



A U D I T O R - G E N E R A L

# ACTIVITY REPORT

OF THE

**AUDITOR-GENERAL**

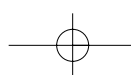
FOR THE

**FINANCIAL YEAR 2004-05**

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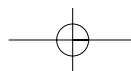
*Activity report for the financial year 2004-05*

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## ACTIVITY REPORT OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEAR 2004-05

### FOREWORD

I would like to present the 2004-05 activity report that fulfils my reporting requirements both in terms of the Constitution, 1996 (Act No. 108 of 1996) and in terms of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA). In keeping with my role I am promoting transparency by providing more insight into the operations and performance of my organisation.

I believe that this activity report should serve as an accountability tool. By this I mean that often reports such as annual reports only provide positive information relating to an organisation, thereby acting more as marketing tools, rather than accountability documents. This report provides a balanced view of the performance of the audit office.

Developments are in place for working more closely with the National Treasury. This represents a growing maturity and understanding that the role of the National Treasury in setting frameworks and policies for public sector entities must be consistent with the rationale behind the audit process. Identification of key areas to assist the public sector and the role to be played by both organisations is therefore an initiative I support.

From 2005 onwards the Auditor-General (AG) also has the additional challenge of not just meeting the deadlines set out in the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), but also now having to comply with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). Early indications as shown in my *Report on the submission of financial statements by municipalities* [RP221/2005] are that municipalities themselves are facing challenges in submitting their statements. This, however, does not detract from the need of the AG to be prepared for the tighter deadlines and additional strain on our resources.

In addition, the PAA imposed further responsibilities on the AG, particularly with regard to the auditing of public entities and the delivery of specialised audit services. A comprehensive implementation strategy has been designed, which should enable us to achieve full compliance with the PAA by 1 April 2006.

I trust that this report will not only demonstrate my commitment to a sound and proper accountability framework, but will also enable readers to gain a better understanding of the public sector auditing process.

*Shaunet Fakie*

**S A Fakie**  
**Auditor-General**

**Pretoria**  
**12 December 2005**



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## PART 1: ACTIVITY REPORT FOR 2004-05

### 1. IMPLEMENTATION OF THE PUBLIC AUDIT ACT

#### 1.1 Introduction

The Constitution of South Africa requires all chapter 9 institutions including the Auditor-General to "report on their activities and the performance of their functions to the National Assembly at least once a year" (section 181(5) of the Constitution of the Republic of South Africa, Act No. 108 of 1996). This has been incorporated into the new Public Audit Act which states:

*The Auditor-General must annually submit a report to the National Assembly on his or her activities and the performance of his or her functions, including on –*

- (a) the standards to be applied to audits as determined in terms of section 13(1);*
- (b) the categories of services provided in terms of section 5(1)(a);*
- (c) the institutions and accounting entities to which such services have been provided; and*
- (d) any instances of co-operation in terms of section 5(2)(a).*

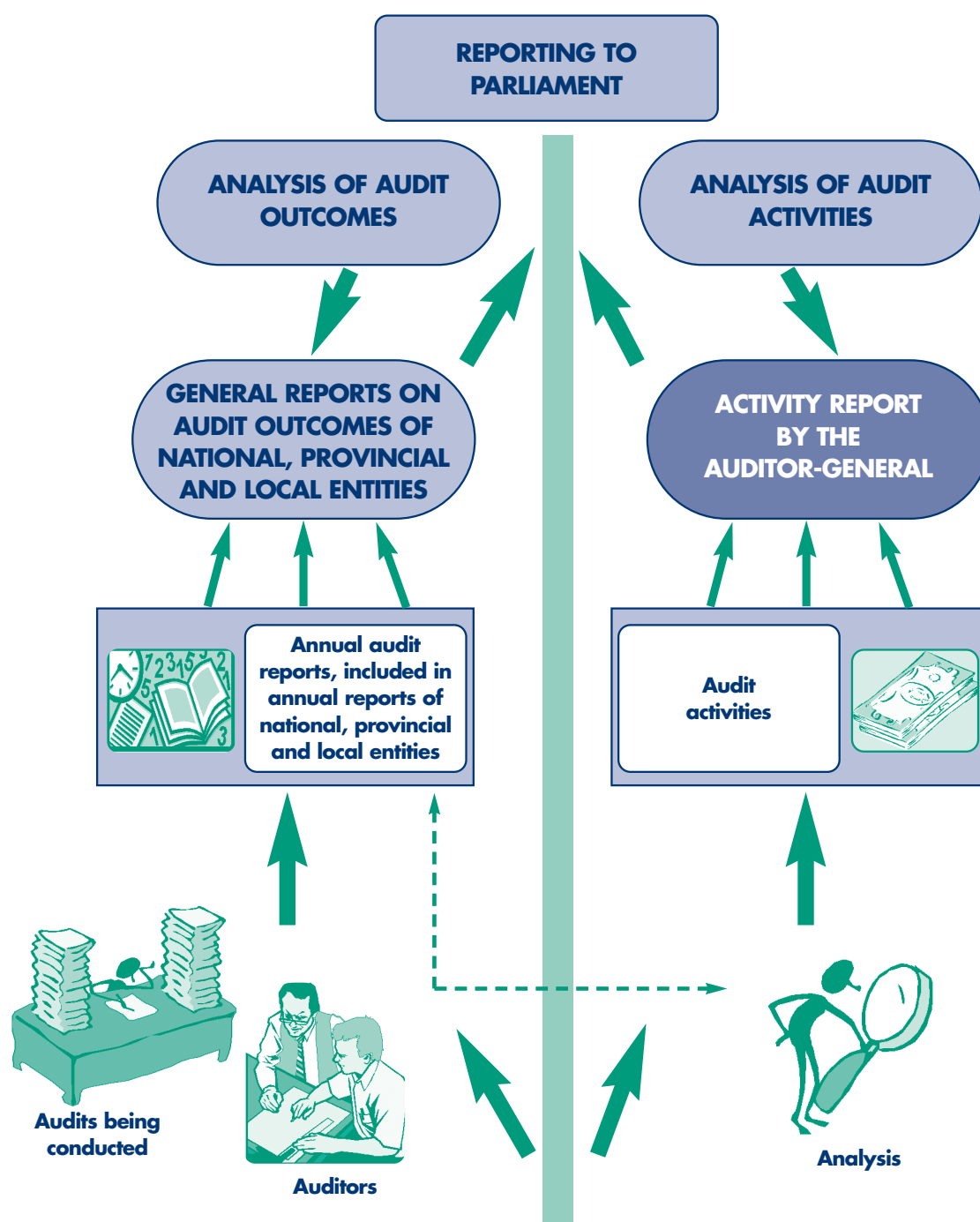
The above is from section 10(1) of the Public Audit Act, Act No. 25 of 2004. Section 5(1) relates to the Auditor-General performing functions that are in line with those of other Auditors-General across the world. Section 5(2) of the said act refers to cooperation the Auditor-General may enter into to improve effectiveness.



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Figure 1 below illustrates my reporting responsibilities to Parliament in terms of the PAA.

**Figure 1: Reporting to Parliament**





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## 1.2 Standards applied and services rendered

In terms of section 10(1)(a) of the Public Audit Act, the AG has to state the services rendered and the standards applied to those services. Table 1 summarises the types of services and the relevant standards.

**Table 1: Categories of services provided and standards applied to the audits**

Service rendered	Standard applied	Reference
Regularity audit (includes the auditing of financial statements, compliance with laws and regulations and financial management)	South African Auditing Standards (SAAS) up to 2004-05 audits	See part 1 section 2.4 on the number of audits and annexure 1 on the entities on which the audits were performed
Performance audits	International Organization of Supreme Audit Institutions (INTOSAI) standards	See part 1 section 3 for number of audits and annexure 2 for entities on which the audit was performed
Special investigations	South African Auditing Standards (SAAS) up to 2004-05 audits	See part 1 section 3 for number of audits and annexure 2 for entities on which the audit was performed
Auditing of performance information	No prescribed standards developed	Ongoing development including the AG, the National Treasury and the Department of Public Service and Administration
Agreed-upon procedures (categories under section 5(1) of the Public Audit Act)	South African Auditing Standards (SAAS) up to 2004-05 audits	See part 1 section 3.2 for a list of audits





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The South African Auditing Standards have now been replaced by the International Standards of Auditing (ISA). In line with the Public Audit Act the AG is currently evaluating its state of readiness to adopt these standards.

### 1.3 Cooperation with other institutions

In terms of section 5(2)(a) of the Public Audit Act (Act No. 25 of 2004) "the Auditor-General may

- (a) co-operate with persons, institutions and associations, nationally and internationally;"

The key organisations with which such cooperation occurs, are listed below:

Entities	Nature of cooperation
Accounting Standards Board	Inputs on standards
African Organisation of Supreme Audit Institutions (AFROSAI)	Member and vice-chair
Association of Public Accounts Committees (APAC)	Support
Audit firms	Exchange of information
Certified Information Systems Auditor (CISA)	Trainee scheme
English-speaking African Organisation of Supreme Audit Institutions (AFROSAI-E)	Member and hosting of the secretariat
Institute for Public Finance and Auditing	Support
International Federation of Accountants (IFAC)	Member
International Organization of Supreme Audit Institutions (INTOSAI) (including various subcommittees)	Member
National and Provincial Public Accounts Committees	Participation / support
National Treasury	Exchange of information
Public Accountants' and Auditors' Board (including advisory committees)	Member
South African Institute of Chartered Accountants (SAICA)	Trainee accountant scheme. Member of public sector committee
South African Institute of Government Auditors	Training scheme
Southern African Development Community Organisation of Public Accounts Committees (SADCOPAC)	Support
United Nations Board of Auditors	Member
United Nations Panel of External Auditors	Member and chair



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## 2. ASSESSMENT OF PERFORMANCE

### 2.1 Performance of the Auditor-General

The assessment of the performance of the AG is based on criteria that have been developed over the last few years. The criteria examine the following aspects:

**Table 2: Performance aspects and criteria applied**

Performance aspect	Criteria applied	Paragraph
Stakeholder satisfaction	Feedback from Standing Committee on Public Accounts and Provincial Public Accounts Committees	Part 1 section 2.2
Quality	Results of the quality control evaluation by the Public Accountants' and Auditors' Board	Part 1 section 2.3
Cost	Cost per rand audited on regularity audits of national departments	Part 1 section 2.4
Timeliness	Meeting of the Public Finance Management Act deadlines for departments and public entities	Part 1 section 2.5

### 2.2 Stakeholder satisfaction: Standing Committee on Public Accounts and the Provincial Public Accounts Committees

The satisfaction of the AG's key stakeholders namely the Standing Committee on Public Accounts and the Provincial Public Accounts Committees is measured by means of a survey conducted by an independent company. Some of the key findings from the survey are discussed on the next page.



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**Table 3: Stakeholder results of Public Accounts Committees**

Region	Average % satisfaction
Free State	95
Mpumalanga	94
SCOPA	94
Northern Cape	90
Eastern Cape	89
North West	87
Gauteng	84
KwaZulu-Natal	76
Western Cape	76
Limpopo	70
<b>Overall average</b>	<b>86</b>

The questions asked in the survey related to the assessment of the audit reports and communication between the public accounts committees and the AG. The results overall present a very positive image of the AG's standing amongst the committees.

Several areas still require improvement. Some of these issues are summarised below:

- Communication channels could be improved
- Difficulty in understanding the technical language in audit reports
- Image of the AG is not enhanced through the audit reports
- Audit reports do not reflect progress with previous committee resolutions
- The AG does not reflect the new South Africa

Although these issues are taken seriously and require concerted efforts on the part of the AG, it should be noted that the overall results are satisfactory.

### 2.3 Quality control

The internal quality control process is one of the key measures in the AG to establish whether audits are conducted in terms of International Auditing Standards and whether there is improvement in quality from one review period to the next. The credibility of this process is enhanced by the annual quality review process performed by the Public Accountants' and Auditors' Board (PAAB).

PAAB is the regulatory body for registered accountants and auditors performing attesting functions. PAAB also reviews the quality of audits of all private auditing



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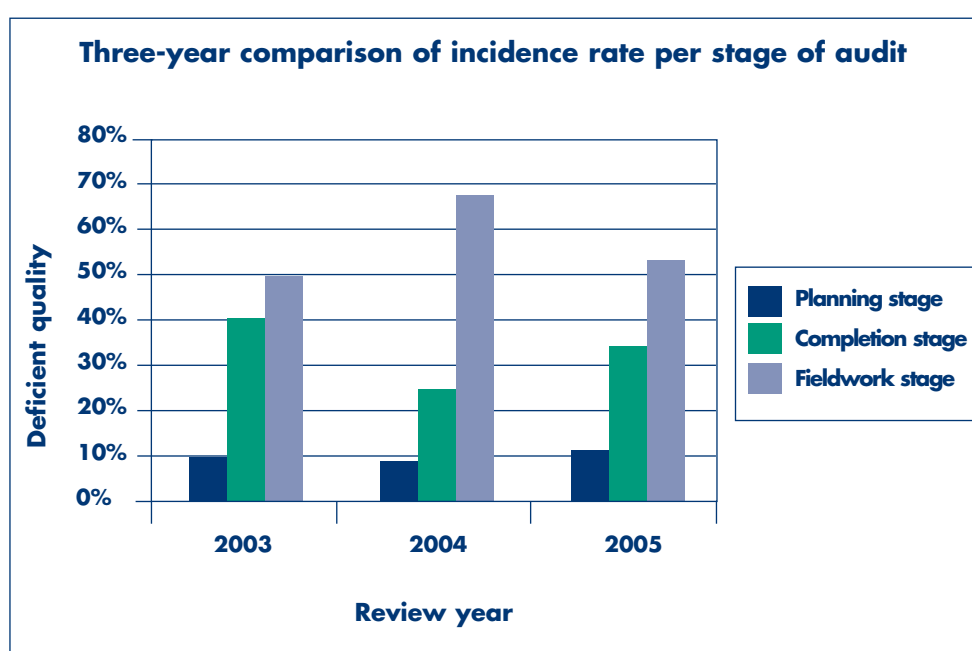
firms on a rotational basis to determine whether audits are conducted in terms of International Auditing Standards.

The AG has been able to implement certain measures to improve the quality of audits and align its quality framework with international practices, which include the following:

- A quality control strategy to facilitate the implementation of the new international standards on quality control was introduced 11 months before the implementation date.
- The first review reports on compliance with the quality control strategy were finalised and reviewed by a central assessment committee chaired by the Auditor-General on 03 May 2005.
- Action to further improve quality of audits was activated on 23 May 2005.
- Additional resources have been assigned to perform pre-issuance reviews prior to the signing of key audit reports.
- The audit approach designed by the AG to manage the adherence to auditing standards has been incorporated in the electronic working paper system and is updated annually.

The results of the quality control reviews are depicted in figure 2 below.

**Figure 2: Graph of PAAB findings**





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Over the last three years the AG has put effective strategies in place to improve significantly the quality of the audits it performs. Figure 2 above shows the findings from the quality control processes. The vertical axis represents findings where the quality of the audit could still improve.

The completion stage of the audit process showed some deterioration in that the number of findings increased from 24% to 34% during 2004-05, while the fieldwork stage of the audit process improved during 2004-05 and the number of findings decreased from 64% in the prior year to 54%.

Quality is always a matter of concern to the AG and will be closely monitored in the next audit cycle. The AG has implemented an enhanced quality control process to address quality management more holistically, including initiatives such as quality control intervention workshops throughout the organisation and the implementation of pre-issuance reviews on audit reports. It is envisaged that these measures will ensure that the quality of our audits is improved even further.

### 2.4 Total number of entities and cost-per-rand-audited

**Table 4: Number of entities and total audit fees**

Entity	Number		Value of audit fees (R million)		Percentage of total audit fees	
Financial year	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
National and provincial departments	153	159	284	275	54%	52%
Public and other entities	611	372	94	90	17%	17%
Local government	284	284	126	137	24%	26%
International	10	11	26	23	5%	4%
<b>Total</b>	<b>1 058</b>	<b>826</b>	<b>530</b>	<b>525</b>	<b>100</b>	<b>100</b>

During the course of 2004-05 the AG reconciled the number of entities audited between the various internal systems used to categorise the data. The recording of entities has now been standardised. All audit reports issued, irrespective of whether only one entity is charged for all audits performed, are now identified as separate entities. The result of this extensive exercise has been to identify a significant number of entities that were previously grouped together. As can be seen from table 4 the number of public and other entities increased significantly whilst the revenue generated per category remained fairly constant.



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However, with the advent of the new PAA there is scope for growth in the value and number of public entities audited.

The audit fees received for the national and provincial departments still represent over 50% of the total fees received. An analysis of the cost-per-rand audited for national and provincial departments is provided in tables 5 and 6 below. Once again the national departments tend to be more costly to audit than their provincial counterparts. However, one important factor to bear in mind is that the national departments' spending includes transfer payments that amount to 57% of their total expenditure. The transfer payments are excluded from the analysis.

**Table 5: Cost-per-rand-audited for the five largest national departments**

Name of department	Audit fee as percentage of net <sup>1</sup> expenditure 2004-05	Audit fee as percentage of net expenditure 2003-04	Audit fee as percentage of net expenditure 2002-03
Safety and Security	0,10	0,10	0,10
Defence	0,14	0,19	0,17
Correctional Services	0,15	0,18	0,16
Public Works	0,25	0,24	0,27
Justice and Constitutional Development	0,18	0,16	0,29
<b>All national departments</b>	<b>0,18</b>	<b>0,17</b>	<b>0,19</b>

**Table 6: Cost-per-rand-audited for the nine provinces**

Province	Audit fee as percentage of net expenditure 2004-05	Audit fee as percentage of net expenditure 2003-04
Northern Cape	0,27	0,19
Free State	0,18	0,17
Western Cape	0,17	0,16
Eastern Cape	0,14	0,14
Limpopo	0,12	0,15
Mpumalanga	0,11	0,06
North West	0,11	0,10
Gauteng	0,09	0,09
KwaZulu-Natal	0,08	0,08
<b>All provinces</b>	<b>0,12</b>	<b>0,11</b>

<sup>1</sup> Net expenditure refers to total expenditure less transfer payments



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It should be noted that these percentages are only an indication of the total percentage of net expenditure. The size and operations of the departments affect the percentages, especially since the auditors have to follow the same audit methodology during all the audits. This implies that the percentage audit fee for a small department could be higher than for a bigger department.

## 2.5 Evaluation of timeliness

### 2.5.1 Delays due to exceeding of PFMA deadlines by the Auditor-General

A particular matter of concern during the 2004-05 audits of departments and listed public entities has been the deterioration in the timeous submission of audit reports of departments and public entities by the AG, in line with the requirements of the PFMA.

Table 7 shows the overall change from 2003-04 to 2004-05. There was an overall deterioration in compliance by the AG in respect of departments and public entities. In addition table 8 provides a summary of reasons for delays by the AG in meeting PFMA deadlines for departments.

**Table 7: Compliance by the AG in the submission of audit reports of departments and public entities**

Type of entity	2004-05 PFMA deadlines met	2003-04 PFMA deadlines met
National and provincial departments	79%	99%
Listed public entities	92%	99%

**Table 8: Summary of reasons for exceeding PFMA deadlines for departments**

Reference	Reason for delay	Number of departments	Number of listed public and trading entities	Total	% of total
1.	Late submission of audit evidence by auditee	24	4	28	55%
2.	To obtain greater assurance on audit opinion	3	2	5	10%
3.	Pre-issuance reviews by the AG	3	2	5	10%
4.	Other	2	11	13	25%
	<b>Total</b>	<b>32</b>	<b>19</b>	<b>51</b>	<b>100%</b>



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With reference to the table above (rows (1) and (2)) the main reason for the deterioration in compliance with the PFMA deadlines by the AG is the late submission of audit evidence by the departments. The late submission of evidence is not good practice and could also be regarded as a contravention of section 40(1)(a) of the PFMA which requires accounting officers to keep full and proper records of their entities. Often this evidence is supplied at a very late stage of the audit to reduce the severity of audit findings. In line with auditing standards I am obliged to consider such information before issuing my audit report. Initiatives to overcome this problem are an integral part of discussion in a forum started with the National and Provincial Treasuries. This is discussed in paragraph 5 of this report.

The pre-issuance reviews (row 3) performed by the AG are required by the new international standard on quality control that has been implemented for the first time during the 2004-05 audit cycle. Such reviews represent a trade-off between timeliness and quality and should improve the quality of the audits.

Annexure 3 provides a list of the entities and the reasons stated for delays in each audit.

### 2.5.2 Delays due to exceeding of PFMA submission dates by accounting officers

In terms of section 40(1)(c)(i) of the PFMA, accounting officers must, within two months after the end of the financial year, submit financial statements for auditing by the AG. The AG sometimes, due to disclosure requirements and/or audit adjustments, requires the financial statements to be reworked by the entity concerned, in which case the statements are resubmitted for auditing at a later stage. Although the results in table 9 below show a significant improvement in meeting the submission deadline from 2003-04 to 2004-05, this must be evaluated in the context of the fact that resubmissions occurred in 29% of the cases in respect of national and provincial departments and 12% of the cases in respect of listed public entities. Resubmissions were accepted to enable departments and public entities to comply with the PFMA and new accounting standards. However, this practice has been discontinued and in future no resubmission of financial statements will be accepted.

**Table 9: Percentage of national and provincial departments and listed public entities that had met PFMA deadlines**

Type of entity	2004-05 resubmissions	2004-05 PFMA deadlines met	2003-04 PFMA deadlines met
National and provincial departments	29%	100%	86%
Listed public entities	12%	90%	79%





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### 3. SPECIALISED AUDITS

#### 3.1 Introduction to specialised audits

Below is a summary of the specialised audits that were reported on during 2004-05.

**Table 10: Number of specialised audits performed in 2004-05**

Type of audit	Management report issued	Audit report tabled in relevant legislature	Total estimated budgeted audit fee R million	Average <sup>2</sup> cost per audit R '000
Forensic	21	4	7,1	340
Performance	29	12	12,7	440
<b>Total</b>	<b>50</b>	<b>16</b>	<b>19,8</b>	<b>396</b>

The total amount billed for performance audits and special investigations during this period was R32 million which constitutes 6% of the total audits performed. However, the total cost of deliverables in table 10 above shows R19,8 million. The difference of R12,2 million for which time was charged but no output produced as yet, is regarded as work in progress. There is often a delay between the management report and the published report. In a few instances a summary of the performance audit findings has been included in the regularity audit report. Annexure 2 provides more details of the reports that have been completed during 2004-05.

#### 3.2 Other types of audits performed in terms of section 5(1) of the Public Audit Act

The audits in this category are often referred to as agreed-upon procedures. They relate to specific assurance on a project or programme for which additional assurance is required. This could, for example, be a donor asking for assurance on a donation made to a department for a specific activity. The list below details all such engagements during 2004-05.

<sup>2</sup> Average cost per audit was calculated on available budgets



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**Table 11: List of agreed-upon procedure audits performed**

Name	Type of entity	Assurance statement issued	Assurance statement issued to
South African Revenue Service (SARS) (Container scanning process)	National department	Yes	SARS
Department of Provincial and Local Government (DPLG)	National department	Yes	DPLG Norway
Department of Trade and Industry	National department	Yes	International Bank for Reconstruction and Development (World Bank)
SA Management and Development Institute (SAMDI)	National department	Yes	SAMDI
Department of Water Affairs and Forestry (DWAF)	National department	Yes	DWAF Norad
Department of Water Affairs and Forestry (DWAF)	National department	Yes	DWAF
KwaZulu-Natal Tourism Authority	Listed public entity	Yes	KZN Tourism Authority
Greater St Lucia Wetland Authority	Listed public entity	Yes	Greater St Lucia Wetland Authority
The Road Accident Fund Levy Administration (03-04)	Listed public entity	Yes	CEF (Pty) Ltd
CEF (Pty) Ltd (Norwegian Agency for Development Co-operation Grant (NORAD)) (03-04)	Listed public entity	Yes	CEF (Pty) Ltd
National Energy Regulator of SA (NERSA) (Norwegian Agency for Development Co-operation Grant (NORAD)) (03-04)	Listed public entity	Yes	NERSA



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**Table 11: List of agreed-upon procedure audits performed (cont.)**

Name	Type of entity	Assurance statement issued	Assurance statement issued to
South African National Parks Board	Listed public entity	Yes	Department of Environmental Affairs and Tourism
Municipal Demarcation Board	Listed public entity	Yes	Norway
National Research Foundation (NRF)	Listed public entity	Yes	NRF
Northern Flagship Institution (NFI)	Listed public entity	Yes	NFI
SA Local Government Association (SALGA)	Listed public entity	Yes	Norway

#### 4. PROGRESS ON CONSOLIDATED FINANCIAL STATEMENTS

In terms of section 19(1) of the PFMA:

- (1) A provincial treasury must –
  - (a) prepare consolidated financial statements, in accordance with generally recognised accounting practice, for each financial year in respect of –
    - (i) provincial departments in the province;
    - (ii) public entities under the ownership control of the provincial executive of the province; and
    - (iii) the provincial legislature in the province; and
  - (b) submit those statements to the Auditor-General within three months after the end of that financial year.
- (2) The Auditor-General must audit the consolidated financial statements and submit an audit report on the statements to the provincial treasury of the province concerned within three months of receipt of the statements.



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Tables 12 and 13 provide the status of the audit of consolidated financial statements for departments and public entities as at 30 September 2005.

**Table 12: Status of provincial departments**

Province	CFS received	Date received	Expected date to finalise audit	Audit opinion expressed
National	Yes	31/8/2005	31/10/2005	Agreed-upon procedures performed
Eastern Cape	No	n.a.	n.a.	n.a.
Free State	Yes	4/10/2005	18/11/2005	n.a.
Gauteng	No	n.a.	n.a.	n.a.
KwaZulu-Natal	No	n.a.	n.a.	n.a.
Limpopo	Yes	29/9/2005	29/11/2005	n.a.
Mpumalanga	Yes	19/10/2005	30/11/2005	n.a.
Northern Cape	No	n.a.	n.a.	n.a.
North West	No	n.a.	n.a.	n.a.
Western Cape	Yes	4/10/2005	31/10/2005	Qualified

**Table 13: Status of public entities**

Province	CFS received	Date received	Expected date to finalise audit	Audit opinion expressed
National	Yes	31/8/2005	31/10/2005	Agreed-upon procedures performed
Eastern Cape	No	n.a.	n.a.	n.a.
Free State	Yes	4/10/2005	18/11/2005	n.a.
Gauteng	No	n.a.	n.a.	n.a.
KwaZulu-Natal	No	n.a.	n.a.	n.a.
Limpopo	Yes	30/6/2005 (29/9/2005)*	29/11/2005	n.a.
Mpumalanga	Yes	Note 1	15/12/2005	n.a.
Northern Cape	No	n.a.	n.a.	n.a.
North West	No	n.a.	n.a.	n.a.
Western Cape	Yes	4/10/2005	31/10/2005	Disclaimer

\* Resubmitted

Note 1: Submitted 6/7/2005, resubmitted 3/10/2005, withdrew financial statements



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## 5. INITIATIVES WITH THE NATIONAL AND PROVINCIAL TREASURIES

A workshop was held on 9 September 2005 to discuss some of the key issues emanating from the experiences of the 2004-05 audit cycle. Many issues were raised and some have been covered in the *General report on audit outcomes for the financial year 2004-05*. However, specific aspects for consideration include the following:

- Guidance issued to chief financial officers
- Training needs identified for chief financial officers – including planned skills audit
- Technical guidance issued
- Cooperation and timing of the audit process

Ongoing dialogue will ensure that the respective parties attempt to solve or at least minimise any further issues arising.

## 6. FUTURE FOCUS

### 6.1 Themes and audit focus areas

In 2004 a decision was made to increase the range of specialised audit services during the next few years. The focus areas, audit themes and audit outcomes for 2004-05 are set out in the table below.

**Table 14: Focus areas and audit outcomes for 2004-05**

Value-adding audits planned for 2004-05		
Theme	Audits covered	Outcomes
1. Human resource management	All national and provincial departments	Reported if applicable in the regularity audit reports
2. Assessment of ICT implementation in government departments	General transversal reports	Reported in RP 209/2005 – <i>Information systems audits performed at the National Treasury and the State Information Technology Agency</i>
3. Housing: subsidy process	Specialised performance audit aimed at coverage across all provinces and a selection of national departments	Refer to 3.2 Specialised audits, table 11: List of agreed-upon procedure audits performed



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**Table 14: Focus areas and audit outcomes for 2004-05 (cont.)**

Value-adding audits planned for 2004-05		
Theme	Audits covered	Outcomes
4. Supply chain management	Coverage to include all significant provincial and national departments	Reported if applicable in the regularity audit reports
5. Investment in public infrastructure	A selection from all three spheres of government	Reported if applicable in the regularity audit reports

In addition, continuous research is being done to improve the audit methodology in the following cases:

Financial management: To develop an internal control framework in conjunction with the National Treasury.

Auditing of performance information: To develop a framework for the auditing of performance information in conjunction with the National Treasury, the Department of Public Service and Administration and the Presidency.

## 6.2 Public entities

As required by the PAA, the AG must audit all public entities unless he/she elects not to perform the audit, in which case the entity must appoint an auditor. For the 2004-05 financial year, the AG decided to maintain the status quo while properly considering and establishing criteria to exercise this option on a consistent basis. Criteria have now been developed which will be applied as a second step towards full implementation of this provision of the PAA. The result of this process will be discussed in the next report.

## PART 2: DESCRIPTION OF THE AUDIT PROCESS

### 1. ROLE OF THE AUDITOR-GENERAL IN THE ACCOUNTABILITY PROCESS

The purpose of the AG is to support constitutional democracy by playing a fundamental role in the accountability process.

Essentially, accountability requires the executive authority to provide appropriate information in order to report to its stakeholders in a satisfactory manner. The auditors then add credibility to this information offered by the executive. If an audited entity does not report to its stakeholders, the AG may issue reports directly to them.

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In addition to the AG, there are other significant role players in the accountability process. These are the standard-setting bodies that set the reporting requirements with which the executive has to comply. In the South African context obvious examples would be the National Treasury and the Accounting Standards Board.

During process 1 as depicted in figure 3, these standard-setting bodies determine the reporting requirements. These reporting requirements need to be clearly defined in order to ensure that the required reporting on the performance of an audited entity is clear and makes sense to its stakeholders.

The oversight bodies have traditionally focused their reporting requirements on the financial performance of the entity. This involves providing accurate and detailed financial statements on the use of resources by an entity. It does not include, however, an assessment as to whether the resources utilised have achieved the objectives of the organisation in terms of service delivery. Such an assessment is known as "performance management" and is a new focus area of reporting both nationally and internationally.

The PFMA requires entities to report on financial and performance information. However, as mentioned above, the guidelines provided by oversight bodies to date have concentrated almost exclusively on financial statements. As a result, my resources are predominantly focused on providing an opinion on the financial statements, and not on service delivery. In fact, over 90% of audit income received is allocated to the auditing of financial statements.

By concentrating on the auditing of financial statements, an expectation gap results between the product the AG delivers and the product the stakeholders require, since their focus is on service delivery. This gap in expectation will continue, unless the financial statements submitted by audited entities (process 2) contain adequate information on performance measured against predetermined objectives.

The AG does strive to add further credibility to the performance of the entities we audit through performance auditing and auditing of financial management, in addition to our service of providing an audit opinion on their financial statements (process 3). However, as things stand, performance audits (process 4) are conducted on an ad hoc basis and do not provide a regular, annual means of assurance to stakeholders.

Our research indicates that many auditors-general in developed countries spend a considerably higher proportion of resources on auditing performance, than is the case locally. In terms of the outputs delivered by the AG, we have identified the need for a shift in the scope of our audits. However, extended auditing of performance management information does not supersede the existing audit process. If audited entities do not have systems in place that can be relied upon for the purpose of compiling financial statements, then the likelihood exists that the management information required to measure aspects such as service delivery will be equally suspect. Therefore, at this stage, the reporting on these issues will

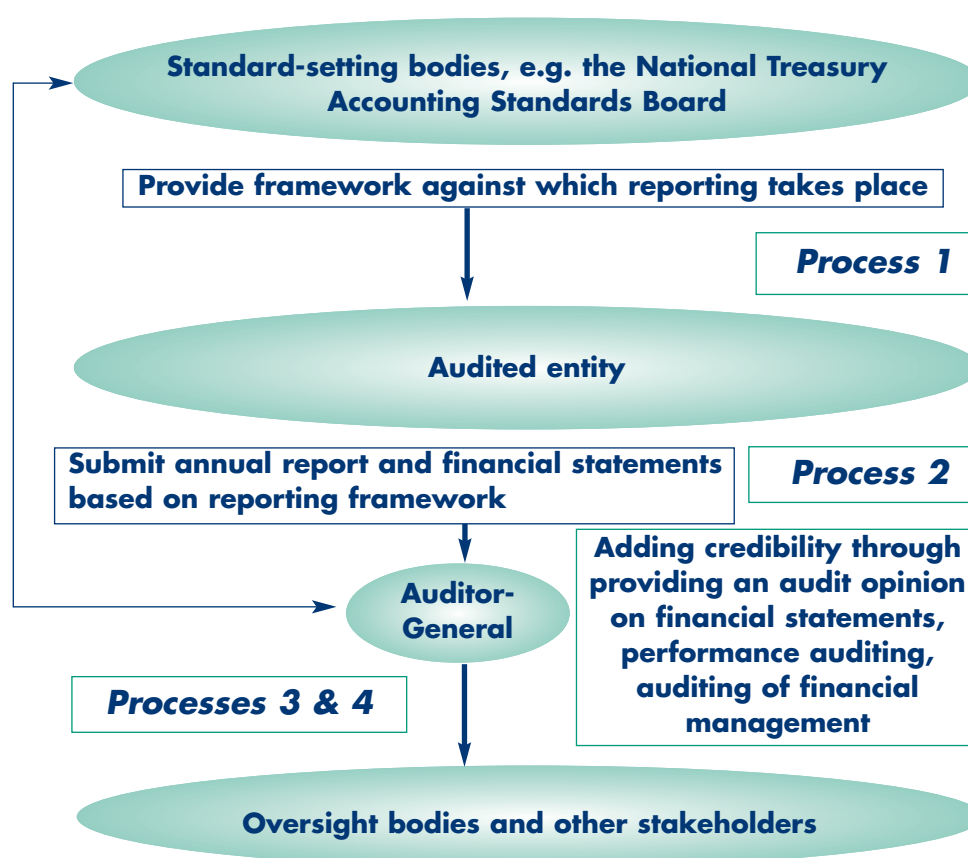


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merely serve to inform the public that the information provided by an entity cannot be relied upon. As an entity progresses in the quality of information provided by its systems, the resources required to audit the financial statements should become less, thereby enabling us to audit the broader aspects of an entity's performance.

Figure 3 below provides a diagrammatical representation of where the AG fits into the accountability process.

**Figure 3: Accountability process**



## 2. AUDIT PROCESS

As explained above, the service we provide comprises both financial and performance auditing. In addition, special investigations are conducted on the basis of need. We are also working on introducing an audit approach focusing on sustainable development. These audit disciplines are each explained in more detail below.

The objective of an audit of financial statements is to enable the auditor to express an opinion as to whether or not the financial statements provided fairly present, in





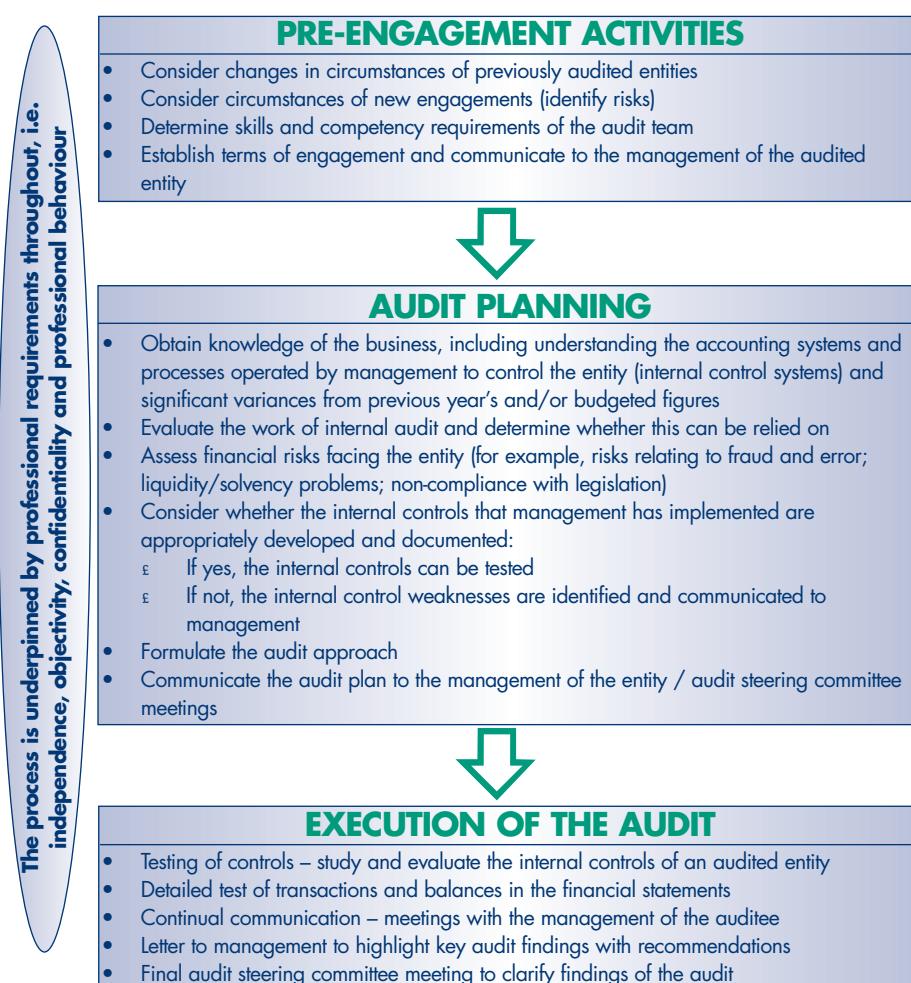
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all material respects, the financial position of the entity at a specific date and the results of its operations over a particular period of time. The flow chart presented in figure 4 below describes the process followed in order to enable me to provide an opinion on the financial statements of an audited entity. It also demonstrates the ongoing interaction with the audited entity at all levels and at the various stages, prior to any report being issued.

Based on this audit process, a "service level checklist" has been introduced to ensure that the level of service provided meets the required standard throughout the audit. The service level checklist is not a legal requirement and is in no way intended to compromise our independence. However, it is aimed at facilitating feedback to enable the AG to improve the quality and relevance of our work.

Figure 4 sets out the various stages of the audit process.

**Figure 4: Audit process**





AUDITOR - GENERAL

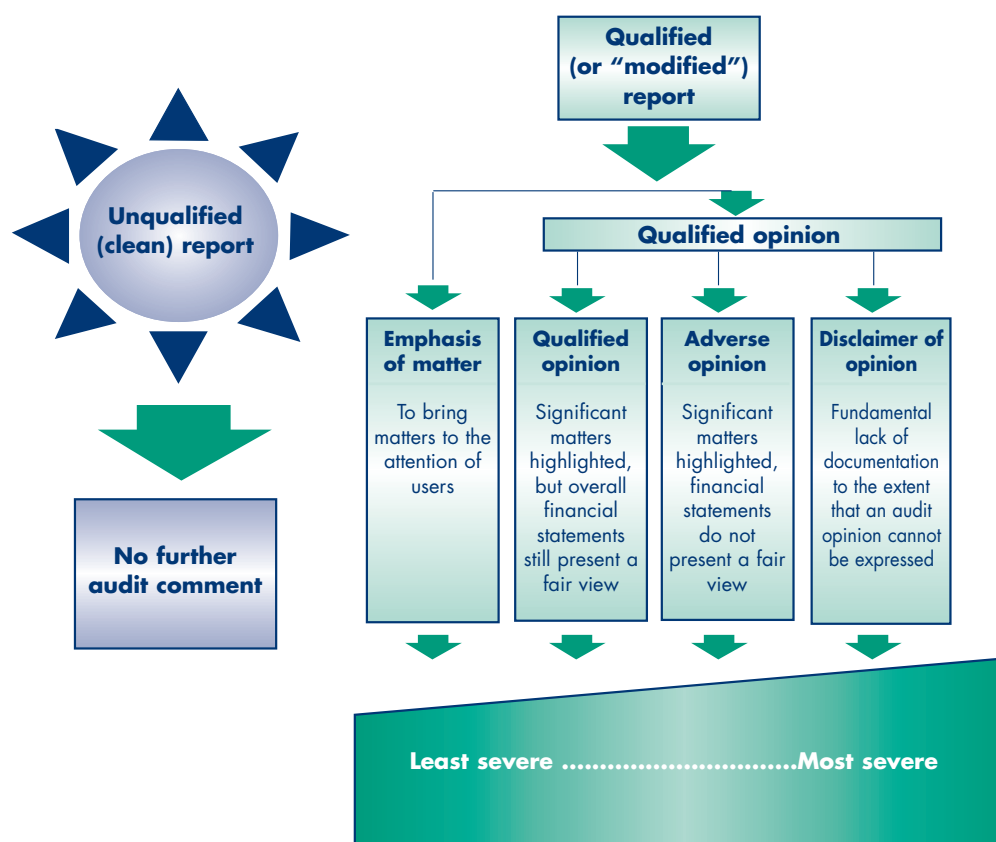
### 3. REPORTING

The output of an audit is the expression of an opinion on the financial statements of an entity. Audit opinions are only expressed on financial statements. In addition, any deviations from laws and regulations relating to financial matters will be considered and could result in a modified audit report. In accordance with the South African Auditing Standards (SAAS), other statutory reporting requirements could also result in a modification of the audit opinion by means of emphasising a particular matter or matters.

Figure 5 below shows the different kinds of audit opinions in increasing order of severity.

Effectively, two types of audit reports are issued, namely either an "unqualified" (clean) report or a report that has been "modified". An audit report gives an audit opinion on the financial statements of an auditee. When the report is modified, one of four possible audit opinions is issued. As illustrated in figure 5 below, these range from "emphasis of matter", which is the least severe, to a "disclaimer of opinion", which is the most severe.

**Figure 5: Explanation of audit opinions**





AUDITOR - GENERAL

## 4. PERFORMANCE AUDITING

Performance auditing focuses on evaluating the measures implemented by management to ensure that allocated resources are used to procure the necessary goods and services economically and also that they are applied efficiently and effectively.

The primary objective of performance auditing is to confirm independently that adequate management measures exist for the planning, organising, coordination, control and evaluation of the procurement and use of resources and that their application is efficient and effective.

Performance auditing provides management, Parliament and other stakeholders with information, by means of a structured process, on shortcomings in management measures and examples of the effects thereof.

## 5. SPECIAL INVESTIGATIONS

A special investigation is an independent process aimed at preventing or detecting economic crime in the public sector. The process mainly comprises an objective assessment of the measures instituted by accounting officers and other relevant role players to prevent and detect economic crime, but it can also include economic crime investigations when this is appropriate and seems necessary. In this context the term "economic crime" is used to describe the various crime categories, including fraud, forgery, uttering, theft and other contraventions of applicable statutes (e.g. corruption).

The AG has developed guidelines to facilitate special investigating processes, which in turn have received positive input from the South African Institute of Chartered Accountants (SAICA). Based on investigations that have been concluded, we have managed to prepare some statistics and will also be able to provide some information on the impact of these audits in future.

## 6. ENVIRONMENTAL REVIEW

Sustainable development is a concept that, over the past two decades, has gained acceptance and understanding to the point where it is now a major consideration in government planning and policy making. Sustainable development reconciles three areas of human activity, namely the society, the economy and the environment, commonly referred to as the triple bottom line.

Sustainable development does not treat the environment as an absolute that is inviolable. Instead, it recognises that a balance or trade-off between economic and social progress and the environment may be necessary. In general, economic development or social progress should not destroy what is valuable and cannot be replaced, or prevent future generations from using the same resources for their development or enjoyment.

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The protection of the environment is specifically provided for in section 24 of the Constitution of the Republic of South Africa, which stipulates that:

*Everyone has the right –*

- (a) to an environment that is not harmful to their health or wellbeing; and*
- (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that –*
  - (i) prevent pollution and ecological degradation;*
  - (ii) promote conservation; and*
  - (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*

The National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) further supports this concept. The objective of NEMA is to provide for cooperative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote cooperative governance and procedures for coordinating environmental functions exercised by organs of state; to provide for the prohibition, restriction or control of activities which are likely to have a detrimental effect on the environment; and to provide for matters connected therewith.

The conservation and sustainable use of natural resources is a fundamental concept that is specifically identified and protected by legislation. By identifying natural resources in the Constitution, a fundamental principle is created since it allows the state to enact legislation applicable to biodiversity while emphasising the importance of protecting and safeguarding the environment against mismanagement.

As part of our vision to shift the focus of auditing more towards the evaluation and effectiveness of service delivery, we participated in a collaborative waste management audit and conducted research on accounting for wildlife.



A U D I T O R - G E N E R A L

## ANNEXURE 1: LIST OF ENTITIES AUDITED CATEGORISED BY AUDIT BUSINESS UNIT RESPONSIBLE

### ANNEXURE 1A

#### National (for national business units based in Pretoria)

##### National departments

Agriculture  
 Arts and Culture  
 Communications  
 Correctional Services  
 Defence  
 Education  
 Environmental Affairs and Tourism  
 Foreign Affairs  
 Government Communication and Information System  
 Health  
 Home Affairs  
 Housing  
 Independent Complaints Directorate  
 Justice and Constitutional Development  
 Labour  
 Land Affairs  
 Minerals and Energy  
 National Intelligence Agency  
 National Treasury  
 Provincial and Local Government  
 Public Enterprises  
 Public Service and Administration  
 Public Service Commission  
 Public Works  
 SA Management and Development Institute  
 Science and Technology  
 Social Development  
 South African Police Service  
 South African Secret Services  
 Sport and Recreation  
 Statistics South Africa  
 The Presidency  
 Trade and Industry  
 Transport  
 Water Affairs and Forestry

##### Constitutional institutions

Commission for the Promotion and Protection of the Rights of Cultural,  
 Religious and Linguistic Communities  
 Commission on Gender Equality  
 Financial and Fiscal Commission



## A U D I T O R - G E N E R A L

Human Rights Commission  
Independent Communications Authority of South Africa  
Independent Electoral Commission  
Municipal Demarcation Board  
Office of the Public Protector  
Pan South African Language Board

### Listed public entities

AEC Amersham (Pty) Ltd  
Africa Institute of South Africa  
African Renaissance and International Cooperation Fund  
Agricultural Research Council  
Agricultural Sector Education and Training Authority (AGRISETA)  
Bala Farms<sup>3</sup>  
Banking Sector Education and Training Authority (BANKSETA)  
Boxing SA  
CEF (Pty) Ltd  
Chemical Industries Education and Training Authority (CHIETA)  
Compensation Fund  
Competition Commission  
Competition Tribunal  
Construction Industry Development Board  
Construction Education and Training Authority (CETA)  
Council for Geoscience  
Council for Medical Schemes  
Council for Scientific and Industrial Research (CSIR)  
Council for the Built Environment (CBE)  
Council on Higher Education  
Cross-Border Road Transport Agency  
Education and Labour Relations Council  
Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA)  
Electricity Distribution Industry Holdings (Pty) Ltd  
Energy Sector Education and Training Authority (ESETA)  
Engelenburg House Art Collection, Pretoria  
Erf 706 Rietfontein  
Film and Publication Board  
Financial Intelligence Centre  
Financial Services Board  
Food and Beverages Manufacturing Industry Sector Education and Training Authority (FOODBEV)  
Forest Industries Sector Education and Training Authority (FIETA)  
Freedom Park Trust  
Health and Welfare Sector Education and Training Authority (HWSETA)  
Human Sciences Research Council  
Independent Development Trust  
Information Systems, Electronics and Telecommunications Technologies

<sup>3</sup> Last year audited - 2005



A U D I T O R - G E N E R A L

Training Authority (ISETT SETA)  
Insurance Sector Education and Training Authority (INSETA)  
International Trade Administration Commission of SA (ITAC)  
Land and Agriculture Bank of SA  
Legal Aid Board  
Local Government, Water and Related Services Sector Education and Training Authority (LGWSETA)  
Manufacturing, Engineering and Related Services Education and Training Authority (MERSETA)  
Market Theatre Foundation  
Mine Health and Safety Council  
Mining Qualifications Authority (MQA)  
Municipal Infrastructure Investment Unit  
National Agricultural Marketing Council  
National Development Agency  
National Energy Regulator  
National Electronic Media Institute of SA  
National Gambling Board of South Africa  
National Heritage Council  
National Library of South Africa  
National Lotteries Board  
National Lottery Distribution Trust Fund  
National Nuclear Regulator  
National Research Foundation  
National Youth Commission  
Ner Norad Grant  
Norad Grant (CEF)  
Northern Flagship Institution  
Oil Pollution Control South Africa  
Petroleum Agency SA (Pty) Ltd  
Public Investment Corporation  
Railway Safety Regulator  
Road Accident Fund  
Road Traffic Management Corporation  
SA Bureau of Standards (SABS)  
SA Gas Development Company  
SA Maritime Safety Authority  
SA National Parks  
SA National Roads Agency  
SA Nuclear Energy Corporation  
SA Qualifications Authority  
SA Revenue Services  
SA Weather Service  
Safety and Security Sector Education and Training Authority (SASSETA)  
SALGA (SA Local Government Association)  
Services Sector Education and Training Authority  
SETA for Finance, Accounting, Management Consulting and Other Financial Services (FASSET)



## A U D I T O R - G E N E R A L

SFF Association  
 South African Tourism Board  
 Special Investigating Unit  
 State Information Technology Agency (SITA)  
 State Theatre, Pretoria  
 The Petroleum Oil and Gas Corporation  
 The South African Sports Commission  
 Tourism, Hospitality and Sport Education and Training Authority (THETA)  
 Transport Education and Training Authority (TETA)  
 Unemployment Insurance Fund  
 Urban Transport Fund  
 Water Research Commission  
 Wholesale and Retail Sector Education and Training Authority (W&R SETA)  
 Windybrow Centre

### Other entities

African Exploration  
 Agricultural Debt Account  
 Alien Bank Account  
 Armscor  
 Armscor Business (Pty) Ltd  
 Citrus Board  
 Citrus Growers Association of SA  
 Companies and Intellectual Property Registration Office (CIPRO)  
 Compensation Commissioner for Occupational Diseases  
 Cotton Statutory Levy  
 Cotec Dev (Pty) Ltd  
 Cotec Patrade (Pty) Ltd  
 Criminal Asset Recovery Account  
 Cyclofil  
 Deciduous Fruit Producers Trust  
 Disaster Relief Fund  
 Dried Fruit Technical Services Statutory Levy  
 Enerkom (Pty) Ltd  
 Enerkom Products  
 Equalisation Fund  
 Equipment Trading Account  
 Erasmusrand Properties (Pty) Ltd  
 Flouro Pack  
 Flouro Pack (Pty) Ltd  
 Flourochem  
 Flouropharm  
 Government Printing Works  
 Guardians' Fund  
 Hoërskool Vorentoe Disaster Fund  
 HTP Marketing and Manufacturing  
 Imports and Exports Dispensation: CEF (Pty) Ltd  
 Imports and Exports Dispensation: Petro SA





A U D I T O R - G E N E R A L

King George V Silver Jubilee Fund for Tuberculosis  
Klippoortjie  
Mahnes Areas  
Maize Board  
Meat Board (Pretoria)  
Milk Levies  
Monies in Trust  
Mosshold (Pty) Ltd  
National Forest Recreation and Access Trust  
National Prosecuting Authority  
National Revenue Fund  
National Skills Fund  
National Supplies Procurement Fund  
Norad Grant (NER)  
NTP Radioisotopes  
Pension Fund for Associated Institutions  
Petro SA Development Trust  
Petro SA Equitorial Guinea SA  
Petro SA Gryphon Marin Permit  
Petro SA Iris  
Petro SA Themis  
PIC Properties: 1/1350 Zwartkop Centurion (Pty) Ltd  
PIC Properties: Erf 3342 Phalaborwa (Pty) Ltd  
PIC Properties: Van Noppen Properties (Pty) Ltd  
Potato Levies  
President's Fund  
Project Development Facility  
Provident Fund for Associated Institutions  
Public Service Sector Education and Training Authority (PSETA)  
Oospark (Pty) Ltd  
Overberg Toetsbaan (Pty) Ltd  
Reconstruction and Development Programme Fund  
Refugee Relief Fund  
Registration of Deeds Trading Account  
Represented Political Parties Fund  
Road Accident Fund  
SA Housing Fund  
SA National Academy of Intelligence  
SA National Aids Trust  
SA National Defence Force Fund  
SAPS Secret Service/Crime Intelligence  
SAWIS Levies  
SAWSEA (WOSA) Levies  
SEMCOM  
Sheltered Employment Factories  
Small Enterprise Development Agency  
Social Relief Fund  
Soekor E&P (Pty) Ltd



A U D I T O R - G E N E R A L

Sorghum Levies  
 South African Management Development Institute Trading Entity  
 Special Defence Account  
 Special Pensions Board  
 Sportsrand (Pty) Ltd  
 State Debt and Tax Loan Account  
 State President's Fund  
 Taalmuseum  
 Temporary Employment Pension Fund  
 The Ombudsman for Financial Service Providers (FAIS Ombud)  
 The Renaissance Theatre  
 Transformation Funds for the Education and Labour Relations Council  
 Water Trading Account  
 Winetech Levies  
 Winter Cereal Levies  
 23rd Africa Cup of Nations in Mali Trust

### **Eastern Cape Business Unit**

#### **Provincial departments**

Agriculture  
 Economic Affairs, Environment and Tourism  
 Education  
 Health  
 Housing, Local Government and Traditional Affairs  
 Office of the Premier  
 Provincial Legislature  
 Provincial Treasury  
 Roads and Public Works  
 Safety and Liaison  
 Social Development  
 Sport, Recreation, Arts and Culture  
 Transport

#### **Local government**

Alfred Nzo District Municipality  
 Amahlathi Municipality  
 Amathole District Municipality  
 Baviaans Municipality  
 Blue Crane Route Municipality  
 Buffalo City Municipality  
 Cacadu District Municipality  
 Camdeboo Municipality  
 Chris Hani District Municipality  
 Elundini Municipality  
 Emalahleni Municipality  
 Engcobo Local Municipality  
 Gariiep Municipality  
 Great Kei Municipality  
 Greater Tubatse Local Municipality



A U D I T O R - G E N E R A L

Ikwezi Municipality  
 Inkwanca Local Municipality  
 Intsika Yethu Municipality  
 Inxuba Yethemba Municipality  
 King Sabata Dalindyebo Municipality  
 Kouga Municipality  
 Koukamma Municipality  
 Lukhanji Municipality  
 Makana Municipality  
 Maletswai Municipality  
 Mbhashe Municipality  
 Mbizana Local Municipality  
 Mhlontlo Municipality  
 Mnquma Local Municipality  
 Ndlambe Municipality  
 Nelson Mandela Metropolitan Municipality (Port Elizabeth)  
 Ngqushwa Municipality  
 Nkonkobe Municipality  
 Ntabankulu Local Municipality  
 Nxuba Municipality  
 Nyandeni Local Municipality  
 O R Tambo District Municipality  
 Port St Johns Municipality  
 Qaukeni Local Municipality  
 Sakhisizwe Municipality  
 Senqu Municipality  
 Sundays River Valley Municipality  
 Tsolwana Local Municipality  
 Ukhahlamba District Municipality  
 Umzimkhulu Local Municipality  
 Umzimvubu Local Municipality

#### Listed public entities

Eastern Cape Appropriate Technology Unit  
 Eastern Cape Gambling and Betting Board  
 Eastern Cape Tourism Board  
 Eastern Cape Youth Commission  
 Mayibuye Transport Corporation  
 National English Literary Museum  
 Nelson Mandela Museum  
 SA Library for the Blind  
 SA Local Government Association

#### Other entities

Albany Museum  
 Aliwal North Hospital Board  
 Amatole Museum  
 Andries Vosloo Hospital Board  
 Barkly-East Museum  
 Bedford Hospital Board



## A U D I T O R - G E N E R A L

Buffalo City Development Agency  
 Burgersdorp Cultural Historical Museum  
 Burgersdorp Hospital Board  
 Cathcart Hospital Board  
 Centenary Hall Promotions  
 Cloete Joubert Hospital Board  
 Dora Nginza Hospital Board  
 East London Museum  
 Eastern Cape Development Corporation  
 Eastern Cape Parks Board  
 Elliot Hospital Board  
 Feathermarket Hall Promotions  
 Fort Beaufort History Museum  
 Fort Beaufort Hospital Board  
 Frere Hospital Board  
 Frontier Hospital Board  
 Graaff-Reinet Hospital Board  
 Graaff-Reinet Museum  
 Great Fish River Museum  
 Grey Hospital Board  
 Humansdorp Hospital Board  
 Livingstone Hospital Board  
 Mandela Bay Development Agency  
 Nelson Mandela Bay Tourism  
 Ntinga O R Tambo Municipal Entities  
 Our Heritage Museum  
 PE Provincial Hospital Board  
 Port Elizabeth Museum  
 Provincial Arts & Culture Council  
 Queenstown Frontier Museum  
 SA Housing Fund  
 Somerset East Museum  
 Sterkstroom Museum  
 Steynsburg Hospital Board  
 Transkei Development and Reserve Fund  
 Uitenhage Historical Museum  
 Uitenhage Hospital Board  
 Wilhelm Stahl Hospital Board  
 Wool Board

### **Free State Business Unit**

#### **Provincial departments**

Agriculture  
 Education  
 Free State Legislature  
 Free State Provincial Treasury  
 Health  
 Local Government and Housing  
 Office of the Premier



A U D I T O R - G E N E R A L

Public Safety, Security and Liaison  
Public Works, Roads and Transport  
Social Development  
Sports, Arts, Culture, Science and Technology  
Tourism, Environmental and Economic Affairs

**Local government**

Dhlabeng Local Municipality  
Fezile Dabi District Municipality  
Kopanong Local Municipality  
Lejweleputswa District Municipality  
Letsemeng Council  
Mafube Local Municipality  
Maluti-a-Phofung Municipality  
Mangaung Local Municipality  
Mantsopa Municipality  
Masilonyana Municipality  
Matjhabeng Municipality  
Metsimaholo Local Municipality  
Mohokare Municipality  
Moghaka Local Municipality  
Motheo District Municipality  
Nala Local Municipality  
Naledi Local Municipality  
Ngwathe Municipality  
Nketoana Local Municipality  
Phumelela Local Municipality  
Setsoto Local Municipality  
Thabo Mofutsanyane District Municipality  
Tokologo Municipality  
Tswelopele Municipality  
Xhariep District Municipality

**Listed public entities**

Free State Development Corporation  
Free State Gambling and Racing Board  
Free State Youth Commission  
National Museum, Bloemfontein  
Performing Arts Council of Free State  
Phakisa Major Sport and Development Corporation  
War Museum of the Boer Republics, Bloemfontein

**Other entities**

Basotho Cultural Village  
Centlec (Pty) Ltd  
Central Medical Trading Account  
Department of Health Trust Fund  
Free State Housing Fund  
Government Garage Trading Account  
Mmabana Cultural Centre  
Nature Conservation Fund



A U D I T O R - G E N E R A L

Private Patients Trust Fund  
 Recreation Trust Fund  
 Road Building Equipment Trading Account  
 Small Holdings

## **Gauteng Business Unit**

### **Provincial departments**

Agriculture, Conservation, Environment and Land Affairs  
 Development Planning and Local Government  
 Education  
 Finance and Economic Affairs  
 Gauteng Provincial Legislature  
 Gauteng Shared Service Centre  
 Health  
 Housing  
 Office of the Premier  
 Public Transport, Roads and Works  
 Safety and Liaison  
 Social Services and Population Development  
 Sports, Recreation, Arts and Culture

### **Local government**

City of Johannesburg  
 City of Tshwane Metropolitan Municipality (Pretoria)  
 Ekurhuleni Metropolitan Municipality (East Rand)  
 Emfuleni Local Municipality  
 Kungwini Local Municipality  
 Lesedi Local Municipality  
 Merafong City Local Municipality  
 Metsweding District Municipality  
 Midvaal Local Municipality  
 Mogale City Local Municipality  
 Nokeng Tsa Taemane Local Municipality  
 Randfontein Local Municipality  
 Sedibeng District Municipality  
 West Rand District Municipality  
 Westonaria Local Municipality

### **Listed public entities**

Blue IQ Investment Holdings (Pty) Ltd  
 Commission for Conciliation, Mediation and Arbitration  
 Council for Mineral Technology (Mintek)  
 Gauteng Economic Development Agency  
 Gauteng Gambling Board  
 Gauteng Partnership Fund  
 Gauteng Tourism Authority  
 Media Development and Diversity Agency  
 National Arts Council  
 National Film and Video Foundation  
 National Home Builders Registration Council (NHBRC)



A U D I T O R - G E N E R A L

SA Diamond Board  
SA Rail Commuter Corporation  
Universal Service Agency  
Universal Services Fund

**Other entities**

Arcadia City Improvement District  
Biz Afrika 372  
Brakpan Bus Company (Pty) Ltd  
City Housing Company  
City Power Johannesburg (Pty) Ltd  
Civierelo Water  
Cost Recovery  
Dinokeng  
Enterprise South Africa - Tshwane  
ERTEK  
ERWAT  
Esselen Street City Improvement District  
Finance and Economic Affairs - Liquor Board  
Finance and Economic Affairs - PRF  
Gauteng Film Office  
Government Garage  
Greater Germiston Inner City Housing Corporation Management Services  
Greater Germiston Inner City Housing Corporation Phase 1  
Greater Germiston Inner City Housing Corporation Phase 2  
Greater Pretoria Metro Festival Company  
Greater Pretoria Safety & Security Association  
Hatfield City Improvement District  
Housing Company Tshwane  
International Marketing Council  
Jacaranda Carnival  
Johannesburg City Parks  
Johannesburg Civic Theatre  
Johannesburg Development Agency  
Johannesburg Fresh Produce Market  
Johannesburg Metropolitan Bus Services  
Johannesburg Metropolitan Trading Company  
Johannesburg Property Company  
Johannesburg Roads Agency  
Johannesburg Social Housing Company  
Johannesburg Tourism Company  
Johannesburg Water  
Johannesburg Zoo  
Kerkstreet City Improvement District  
Lebone Municipal Finance Corporation  
Lethabong Housing Institute  
Mayor Road Plant  
Medsas



## A U D I T O R - G E N E R A L

Moreletakloof Conservation Company  
 Museum Park  
 National Youth Festival  
 Pikitup Johannesburg  
 Prelight  
 Pretoria Inner City  
 Rep-Ba Agi  
 Roodepoort Civic Theatre  
 Sandspruit Works Association  
 Temba Roodeplaat Water Services Trust  
 The Centurion Community Protection Company  
 Trade Point Pretoria  
 Tshwane Centre for Business Information and Support  
 Tshwane Sport Foundation  
 Tswaing Civil Projects  
 Tswaing Crater Museum  
 Tswaing Electricity Project Management (Pty) Ltd  
 Tswaing Environmental Health Services  
 Tswaing Waste Removal Services  
 Tswaing Water & Sanitation Services  
 World Heritage Site  
 Xhasa Accounting & Technical Centre

### **KwaZulu-Natal Business Unit**

#### **Provincial departments**

Agriculture and Environmental Affairs  
 Arts and Culture  
 Economic Development and Tourism  
 Education  
 Health  
 Housing  
 Office of the Premier  
 Office of the Royal Household  
 Provincial Parliament  
 Provincial Treasury  
 Safety and Security  
 Social Welfare and Population Development  
 Sport and Recreation  
 Traditional and Local Government Affairs  
 Transport  
 Works

#### **Local government**

AbaQulusi Municipality  
 Amajuba District Municipality  
 City of uMhlathuze  
 Dannhauser Municipality  
 eDumbe Municipality  
 Emnambithi/Ladysmith Local Council





A U D I T O R - G E N E R A L

eNdongakusuka Municipality  
Endumeni Municipality  
eThekweni Municipality (Durban)  
Ezinqoleni Municipality  
Greater Kokstad Municipality  
Hibiscus Coast Municipality  
Hlabisa Municipality  
Ilembe District Municipality  
Imbabazane Local Municipality  
Impendle Municipality  
Indaka Local Municipality  
Ingwe Municipality  
Jozini Municipality  
Kwa Sani Municipality  
KwaDukuza Municipality  
Maphumulo Municipality  
Matatiele Municipality  
Mbonambi Municipality  
Mkhambathini Municipality  
Mpofana Municipality  
Msinga Municipality  
Msunduzi Municipality  
Mthonjaneni Local Municipality  
Mtubatuba Municipality  
Ndwedwe Local Municipality  
Newcastle Municipality  
Nkandla Municipality  
Nongoma Municipality  
Nquthu Local Municipality  
Ntambanana Municipality  
Okhahlamba Local Municipality  
Richmond Municipality  
Sisonke District Municipality  
The Big 5 False Bay Municipality  
Ubuhlebezwe Municipality  
Ugu District Municipality  
Ulundi Local Municipality  
Umdoni Municipality  
uMgungundlovu District Municipality  
uMhlabuyalingana Municipality  
uMkhanyakude District Municipality  
uMlalazi Municipality  
uMngeni Municipality  
uMshwathi Local Municipality  
Umtshezi Municipality  
Umuziwabantu Local Municipality  
Umvoti Municipality  
uMzinyathi District Municipality



## A U D I T O R - G E N E R A L

Umzumbe Municipality  
 uPhongolo Local Municipality  
 uThukela District Municipality  
 uThungulu District Municipality  
 Utrecht Local Municipality  
 Vulamehlo Municipality  
 Zululand District Municipality

**Listed public entities**

Amafa Akwazulu Natali  
 Clothing, Textiles, Footwear and Leather Sector Education and Training  
 Authority (CTFL SETA)  
 Cowslip Investments (Pty) Ltd  
 Ezemvelo KwaZulu-Natal Wildlife  
 Greater St Lucia Wetland Park Authority  
 Ingonyama Trust Board  
 Ithala Development Finance Corporation  
 KwaZulu-Natal Agricultural Development Trust  
 KwaZulu-Natal Gambling Board  
 KwaZulu-Natal Provincial Planning and Development Commission  
 KwaZulu-Natal Taxi Council  
 KwaZulu-Natal Tourism Authority  
 Mjindi Farming (Pty) Ltd  
 Natal Museum, Pietermaritzburg  
 Natal Sharks Board  
 The Playhouse Company, Durban  
 uMsekeli Municipal Support Services  
 Voortrekker and Ncome Museums

**Other entities**

Business Rehabilitation Trust Fund  
 Dube Trade Port  
 Durban Alternative Energies  
 Durban Arts Association  
 Durban Infrastructure Trust  
 Ethekwini Business Development Centre  
 First Metro Housing  
 First Reddy 207 – S21  
 Hibiscus Coast Development Agency  
 Ilembe Development Corporation  
 International Convention Centre  
 Ithala Limited  
 Natal Joint Municipal Pension Fund  
 Natal Municipal Pension Fund  
 Port Shepstone Local Business Service Centre Trust  
 Provincial Housing Board  
 SA Association of Marine and Biological Research  
 Strollers Overnight  
 Ushaka Marine World  
 Uthukela Water (Pty) Ltd



A U D I T O R - G E N E R A L

**Limpopo Business Unit****Provincial departments**

Agriculture  
Education  
Finance and Economic Development  
Health  
Limpopo Legislature  
Local Government and Housing  
Office of the Premier  
Public Works  
Safety, Security and Liaison  
Sports, Arts and Culture  
Transport  
Welfare

**Local government**

Aganang Municipality  
Ba-Phalaborwa Municipality  
Bela-Bela Local Municipality  
Blouberg Municipality  
Bohlabela District Municipality  
Bushbuckridge Municipality  
Capricorn District Municipality  
Fetakgomo Local Municipality  
Greater Giyani Municipality  
Greater Groblersdal Municipality  
Greater Letaba Municipality  
Greater Marble Hall Municipality  
Greater Sekhukhune District Municipality  
Greater Tzaneen Municipality  
Lepelle-Nkumpi Local Municipality  
Lephalale Municipality  
Makhado Municipality  
Makhuduthamaga Local Municipality  
Maruleng Municipality  
Modimolle Local Municipality  
Mogalakwena Municipality  
Molemole Municipality  
Mookgophong Municipality  
Mopani District Municipality  
Musina Local Municipality  
Mutale Local Municipality  
Polokwane Municipality  
Thabazimbi Municipality  
Thulamela Local Municipality  
Vhembe District Municipality  
Waterberg District Municipality

**Listed public entities**

Limpopo Gaming Board



## A U D I T O R - G E N E R A L

Limpopo Housing Board  
Northern Province Road Agency

**Other entities**

Letsema Zelpy 1903 (Pty) Ltd t/a Letsema  
Limpopo Tribal & Trust Account  
Polokwane Housing Association  
SA Local Government Association

**Mpumalanga Business Unit****Provincial departments**

Agriculture and Land Administration  
Economic Development and Planning  
Education  
Finance  
Health and Social Services  
Local Government and Housing  
Office of the Premier  
Provincial Legislature  
Public Works  
Roads and Transport  
Safety and Security  
Sport, Recreation, Arts and Culture

**Local government**

Albert Luthuli Municipality  
Delmas Municipal Council  
Dipaleseng Municipality  
Dr J S Moroka Municipality  
Ehlanzeni District Municipality  
Emakhazeni Municipality  
Emalahleni Local Municipality  
Gert Sibande District Municipality  
Govan Mbeki Municipality  
Local Municipality of Lekwa  
Mbombela Local Municipality  
Mkhondo Local Municipality  
Msukaligwa Municipality  
Nkangala District Municipality  
Nkomazi Municipality  
Pixley Ka Seme Local Municipality  
Steve Tshwete Local Municipality  
Thaba Chweu Municipality  
Thembisile Local Municipality  
Umjindi Municipality

**Listed public entities**

Mpumalanga Gaming Board

**Other entities**

Mpumalanga Housing Fund



A U D I T O R - G E N E R A L

**North West Business Unit****Provincial departments**

Agriculture, Conservation and Environment  
Arts, Culture, Sport and Tourism  
Contingency Reserve  
Education  
Finance and Economic Development  
Health  
Local Government and Housing  
Office of the Premier  
Provincial Legislature  
Roads and Public Works  
Safety and Liaison  
Social Development  
Transport

**Local government**

Bojanala Platinum District Municipality  
Bophirima District Municipality  
Central District Municipality  
City Council of Matlosana  
Ditsobotla Local Municipality  
Greater Taung Municipality  
Kagisano Local Municipality  
Kgetlengrivier Local Municipality  
Lekwa-Teemane Local Municipality  
Madibeng Local Municipality  
Mafikeng Local Municipality  
Mamusa Local Municipality  
Maquassi Hills Local Municipality  
Molopo Local Municipality  
Moretele Local Municipality  
Moses Kotane Local Municipality  
Moshaweng Local Municipality  
Naledi Local Municipality  
Potchefstroom City Council  
Ratlou Municipality  
Rustenburg Local Municipality  
Southern District Municipality  
Tswaing Municipality  
Ventersdorp Local Municipality  
Zeerust Local Municipality

**Listed public entities**

Invest North West  
Mmabana Arts, Cultural and Sport Foundation  
North West Communication Service  
North West Development Corporation  
North West Gambling Board  
North West Housing Corporation



## AUDITOR - GENERAL

North West Parks and Tourism Board  
North West Youth Development Trust  
Provincial Aids Council

### Other entities

Agribank Creditors Settlement Trust  
Directorate of Entrepreneurial Development  
Kgama Wild Life  
North West Agricultural Bank  
North West Transport Investment  
Rustenburg Water Service Trust  
Signal Developments (Pty) Ltd  
Tribal and Trust Fund  
Tribal Authorities

## Northern Cape Business Unit

### Provincial departments

Agriculture, Conservation and Environment  
Economic Affairs and Tourism  
Education  
Finance  
Health  
Housing and Local Government  
Office of the Premier  
Provincial Legislature  
Safety and Liaison  
Social Services and Population Development  
Sport, Arts and Culture  
Transport, Roads and Works

### Local government

!Kheis Municipality  
Dikgatlong Municipality  
Emthanjeni Municipality  
Francis Baard District Municipality  
Gamagara Municipality  
Ga-Segonyane Municipality  
Hantam Municipality  
Kai! Garib Municipality  
Kamiesberg Municipality  
Kareeberg Municipality  
Karoo Hoogland Municipality  
Kgalagadi District Municipality  
Kgatelopele Municipality  
Khai-Ma Municipality  
Khara Hais Municipality  
Magareng Municipality  
Mier Municipality  
Nama Khoi Municipality  
Namakwa District Municipality



A U D I T O R - G E N E R A L

Phokwane Municipality  
 Pixley Ka Seme Municipality  
 Renosterberg Municipality  
 Richtersveld Municipality  
 Siyancuma Municipality  
 Siyanda District Municipality  
 SiyaThemba Municipality  
 Sol Plaatjie Municipality  
 Thembelihle Municipality  
 Tsantsabane Municipality  
 Ubuntu Municipality  
 Umsobomvu Municipality

#### Listed public entities

Calvinia Museum  
 Mary Moffat Museum  
 McGregor Museum  
 Northern Cape Tourism Authority  
 Victoria-Wes Museum  
 William Humphreys Art Gallery

#### Other entities

Arts and Culture Council  
 Barkly-West Hospital Board  
 Bill Pickard Hospital Board  
 B J Kempen Memorial Hospital Board  
 Calvinia Hospital Board  
 Central Karoo Hospital Board  
 Colesberg Hospital Board  
 Connie Vorster Hospital Board  
 Douglas Hospital Board  
 Fritz Visser Hospital Board  
 Garies Hospital Board  
 Gordonia Hospital Board  
 Hester Malan Hospital Board  
 Housing Fund  
 Kakamas Hospital Board  
 Kimberley Hospital Board  
 Kuruman Hospital Board  
 National Institute for Higher Education  
 Postmasburg Hospital Board  
 Premier's Education Trust Fund  
 Roads Capital Account  
 Springbok Hospital Board  
 Sutherland Hospital Board

#### Western Cape Business Unit

#### National department

Parliament



A U D I T O R - G E N E R A L

### Provincial departments

Agriculture  
 Community Safety  
 Cultural Affairs and Sport  
 Economic Development and Tourism  
 Education  
 Environmental Affairs and Development Planning  
 Health  
 Housing  
 Local Government  
 Parliament  
 Provincial Administration  
 Provincial Treasury  
 Social Services and Poverty Alleviation  
 Transport and Public Works

### Local government

Beaufort West Municipality  
 Bergrivier Local Municipality  
 Bitou Municipality  
 Breede River/Winlands Municipality  
 Breede Valley Municipality  
 Cape Agulhas Municipality  
 Cape Winlands District Municipality  
 Cederberg Local Municipality  
 Central Karoo District Municipality  
 City of Cape Town  
 Drakenstein Municipality  
 Eden District Municipality  
 George Municipality  
 Kannaland Municipality  
 Knysna Municipality  
 Laingsburg Municipality  
 Langeberg Municipality  
 Matzikama Municipality  
 Mossel Bay Municipality  
 Oudtshoorn Municipality  
 Overberg District Municipality  
 Overstrand Municipality  
 Prince Albert Local Municipality  
 Saldanha Bay Municipality  
 Stellenbosch Municipality  
 Swartland Municipality  
 Swellendam Municipality  
 Theewaterskloof Municipality  
 West Coast District Municipality  
 Witzenberg Municipality

### Listed public entities

Afrikaanse Taalmuseum





A U D I T O R - G E N E R A L

Artscape  
 Castle Control Board  
 Destination Marketing Organisation  
 Heritage  
 Iziko Museums of Cape Town  
 Marine Living Resource Fund  
 Media, Advertising, Publishing, Printing and Packaging Sector Education  
 and Training Authority (MAPPP SETA)  
 National Student Financial Aid Scheme  
 Robben Island Museum, Cape Town  
 SA Heritage Resources Agency  
 SA Institute for Drug Free Sport  
 SA Medical Research Council  
 South African National Biodiversity Institute  
 Western Cape Cultural Commission  
 Western Cape Gambling and Racing Board  
 Western Cape Language Committee  
 Western Cape Nature Conservation Board  
 Western Cape Provincial Development Council

#### Other entities

Albertina Tourism Bureau  
 Barrydale Tourism Bureau  
 Beaufort West Tourism Bureau  
 Beaufort-West Hospital Board  
 Beaufort-West Museum  
 Bredasdorp Hospital Board  
 Bredasdorp Museum  
 Brewelskloof Gesondheidsfasiliteitsraad  
 Caledon Hospital Board  
 Caledon Museum  
 Caledon Tourism Bureau  
 Cape L'Agulhas Tourism Bureau  
 Cape Metropolitan Transport  
 Cape Town Convention Centre Operating Company  
 Cape Town International Convention Centre Company (Pty) Ltd  
 Cape Town Tourism Authority  
 Cape Town Visitors Service Association  
 Casidra (Pty) Ltd  
 Ceres Hospital Board  
 Ceres Togryers Museum  
 Citrusdal Hospital Board  
 Citrusdal Tourism Bureau  
 Clanwilliam Tourism Bureau  
 Community Health Hospital Board  
 Conradie Hospital Board  
 C P Nel Museum  
 Darling Tourist Bureau  
 Dept of Health: Cape Medical Depot

**A U D I T O R - G E N E R A L**

Drostdy Museum  
Elgin Valley Tourism Bureau  
Elim Tourism Bureau  
False Bay Hospital Board  
Franschhoek Tourism Bureau  
Gansbaai Tourism Bureau  
Genadendal Sendingmuseum  
Genadendal Tourism Bureau  
George Hospital Board  
George Tourism Bureau  
Goedverwacht Tourism Bureau  
Government Motor Transport  
Greyton Tourism Bureau  
Hangklip/Kleinmond Tourism Bureau  
Heidelberg Tourism Bureau  
Hermanus Hospital Board  
Hermanus Tourism Bureau  
Hopefield Tourism Bureau  
Hottentots Holland Hospital  
Housing Development Fund  
Houtbaai Museum  
Huguenot Memorial Museum  
Khayelitsha Community Trust  
Knysna Hospital Board  
Knysna Tourism Bureau  
Ladysmith Hospital Board  
Langebaan Tourism Bureau  
Lapa Munnik Hospital Board  
Montagu Hospital Board  
Montagu Museum  
Moorreesburg Tourism Bureau  
Mosselbaai Hospital Board  
Mossel Bay Tourism Bureau  
Northern Suburbs Hospital Board  
Northern Suburbs Tourism Bureau  
Old Harbour Museum  
Oude Kerk Volksmuseum  
Oudtshoorn Hospital Board  
Oudtshoorn Tourism Bureau  
Paarl Hospital Board  
Paarl Museum  
Paarl Tourism Bureau  
Parliamentary Villages Management Board  
Pension Funds Adjudicator  
Philippi East Trading Centre (Pty) Ltd  
Piketberg Tourism Bureau  
Plettenberg Bay Tourism Bureau  
Porterville Tourism Bureau



A U D I T O R - G E N E R A L

Prince Albert Tourism Bureau  
 Provincial Restaurants  
 Red One  
 Red Cross War Memorial Children's Hospital  
 Riversdal Hospital Board  
 Riviersonderend Tourism Bureau  
 Robertson Hospital Board  
 SA Sendinggestig Museum  
 Simonstad Museum  
 Somerset Hospital Board  
 South Peninsula Municipality Housing Micro-Loans Underwriting Trust  
 Southern Suburbs Hospital Board  
 Stanford Tourism Bureau  
 Stellenbosch Hospital Board  
 Stellenbosch Museum  
 Stellenbosch Tourism & Information Association  
 Stilbaai Tourism Bureau  
 Suurbraak Tourism Bureau  
 Swartland Hospital Board  
 Swartland Tourism Bureau  
 Swellendam Hospital Board  
 Swellendam Tourism Bureau  
 Teaching Hospitals Board  
 Tygerberg Hospital Board  
 Velddrif Tourism Bureau  
 Villiersdorp Tourism Bureau  
 Vredenburg Hospital Board  
 Vredendal Hospital Board  
 Wellington Museum  
 Wellington Tourism Bureau  
 Wesfleur Hospital Board  
 West Coast Peninsula Tourism Bureau  
 West Coast Tourism Organisation  
 Wheat Industry Museum  
 Wilderness Eco Tourism Association  
 Worcester Hospital Board  
 Worcester Museum  
 Yzerfontein Tourism Bureau  
 Zeekoeivlei Environmental Education Trust

## ANNEXURE 1B

### Consolidated financial statements for departments

National  
 Eastern Cape  
 Free State  
 Gauteng  
 KwaZulu-Natal



A U D I T O R - G E N E R A L

Limpopo  
Mpumalanga  
North West  
Northern Cape  
Western Cape

**Consolidated financial statements for public entities**

National  
Eastern Cape  
Free State  
Gauteng  
KwaZulu-Natal  
Limpopo  
Mpumalanga  
North West  
Northern Cape  
Western Cape

**Revenue funds**

National  
Eastern Cape  
Free State  
Gauteng  
KwaZulu-Natal  
Limpopo  
Mpumalanga  
North West  
Northern Cape  
Western Cape

**ANNEXURE 1C****International audits**

International Criminal Tribunal for Rwanda (ICTR)  
Special Court for Sierra Leone  
United Nations Development Programme (UNDP)  
United Nations Economic and Social Commission for Western Asia (ESCWA)  
United Nations Economic Commission for Africa (ECA)  
United Nations Industrial Development Organization (UNIDO)  
United Nations Office for Project Services (UNOPS)  
United Nations Peacekeeping Operations (UNPKO)  
United Nations Population Fund (UNFPA)  
United Nations Relief and Works Agency for Palestine Refugees (UNRWA)



AUDITOR - GENERAL

## ANNEXURE 2: SPECIALISED AUDITS

Performance audits		
Province	Institution	Issue
National	Department of Correctional Services	Supply of uniforms and clothes to members and clothes to prisoners
	Department of Land Affairs	Reform programme
	National Treasury	Management of sick leave
	Ntsika	Overall management measures
	SABS	Overall management measures
Eastern Cape	Department of Health	Sustainable development audit of the handling, storage, disposal and transportation of medical waste
Free State	Department of Housing	Low-cost housing benefits paid fraudulently to government employees on PERSAL
	Department of Education	Management of sick leave benefits
	Department of Health	Management of sick leave benefits
Gauteng	Department of Housing	Low-cost housing benefits paid fraudulently to government employees on PERSAL
KwaZulu-Natal	Department of Housing	Low-cost housing benefits paid fraudulently to government employees on PERSAL
	Department of Traditional and Local Government Affairs	Management assistance programme grants
	Ethekwini Municipality	Division of Revenue Act grants
	Ethekwini Municipality	Housing subsidies
Limpopo	Department of Public Works	Lease agreements
Mpumalanga	Department of Health and Social Services	Schools' social grants administration process
	Department of Public Works, Roads and Transport	Sick leave benefits



A U D I T O R - G E N E R A L

Performance audits (cont.)		
Province	Institution	Issue
Mpumalanga	Department of Local Government and Housing	Low-cost housing benefits paid fraudulently to government employees
	Provincial Administration	Government employees who are directors or members of private companies or close corporations that render services to the department
	Various schools in the Mpumalanga province	Financial management training provided to various schools as well as management of funds at these schools
Northern Cape	Department of Housing	Low-cost housing benefits paid fraudulently to government employees on PERSAL
	Department of Housing	Low-cost housing benefits paid to deceased employees
	Department of Housing	Low-cost housing benefits: duplicate payments
Western Cape	Department of Education	Education management and development centres
	Department of Education	Review of the learner transport scheme
	Department of Education	Management of sick leave benefits
	Department of Health	Management of sick leave benefits
	Department of Social Services and Poverty Alleviation	Management of sick leave benefits
	City of Cape Town	Payroll-related issues and the relationships between employees and suppliers



A U D I T O R - G E N E R A L

Special investigations		
Province	Institution	Issue
National	Department of Defence: Far North Command	Repairs to state housing
	Department of Health	NAPWA: contracts and transfer payments
	Armaments Corporation of South (Pty) Ltd	Various allegations
Eastern Cape	King Sabata Dalindyebo Municipality	Procurement, travel claims, etc.
Free State	Department of Education	ABET
	Department of Finance, Expenditure and Economic Affairs	Irregularities in the appointment and payment of a chief director
	Department of Housing	RDP housing
	Department of Social Services	Community development grants
	Liquor Board	Forged liquor licenses
	Lejweleputswa District Municipality	Capital projects
	Matjhabeng Local Municipality	Assets and payments of contracted companies
	Metsimaholo Municipality (Sasolburg)	Various allegations of misconduct
	Motheo Municipality	Procurement
	Phumelela Local Municipality	Assets, expenditure vouchers and receipts
	Phumelela Local Municipality	Tenders
Gauteng	Kungwini Municipality	Various allegations of misconduct
	Westonaria Municipality	Leave encashment
Limpopo	Bela-Bela Municipality	Sale of land
Northern Cape	Department of Transport, Roads and Public Works	Outsourcing of the government garage
	Sol Plaatjie Municipality (Phase 1)	Various allegations of misconduct
	Sol Plaatjie Municipality (Phase 2)	Various allegations of misconduct

Integrated audits		
Province	Institution	Issue
National	Department of Defence	Unrealistic staff establishment targets
	Safety and Security	Human resource management
		Ineffective monitoring and control over dockets and case administration system



AUDITOR - GENERAL

### ANNEXURE 3: DELAYS IN AUDIT REPORTS DUE TO EXCEEDING OF THE PFMA DEADLINES BY THE AUDITOR-GENERAL

Province	Entity	Reasons for delay
<b>National and provincial departments</b>		
National	Department of Home Affairs	Late submission of audit evidence
	Statistics South Africa	Late submission of audit evidence
	Department of Water Affairs and Forestry	Pre-issuance review of audit report
Free State	Department of Education	Late submission of audit evidence
Gauteng	Department of Agriculture, Conservation and Environment	Late submission of audit evidence
	Department of Community Safety	Late submission of audit evidence
	Department of Education	Late submission of audit evidence
	Department of Finance and Economic Affairs	Late submission of audit evidence
	Gauteng Shared Service Centre	Late submission of audit evidence
	Department of Health	Late submission of audit evidence
	Department of Housing	Late submission of audit evidence
	Department of Sport, Recreation, Arts and Culture	Late submission of audit evidence
	Department of Transport, Roads and Works	Late submission of audit evidence
KwaZulu-Natal	Department of Arts and Culture	Greater assurance on audit opinion
	Department of Community Safety Liaison	Greater assurance on audit opinion
	Office of the Premier	Greater assurance on audit opinion
Limpopo	Office of the Premier	Pre-issuance review on audit report
	Department of Roads and Transport	Late submission of audit evidence
Mpumalanga	Department of Agriculture and Land Administration	Late submission of audit evidence
	Department of Culture, Sport and Recreation	Late submission of audit evidence





A U D I T O R - G E N E R A L

Province	Entity	Reasons for delay
<b>National and provincial departments</b>		
	Department of Economic Development	Late submission of audit evidence
	Department of Education	Late submission of audit evidence
	Department of Finance	Late submission of audit evidence
	Department of Local Government and Housing	Late submission of audit evidence
	Office of the Premier	Late submission of audit evidence
	Provincial Legislature	Late submission of audit evidence
	Department of Public Works	Late submission of audit evidence
	Department of Roads and Transport	Late submission of audit evidence
	Safety and Security	Late submission of audit evidence
Northern Cape	Department of Transport, Roads and Works	Pre-issuance review of audit report
North West	Office of the Premier	Technical view on audit findings
Western Cape	Department of Education	Audit delayed to obtain adequate audit coverage
<b>Listed public entities</b>		
National	Financial Intelligence Centre	Late submission of audit evidence
	Land and Agricultural Bank of SA	Late submission of audit evidence
	Public Investment Corporation	Pre-issuance review of audit report
	Services SETA	Extension of scope to cover audit risk
	Sheltered Employment Factories	Extension of scope to cover audit risk
	Unemployment Insurance Fund	Dispute on audit opinion
	Urban Transport Fund	Awaiting management comments
	Windybrow Centre	Extension of scope to cover audit risk

Activity report for the financial year 2004-05



AUDITOR - GENERAL

Province	Entity	Reasons for delay
<b>Listed public entities</b>		
Gauteng	Blue IQ Investment Holdings (Pty) Ltd	Dispute on audit opinion
	NHBRC	Late contracting of actuary for audit purposes
	SA Human Rights Commission	Late submission of audit evidence
	SA Rail Commuter Corporation	Late contracting out of audit
KwaZulu-Natal	Gambling Board	Greater assurance on audit opinion
	Tourism Authority	Greater assurance on audit opinion
Western Cape	Marine Living Resources Fund	Prior years' reports not yet finalised
<b>Trading entities</b>		
National	Government Printing Works	Late submission of audit evidence
Northern Cape	Roads Capital Account	Pre-issuance review of audit report
Western Cape	Cape Medical Depot	Conversion from cash to GAAP accounting basis
	Government Motor Transport	Conversion from cash to GAAP accounting basis