⬜	🟥	🟥	🟪	🟪
469	Municipal Infrastructure Support Agency	Nat	PE	⬜	🟨	🟨	🟦	🟦
470	National Institute for the Humanities and Social Sciences	Nat	PE	⬜	🟦	🟦	🟦	🟦
471	National Radioactive Waste Disposal Institute	Nat	PE	⬜	⬜	🟦	🟦	🟦
472	Orbit TVET College	Nat	PE	⬜	🟪	🟪	🟩	🟩
473	Passenger Rail Agency of South Africa	Nat	PE	⬜	🟨	🟨	🟨	🟨
474	Sedibeng TVET College	Nat	PE	⬜	🟨	🟪	🟨	🟨
475	South African Express Airways	Nat	PE	⬜	🟪	🟪	🟪	🟥
476	South African Post Office	Nat	PE	⬜	🟪	🟨	🟨	🟨
477	South West Gauteng TVET College	Nat	PE	⬜	🟨	🟪	🟪	🟪
478	The Property Management Trading Entity	Nat	PE	⬜	🟪	🟪	🟥	🟥
479	The South African Nuclear Energy Corporation	Nat	PE	⬜	⬜	🟨	🟩	🟨
480	Vuselela TVET College	Nat	PE	⬜	🟥	🟨	🟨	🟨
481	Free State Political Party Fund	FS	PE	⬜	⬜	🟩	🟩	🟩
482	Ithala	KZN	PE	⬜	🟩	🟩	🟨	🟨
483	Ithala Development Finance Corporation	KZN	PE	⬜	🟩	🟩	🟨	🟨
484	Northern Cape Economic Development, Trade and Investment Promotion Agency	NC	PE	⬜	🟪	🟪	🟥	🟨
Audits not conducted by the Auditor-General of South Africa								
Financially unqualified with no findings								
1	Broadband Infraco	Nat	PE	🟩	🟨	🟨	🟨	🟨
2	College of Cape Tow n (TVET)	Nat	PE	🟩	🟩	🟩	🟩	🟨

Legend (audit outcomes)
🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimed with findings
⬜ Audit not finalised at legislated date
🟦 New auditee

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
3	Denel	Nat	PE	🟩	🟩	🟩	🟩	🟩
4	Ekurhuleni West TVET College	Nat	PE	🟩	🟩	🟨	🟨	🟩
5	Inkomati Catchment Management Agency	Nat	PE	🟩	🟩	🟩	🟩	🟩
6	Sentech	Nat	PE	🟩	🟩	🟩	🟩	🟨
7	Vhembe TVET College	Nat	PE	🟩	⬜	⬜	⬜	🟨
8	Cassidra	WC	PE	🟩	🟩	🟨	🟩	🟩
Financially unqualified with findings								
9	Alexkor	Nat	PE	🟨	🟨	🟨	🟨	🟨
10	Breede-Gouritz Catchment Management Agency	Nat	PE	🟨	🟨	🟩	🟨	🟩
11	Eskom Holdings	Nat	PE	🟨	🟨	🟩	🟨	🟩
12	Flavius Mareka TVET College	Nat	PE	🟨	🟨	⬜	🟩	🟩
13	National Health Laboratory Service	Nat	PE	🟨	🟨	🟨	🟨	🟨
14	Northern Cape Rural TVET College	Nat	PE	🟨	🟩	🟨	🟪	🟪
15	South African Council of Educators	Nat	PE	🟨	🟨	🟨	🟨	🟨
16	Transnet	Nat	PE	🟨	🟨	🟨	🟨	🟨
17	Umalusi QA on Further Training and Education	Nat	PE	🟨	🟨	🟩	🟩	🟨
Qualified with findings								
18	Mopani South East TVET College	Nat	PE	🟪	🟩	🟩	🟨	🟨
Audit not finalised at legislated date								
19	Accounting Standards Board	Nat	PE	⬜	🟩	🟩	🟩	🟩
20	Air Traffic Navigation Services	Nat	PE	⬜	🟩	🟩	🟩	🟩
21	Boland TVET College	Nat	PE	⬜	🟩	🟩	🟩	🟩
22	Buffalo City TVET College	Nat	PE	⬜	🟩	🟩	🟩	🟨
23	Cape Peninsula University of Technology	Nat	PE	⬜	🟩	🟩	🟩	🟩
24	Capricorn TVET College	Nat	PE	⬜	🟩	⬜	🟩	🟩
25	Central University of Technology	Nat	PE	⬜	🟩	🟩	🟩	🟩
26	Development Bank of Southern Africa	Nat	PE	⬜	🟩	🟩	🟩	🟩
27	Durban University of Technology	Nat	PE	⬜	🟩	🟩	🟩	🟩
28	Education Labour Relations Council	Nat	PE	⬜	🟨	🟨	🟨	🟨
29	Ehlanzeni TVET College	Nat	PE	⬜	⬜	🟨	🟩	🟩
30	Elangeni TVET College	Nat	PE	⬜	⬜	🟩	🟩	🟩

Nr.	Auditee	Portfolio	Auditee type	Audit opinions				
				2015-16	2014-15	2013-14	2012-13	2011-12
31	False Bay TVET College	Nat	PE	⬜	🟩	🟩	🟩	🟩
32	Gert Sibande TVET College	Nat	PE	⬜	🟥	🟩	🟩	🟩
33	Majuba TVET College	Nat	PE	⬜	⬜	🟩	🟩	🟨
34	Mangosuthu University of Technology	Nat	PE	⬜	🟩	🟨	🟩	🟩
35	National Institute for Higher Education - MP	Nat	PE	⬜	🟩	🟩	🟩	🟨
36	Ncera Farms	Nat	PE	⬜	🟨	🟨	🟨	🟨
37	Nelson Mandela Metropolitan University	Nat	PE	⬜	🟩	🟩	🟩	🟩
38	Nkangala TVET College	Nat	PE	⬜	🟨	🟨	🟨	🟨
39	North West University	Nat	PE	⬜	🟩	🟩	🟩	🟩
40	Perishable Products Export Control Board	Nat	PE	⬜	🟩	🟩	🟩	🟩
41	Productivity SA	Nat	PE	⬜	🟨	🟨	🟨	🟨
42	Rhodes University	Nat	PE	⬜	🟩	🟩	🟩	🟩
43	SASRIA	Nat	PE	⬜	🟩	🟩	🟩	🟩
44	Sol Plaatjie University	Nat	PE	⬜	⬜	🟦	🟦	🟦
45	South African Airways	Nat	PE	⬜	⬜	⬜	⬜	🟨
46	Thekwini TVET College	Nat	PE	⬜	🟨	🟩	🟩	⬜
47	Trans-Caledon Tunnel Authority	Nat	PE	⬜	🟨	🟩	🟩	🟩
48	Tshwane North TVET College	Nat	PE	⬜	⬜	⬜	⬜	⬜
49	Tshwane University of Technology	Nat	PE	⬜	🟩	🟩	🟨	🟩
50	Umfolozi TVET College	Nat	PE	⬜	⬜	🟩	🟩	🟩
51	Umgungundlovu TVET College	Nat	PE	⬜	⬜	🟨	🟩	🟪
52	University of Cape Town	Nat	PE	⬜	🟩	🟩	🟩	🟩
53	University of Fort Hare	Nat	PE	⬜	⬜	🟩	🟩	🟪
54	University of Johannesburg	Nat	PE	⬜	🟩	🟩	🟩	🟩
55	University of Kwa-Zulu Natal	Nat	PE	⬜	⬜	🟩	🟩	🟩
56	University of Limpopo	Nat	PE	⬜	🟪	🟨	🟨	🟨
57	University of Mpumalanga	Nat	PE	⬜	⬜	🟦	🟦	🟦
58	University of Pretoria	Nat	PE	⬜	🟩	🟩	🟩	🟩
59	University of South Africa	Nat	PE	⬜	🟪	🟨	🟨	🟩
60	University of Stellenbosch	Nat	PE	⬜	🟩	🟩	🟨	🟩
61	University of the Free State	Nat	PE	⬜	🟩	🟩	🟩	🟩
62	University of the Western Cape	Nat	PE	⬜	🟩	🟩	🟩	🟩
63	University of the Witwatersrand	Nat	PE	⬜	🟨	🟩	🟩	🟩
64	University of Venda	Nat	PE	⬜	🟩	🟩	🟩	🟩
65	University of Zululand	Nat	PE	⬜	🟩	🟨	🟩	🟩
66	Vaal University of Technology	Nat	PE	⬜	🟩	🟨	🟩	🟩
67	Walter Sisulu University for Technology and Science	Nat	PE	⬜	⬜	🟨	🟨	🟪
68	Waterberg TVET College	Nat	PE	⬜	🟨	🟩	🟩	🟥

Annexure 4: *Assessment of auditees' key controls at the time of the audit*

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																												Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
Financially unqualified with no findings																																																																							
1	Communications	Nat	DP	🟩						🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩				🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨				🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
2	Energy	Nat	DP	🟩			🟥 ↓	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
3	Government Communications and Information System	Nat	DP	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
4	Parliament of the Republic of South Africa	Nat	DP	🟩			🟩 ↑	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟩 ↑	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
5	Planning, Monitoring and Evaluation	Nat	DP	🟩			🟩 ↑	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
6	Public Service and Administration	Nat	DP	🟩			🟥 ↓	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩
7	Social Development	Nat	DP	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
8	Sport and Recreation South Africa	Nat	DP	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨			🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩
9	Statistics South Africa	Nat	DP	🟩			🟩 ↑	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
10	Tourism	Nat	DP	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
11	Agricultural Land Holding Account	Nat	PE	🟩			🟥 ↓		🟩 ↑	🟩		🟩	🟩	🟨		🟨	🟨					🟨		🟨	🟨	🟨		🟨	🟨	🟥		🟥	🟥	🟩 ↑		🟩 ↑	🟨		🟩	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟨	🟨	🟥			🟥	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
12	Armaments Corporation of South Africa	Nat	PE	🟩			🟥 ↓	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
13	Artscape	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟥 ↓	🟩 ↑	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
14	Banking Sector Education and Training Authority (BANKSETA)	Nat	PE	🟩			🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟩 ↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
15	Castle Control Board	Nat	PE	🟩			🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
16	Centre for Public Service Innovation	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
17	Chemical Industries Education and Training Authority	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
18	Commission on Gender Equality	Nat	PE	🟩			🟩 ↑	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥			🟥	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩
19	Companies Tribunal	Nat	PE	🟩			🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
20	Construction Education and Training Authority	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟥	🟥		🟥	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
21	Council for Medical Schemes	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
22	Council for Scientific and Industrial Research	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
23	Cross-Border Road Transport Agency	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
24	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
25	Disaster Relief Fund	Nat	PE	🟩			🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩

🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimed with findings
🟦 With findings

🟩 Good
🟨 In progress
🟥 Intervention required
🟩 ↑ Improved
🟨 ↔ Unchanged
🟥 ↓ Regressed

F Financial
P Performance
C Compliance
O Overall

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
26	Ekurhuleni East TVET College	Nat	PE	🟩			🟩↑		🟩↑	🟨		🟨	🟨	🟨		🟨	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟨	🟨	🟥		🟥	🟥	🟨↔		🟨↔	🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	🟥			🟥	🟩↑		🟩↑	🟨		🟨	🟨	🟩		🟩	🟩	🟩		🟩	🟩
27	Fibre Processing Manufacturing Sector Education and Training Authority	Nat	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
28	Finance and Accounting Services Sector Education Training Authority	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟥↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
29	Financial and Fiscal Commission	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
30	Financial Services Board	Nat	PE	🟩			🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
31	Freedom Park	Nat	PE	🟩			🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥↓	🟨↔	🟥↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩
32	Guardians Fund	Nat	PE	🟩			🟨↔		🟨↔	🟩		🟩	🟩	🟨		🟩	🟨	🟩		🟩	🟩	🟨		🟩	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟩↑		🟩↑	🟩		🟩	🟩	🟨		🟨	🟨	🟨		🟨	🟨	🟩		🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
33	Health and Welfare Sector Education and Training Authority	Nat	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
34	Human Sciences Research Council	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥↓	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
35	Independent Regulatory Board for Auditors	Nat	PE	🟩			🟨↔	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
36	Insurance Sector Education and Training Authority	Nat	PE	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
37	iSimangaliso Wetland Park Authority	Nat	PE	🟩			🟥↓	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟥↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
38	Legal Aid South Africa	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
39	Luthuli Museum	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
40	Media, Information and Communication Technologies Sector Education and Training Authority	Nat	PE	🟩			🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟩↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨		🟨	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
41	Medical Research Council of South Africa	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
42	MINTEK	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
43	National Agricultural Marketing Council	Nat	PE	🟩			🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
44	National Arts Council of South Africa	Nat	PE	🟩			🟩↑	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨		🟨	🟩↑	🟥↓	🟨↔	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨
45	National Consumer Tribunal	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
46	National Credit Regulator	Nat	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
47	National Energy Regulator of South Africa	Nat	PE	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
48	National Film and Video Foundation of South Africa	Nat	PE	🟩			🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
49	National Gambling Board	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
50	NationaL Lotteries Commission	Nat	PE	🟩			🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟩↑	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
51	National Nuclear Regulator	Nat	PE	🟩			🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟥	🟥	🟥	🟥	🟥↓	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
52	National Research Foundation	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟥↓	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟩			🟩	🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
53	National Youth Development Agency	Nat	PE	🟩			🟨↔	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟩↑	🟩↑	🟩↑	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
54	Office of the Ombud for Financial Service Providers	Nat	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
55	Onderstepoort Biological Products	Nat	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																											Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
56	Ports Regulator of South Africa	Nat	PE	🟩			🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
57	President's Fund	Nat	PE	🟩			🟩 ↑		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩 ↑		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟩	🟨	🟩		🟩	🟩	🟩			🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
58	Refugee Relief Fund	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
59	Road Traffic Management Corporation	Nat	PE	🟩			🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
60	Robben Island Museum, Cape Town	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
61	Services Sector Education and Training Authority (Services SETA)	Nat	PE	🟩			🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥		🟥	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
62	Small Enterprise Development Agency	Nat	PE	🟩			🟥 ↓	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
63	Social Relief Fund	Nat	PE	🟩			🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
64	South Africa Diamond and Precious Metals Regulator	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
65	South African Bureau of Standards	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
66	South African Civil Aviation Authority	Nat	PE	🟩			🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
67	South African Human Rights Commission	Nat	PE	🟩			🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟥 ↓	🟩 ↑	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
68	South African Local Government Association	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
69	South African National Defence Force Fund	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟨		🟨	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩					🟩 ↑	🟨 ↔	🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩					🟨 ↔	🟨 ↔	🟨 ↔	🟩		🟩	🟩								
70	South African National Parks	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
71	South African Revenue Services (Own Account)	Nat	PE	🟩			🟩 ↑	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
72	South African Tourism	Nat	PE	🟩			🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
73	South African Weather Services	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
74	State President Fund	Nat	PE	🟩			🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	🟨 ↔		🟨 ↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
75	The Playhouse Company	Nat	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
76	The South African International Marketing Council Trust/Brand South Africa	Nat	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨		🟨	🟩 ↑	🟥 ↓	🟩 ↑	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨			🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
77	Provincial Treasury	EC	DP	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
78	Safety and Liaison	EC	DP	🟩			🟩 ↑	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
79	East London Industrial Development Zone Corporation	EC	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
80	Eastern Cape Gambling and Betting Board	EC	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
81	Eastern Cape Parks and Tourism Agency	EC	PE	🟩			🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟩 ↑	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
82	Eastern Cape Provincial Arts and Culture Council	EC	PE	🟩			🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩			🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩
83	Eastern Cape Rural Development Agency	EC	PE	🟩			🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
84	Eastern Cape Socio Economic Consultative Council	EC	PE	🟩			🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 Unqualified with no findings

🟨 Unqualified with findings

Qualified with findings

Adverse with findings

🟥 Disclaimed with findings

With findings

🟩 Good

🟩 ↑ Improved

🟨 In progress

🟨 ↔ Unchanged

🟥 Intervention required

🟥 ↓ Regressed

F Financial

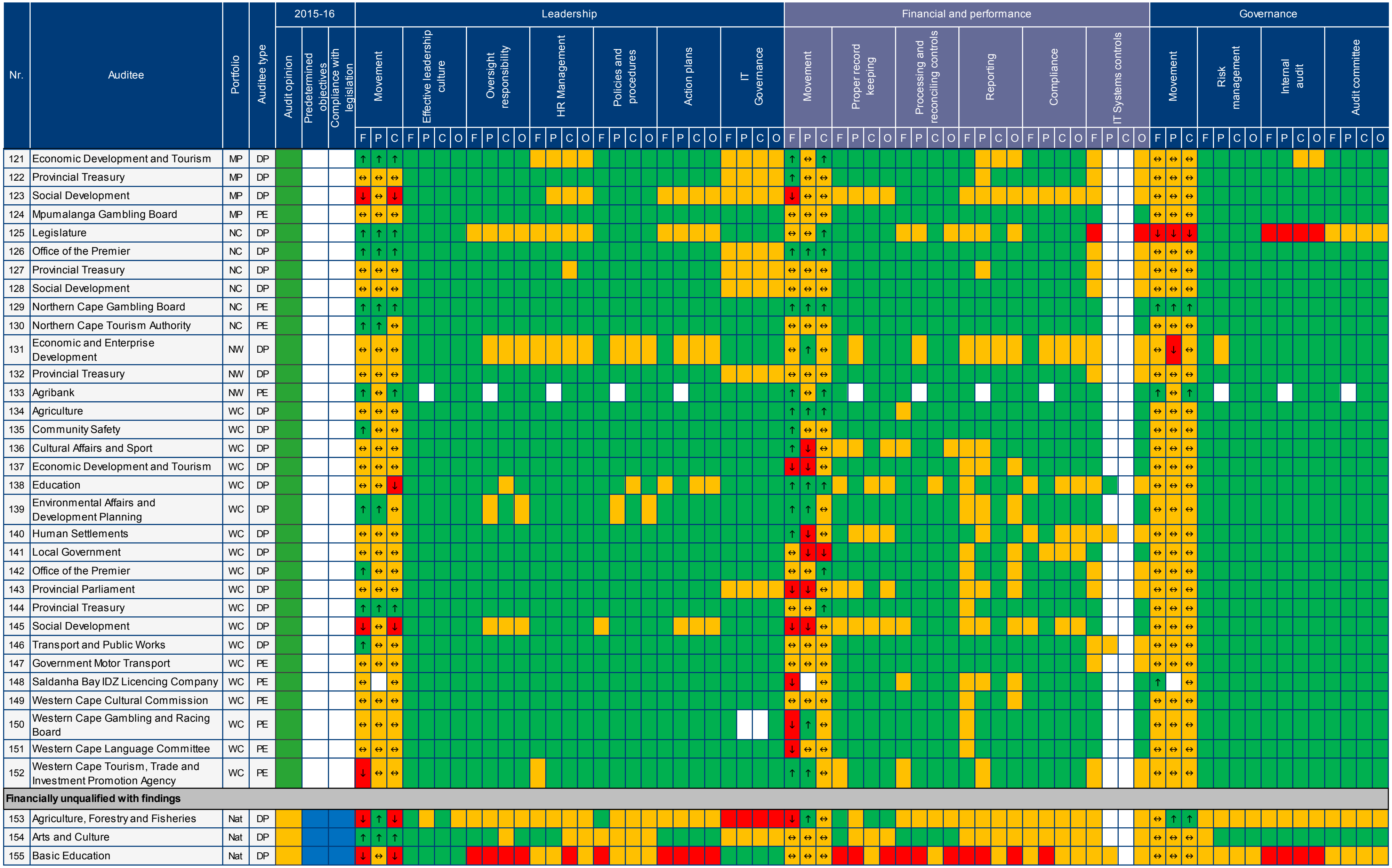
P Performance

C Compliance

O Overall

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																											Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
85	Legislature	FS	DP	🟩			↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨			🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
86	Free State Fleet Management Trading Entity	FS	PE	🟩			↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
87	Cooperative Governance and Traditional Affairs	GP	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
88	Economic Development	GP	DP	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
89	e-Government	GP	DP	🟩			↔	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
90	Legislature	GP	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↓	↓	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
91	Office of the Premier	GP	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
92	Provincial Treasury	GP	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
93	Social Development	GP	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
94	Constitutional Hill Development Company	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
95	Cost Recovery Trading Entity	GP	PE	🟩			↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
96	Cradle of Humankind Trading Entity	GP	PE	🟩			↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
97	Dinokeng World Heritage Trading Entity	GP	PE	🟩			↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
98	Gauteng Film Commission	GP	PE	🟩			↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟨	🟨	🟨		🟨	🟨	🟩		🟩	🟩	🟩		🟩	🟩	↑		↑	🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	🟩			🟩	↔		↑	🟩		🟩	🟩	🟩		🟨	🟨	🟩		🟩	🟩
99	Gauteng Gambling Board	GP	PE	🟩			↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
100	Gauteng Growth and Development Agency	GP	PE	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
101	Gauteng Infrastructure Financing Agency	GP	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
102	Gauteng Partnership Fund	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
103	Gauteng Tourism Authority	GP	PE	🟩			↔	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
104	Gautrain Management Agency	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
105	Industrial Development Zone	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
106	Supplier Park Development Company	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
107	The Innovation Hub	GP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
108	Provincial Treasury	KZN	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
109	Amafa Akwazulu-Natali	KZN	PE	🟩			↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
110	Dube Tradeport Company	KZN	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
111	KwaZulu-Natal Gaming and Betting Board	KZN	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩
112	Kwazulu-Natal Property Development Holdings	KZN	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
113	KwaZulu-Natal Sharks Board	KZN	PE	🟩			↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
114	KwaZulu-Natal Tourism Authority	KZN	PE	🟩			↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩
115	KZN Film Company	KZN	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
116	KZN Growth Fund Trust	KZN	PE	🟩			↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
117	KZN Liquor Authority	KZN	PE	🟩			↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↑	↔	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
118	Moses Kotane Institute	KZN	PE	🟩			↑		↑	🟩		🟨	🟩	🟩		🟨	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟨	🟩	🟩		🟩	🟩	↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟩	🟩	🟩		🟨	🟨	🟩			🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
119	Trade and Investment KwaZulu-Natal	KZN	PE	🟩			↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↓	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
120	Co-operative Governance and Traditional Affairs	MP	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩



Nr.	Auditee	Portfolio	Auditee type	2015-16 Audit opinion	Predetermined objectives	Compliance with legislation	Leadership Movement F	P	C	Financial and performance Movement F	P	C	Governance Movement F	P	C
121	Economic Development and Tourism	MP	DP	🟩			↑	↑	↑	↑	↔	↑	↔	↔	↔
122	Provincial Treasury	MP	DP	🟩			↔	↔	↔	↑	↔	↔	↔	↔	↔
123	Social Development	MP	DP	🟩			↓	↔	↓	↓	↔	↔	↔	↔	↔
124	Mpumalanga Gambling Board	MP	PE	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
125	Legislature	NC	DP	🟩			↑	↑	↑	↔	↔	↑	↓	↓	↓
126	Office of the Premier	NC	DP	🟩			↑	↑	↑	↑	↑	↑	↔	↔	↔
127	Provincial Treasury	NC	DP	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
128	Social Development	NC	DP	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
129	Northern Cape Gambling Board	NC	PE	🟩			↑	↑	↑	↑	↑	↑	↑	↑	↑
130	Northern Cape Tourism Authority	NC	PE	🟩			↑	↑	↔	↔	↔	↔	↔	↔	↔
131	Economic and Enterprise Development	NW	DP	🟩			↔	↔	↔	↔	↑	↔	↔	↓	↔
132	Provincial Treasury	NW	DP	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
133	Agribank	NW	PE	🟩			↑	↔	↑	↑	↔	↑	↑	↔	↑
134	Agriculture	WC	DP	🟩			↔	↔	↔	↑	↑	↑	↔	↔	↔
135	Community Safety	WC	DP	🟩			↑	↔	↔	↑	↔	↔	↔	↔	↔
136	Cultural Affairs and Sport	WC	DP	🟩			↔	↔	↔	↑	↓	↔	↔	↔	↔
137	Economic Development and Tourism	WC	DP	🟩			↔	↔	↔	↓	↓	↔	↔	↔	↔
138	Education	WC	DP	🟩			↔	↔	↓	↑	↑	↑	↔	↔	↔
139	Environmental Affairs and Development Planning	WC	DP	🟩			↑	↑	↔	↑	↑	↔	↔	↔	↔
140	Human Settlements	WC	DP	🟩			↔	↔	↔	↑	↓	↔	↔	↔	↔
141	Local Government	WC	DP	🟩			↔	↔	↔	↔	↓	↓	↔	↔	↔
142	Office of the Premier	WC	DP	🟩			↑	↔	↔	↔	↔	↑	↔	↔	↔
143	Provincial Parliament	WC	DP	🟩			↔	↔	↔	↓	↓	↔	↔	↔	↔
144	Provincial Treasury	WC	DP	🟩			↑	↑	↑	↔	↔	↑	↔	↔	↔
145	Social Development	WC	DP	🟩			↓	↔	↓	↓	↓	↔	↔	↔	↔
146	Transport and Public Works	WC	DP	🟩			↑	↔	↔	↔	↔	↔	↔	↔	↔
147	Government Motor Transport	WC	PE	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
148	Saldanha Bay IDZ Licencing Company	WC	PE	🟩			↔		↔	↓		↔	↑		↔
149	Western Cape Cultural Commission	WC	PE	🟩			↔	↔	↔	↔	↔	↔	↔	↔	↔
150	Western Cape Gambling and Racing Board	WC	PE	🟩			↔	↔	↔	↓	↑	↔	↔	↔	↔
151	Western Cape Language Committee	WC	PE	🟩			↔	↔	↔	↓	↔	↔	↔	↔	↔
152	Western Cape Tourism, Trade and Investment Promotion Agency	WC	PE	🟩			↓	↔	↔	↑	↑	↔	↔	↔	↔
Financially unqualified with findings															
153	Agriculture, Forestry and Fisheries	Nat	DP	🟨	🟦	🟦	↓	↑	↓	↓	↑	↔	↔	↑	↑
154	Arts and Culture	Nat	DP	🟨	🟦	🟦	↑	↑	↑	↔	↔	↔	↔	↔	↔
155	Basic Education	Nat	DP	🟨	🟦	🟦	↓	↔	↓	↔	↔	↔	↔	↔	↔

Leadership: Movement; Effective leadership culture; Oversight responsibility; HR Management; Policies and procedures; Action plans; IT Governance (F P C O)

Financial and performance: Movement; Proper record keeping; Processing and reconciling controls; Reporting; Compliance; IT Systems controls (F P C O)

Governance: Movement; Risk management; Internal audit; Audit committee (F P C O)

Unqualified with no findings

Unqualified with findings

Qualified with findings

Adverse with findings

Disclaimed with findings

With findings

🟩 Good

🟨 In progress

🟥 Intervention required

↑ Improved

↔ Unchanged

↓ Regressed

F Financial

P Performance

C Compliance

O Overall

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
156	Correctional Services	Nat	DP	🟨	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↓	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
157	Defence	Nat	DP	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↔	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟩	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
158	Economic Development	Nat	DP	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟨	↓	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
159	Health	Nat	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
160	Higher Education and Training	Nat	DP	🟨	🟦	🟦	↔	↑	↔	🟩	🟩	🟨	🟩	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↑	↑	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	⬜	🟨	↑	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
161	Human Settlements	Nat	DP	🟨	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟩	🟨	🟥	🟩	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
162	Independent Police Investigative Directorate	Nat	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
163	Justice and Constitutional Development	Nat	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
164	Labour	Nat	DP	🟨	🟦	🟦	↓	↔	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨
165	Mineral Resources	Nat	DP	🟨	⬜	🟦	↔	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
166	National School of Government	Nat	DP	🟨	🟦	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
167	National Treasury	Nat	DP	🟨	🟦	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟥	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
168	Office of the Chief Justice	Nat	DP	🟨	🟦	🟦	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	⬜	⬜	⬜	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	⬜	⬜	🟥	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
169	Police	Nat	DP	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
170	Public Enterprises	Nat	DP	🟨	⬜	🟦	↓	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
171	Public Service Commission	Nat	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
172	Public Works	Nat	DP	🟨	🟦	🟦	↔	↑	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↑	↔	↑	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩
173	Rural Development and Land Reform	Nat	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
174	Science and Technology	Nat	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
175	Small Business Development	Nat	DP	🟨	🟦	🟦	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟥	🟨	🟥	🟥	🟩	🟩	🟩	🟩	⬜	⬜	⬜	⬜	🟩	🟩	🟩	🟩	⬜	⬜	⬜	🟥	🟩	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟩	🟥	🟩	🟥	🟥	🟥	🟨	⬜	⬜	🟨	⬜	⬜	⬜	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
176	Telecommunications and Postal Services	Nat	DP	🟨	⬜	🟦	↑	↑	↑	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
177	The Presidency	Nat	DP	🟨	🟦	🟦	↑	↓	↔	🟩	🟩	🟩	🟩	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟨	🟩	⬜	⬜	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
178	Trade and Industry	Nat	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
179	Traditional Affairs	Nat	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
180	Water and Sanitation	Nat	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
181	Women	Nat	DP	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟥	🟨	🟨	⬜	🟨	🟨	🟩	🟨	↓	↔	↔	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟩	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
182	African Renaissance and International Cooperation Fund	Nat	PE	🟨	⬜	🟦	↑	↑	↑	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
183	Agricultural Research Council	Nat	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
184	Agricultural Sector Education and Training (AGRISETA)	Nat	PE	🟨	🟦	⬜	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
185	Boxing South Africa	Nat	PE	🟨	🟦	🟦	↑	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↑	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
186	CEF	Nat	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
187	Commission for Conciliation, Mediation and Arbitration	Nat	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
188	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	Nat	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
189	Community Schemes Ombuds Service	Nat	PE	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
190	Companies and Intellectual Property Commission	Nat	PE	🟨	⬜	🟦	↔	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
191	Competition Commission	Nat	PE	🟨	⬜	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟨	🟩	🟨	🟩	🟩	🟥	🟨	🟩	🟩	🟩	🟩	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																											Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
192	Competition Tribunal	Nat	PE	🟨	⬜	🟦	↓	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
193	Construction Industry Development Board	Nat	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
194	Co-operative Banks Development Agency	Nat	PE	🟨	🟦	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟥	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
195	Council for Geoscience	Nat	PE	🟨	⬜	🟦	↔	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
196	Council for the Built Environment	Nat	PE	🟨	🟦	🟦	↑	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟥	🟥	↑	↔	↓	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟥	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
197	Council on Higher Education	Nat	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
198	Deeds Registration Trading Account	Nat	PE	🟨	⬜	🟦	↑	⬜	↑	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟥	🟥	🟥	🟥	↑	⬜	↑	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
199	Die Afrikaanse Taalmuseum	Nat	PE	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟨	🟨	🟩	🟨	🟨	🟩	🟥	🟨	🟥	🟨	🟥	🟥	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	↓	↔	↓	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨
200	Driving Licence Card Account	Nat	PE	🟨	⬜	🟦	↓	↓	↓	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
201	Education, Training and Development Practices Sector Education and Training Authority	Nat	PE	🟨	⬜	🟦	↓	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↓	↔	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
202	Electoral Commission	Nat	PE	🟨	🟦	🟦	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
203	Energy and Water Sector Education and Training Authority	Nat	PE	🟨	🟦	🟦	↓	↓	↑	🟩	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↔	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
204	Equalisation Fund	Nat	PE	🟨	⬜	🟦	↔	↔	↑	🟩	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟩	🟥	🟨	🟨	🟨	🟨	↑	↔	⬜	🟨	🟥	⬜	🟥	🟨	🟥	⬜	🟥	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟨	⬜	⬜	🟨	↑	↔	↑	🟨	🟥	🟨	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨
205	Esayidi TVET College	Nat	PE	🟨	⬜	🟦	↑	⬜	↑	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↑	⬜	↑	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↑	⬜	↑	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
206	Film and Publication Board	Nat	PE	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
207	Financial Intelligence Centre	Nat	PE	🟨	🟦	🟦	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
208	Food and Beverages Manufacturing Industry Sector Education Training Authority	Nat	PE	🟨	🟦	🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
209	Government Pensions Administration Agency	Nat	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↑	🟨	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
210	Government Printing Works	Nat	PE	🟨	⬜	🟦	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
211	Independent Communications Authority of South Africa	Nat	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↑	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
212	International Trade Administration Commission	Nat	PE	🟨	🟦	🟦	↔	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↓	↑	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟥	🟥	🟩	🟥	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
213	Land and Agricultural Bank of South Africa	Nat	PE	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↓	🟩	🟩	🟥	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨
214	Local Government Education and Training Authority	Nat	PE	🟨	🟦	⬜	↑	↑	↑	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟨	🟨	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
215	Maluti TVET College	Nat	PE	🟨	⬜	🟦	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
216	Manufacturing Engineering and Related Services Education and Training Authority	Nat	PE	🟨	⬜	🟦	↔	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
217	Marine Living Resources Fund	Nat	PE	🟨	⬜	🟦	↔	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↓	↓	↑	🟩	🟥	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
218	Market Theatre Foundation	Nat	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↓	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
219	Media Development and Diversity Agency	Nat	PE	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟨	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
220	Mine Health and Safety Council	Nat	PE	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
221	Mnambithi TVET College	Nat	PE	🟨	⬜	🟦	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	↔	⬜	↓	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟥	🟥	⬜	⬜	🟥	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨

🟩 Unqualified with no findings

🟨 Unqualified with findings

🟪 Qualified with findings

Adverse with findings

🟥 Disclaimed with findings

🟦 With findings

🟩 Good

🟨 In progress

🟥 Intervention required

↑ Improved

↔ Unchanged

↓ Regressed

F Financial

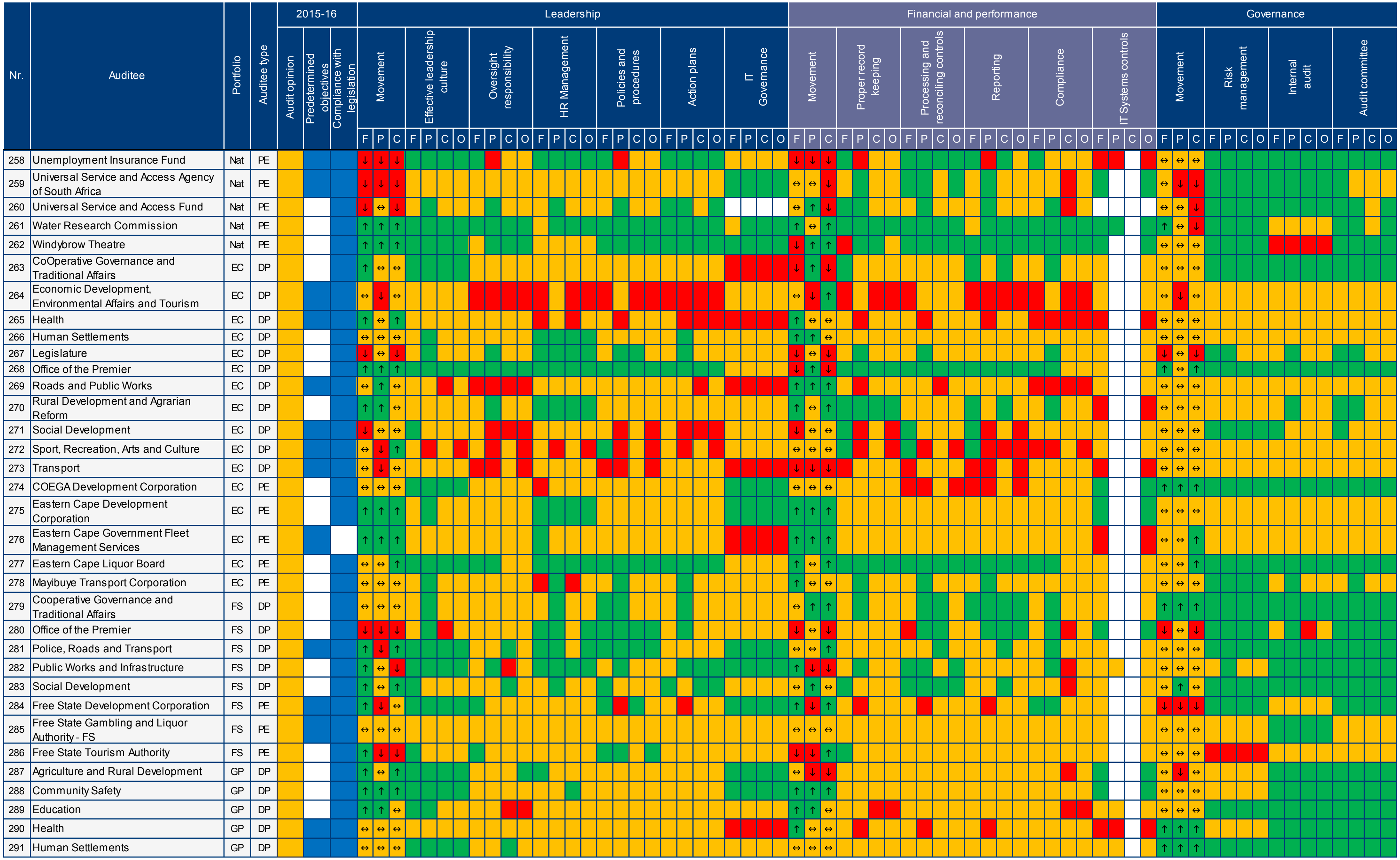
P Performance

C Compliance

O Overall

DP - department **PE** - public entity

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																											Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
222	Mthashana TVET College	Nat	PE	🟨		🟦				🟥		🟥	🟥	🟥		🟥	🟥	🟨		🟨	🟨	🟥		🟥	🟥	🟨		🟨	🟨	🟥		🟥	🟥				🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	🟥		🟥	🟥	🟥			🟥				🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥
223	Municipal Demarcation Board	Nat	PE	🟨	🟦	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
224	National Consumer Commission	Nat	PE	🟨		🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	↔	↔	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
225	National Development Agency	Nat	PE	🟨		🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟥	🟨	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↓	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟨	🟨	🟩	🟥	🟥	🟨			🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥
226	National Electronic Media Institute of South African	Nat	PE	🟨	🟦	🟦	↓	↓	↑	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↓	↔	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟩	🟨	🟥	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
227	National Heritage Council of South Africa	Nat	PE	🟨	🟦		↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟨	🟩	🟩	🟩	🟩			🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
228	National Home Builders Regulatory Council	Nat	PE	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↑	🟩	🟥	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟥	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
229	National School of Government Trading Entity	Nat	PE	🟨	🟦	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
230	National Skills Fund	Nat	PE	🟨		🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨			🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
231	National Student Financial Aid Scheme	Nat	PE	🟨	🟦	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↑	↑	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨			🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
232	Northern Cape Urban TVET College	Nat	PE	🟨		🟦	↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟨	🟨	↑		↑	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟨	🟨	🟨		🟨	🟨	🟨		🟨	🟨	↑		↑	🟩		🟩	🟩	🟨		🟨	🟨	🟨		🟨	🟨
233	Office of the Health Standard Compliance	Nat	PE	🟨		🟦				🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨				🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟥	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨			🟨				🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
234	Office of the Pension Funds Adjudicator	Nat	PE	🟨		🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟥	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
235	Private Security Industry Regulatory Authority	Nat	PE	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨			🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
236	Public Investment Corporation Limited	Nat	PE	🟨		🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↔	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩			🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
237	Quality Council for Trades and Occupations	Nat	PE	🟨		🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
238	Railway Safety Regulator	Nat	PE	🟨	🟦	🟦	↔	↓	↓	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↓	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟨	🟩	🟩	🟥	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
239	Road Accident Fund	Nat	PE	🟨		🟦	↑	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
240	Road Traffic Infringement Agency	Nat	PE	🟨	🟦	🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
241	SA Institute for Drug-free Sport	Nat	PE	🟨		🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟨	🟥	🟩	🟥	🟥	🟨	🟨	🟨	🟨	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟥	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	
242	Safety and Security Sector Education and Training Authority (SASSETA)	Nat	PE	🟨	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↑	↑	↑	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥		🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
243	South Africa Heritage Resources Agency	Nat	PE	🟨		🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟥	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
244	South Africa Library for the Blind	Nat	PE	🟨		🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
245	South African Forestry Company	Nat	PE	🟨		🟦	↓	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩
246	South African Maritime Safety Authority	Nat	PE	🟨	🟦	🟦	↑	↓	↑	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
247	South African National Biodiversity Institute	Nat	PE	🟨		🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↓	↓	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟨	🟩	🟨	🟨	🟨	🟩			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
248	South African National Energy Development Institute	Nat	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨		🟨			🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
249	South African Qualifications Authority	Nat	PE	🟨		🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
250	South African Social Security Agency	Nat	PE	🟨		🟦	↓	↓	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟨		🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
251	South Cape TVET College	Nat	PE	🟨		🟦	↓		↓	🟩		🟩	🟩	🟥		🟥	🟥	🟨		🟨	🟨	🟩		🟨	🟨	🟨		🟨	🟨	🟥		🟨	🟨	↓		↓	🟥		🟨	🟨	🟩		🟩	🟩	🟥		🟨	🟥	🟨		🟨	🟨	🟨			🟨	↓		↓	🟩		🟨	🟨	🟩		🟨	🟨	🟨		🟨	🟨
252	Special Investigating Unit	Nat	PE	🟨		🟦	↔	↔	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨			🟨	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
253	State Diamond Trader	Nat	PE	🟨		🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
254	State Information Technology Agency	Nat	PE	🟨		🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
255	The Public Protector of South Africa	Nat	PE	🟨		🟦	↑	↑	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟥	🟥	🟩	🟥	🟨	🟨	🟨	🟨	🟨			🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
256	The South African National Roads Agency	Nat	PE	🟨	🟦	🟦	↔	↑	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟩	🟥	🟨	🟥			🟥	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩
257	Transport Education and Training Authority (TETA)	Nat	PE	🟨	🟦		↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	↔	↑	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩		🟨	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩



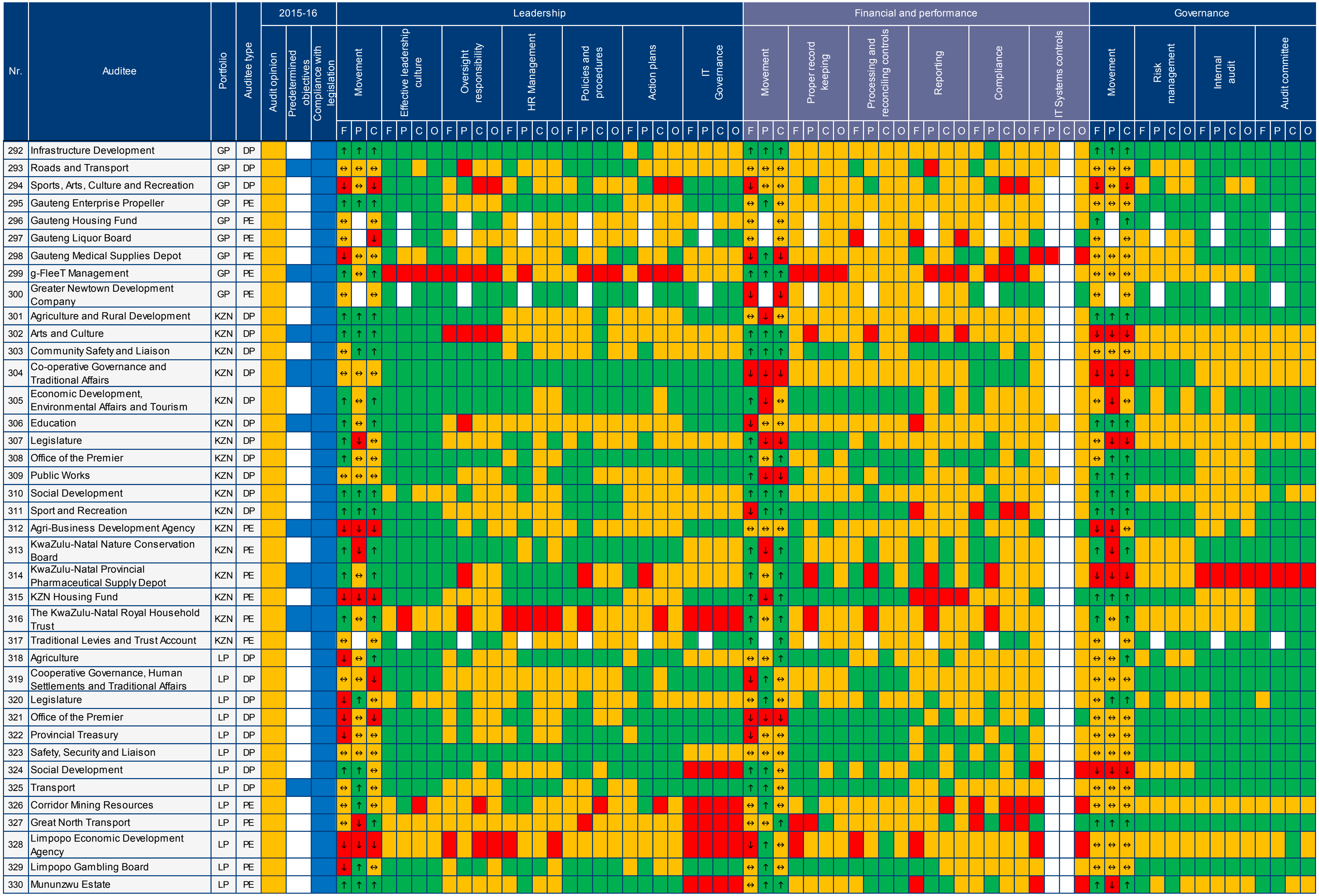
Nr.	Auditee	Portfolio	Auditee type	2015-16 Audit opinion	2015-16 Predetermined objectives	2015-16 Compliance with legislation	Leadership Movement F	Leadership Movement P	Leadership Movement C	Financial and performance Movement F	Financial and performance Movement P	Financial and performance Movement C	Governance Movement F	Governance Movement P	Governance Movement C
258	Unemployment Insurance Fund	Nat	PE	🟨	🟦	🟦	↓	↓	↓	↓	↓	↓	↔	↔	↔
259	Universal Service and Access Agency of South Africa	Nat	PE	🟨	🟦	🟦	↓	↓	↓	↔	↔	↓	↔	↓	↓
260	Universal Service and Access Fund	Nat	PE	🟨		🟦	↓	↔	↓	↔	↑	↓	↔	↔	↓
261	Water Research Commission	Nat	PE	🟨		🟦	↑	↑	↑	↑	↔	↑	↑	↔	↓
262	Windybrow Theatre	Nat	PE	🟨		🟦	↑	↑	↑	↓	↑	↑	↔	↔	↔
263	CoOperative Governance and Traditional Affairs	EC	DP	🟨		🟦	↑	↔	↔	↓	↑	↓	↔	↔	↔
264	Economic Development, Environmental Affairs and Tourism	EC	DP	🟨	🟦	🟦	↔	↓	↔	↔	↓	↑	↔	↓	↔
265	Health	EC	DP	🟨	🟦	🟦	↑	↔	↑	↑	↔	↔	↔	↔	↔
266	Human Settlements	EC	DP	🟨		🟦	↔	↔	↔	↑	↑	↔	↔	↔	↔
267	Legislature	EC	DP	🟨		🟦	↓	↔	↓	↓	↔	↓	↓	↔	↓
268	Office of the Premier	EC	DP	🟨		🟦	↑	↑	↑	↓	↑	↓	↑	↔	↑
269	Roads and Public Works	EC	DP	🟨	🟦	🟦	↔	↑	↔	↑	↑	↑	↔	↔	↔
270	Rural Development and Agrarian Reform	EC	DP	🟨		🟦	↑	↑	↔	↑	↔	↑	↔	↔	↔
271	Social Development	EC	DP	🟨	🟦	🟦	↓	↔	↔	↓	↔	↔	↔	↔	↔
272	Sport, Recreation, Arts and Culture	EC	DP	🟨	🟦	🟦	↔	↓	↑	↔	↔	↔	↔	↔	↔
273	Transport	EC	DP	🟨	🟦	🟦	↔	↓	↔	↓	↓	↓	↔	↔	↔
274	COEGA Development Corporation	EC	PE	🟨		🟦	↔	↔	↔	↔	↔	↔	↑	↑	↑
275	Eastern Cape Development Corporation	EC	PE	🟨		🟦	↑	↑	↑	↑	↑	↑	↔	↔	↔
276	Eastern Cape Government Fleet Management Services	EC	PE	🟨	🟦		↑	↑	↑	↑	↑	↑	↔	↔	↑
277	Eastern Cape Liquor Board	EC	PE	🟨		🟦	↔	↔	↑	↑	↔	↑	↔	↔	↑
278	Mayibuye Transport Corporation	EC	PE	🟨		🟦	↔	↔	↔	↑	↔	↔	↔	↔	↔
279	Cooperative Governance and Traditional Affairs	FS	DP	🟨		🟦	↔	↔	↔	↔	↑	↑	↑	↑	↑
280	Office of the Premier	FS	DP	🟨		🟦	↓	↓	↓	↓	↔	↓	↓	↔	↓
281	Police, Roads and Transport	FS	DP	🟨	🟦	🟦	↑	↓	↑	↔	↔	↑	↔	↔	↔
282	Public Works and Infrastructure	FS	DP	🟨		🟦	↑	↔	↓	↑	↓	↓	↔	↔	↔
283	Social Development	FS	DP	🟨		🟦	↑	↔	↑	↔	↑	↔	↔	↑	↔
284	Free State Development Corporation	FS	PE	🟨	🟦	🟦	↑	↓	↔	↑	↓	↑	↓	↓	↓
285	Free State Gambling and Liquor Authority - FS	FS	PE	🟨	🟦	🟦	↔	↔	↔	↔	↔	↔	↔	↔	↔
286	Free State Tourism Authority	FS	PE	🟨		🟦	↑	↓	↓	↓	↓	↑	↔	↔	↔
287	Agriculture and Rural Development	GP	DP	🟨		🟦	↑	↔	↑	↔	↓	↓	↔	↓	↔
288	Community Safety	GP	DP	🟨		🟦	↑	↑	↑	↑	↑	↑	↔	↔	↔
289	Education	GP	DP	🟨		🟦	↑	↑	↔	↑	↑	↔	↔	↔	↔
290	Health	GP	DP	🟨	🟦	🟦	↔	↔	↔	↑	↔	↔	↑	↑	↑
291	Human Settlements	GP	DP	🟨	🟦	🟦	↔	↔	↔	↔	↔	↔	↑	↑	↑

🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
🟪 Adverse with findings
🟥 Disclaimed with findings
🟦 With findings

🟩 Good
🟨 In progress
🟥 Intervention required
↑ Improved
↔ Unchanged
↓ Regressed

F Financial
P Performance
C Compliance
O Overall

DP - department **PE** - public entity



Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																															Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
292	Infrastructure Development	GP	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
293	Roads and Transport	GP	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟨	🟩	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
294	Sports, Arts, Culture and Recreation	GP	DP	🟨	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟥	🟩	🟩	🟩	🟩	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
295	Gauteng Enterprise Propeller	GP	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
296	Gauteng Housing Fund	GP	PE	🟨	⬜	🟦	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↑	⬜	↑	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
297	Gauteng Liquor Board	GP	PE	🟨	⬜	🟦	↔	⬜	↓	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	↔	⬜	↔	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟨	🟥	⬜	🟨	🟥	🟨	⬜	🟨	🟨	🟩	⬜	⬜	🟩	↔	⬜	↔	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
298	Gauteng Medical Supplies Depot	GP	PE	🟨	⬜	🟦	↓	↔	↔	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	↓	↑	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟥	🟩	🟥	🟥	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
299	g-FleeT Management	GP	PE	🟨	🟦	🟦	↑	↔	↑	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↑	↑	↑	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
300	Greater Newtown Development Company	GP	PE	🟨	⬜	🟦	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	↓	⬜	↓	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟩	⬜	⬜	🟩	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
301	Agriculture and Rural Development	KZN	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
302	Arts and Culture	KZN	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
303	Community Safety and Liaison	KZN	DP	🟨	⬜	🟦	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
304	Co-operative Governance and Traditional Affairs	KZN	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
305	Economic Development, Environmental Affairs and Tourism	KZN	DP	🟨	⬜	🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↑	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↓	↔	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩
306	Education	KZN	DP	🟨	🟦	🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
307	Legislature	KZN	DP	🟨	⬜	🟦	↑	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
308	Office of the Premier	KZN	DP	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
309	Public Works	KZN	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↓	↓	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
310	Social Development	KZN	DP	🟨	⬜	🟦	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨
311	Sport and Recreation	KZN	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
312	Agri-Business Development Agency	KZN	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↓	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩
313	KwaZulu-Natal Nature Conservation Board	KZN	PE	🟨	⬜	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↓	↑	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↓	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
314	KwaZulu-Natal Provincial Pharmaceutical Supply Depot	KZN	PE	🟨	🟦	🟦	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
315	KZN Housing Fund	KZN	PE	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
316	The KwaZulu-Natal Royal Household Trust	KZN	PE	🟨	🟦	🟦	↑	↔	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	↑	↔	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	⬜	⬜	🟨	↑	↔	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
317	Traditional Levies and Trust Account	KZN	PE	🟨	⬜	🟦	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	⬜	🟨	↔	⬜	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
318	Agriculture	LP	DP	🟨	⬜	🟦	↓	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↑	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
319	Cooperative Governance, Human Settlements and Traditional Affairs	LP	DP	🟨	⬜	🟦	↔	↔	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↓	↑	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
320	Legislature	LP	DP	🟨	⬜	🟦	↓	↑	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩
321	Office of the Premier	LP	DP	🟨	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
322	Provincial Treasury	LP	DP	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
323	Safety, Security and Liaison	LP	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
324	Social Development	LP	DP	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↑	↑	↔	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟥	⬜	⬜	🟥	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
325	Transport	LP	DP	🟨	🟦	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
326	Corridor Mining Resources	LP	PE	🟨	⬜	🟦	↔	↑	↔	🟨	🟩	🟥	🟨	🟨	🟨	🟥	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟥	🟨	🟥	🟥	🟥	🟥	↔	↑	↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
327	Great North Transport	LP	PE	🟨	⬜	🟦	↔	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↑	🟥	🟥	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟥	🟩	🟥	🟥	🟩	⬜	⬜	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
328	Limpopo Economic Development Agency	LP	PE	🟨	⬜	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↑	↔	🟥	🟨	🟨	🟨	🟥	🟨	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨
329	Limpopo Gambling Board	LP	PE	🟨	⬜	🟦	↓	↑	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
330	Mununzwu Estate	LP	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↔	↑	↑	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟥	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↑	↓	↑	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
331	Risima Housing Finance Corporation	LP	PE	🟨	⬜	🟦	↓	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↔	↑	↑	🟩	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
332	Venteco	LP	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↓	↑	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↓	↓	↔	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩
333	Agriculture, Rural Development, Land And Environmental Affairs	MP	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟩	⬜	⬜	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
334	Human Settlements	MP	DP	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
335	Legislature	MP	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↔	↓	🟥	🟨	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
336	Office of the Premier	MP	DP	🟨	⬜	🟦	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↓	🟥	🟩	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
337	Public Works, Roads and Transport	MP	DP	🟨	🟦	🟦	↔	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	⬜	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
338	Mpumalanga Regional Training Trust	MP	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
339	Agriculture, Land Reform and Rural Development	NC	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
340	Co-Operative Governance, Human Settlements and Traditional Affairs	NC	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
341	Economic Development and Tourism	NC	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
342	Education	NC	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
343	Environment and Nature Conservation	NC	DP	🟨	⬜	🟦	↓	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
344	Roads and Public Works	NC	DP	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟨	🟩	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟨	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	⬜	⬜	🟨	↑	↑	↔	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
345	Sport, Arts and Culture	NC	DP	🟨	🟦	🟦	↑	↓	↔	🟩	🟨	🟥	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↓	↔	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟥	🟥	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
346	Transport, Safety and Liaison	NC	DP	🟨	🟦	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↑	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
347	Northern Cape Fleet Management	NC	PE	🟨	🟦	🟦	↔	↓	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟩	🟩	🟩	↔	↓	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟥	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
348	Northern Cape Liquor Board	NC	PE	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨
349	Culture, Arts and Traditional Affairs	NW	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
350	Education and Sports Development	NW	DP	🟨	🟦	🟦	↔	↓	↔	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↑	↓	↔	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
351	Legislature	NW	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
352	Rural, Environment and Agricultural Development	NW	DP	🟨	🟦	🟦	↑	↔	↔	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
353	Social Development	NW	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
354	Tourism	NW	DP	🟨	🟦	🟦	↑	↔	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
355	Atteridgeville Bus Services	NW	PE	🟨	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟨	🟥	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥
356	Kgama Wildlife Operations	NW	PE	🟨	⬜	🟦	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟨	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
357	North West Directorate of Entrepreneurial Development in	NW	PE	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟨	🟨	🟩	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
358	North West Gambling Board	NW	PE	🟨	⬜	🟦	↔	↑	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
359	North West Provincial Aids Council	NW	PE	🟨	🟦	🟦	↔	↔	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
360	North West Provincial Arts and Cultural Council	NW	PE	🟨	⬜	🟦	↑	↑	↑	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	↑	↑	↑	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟥	🟨	🟥	🟩	🟥	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
361	North West Star	NW	PE	🟨	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥
362	Health	WC	DP	🟨	🟦	⬜	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
363	The Heritage Western Cape	WC	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟥	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
364	Western Cape Housing Development Fund	WC	PE	🟨	⬜	🟦	↑	⬜	⬜	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	↑	⬜	⬜	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	🟥	⬜	⬜	🟥	🟨	⬜	⬜	🟨	↑	⬜	⬜	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩
365	Western Cape Liquor Authority	WC	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↓	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟨	🟩	🟥	🟩	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Unqualified with no findings

Unqualified with findings

Qualified with findings

Adverse with findings

Disclaimed with findings

With findings

🟩 **Good**

🟨 **In progress**

🟥 **Intervention required**

F **Financial**

P **Performance**

C **Compliance**

O **Overall**

↑ **Improved**

↔ **Unchanged**

↓ **Regressed**

DP - department **PE -** public entity

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
366	Western Cape Nature Conservation Board	WC	PE	🟨	🟦	⬜	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↓	↓	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
Qualified with findings																																																																							
367	Civilian Secretariat for Police	Nat	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↑	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↓	↔	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩
368	International Relations and Co-operation	Nat	DP	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	🟨	🟨	🟨	↓	↔	↔	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
369	Military Veterans	Nat	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↔	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
370	Central JHB TVET College	Nat	PE	🟪	⬜	⬜	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟩	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟥	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
371	Coastal TVET College	Nat	PE	🟪	⬜	🟦	⬜	⬜	⬜	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	⬜	⬜	⬜	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	⬜	⬜	⬜	🟥	⬜	🟥	🟥	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨
372	Iziko Museums of Cape Town	Nat	PE	🟪	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	⬜	⬜	🟨	↓	↑	↓	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
373	KwaZulu-Natal Museum	Nat	PE	🟪	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟨	🟩	🟩	🟨	🟨	⬜	⬜	🟨	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨
374	Lovedale TVET College	Nat	PE	🟪	⬜	🟦	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↔	⬜	↔	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	↑	⬜	↑	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜	🟨	⬜
375	Mining Qualifications SETA	Nat	PE	🟪	🟦	🟦	↓	↓	↔	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	⬜	🟨	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩
376	Msunduzi/Voortrekker Museum	Nat	PE	🟪	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟨	🟥	🟥	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
377	National Economic Development and Labour Council	Nat	PE	🟪	⬜	🟦	↔	↓	↑	🟨	🟩	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↑	🟥	🟨	🟨	🟨	🟥	🟨	🟩	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
378	National English Literary Museum	Nat	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	↓	↓	↓	🟥	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
379	National Library of South Africa	Nat	PE	🟪	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
380	National Museum	Nat	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	🟩	🟩	🟩	↓	↔	↓	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
381	National Regulator for Compulsory Specifications	Nat	PE	🟪	⬜	🟦	↔	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	⬜	⬜	⬜	↑	↑	↑	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	⬜	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
382	Nelson Mandela National Museum	Nat	PE	🟪	⬜	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	↓	↔	↔	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
383	Northlink TVET College	Nat	PE	🟪	⬜	🟦	↑	⬜	↑	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟩	⬜	⬜	⬜	↑	⬜	↑	🟩	⬜	🟩	🟩	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨
384	Pan South African Language Board	Nat	PE	🟪	🟦	🟦	↑	↓	↑	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↑	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↑	↔	↑	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥
385	Performing Arts Centre of the Free State	Nat	PE	🟪	🟦	🟦	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
386	Port Elizabeth TVET College	Nat	PE	🟪	⬜	🟦	↔	↔	↔	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↔	↔	↔	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↔	↔	↑	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
387	Public Service Sector Education and Training Authority	Nat	PE	🟪	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟥	🟩	🟩	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	⬜	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
388	Sheltered Employment Factories	Nat	PE	🟪	⬜	🟦	↓	↑	↔	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
389	South African Broadcasting Corporation	Nat	PE	🟪	🟦	🟦	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
390	Special Defence Account	Nat	PE	🟪	⬜	⬜	↓	⬜	↔	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟩	🟨	🟨	⬜	🟨	🟨	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↔	⬜	↔	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩
391	Third Party Funds (Monies in Trust)	Nat	PE	🟪	⬜	⬜	↑	⬜	⬜	🟩	⬜	⬜	🟩	🟨	⬜	⬜	🟨	🟩	⬜	⬜	🟩	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	⬜	⬜	⬜	⬜	↑	⬜	⬜	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	🟨	⬜	⬜	🟨	⬜	⬜	⬜	⬜	⬜	⬜	⬜	⬜	↔	⬜	⬜	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩	🟩	⬜	⬜	🟩
392	War Museum of the Boer Republics	Nat	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
393	Water Trading Entity	Nat	PE	🟪	⬜	🟦	↓	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
394	West Coast TVET College	Nat	PE	🟪	⬜	🟦	⬜	⬜	⬜	🟩	⬜	🟩	🟩	🟥	⬜	🟥	🟥	🟥	⬜	🟨	🟥	🟩	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	⬜	⬜	⬜	🟥	⬜	🟩	🟥	🟥	⬜	🟩	🟥	🟥	⬜	🟩	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟩	🟨	⬜	⬜	⬜	🟩	⬜	🟩	🟩	🟨	⬜	🟩	🟨	🟨	⬜	🟩	🟨
395	Wholesale and Retail Sector Education and Training Authority	Nat	PE	🟪	🟦	🟦	↔	↓	↔	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↓	↔	🟥	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨
396	William Humphreys Art Gallery	Nat	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↔	⬜	⬜	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩
397	Education	EC	DP	🟪	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
398	Economic Development, Tourism and Environmental Affairs	FS	DP	🟪	⬜	🟦	↓	↔	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟩	🟩	🟩	🟩	↓	↑	↓	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↔	↑	↔	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
399	Education	FS	DP	🟪	🟦	🟦	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↑	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	⬜	🟨	↓	↑	↓	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
400	Health	FS	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	↓	↔	↔	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	🟥	↓	↔	↔	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
401	Human Settlements	FS	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩

Nr.	Auditee	Portfolio	Auditee type	2015-16			Leadership																												Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				HR Management				Policies and procedures				Action plans				IT Governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				IT Systems controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
402	Provincial Treasury	FS	DP	🟪	⬜	🟦	↓	↔	↓	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
403	Sport, Arts, Culture and Recreation	FS	DP	🟪	⬜	🟦	↔	↑	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩
404	Central Medical Trading Account	FS	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
405	Health	KZN	DP	🟪	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
406	Human Settlements	KZN	DP	🟪	⬜	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟥	🟩	🟥	🟥	🟨	🟩	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
407	Transport	KZN	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟩	🟨	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
408	Mjindi Farming	KZN	PE	🟪	⬜	🟦	↓	↑	↑	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↑	↓	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟥	🟩	🟥	🟥	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
409	Economic Development, Environment and Tourism	LP	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
410	Health	LP	DP	🟪	🟦	🟦	↓	↔	↔	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↓	↔	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↓	🟨	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
411	Public Works, Roads and Infrastructure	LP	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↑	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
412	Sport, Arts and Culture	LP	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↓	↔	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
413	Gateway Airport Authority Limited	LP	PE	🟪	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
414	Limpopo Tourism Agency	LP	PE	🟪	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
415	Roads Agency Limpopo	LP	PE	🟪	⬜	🟦	↑	↔	↑	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↑	↔	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
416	Community Safety, Security and Liaison	MP	DP	🟪	⬜	🟦	↑	↑	↔	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↔	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
417	Culture, Sport and Recreation	MP	DP	🟪	⬜	🟦	↓	↓	↓	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
418	Education	MP	DP	🟪	🟦	🟦	↓	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↓	↔	↔	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
419	Health	MP	DP	🟪	🟦	🟦	↔	↔	↔	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↑	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
420	Mpumalanga Tourism and Parks Agency	MP	PE	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
421	Health	NC	DP	🟪	🟦	🟦	↑	↓	↓	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↑	↔	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟩	🟥	🟨	🟥	🟥	⬜	🟥	↑	↑	↔	🟨	🟨	🟥	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
422	Kalahari Kid Corporation	NC	PE	🟪	🟦	🟦	↔	↓	↓	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
423	McGregor Museum	NC	PE	🟪	🟦	🟦	↓	↑	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↔	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
424	Community Safety and Transport Management	NW	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟩	🟩	🟩	🟩	↓	↓	↑	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
425	Health	NW	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟩	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
426	Local Government and Human Settlements	NW	DP	🟪	🟦	🟦	↑	↔	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↔	↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
427	Office of the Premier	NW	DP	🟪	⬜	🟦	↓	↔	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
428	Public Works and Roads	NW	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↔	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟩	⬜	⬜	🟩	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
429	North West Parks Board	NW	PE	🟪	🟦	🟦	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥
430	North West Tourism Board	NW	PE	🟪	🟦	🟦	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥
431	North West Transport Investments	NW	PE	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥
432	North West Youth Development Trust	NW	PE	🟪	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
Adverse with findings																																																																							
433	Ditsong: Museums of South Africa	Nat	PE	🩷	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
434	Lephalale TVET College	Nat	PE	🩷	⬜	🟦	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	🟥	🟥	🟥	↔	⬜	↔	🟩	⬜	🟩	🟩	🟥	⬜	🟨	🟥	🟥	⬜	🟨	🟥	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	↑	⬜	↑	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨
435	Agriculture and Rural Development	FS	DP	🩷	⬜	🟦	↓	↑	↓	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	↓	↑	↓	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟩	⬜	⬜	🟩	↓	↓	↓	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥

🟩 **Unqualified with no findings**

🟨 **Unqualified with findings**

🟪 **Qualified with findings**

🩷 **Adverse with findings**

🟥 **Disclaimed with findings**

🟦 **With findings**

🟩 **Good**

🟨 **In progress**

🟥 **Intervention required**

↑ **Improved**

↔ **Unchanged**

↓ **Regressed**

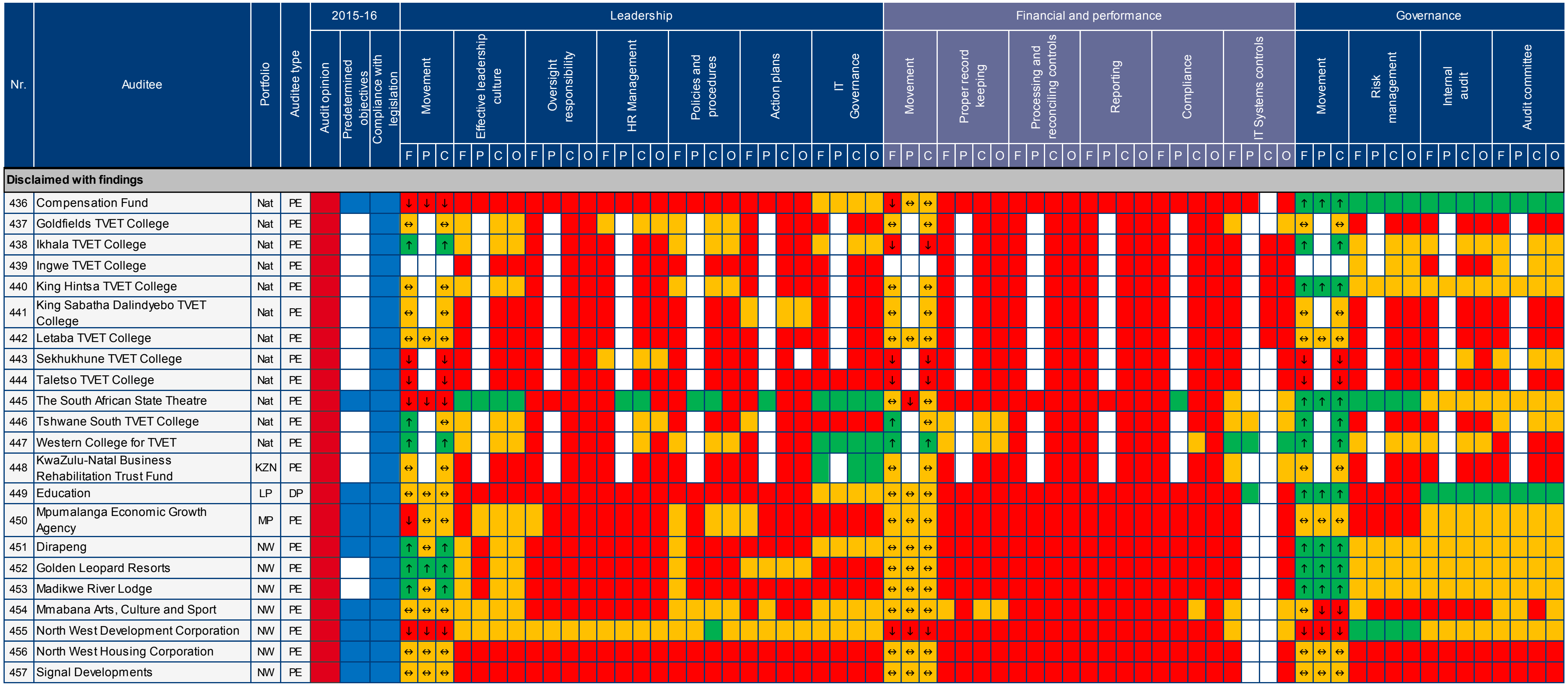
F **Financial**

P **Performance**

C **Compliance**

O **Overall**

DP - department **PE -** public entity



Nr.	Auditee	Portfolio	Auditee type	Leadership Movement F	Leadership Movement P	Leadership Movement C	Financial and performance Movement F	Financial and performance Movement P	Financial and performance Movement C	Governance Movement F	Governance Movement P	Governance Movement C
Disclaimed with findings												
436	Compensation Fund	Nat	PE	↓	↓	↓	↓	↔	↔	↑	↑	↑
437	Goldfields TVET College	Nat	PE	↔		↔	↔		↔	↔		↔
438	Ikhala TVET College	Nat	PE	↑		↑	↓		↓	↑		↑
439	Ingwe TVET College	Nat	PE									
440	King Hintsa TVET College	Nat	PE	↔		↔	↔		↔	↑	↑	↑
441	King Sabatha Dalindyebo TVET College	Nat	PE	↔		↔	↔		↔	↔		↔
442	Letaba TVET College	Nat	PE	↔	↔	↔	↔	↔	↔	↔	↔	↔
443	Sekhukhune TVET College	Nat	PE	↓		↓	↓		↓	↓		↓
444	Taletso TVET College	Nat	PE	↓		↓	↓		↓	↓		↓
445	The South African State Theatre	Nat	PE	↓	↓	↓	↔	↓	↔	↑	↑	↑
446	Tshwane South TVET College	Nat	PE	↑		↔	↑		↔	↑		↑
447	Western College for TVET	Nat	PE	↑		↑	↑		↑	↑		↑
448	KwaZulu-Natal Business Rehabilitation Trust Fund	KZN	PE	↔		↔	↔		↔	↔		↔
449	Education	LP	DP	↔	↔	↔	↔	↔	↔	↑	↑	↑
450	Mpumalanga Economic Growth Agency	MP	PE	↓	↔	↔	↔	↔	↔	↔	↔	↔
451	Dirapeng	NW	PE	↑	↔	↑	↔	↔	↔	↑	↑	↑
452	Golden Leopard Resorts	NW	PE	↑	↑	↑	↔	↔	↔	↑	↑	↑
453	Madikwe River Lodge	NW	PE	↑	↔	↑	↔	↔	↔	↑	↑	↑
454	Mmabana Arts, Culture and Sport	NW	PE	↔	↔	↔	↔	↔	↔	↔	↓	↓
455	North West Development Corporation	NW	PE	↓	↓	↓	↓	↓	↓	↓	↓	↓
456	North West Housing Corporation	NW	PE	↔	↔	↔	↔	↔	↔	↔	↔	↔
457	Signal Developments	NW	PE	↔	↔	↔	↔	↔	↔	↔	↔	↔

11

Need to know

11.1 AGSA audit processes and focus

What is our audit and reporting process?

We audit every department and some of the public entities (also called *auditees* in this report) in the country in order to report on the quality of their financial statements and APRs and on their compliance with key legislation.

We also assess the root cause of any error or non-compliance, based on the internal control that had failed to prevent or detect it. We report on the following three types of reports:

- We report our findings, the root causes of such findings and our recommendations in **management reports** to the senior management and accounting officers or authorities of auditees, which are also shared with the ministers, members of management and audit committees.
- Our opinion on the financial statements, material findings on the APRs and compliance with key legislation, as well as significant deficiencies in internal control, are included in an **audit report**, which is published with the auditee's annual report and dealt with by the public accounts committees and portfolio committees, as applicable.
- Annually, we report on the audit outcomes of all auditees in a **consolidated report** (such as this one), in which we also analyse the root causes that need to be addressed to improve audit outcomes. Before the general report is published, we share the outcomes and root causes with the national and provincial leadership, Parliament and the legislatures, as well as key role players in national and provincial government.

Over the past few years, we have intensified our efforts to assist in improving audit outcomes by identifying the **key controls** that should be in place at auditees, assessing these on a regular basis and sharing the results of the assessment with ministers, accounting officers and authorities, as well as audit committees.

During the audit process, we work closely with the accounting officer or authority, senior management, audit committees and internal audit units, as they are **key role players** in providing assurance on the credibility of the auditee's financial statements, performance report as well as compliance with legislation.

We also continue to strengthen our relationship with the coordinating and monitoring departments (such as the treasuries, offices of the premier and the Department of Planning, Monitoring and Evaluation) as well as Parliament and legislatures, as we are convinced that their involvement and oversight have played – and will continue to play – a crucial role in the performance at departments and public entities. We share our messages on key controls, risk areas and root causes with them, and obtain and monitor their commitment to implementing initiatives that can improve audit outcomes.

The overall audit outcomes fall into five categories:

1. Auditees that received a **financially unqualified opinion with no findings** are those that were able to:

- produce financial statements free of material misstatements (material misstatements mean errors or omissions that are so significant that they affect the credibility and reliability of the financial statements)
- measure and report on their performance in line with the predetermined objectives in their annual performance plan, and in a manner that is useful and reliable
- comply with key legislation.

This audit outcome is also commonly referred to as a *clean audit*.

2. Auditees that received a **financially unqualified opinion with findings** are those that were able to produce financial statements without material misstatements, but are struggling to:

- align their performance reports to the predetermined objectives to which they had committed in their annual performance plans
- set clear performance indicators and targets to measure their performance against their predetermined objectives
- report reliably on whether they had achieved their performance targets
- determine which legislation they should comply with, and implement the required policies, procedures and controls to ensure that they comply.

3. Auditees that received a **financially qualified opinion with findings** face the same challenges as those that were financially unqualified with findings in the areas of reporting on performance and compliance with key legislation. In addition, they were unable to produce credible and reliable financial statements. Their financial statements contained misstatements which they could not correct before the financial statements were published.
4. The financial statements of auditees that received an **adverse opinion with findings** include so many material misstatements that we disagree with virtually all the amounts and disclosures in the financial statements.
5. Those auditees with a **disclaimed opinion with findings** could not provide us with evidence for most of the amounts and disclosures in the financial

statements. We were unable to conclude or express an opinion on the credibility of their financial statements.

Auditees with adverse and disclaimed opinions are typically also:

- unable to provide sufficient supporting documentation for the achievements they report in their APRs
- not complying with key legislation.

What is the purpose of the annual audit of the financial statements?

The purpose of the annual audit of the financial statements is to provide the users thereof with an opinion on whether the financial statements fairly present, in all material respects, the key financial information for the reporting period in accordance with the financial framework and applicable legislation. The audit provides the users with reasonable assurance regarding the degree to which the financial statements are reliable and credible on the basis that the audit procedures performed did not reveal any material errors or omissions in the financial statements. We use the term *material misstatement* to refer to such material errors or omissions.

We report the poor quality of the financial statements we receive in the audit reports of some auditees as a material finding on compliance, as it also constitutes non-compliance with the PFMA. The finding is only reported for auditees that are subject to the PFMA and if the financial statements we received for auditing included material misstatements that could have been prevented or detected if the auditee had an effective internal control system. We do not report a finding if the misstatement resulted from an isolated incident or if it relates to the disclosure of unauthorised, irregular or fruitless and wasteful expenditure identified after the financial statements had been submitted.

What does compliance with key legislation mean?

We annually audit and report on compliance by auditees with key legislation applicable to financial and performance management and related matters. We focused on the following areas in our compliance audits, if they apply to the particular auditee: ■ the quality of annual financial statements submitted for auditing ■ asset and liability management ■ budget management ■ expenditure management ■ unauthorised, irregular and fruitless and wasteful expenditure ■ consequence management ■ revenue management ■ strategic planning and performance management ■ annual financial statements and annual report ■ transfer of funds and conditional grants ■ procurement and contract management (in other words, SCM).

In our audit reports, we report findings that were material enough to be brought to the attention of auditee management, as well as oversight bodies and the public.

What is the scope of supply chain management audits?

We test whether the prescribed procurement processes had been followed to ensure that all suppliers were given equal opportunity to compete and that some suppliers were not favoured above others. The principles of a fair, equitable, transparent, competitive and cost-effective SCM process are fundamental to the procurement practices of the public sector and are enshrined in the Constitution and prescribed in the PFMA and its regulations. The PFMA and these regulations define what processes should be followed to adhere to the constitutional principles, the level of flexibility available, and the documentation requirements.

We also focus on contract management, as shortcomings in this area can result in delays, wastage as well as fruitless and wasteful expenditure, which in turn have a direct impact on service delivery.

We further assess the financial interests of employees of the auditee and their close family members in suppliers to the auditee. Legislation does not prohibit awards to suppliers in which employees or their close family members have an interest, but requires employees and prospective suppliers to declare any financial interest for safeguards to be put in place to prevent improper influence and an unfair procurement process.

What is irregular expenditure?

Irregular expenditure is expenditure that was **not incurred in the manner prescribed by legislation** – i.e. somewhere in the process that led to the expenditure, the auditee did not comply with the applicable legislation.

Such expenditure does **not necessarily mean that money had been wasted or that fraud had been committed**. It is an indicator of non-compliance in the process that needs to be investigated by management to determine whether it was an unintended error, negligence or done with the intention to work against the requirements of legislation, which, for example, requires that procurement should be fair, equitable, transparent, competitive and cost-effective.

Through such **investigation** it is also determined who is responsible and what the impact of the non-compliance was. Based on the investigation the next steps are determined. One of the steps can be condonement if the non-compliance had no impact and negligence was not proven. Alternatively if it was proven the steps can be disciplinary steps, recovery of any losses from the implicated officials or even cancelling a contract or reporting it to the police or an investigating authority.

The PFMA is clear that **accounting officers and authorities are responsible** for preventing irregular expenditure and if it takes place what the process is that should be followed.

In order to promote transparency and accountability **all irregular expenditure identified (whether by the auditee or through the audit process) is disclosed** by the auditees in their financial statements with detail on how it was resolved – i.e. how much was investigated, recovered or condoned.

What is fruitless and wasteful expenditure?

Fruitless and wasteful expenditure is expenditure that was made in vain and that could have been avoided had reasonable care been taken. This includes penalties and interest on the late payment of creditors or statutory obligations as well as payments made for services not used or goods not received.

The PFMA requires accounting officers to take all reasonable steps to prevent fruitless and wasteful expenditure. Auditees should have processes to detect fruitless and wasteful expenditure and disclose the amounts in the financial statements. Fruitless and wasteful expenditure is reported when it is identified – even if the expenditure was incurred in a previous year.

The PFMA also sets out the steps that accounting officers and oversight bodies should take to investigate fruitless and wasteful expenditure to determine whether any officials are liable for the expenditure and to recover the money if liability is proven.

What is unauthorised expenditure?

Unauthorised expenditure refers to expenditure that departments incurred without provision having been made for it in the approved budget.

The PFMA requires accounting officers to take all reasonable steps to prevent unauthorised expenditure. Auditees should have processes to identify any unauthorised expenditure and disclose the amounts in the financial statements. The PFMA also includes the steps that accounting officers and oversight bodies should take to investigate unauthorised expenditure to determine whether any officials are liable for the expenditure and to recover the money if liability is proven.

What are conditional grants?

Conditional grants are funds allocated from national government to provincial departments, subject to certain services being delivered or on compliance with specified requirements.

Conditional grant allocations are approved each year through Dora. Dora will indicate the approved allocation per institution for that particular year, together with a forward estimate for the next two years.

Conditional grants emanate from government's vision and priorities. These vision and priorities are articulated in the MTSF, which focuses on placing the economy on a qualitatively different path that ensures rapid sustainable growth, higher investments, increased employment, reduced inequality and the deracialisation of the economy.

In support of these goals, conditional grants are provided to provincial departments to:

- reduce the concentration of people in urban areas (comprehensive agricultural support programme grant and human settlements development grant)
- increase adequate infrastructure (education infrastructure grant, provincial roads maintenance grant and health facility revitalisation grant)
- improve skills (HIV and Aids grant, expanded public works programme integrated grant for provinces and social sector expanded public works programme incentive grant for provinces).

Our audits included testing compliance with Dora and the individual grant frameworks, as well as the achievement of planned targets for selected projects or programmes funded by each grant allocation.

What is the purpose and nature of auditing of annual performance reports?

Auditees are required to measure their actual service delivery against the performance indicators and targets set for each of their predetermined performance objectives as defined in their annual performance plan, and to report on this in their APRs.

On an annual basis, we audit **selected material programmes** of departments and objectives of public entities to determine whether the information in the APRs is useful and reliable enough to enable the oversight bodies, the public and other users of the reports to assess the performance of the auditee. The programmes and objectives we select are those that are important for delivery by the auditee on its mandate. In the audit report, we reported findings that were material enough to be brought to the attention of these users.

As part of the annual audits, we audited the **usefulness of the reported performance information** to determine whether it was presented in the annual report in the prescribed manner and was consistent with the auditees' planned objectives as defined in their strategic plans and annual performance plans. We also assessed whether the performance indicators and targets that were set to measure the achievement of the objectives were well defined, verifiable, specific, time bound, measurable and relevant.

We further audited the **reliability of the reported information** to determine whether it could be traced back to the source data or documentation and was accurate, complete and valid.

When is human resource management effective?

Human resource management refers to the management of an auditee's employees or human resources, which involves adequate and sufficiently skilled people as well as the adequate management of staff performance and their productivity. Human resource management is effective if adequate and sufficiently skilled staff members are in place and if their performance and productivity are properly managed.

Our audits included an assessment of human resource management, focusing on the following areas: ■ human resource planning and organisation ■ management of vacancies ■ appointment processes ■ performance management ■ acting positions ■ management of leave and overtime.

Our audits further looked at the management of vacancies and stability in key positions, the competencies of key officials, performance management as well as consequences for transgressions, as these matters directly influence the quality of auditees' financial and performance reports and their compliance with legislation.

Based on the results of these audits, we assessed the status of auditees' human resource management controls.

When are internal controls effective and efficient?

A key responsibility of accounting officers, senior managers and officials is to implement and maintain effective and efficient systems of internal control.

We assess the internal controls to determine the effectiveness of their design and implementation in ensuring reliable financial and performance reporting and compliance with legislation. This consists of all the policies and procedures implemented by auditee management to assist in achieving the orderly and efficient conduct of business, including adhering to policies, safeguarding assets, preventing and detecting fraud and error, ensuring the accuracy and completeness of accounting records, and timeously preparing reliable financial and service delivery information. To make it easier to implement corrective action, we categorise the principles of the different components of internal control under leadership, financial and performance management, or governance. We call these the *drivers of internal control*.

The key basic controls that auditees should focus on are as follows:

Providing effective leadership

In order to improve and sustain audit outcomes, auditees require effective leadership that is based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the auditee.

Audit action plans to address internal control deficiencies

Developing and monitoring the implementation of action plans to address identified internal control deficiencies are key elements of internal control that are the responsibility of heads of department, chief executive officers and their senior management team.

Some of the matters requiring attention include the following:

- Setting action plans to specifically address the external and internal audit findings.
- Assigning clear responsibility to specific staff to carry out action plans.
- Monitoring of the audit action plan to ensure that the responsibilities assigned are carried out effectively and consistently.
- Developing audit action plans early enough in the financial year to resolve matters by year-end.

Proper record keeping and document control

Proper and timely record keeping ensures that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Sound record keeping will also enable senior management to hold staff accountable for their actions. A lack of documentation affects all areas of the audit outcomes.

Some of the matters requiring attention include the following:

- Establish proper record keeping so that records supporting financial and performance information as well as compliance with key legislation can be made available when required for audit purposes.

- Implement policies, procedures and monitoring mechanisms to manage records, and make staff members aware of their responsibilities in this regard.

Implement controls over daily and monthly processing and reconciling of transactions

Controls should be in place to ensure that transactions are processed in an accurate, complete and timely manner, which in turn will reduce errors and omissions in financial and performance reports.

Some of the matters requiring attention include the following:

- Daily capturing of financial transactions, supervisory reviews of captured information, and independent monthly reconciliations of key accounts.
- Collect performance information at intervals appropriate for monitoring, set service delivery targets and milestones, and validate recorded information.
- Confirm that legislative requirements and policies have been complied with before initiating transactions.

Review and monitor compliance with legislation

Auditees need to have mechanisms that can identify applicable legislation as well as changes to legislation, assess the requirements of legislation, and implement processes to ensure and monitor compliance with legislation.

What is information technology and what are information technology controls?

IT refers to the computer systems used for recording, processing and reporting financial and non-financial transactions. IT controls ensure the confidentiality, integrity and availability of state information, enable service delivery, and promote national security. Good IT governance, effective IT management and a secure IT infrastructure are therefore essential.

During our audits, we assessed the IT controls that focus on IT governance, security management, user access management and IT service continuity.

To evaluate the status of the IT controls in the areas we audited, we grouped them into the following three categories, with reference to the control measures that should be in place:

Where IT controls are being designed, management should ensure that the controls would reduce risks and threats to IT systems.

Where IT controls are being implemented, management should ensure that the designed controls are implemented and embedded in IT processes and systems. Particular attention should be paid to ensuring that staff members are aware of, and understand, the IT controls being implemented, as well as their roles and responsibilities in this regard.

Where IT controls have been embedded and are functioning effectively, management should ensure that the IT controls that have been designed and implemented are functioning effectively at all times. Management should sustain these IT controls through disciplined and consistent daily, monthly and quarterly IT operational practices.

Information technology governance

IT governance refers to the leadership, organisational structures and processes which ensure that the auditee’s IT resources will sustain its business strategies and objectives. Effective IT governance is essential for the overall well-being of an auditee’s IT function and ensures that the auditee’s IT control environment functions well and enables service delivery.

Security management

Security management refers to the controls preventing unauthorised access to the computer networks, computer operating systems and application systems that generate and prepare financial information.

User access management

User access controls are measures designed by business management to prevent and detect the risk of unauthorised access to, and the creation or amendment of, financial and performance information stored in the application systems.

Information technology service continuity

IT service continuity controls enable auditees to recover within a reasonable time the critical business operations and application systems that would be affected by disasters or major system disruptions.

What are root causes?

Root causes are the underlying causes or drivers of audit findings; in other words, why the problem occurred. Addressing the root cause helps to ensure that the actions address the real issue, thus preventing or reducing incidents of recurrence, rather than simply providing a one-time or short-term solution.

Our audits included an assessment of the root causes of audit findings, based on the identification of internal controls that had failed to prevent or detect the error in financial statements and APRs as well as non-compliance with legislation. These root causes were confirmed with management and shared in the management report with the accounting officer and the executive authorities. We also included the root causes of material findings reported as internal control deficiencies in the audit report, classified under the key drivers of leadership, financial and performance management, or governance.

Who provides assurance?

Ministers, MECs and accounting officers use the annual report to report on the financial position of auditees, their performance against predetermined objectives and overall governance, while one of the important oversight functions of legislatures is to consider auditees' annual reports. To perform their oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report also includes our audit report, which provides assurance on the credibility of the financial statements, the APR and the auditee's compliance with legislation.

Our reporting and the oversight processes reflect on history, as they take place after the financial year. Many other role players contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.

The mandates of these role players differ from ours, and we have categorised them as follows:

- Those directly involved in the management of the auditee (management or leadership assurance).
- Those that perform an oversight or governance function, either as an internal governance function or as an external monitoring function (internal independent assurance and oversight).
- The independent assurance providers that give an objective assessment of the auditee's reporting (external independent assurance and oversight).

We assess the level of assurance provided by the role players based on the status of internal controls of auditees and the impact of the different role players on these controls. In the current environment, which is characterised by inadequate internal controls, corrected and uncorrected material misstatements in financial and performance information, and widespread non-compliance with legislation, all role players need to provide an extensive level of assurance.

What is the role of each key role player in providing assurance?

Senior management

Senior management, which includes the chief financial officer, chief information officer and head of the SCM unit, provides assurance by implementing the following basic financial and performance controls:

- Ensure proper record keeping so that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
- Implement controls over daily and monthly processing and reconciling of transactions.
- Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
- Review and monitor compliance with applicable legislation.
- Design and implement formal controls over IT systems.

Accounting officers or accounting authorities

While we recognise that accounting officers and authorities depend on senior management for designing and implementing the required financial and performance management controls, they are responsible for creating an environment that helps to improve such controls.

The responsibilities of accounting officers and authorities are clearly described in sections 38 (for departments) and 51 (for public entities) of the PFMA. They include their responsibility to ensure:

- that there are consequences for transgressions through disciplinary steps against officials who contravene the PFMA and make or permit unauthorised, irregular and fruitless and wasteful expenditure
- the implementation and maintenance of appropriate, efficient and effective systems or policies for internal control, internal audit, SCM, among others
- effective, efficient, economical and transparent use of the resources
- effective and appropriate steps are taken to collect all money due to the institution
- management of assets and liabilities, including safeguarding

- appropriate disciplinary steps are taken against any official who contravenes the PFMA, or makes or permits unauthorised, irregular and fruitless and wasteful expenditure
- that expenditure is in accordance with the budget (including steps to prevent overspending).

Executive authorities

The executive authorities (ministers and MECs) have monitoring and oversight roles in their portfolios and play a direct role in departments, as they have specific oversight responsibilities towards their departments in terms of the PFMA and the Public Service Act. They are well placed to bring about improvements in the audit outcomes by becoming more actively involved in key governance matters and by managing the performance of the accounting officers and authorities.

We are convinced that the oversight and monitoring roles of the executive strengthen the assurance processes significantly and in the past year have impacted and will continue to impact positively on the audit outcomes. We therefore undertake to continue with the engagements, but with greater emphasis on quality conversations that will yield a stronger impact.

Internal audit units

The internal audit units assist accounting officers and authorities in the execution of their duties by providing independent assurance on internal controls, financial information, risk management, performance management and compliance with legislation. The establishment of internal audit units is a requirement of legislation.

Audit committees

An audit committee is an independent body, created in terms of legislation, which advises the accounting officer or authority, senior management and the executive authorities on matters such as internal controls, risk management, performance management as well as the evaluation of compliance with legislation. The committee is further required to provide assurance on the adequacy, reliability and accuracy of financial and performance information.

Coordinating or monitoring departments

At national and provincial levels there are departments that play a coordinating and monitoring role as defined in legislation and in their mandates, which should contribute to the overall assurance process. These departments are the provincial treasuries, the National Treasury, offices of the premier and the DPME. The impact of these departments on the controls of the auditees was assessed based on interactions with the departments, commitments given and honoured and the impact of their actions and initiatives.

Public accounts committees and portfolio committees

Parliament and the provincial legislatures have a constitutional mandate to oversee executive action and ensure compliance with legislation. These institutions conduct oversight through committees established in line with rules of Parliament and provincial legislatures. Portfolio committees are required to assess the strategic and annual performance plans of departments and public entities to effectively fulfil their oversight role.

Informed by its constitutional mandate, the AGSA enables oversight, accountability and governance in the public sector through its regular engagement with Parliament and the provincial legislatures. It does this through the oversight leadership and portfolio committee engagements where key control and compliance findings emanating from the audit process and the related root causes are presented and discussed. The discussions include recommendations from the AGSA on focus areas that require oversight intervention. Through these interactions, it is envisaged that specific oversight efforts will lead to improvements in governance and accountability in the public sector.

11.2 Glossary of key terminology used in this report

Asset (in financial statements)	Any item belonging to the auditee, including property, infrastructure, equipment, cash, and debt due to the auditee.
Backup (IT)	In IT, a backup, or the process of backing up, refers to the copying and archiving of computer data so it may be used to restore the original after a data loss event. The verb form is to ‘back up’ (two words), whereas the noun is ‘backup’. The primary purpose of a backup is to recover data after its loss, be it by data deletion or corruption.
Business continuity plan (BCP) (IT)	A business continuity plan is a plan to continue operations if a place of business is affected by different levels of disaster, which can be localised short-term disasters, to days-long building-wide problems, to a permanent loss of a building. Such a plan typically explains how the business would recover its operations or move operations to another location after damage by events like natural disasters, theft or flooding. For example, if a fire destroys an office building or data centre, the people and business or data centre operations would relocate to a recovery site.
Cash flow (in financial statements)	The flow of money from operations: incoming funds are revenue (cash inflow) and outgoing funds are expenses (cash outflow).
Chief information officer or government information technology officer (IT)	The most senior official of the auditee who is accountable for aligning IT and business strategies, and planning, resourcing and managing the delivery of IT services and information and for the deployment of associated human resources. The chief information officers in the South African public sector are referred to as government information technology officers. The position was established by a cabinet memorandum in 2000.
Commitments from role players	Initiatives and courses of action communicated to us by role players in local government aimed at improving the audit outcomes.
Configuration (IT)	The complete technical description required to build, test, accept, install, operate, maintain and support a system.
Creditors	Persons, companies or organisations to whom the auditee owes money for goods and services procured from them.

Current assets (in financial statements)	These assets are made up of cash and other assets, such as inventory or debt for credit extended, which will be traded, used or converted into cash within 12 months. All other assets are classified as non-current, and typically include property, plant and equipment as well as long-term investments.
Current liability (in financial statements)	Money owed by the auditee to companies, organisations or persons who have supplied goods and services to the auditee.
Disaster recovery plan (DRP) (IT)	A disaster recovery plan is a documented process or set of procedures to recover and protect a business IT infrastructure in the event of a disaster. Usually documented in written form, the plan specifies the procedures that an organisation is to follow in the event of a disaster. It is a comprehensive statement of consistent actions to be taken before, during and after a disaster. The disaster could be natural, environmental or man-made. Man-made disasters could be intentional (e.g. the act of an attacker) or unintentional (i.e. accidental, such as the wall of a man-made dam breaking).
Financial and performance management (as one of the drivers of internal control)	The performance of tasks relating to internal control and monitoring by management and other employees to achieve the financial management, reporting and service delivery objectives of the auditee. These controls include the basic daily and monthly controls for processing and reconciling transactions, the preparation of regular and credible financial and performance reports as well as the review and monitoring of compliance with key legislation.
Firewall (IT)	A security system used to prevent unauthorised access between networks (both internal/internal and internal/external). A firewall will allow only approved traffic in and/or out by filtering packets based on source or destination. The firewall inspects the identification information associated with all communication attempts and compares it to a rule set consistent with the organisation's security policy. Its decision to accept or deny the communication is then recorded in an electronic log.
Going concern	The presumption that an auditee will continue to operate in the near future, and will not go out of business and liquidate its assets. For the going concern presumption to be reasonable, the auditee must have the capacity and prospect to raise enough financial resources to stay operational.
Governance (as one of the drivers of internal control)	The governance structures (audit committees) and processes (internal audit and risk management) of an auditee.

Implementing agent	Government institutions (e.g. the independent trust), non-governmental organisations (NGOs) or private sector entities appointed by the auditee to manage, implement and deliver on projects.
IT infrastructure (IT)	The hardware, software, computer-related communications, documentation and skills that are required to support the provision of IT services, together with the environmental infrastructure on which it is built.
Leadership (as one of the drivers of internal control)	The administrative leaders of an auditee, such as heads of departments, chief executive officers and senior management. It can also refer to the political leadership or the leadership in the province (such as the premier).
Material finding (from the audit)	An audit finding on the quality of the annual performance report or compliance with key legislation that is significant enough in terms of either its amount or its nature, or both these aspects, to be reported in the audit report.
Material misstatement (in financial statements or annual performance reports)	An error or omission that is significant enough to influence the opinions or decisions of users of the reported information. Materiality is considered in terms of either its rand value or the nature and cause of the misstatement, or both these aspects.
Misstatement (in financial statements or annual performance reports)	Incorrect or omitted information in the financial statements or annual performance report.
Patch management (IT)	A piece of programming code that is added to an existing program to repair a deficiency in the functionality of the existing routine or program. It is generally provided in response to an unforeseen need or set of circumstances. Patching is also a common means of adding a new feature or function to a program until the next major version of the software is released.
Platform (IT)	A platform consists of an operating system, the computer system's coordinating program, which in turn is built on the instruction set for a processor or microprocessor, and the hardware that performs logical operations and manages data movement in the computer.
Property, infrastructure and equipment (in financial statements)	Assets that physically exist and are expected to be used for more than one year, including land, buildings, leasehold improvements, equipment, furniture, fixtures and vehicles.
Reconciliation (of accounting records)	The process of matching one set of data to another; for example, the bank statement to the cheque register, or the accounts payable journal to the general ledger.

Receivables or debtors (in financial statements)	Money owed to the auditee by companies, organisations or persons who have procured goods and services from the auditee.
Vulnerability (IT)	In information security, a weakness or flaw (in location, physical layout, organisation, management, procedures, personnel, hardware or software) that may be exploited by an attacker to cause an adverse impact.

11.3 Acronyms and abbreviations used in this report

AFS	*annual financial statements*
ACTWG	*anti-corruption technical working committee*
AGSA	*Auditor-General of South Africa (the institution)*
Apac	*Association of Public Accounts Committees*
APP	*annual performance plan*
APR	*annual performance report*
CGICTPF	*Corporate Governance of Information and Communications Technology Policy Framework*
DCoG	*Department of Cooperative Governance*
Dora	*Division of Revenue Act, 2016 (Act No. 3 of 2016)*
DEP or DP	*department*
DPME	*Department of Planning, Monitoring and Evaluation*
DPSA	*Department of Public Service and Administration*
EC	*Eastern Cape*
ERP	*enterprise resource planning*
FMCMM	*financial management capability maturity model*
FMPPLA	*Financial Management of Parliament and Legislatures Act, 2009 (Act No. 10 of 2009)*
FS	*Free State*

Gito	*government information technology officer*
GP	*Gauteng*
Grap	*Generally Recognised Accounting Practice*
HoD	*head of department*
HR	*human resource*
ICT	*information and communications technology*
IFMS	*integrated financial management system*
IJS	*integrated justice system*
IT	*information technology*
JCPS	*Justice, Crime Prevention and Security (cluster)*
KZN	*KwaZulu-Natal*
LP	*Limpopo*
MEC	*member of the executive council*
Misa	*Municipal Infrastructure Support Agent*
MP	*Mpumalanga*
MPAC	*Municipal Public Accounts Committee*
MTSF	*medium-term strategic framework*
Nat	*national*
NC	*Northern Cape*

NDP	*national development plan*
NHIS	*national health information system*
NW	*North West*
OCGCIO	*Office of the Government Chief Information Officer*
PAC	*public accounts committee*
PE	*public entity*
PMO	*Programme Management Office*
SAP	*systems, applications and products system*
Salga	*South African Local Authority Association*
Sanral	*South African National Roads Agency Limited*
SCM	*supply chain management*
Scopa	*Standing Committee on Public Accounts*
Sita	*State Information Technology Agency*
TVET college	*technical and vocational education and training college*
WC	*Western Cape*