



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



Provincial general report of the Auditor-General

ON THE AUDIT OUTCOMES OF THE
LIMPOPO PROVINCIAL DEPARTMENTS,
PUBLIC ENTITIES AND OTHER ENTITIES
for the financial year 2007-08

PUBLISHED BY AUTHORITY

PR 311/2008

ISBN 978-0-621-38370-6



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FOREWORD

It gives me great pleasure to present my 2007-08 general report to the provincial legislature, summarising the results of the audit outcomes of the Limpopo provincial government departments, public entities and other entities for the financial year ended 31 March 2008.

The purpose of this general report is to provide an overview of the audit outcomes at provincial departments and public entities. The main body of this report covers both provincial departments and public entities reflected under sections covering financial reporting results, performance reporting results, results of information systems audit, issues driving audit results, SCOPA resolutions not implemented, tabling of annual reports and results of other audits.

Considerable attention needs to be given to the issues of accountability and governance in the public sector. In this regard, the attainment of unqualified audit reports by all government entities is a vision we fully subscribe to in our efforts to strengthen South Africa's democracy, thereby building public confidence. The critical message we want to highlight to the legislatures and the executive is that it is possible to obtain an unqualified audit report if the following basic principles are observed and internal control systems are in place and constantly monitored by the leadership:

- Close leadership involvement is required to address challenges such as human resource competency and capacity issues, among others, and to monitor the implementation of action plans appropriately designed to address the various audit issues.
- Monthly in-year monitoring should include financial statements.

We trust that the analyses contained in this general report will help guide the executive and the legislatures through the various portfolio committees and the standing committees on public accounts to work towards achieving unqualified audit opinions. Most of the problems that we identified in our audits relate to basic internal control issues that require effective monitoring by the leadership so that they can be addressed immediately. The analysis further makes specific reference to the areas where these internal control shortcomings were identified, including their level of prevalence in each sphere of government.

The Limpopo public sector, excluding local government, comprised 13 departments, 12 public entities of which only four are included in our analysis and two other entities of which only one is included in our analysis as explained below:

Of the 13 provincial departments analysed:

- Eight (62%) departments were financially qualified (qualified): Economic Development, Environment and Tourism; Education; Health; Local Government and Housing; Provincial Treasury; Provincial Legislature; Public Works and Roads and Transport.
- Four (31%) departments were unqualified financially but had concerns in areas of governance and legislative non-compliance, namely Agriculture; Office of the Premier; Social Development and Sports,



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Arts and Culture.

- Only one (8%) department (Safety, Security and Liaison) was unqualified without any significant concerns on other matters.

Of the four provincial public entities analysed:

- One public entity (25%), the Limpopo Tourism and Parks Board, was qualified.
- Three public entities (75%) were unqualified financially but had concerns in areas of governance. These were the Limpopo Gambling Board, Gateway Airport Authority Limited and Roads Agency (Pty) Ltd.

Of the one provincial other entity analysed:

- The Urban Transport Fund had moved from a financially unqualified audit opinion (with other matters) in the prior year (2006-07) to a financially qualified audit opinion in the current year (2007-08).

The findings leading to the financial qualifications and other matters are common to the Limpopo provincial departments, public and other entities. The majority of audit findings for provincial departments that were qualified resulted from issues relating to asset management. All these departments were qualified in respect of asset management issues. Only one of the four public entities was qualified. The qualification was in respect of assets, revenue and disclosure requirements. The only other entity analysed was qualified in respect of revenue.

The root causes of the shortcomings identified in the audit reports are primarily the result of the following:

- Inadequate governance arrangements
- Insufficient leadership supervision and monitoring
- Lack of skills/capacity

In addition to the financial qualifications, the majority of the departments had shortcomings relating to:

- non-compliance with applicable legislation (38%), relating mainly to compliance with the Treasury Regulations
- internal controls regarding areas of material adjustments to financial statements (62%) during the audit which were initially not detected by the departments' own internal controls.

With regard to performance information for departments, there has generally been an improvement in this area of auditing. This was mainly due to the departments' implementation of audit recommendations from the prior year, which was further supplemented by the guidance received from the National Treasury in terms of the *Framework for Managing Programme Performance Information*.



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In conclusion, I wish to thank the AG's staff in Limpopo for their diligent efforts towards the fulfilment of our constitutional mandate. I would like to express my appreciation to the legislative members as well as the executive for their cooperation and input during the AG's visits to present the audit outcomes of the Limpopo Province. Together, we will continue to make every effort to collaborate in order to contribute towards strengthening our country's democracy.

Auditor-General

Auditor-General

Pretoria

November 2008



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SECTION 1: FOLLOW-UP ON PRIOR YEAR GENERAL REPORT

1. IMPLEMENTATION OF ACTION PLANS BY LEADERSHIP

Departments compiled actions plans based on prior year audit reports and management reports. The Limpopo Provincial Treasury has proactively assisted departments to improve their financial management practices, resulting in improved audit outcomes for the province.

The improved audit outcomes in Limpopo can be attributed inter alia to the following actions within the province:

- The provincial treasury embarked on a programme of support for all departments to help with the preparations and timely submission of annual financial statements to the AG.
- Ongoing interactions between the departments and the AG on audit progress and possible outcomes to identify transversal issues.
- Improved effectiveness of the centralised internal audit and audit committee.
- Both audit committee members and internal audit staff who were specifically allocated to departments attended all audit steering committee meetings held at the departments.
- The provincial treasury embarked on a programme to assist the departments in the preparation of a standard provincial asset register and has provided comprehensive guidelines on assets in consultation with the National Treasury, the Auditor-General and the chief financial officers of the respective departments.

Also, in response to the analysis of audit outcomes of the province for the year ending 2006-07, the provincial treasury embarked on a strategy to address shortcomings identified therein and to promote sound financial management in the province to eliminate audit qualifications. The strategies implemented were as follows:

- Preparation of annual financial statements in terms of the National Treasury preparation guideline.
- Management and clearance of suspense accounts.
- All departments were provided with training and guidance, and issued with a standard asset register template for submission to the Auditor-General.

2. ONGOING MONITORING AND EVALUATION OF INTERNAL CONTROLS BY AUDIT COMMITTEE AND INTERNAL AUDIT

The 2006-07 general report recommended that individual and shared internal audit functions and audit committees should be strengthened since they were crucial in assisting management to establish a sound internal control environment and undertake ongoing evaluation and monitoring of management's compliance with pre-defined controls and progress in implementing the action plans.

It is pleasing to note that while there were exceptions, this recommendation has been substantially implemented in both departments and public entities.



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3. COORDINATION BETWEEN PORTFOLIO COMMITTEES AND STANDING COMMITTEE

In the previous general report, we encouraged coordination between the various portfolio committees and the standing committee on public accounts (SCOPA) in the province in their review of the financial management and performance of the audited entities.

The *Limpopo Provincial Parliament Standing Rules* makes a very clear distinction between the powers and functions of SCOPA and any other committee. These rules also make specific provision for and give guidance on SCOPA's relationship with other committees.

With regard to our interaction with the Limpopo SCOPA, it is encouraging to report that there is a very good working relationship between SCOPA and other committees.

4. PROVINCIAL TREASURY'S MONITORING TOOL/CHECKLIST

In the 2006-07 general report, we recommended that a monitoring tool or checklist should be developed by the National Treasury, in conjunction with the provincial treasury, to enable the legislature and the executive to monitor the progress made with the implementation of the relevant action plans and to assist with their respective oversight responsibilities on a periodic basis.

For its part, the Limpopo Provincial Treasury has proactively assisted departments to improve their financial management practices with regard to maintaining a complete and accurate asset register. The provincial treasury undertook to support the departments in the province because of the significant challenges that the departments in the province were facing in maintaining and recording assets. In the 2006-07 financial year all 13 departments in the province received a qualification on assets.

The provincial treasury therefore in this regard designed a manual asset register and rolled it out to all the departments in the province. Intense training regarding the completion of this asset register, including the process of identifying the assets of the department, was provided by a team assigned by the provincial treasury. As a result of the significant problems experienced with the current electronic asset management system and designing of the manual asset register, the provincial treasury is currently in the process of exploring an alternative electronic management system for the province. I will follow up on the province's actions and status in this regard and report on the progress made in the next general report.

Regular audit steering committee meetings were also held and attended by representatives of the provincial treasury. This improved communication during the audits and also enabled the treasury to identify specific problems pertaining to the departments requiring intervention.

The involvement of the provincial treasury significantly improved the audit outcomes of the province compared to those of the 2006-07 financial year.



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5. STRENGTHENING CAPACITY OF PROVINCIAL TREASURY

Strengthening of the provincial treasury's capacity to enable effective technical accounting support and evaluation of the readiness of provincial departments to cope with migration from cash to accrual accounting was a key recommendation emanating from the 2006-07 general report.

The provincial treasury has embarked on an exercise to reduce the high vacancy rate at the department in order to better support the departments in the province.

The provincial treasury has also embarked on a structured approach for the recruitment and selection of suitably qualified personnel, including remuneration administration, training and development, performance appraisal, delegations and assignments and career planning by granting bursaries to qualifying employees.

6. EVALUATION OF HUMAN RESOURCE STRATEGIC FRAMEWORK

A critical evaluation of the human resource strategic framework was needed in the province as this could assist in informing the departmental human resource strategic plans that would focus on the attraction and retention of suitably qualified officials, particularly in the area of finance. This was a key recommendation of the 2006-07 general report.

Departments in the Limpopo Province continued to experience vacancy rates above the 5% norm, which resulted in some departments being able to develop and comply with risk management and good internal control and governance practices. This was directly related to a lack of the approval and implementation of human resource management strategies.

During the 2007-08 audits, we again noted that most departments and public entities did not have formal human resource management plans in place, while others' plans were in draft form.

Departments and public entities are encouraged to renew their endeavours to formalise and implement effective human resource management and related policies, which are critical in capacitating departments with appropriately qualified personnel practices to carry out their mandates.



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SECTION 2: PROVINCIAL DEPARTMENTS

1. FINANCIAL REPORTING RESULTS

1.1 Introduction

The Limpopo provincial government comprises 13 departments, all of which have been included as part of our analysis.

Audit reports in respect of the 2005-06 consolidated financial statements for provincial departments and public entities were signed on 22 June 2007, having been received on 8 May 2007. The consolidated financial statements for 2006-07 and 2007-08 were received on 29 June 2007 and 30 June 2008 respectively. The audits relating to the 2006-07 and 2007-08 financial years were still in progress at the time of our analysis.

The reasons for the delay in finalisation of these audits include the following:

- Difficulties experienced in reconciling many of the balances to the departments' annual financial statements and the provincial revenue fund.
- Due to capacity problems experienced by the Auditor-General, it was unable to engage immediately on these audits.

1.2 Overview of audit opinions on provincial departments for 2007-08

- Table 1 below provides details of the actual audit outcomes of the Limpopo provincial departments.

Table 1: Audit opinions on provincial departments

Type of audit opinion	2007-08		2006-07	
	Number	%	Number	%
Adverse	0	0%	0	0%
Disclaimer	0	0%	0	0%
Qualified	8	61%	13	100%
Financially unqualified (with other matters)	4	31%	0	0%
Financially unqualified (with no other matters)	1	8%	0	0%
Total analysed	13	100%	13	100%



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Significant improvement has been made in the Limpopo Province insofar as the financial qualifications are concerned, with only eight departments (62%) in 2007-08 being qualified versus 13 (100%) in 2006-07.

Of the eight departments that still have qualifications, five received qualifications only in respect of assets while three also received qualifications in respect of other aspects.

The following salient matters gave rise to the unqualified opinions for five of the 13 departments in the current year:

- A proper asset management system was in place, including a proper asset register which allowed for easy identification of the assets belonging to the entity.
 - Documentation for audit purposes was provided timeously.
- Table 2 below provides details of the actual audit outcomes of the Limpopo provincial departments for the previous five years.

Table 2: Audit opinions on provincial departments for the previous five years

Department	2007-08	2006-07	2005-06	2004-05	2003-04
Agriculture	Financially unqualified (with other matters)	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Economic Development, Environment and Tourism	Qualified	Qualified	Qualified	N/A	N/A
Education	Qualified	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Health	Qualified	Qualified	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Local Government and Housing	Qualified	Qualified	Adverse	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Provincial Legislature	Qualified	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Public Works	Qualified	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Roads and Transport	Qualified	Qualified	Qualified	Qualified	Financially unqualified (with other matters)



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Department	2007-08	2006-07	2005-06	2004-05	2003-04
Safety, Security and Liaison	Financially unqualified (with no other matters)	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Social Development	Financially unqualified (with other matters)	Qualified	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Sports, Arts and Culture	Financially unqualified (with other matters)	Qualified	Qualified	Qualified	Financially unqualified (with other matters)
Office of the Premier	Financially unqualified (with other matters)	Qualified	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Provincial Treasury	Qualified	Qualified	Financially unqualified (with other matters)	N/A	N/A

There has been a distinct positive shift in the audit opinions issued for the departments. There were no adverse and disclaimer audit opinions for the 2007-08 financial year. Eight qualified audit opinions (13 in 2006-07) were issued.

The five departments that avoided another qualification on assets in the current year had timeously implemented the provincial asset register designed by the provincial treasury and performed a proper and effective asset count exercise to ensure the completeness and accuracy of the asset register. Assistance received from the provincial treasury in this regard significantly improved the audit outcomes in the current year (2007-08) as compared to the 2006-07 financial year.

N/A – Until 2004-05 the Department of Economic Development and the provincial treasury had operated as one department, namely Finance and Economic Development. In 2005 the department separated into two different votes, namely the Department of Economic Development and the provincial treasury.

For 2003-04 the Department of Finance and Economic Development received a qualified audit opinion and for 2004-05 a financially unqualified audit opinion with other matters.

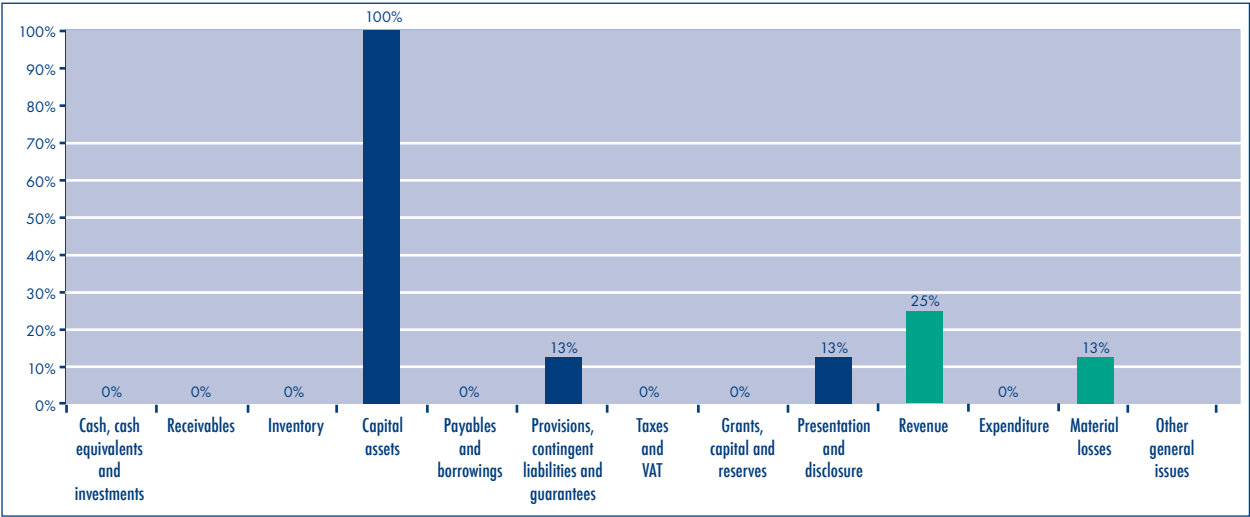
1.3 Qualification details

Figure 1 below provides a breakdown of all the audit findings which gave rise to the qualified audit opinions. It also indicates the percentage of provincial departments that were qualified per audit finding. The audit findings are split between items on the balance sheet (statement of financial position) highlighted in blue bars and the income statement (statement of financial performance) highlighted in green bars. The associated root causes are discussed in section 3 of this report.



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Figure 1: Provincial departments (eight) that were qualified per audit finding



Overall conclusion

Of the eight departments that were qualified, four were qualified only in respect of capital assets. The Departments of Local Government and Housing; Provincial Treasury; Economic Development, Environment and Tourism and Roads and Transport, in addition to capital assets, were qualified in respect of other balance sheet, income statement or disclosure-related transactions. The details and root causes for each department that was qualified are provided below:

- Local Government and Housing received a qualified opinion in respect of assets, material losses and presentation and disclosure. The root causes of the qualification related to inadequate supervision and monitoring, accompanied by a lack of skills and capacity both during the year and before submission of the financial statements for audit purposes. The department failed to assume responsibility for proactively correcting and maintaining controls over the asset management environment.
- The provincial treasury and Economic Development, Environment and Tourism were qualified in respect of assets and revenue. As a result of the high vacancy rate in the department, proper reconciliation of the asset register could not be performed in time to avoid a qualification. With regard to revenue there was inadequate and ineffective monitoring of controls by management to ensure that all income due to the department had been accounted for in the accounting records.
- The Department of Roads and Transport was qualified in respect of assets and provisions. The manual asset register submitted for audit purposes had been incorrectly completed and not all the department's assets were recorded in this register. The root cause of both these qualification issues was a lack of adequate skills in the finance section of the department.
- The Departments of Education, Health, Provincial Legislature and Public Works were qualified only in respect of assets. These departments lacked a proper asset management system which resulted in the completeness, existence and valuation of movable assets being unconfirmed. The root cause was a lack of adequate skills and resources in the compilation of the manual asset register to comply with all the



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requirements outlined by the provincial treasury.

Overall, there has been a significant improvement in the current year (2007-08) regarding the number of issues reported in the audit report compared to previous years.

1.4 Audit findings in respect of other matters

The audit findings reported under “other matters” draw attention to the matters that are ancillary to the Auditor-General’s responsibilities in the auditing of financial statements.

Material non-compliance with relevant legislation

In the case of five (38%) departments, most instances of material non-compliance with applicable legislation related to non-compliance with the PFMA and Treasury Regulations. With regard to non-compliance with other enabling legislation, only the Department of Health reported a finding in respect of non-compliance with the Division of Revenue Act (DoRA).

Matters of governance

The centralised audit committee and internal audit were in operation throughout the financial year and operated in accordance with approved written terms of reference. The audit committee has been 92% successful in terms of substantially fulfilling its responsibilities for this year. In the case of the following departments, internal audit had failed to substantially fulfil their responsibilities in terms of Treasury Regulation 3.2: Health; Provincial Legislature; Social Development; Office of the Premier; Provincial Treasury, hence the 62% success rate.

As a result of capacity constraints within the centralised internal audit division of the province, no internal audit function or audit committee was in operation throughout the financial year at the Provincial Legislature.

Other matters of governance

Minimal difficulties were experienced during the audit concerning delays in obtaining information or the unavailability of expected information and/or the unavailability of senior management. Difficulties in respect of obtaining documentation and adequate explanations were experienced at two of the 13 departments (15%), namely the Department of Local Government and Housing and the Department of Roads and Transport.

The majority of the prior year’s external audit recommendations and SCOPA resolutions have been substantially implemented.

Material misstatements

The financial statements of the majority of departments (eight or 62%) submitted for audit were subject to material amendments due to errors, omissions and inconsistencies identified during the audit. The financial statements of only five departments were not subject to material misstatements, namely Economic Development, Environment and Tourism; Health; Provincial Legislature; Safety, Security and Liaison and Social



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Development.

While there has been improvement in the quality of financial statements compared to the prior year, the next few years will pose greater challenges to departments with the ongoing transition to accrual accounting. In order to deal with the prevalence of material misstatements in financial statements that have to be corrected during the audit period, departments need to:

- re-emphasise the role of chief financial officers in the preparation of regular management accounts, particularly relating to issues of disclosure associated with the ongoing transition to accrual accounting, and emphasise the important role of chief financial officers in performing ongoing supervision and monitoring
- subject the financial statements to a quality review before they are submitted for auditing in order to resolve contentious accounting issues at the earliest opportunity, while internal audit and audit committees can play a crucial role in the review process of the financial statements
- work closely with the National Treasury and the provincial treasury to improve financial management and controls in order to produce quality financial statements that comply with the relevant standards.

2. PERFORMANCE REPORTING RESULTS

2.1 Introduction

The Auditor-General continued to report on the auditing of performance information in line with the relevant phasing-in approach. For 2006-07, the review was extended to the controls and systems used in generating and reporting on performance information.

2.2 Results of the audit of performance information

In general there has been improvement in this area of auditing due to the implementation of audit recommendations from the prior year. In the case of seven or 54% of the departments, no audit findings were made in respect of performance information, compared to two or 15% of the departments in 2006-07. This was further supplemented by guidance received from the National Treasury in terms of the *Framework for Managing Programme Performance Information*. Of concern, however, is the fact that the evidence provided by four or 31% of the departments to support performance information was inconsistent with the performance information.

As the future reporting responsibilities in this area increase, the solid compliance base demonstrated by many departments should be used as a stepping stone to further improve the management of and reporting on performance information, while at the same time maximising the impact of key service delivery priorities.



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3. INFORMATION SYSTEMS AUDIT

3.1 Introduction

Information systems (IS) controls are significant in determining the effectiveness of internal controls. Weak IS controls severely diminish the reliability of other internal controls associated with an application. Without effective IS controls, other controls may be rendered ineffective by override, circumvention or modification.

3.2 Results of the information systems audits

During the year under review the IS controls relating to the management of user accounts were evaluated. User account management is the systematic process of managing the access of users to the network and applications and includes the establishment, review, disabling and removal of user accounts.

The user account management process was audited at 12 of the Limpopo provincial departments and the following key findings were identified:

Audit finding	% departments with finding
User account management standards and procedures	
Incomplete user account management procedures	8,33%
User account management procedures not documented	92%
Access request authorisation	
Access request forms not consistently completed	33%
Access forms not used at all	25%
Application security	
Lack of segregation of duties	75%
Excessive access rights assigned to users	8%
Inactive accounts not timeously deactivated	100%
User access levels not periodically reviewed	100%

4. ISSUES DRIVING AUDIT RESULTS

4.1 Introduction

The following benchmark information can be considered to be the basic good practice indicators which are relevant for achieving financially unqualified audit opinions as well as for reporting performance results:

- Clear trail of supporting documentation
- Quality of financial statements and management information
- Timeliness of financial statements and management information
- Availability of key officials during audits



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- Development of and compliance with risk management and good internal control practices
- Supervision and monitoring (leadership effectiveness)

4.2 Achievement against good practice indicators

Table 3 below presents the results of the Limpopo departments achieving the above good practice indicators

Table 3: Results of good practice indicators for Limpopo provincial departments (13) for 2007-08

No.	Good practices	Percentage of total departments achieving good practice indicator ¹
1	Clear trail of supporting documentation that is easily available and provided timeously	85%
2	Quality of financial statements and management information	38%
3	Timeliness of financial statements and management information	100%
4	Availability of key officials during audits	100%
5	Development of and compliance with risk management and good internal control and governance practices	46%
6	Leadership/supervision/monitoring	62%

• Clear trail of supporting documentation

The good practice was evident at 85% (11 of 13) of departments. Documentation requested for audit was readily provided, resulting in fewer scope limitation issues being reported on in the year under review as compared to previous years. This can also be attributed to the leadership's (accounting officers, chief financial officers and other managers) improved communication mechanisms implemented through their involvement in the audit steering committee meetings held throughout the audit.

However, this area needs to be improved on at the two departments (Local Government and Housing and Roads and Transport) that failed to achieve in terms of this good practice indicator. The easy availability of supporting documentation, as demonstrated by the other departments, contributes significantly to the efficiency of the audit.

• Quality of annual financial statements

In the case of 62% (eight of 13) of departments, financial statements submitted for audit required material corrections to be made during the course of the audit. No material corrections were required in respect of

¹ This would serve as a baseline to monitor future improvement



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the financial statements of the Departments of Economic Development, Environment and Tourism, Health, Provincial Legislature, Social Development and Safety, Security and Liaison. The material corrections mainly related to the issues of disclosure associated with the ongoing transition to accrual accounting. As discussed above, processes need to be further refined in order to accurately collate information for the preparation and presentation of financial statements in terms of the National Treasury guidelines.

- **Timeliness of annual financial statements**

Good planning for the financial statements preparation process ensured that all departments (100%) submitted their financial statements for auditing by the legislated deadline of 31 May.

- **Availability of key officials**

At 100% (13 of 13) of departments, key officials were available during the audit. Key officials were also present at the audit steering committee meetings, which demonstrated their commitment to cooperate with the audit team. This went a long way towards avoiding qualifications, in that officials received earlier notice of audit findings and could take the necessary corrective action before the final conclusions that lead to an audit opinion.

- **Development of and compliance with risk management**

In the case of 54% (seven of 13) of departments, risk management strategies and plans, including fraud prevention plans, had not been reviewed and updated regularly for changing circumstances.

Due to capacity constraints within the centralised internal audit of the province, the Provincial Legislature did not have a functioning audit committee or internal audit function for the entire 2007-08 financial year. The internal audit function is critical in ensuring effective internal control and governance practices.

- **Supervision and monitoring**

Leadership sets a proper "tone at the top" to create a sound control environment. The leadership must ensure that competent and skilled staff are employed, particularly in the finance and accounting division. Effective leadership and oversight are needed to monitor the performance of management, especially insofar as financial management is concerned. A lack of monitoring is the root cause of an ineffective system of internal control that gives rise to audit qualifications.

At 62% (eight of 13) of departments, supervision and monitoring were adequate. The lack of supervision and monitoring by the leadership (accounting officers, chief financial officers and relevant managers) has in part contributed to the negative audit findings, which could have been avoided. The right leadership tone is necessary to establish a strong control environment and ensure compliance.



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

5. SCOPA RESOLUTIONS**5.1 Introduction**

As part of the International Standards on Auditing, ISA 720, *Other information contained in documents containing audited financial statements*, we are expected to include the review of the SCOPA resolutions included in the accounting officer's report. Of the 179 SCOPA resolutions for departments, 95% or 171 had been substantially implemented by the departments.

Three departments (Provincial Treasury, Provincial Legislature and Roads and Transport) failed to substantially implement these resolutions mainly because investigations had not yet been finalised.

5.2 SCOPA resolutions not yet implemented

No.	Department	No. of resolutions	Resolutions not yet implemented
1	Agriculture	29	0
2	Economic Development, Environment and Tourism	13	0
3	Education	13	0
4	Health	27	0
5	Local Government and Housing	15	0
6	Provincial Legislature	11	3
7	Public Works	7	0
8	Roads and Transport	25	4
9	Safety, Security and Liaison	4	0
10	Sports, Arts and Culture	10	0
11	Social Development	6	0
12	Office of the Premier	14	0
13	Provincial Treasury	5	1
Total		179	8

The efforts made by the departments in implementing the resolutions were evident from the improvement in the audit opinions.

6. TABLING OF ANNUAL REPORTS**6.1 Introduction**

In accordance with section 65 of the PFMA the executive authority responsible for the department must table in the provincial legislature the annual report and financial statements as well as the audit report on those statements, within one month after receipt of the audit report.



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

6.2 Annual reports tabled

No.	Department	Tabled (Y/N)
1	Agriculture	Y
2	Economic Development, Environment and Tourism	Y
3	Education	Y
4	Health	Y
5	Local Government and Housing	Y
6	Provincial Legislature	Y
7	Public Works	Y
8	Roads and Transport	Y
9	Safety, Security and Liaison	Y
10	Sports, Arts and Culture	Y
11	Social Development	Y
12	Office of the Premier	Y
13	Provincial Treasury	Y

7. SUMMARY OF OTHER AUDITS

7.1 Performance auditing

A performance audit is described as an independent auditing process to evaluate the measures instituted by management to ensure that resources have been procured economically and are used efficiently and effectively.

Performance auditing is concerned with the auditing of economy, efficiency and effectiveness and embraces:

- auditing of **economy** in relation to the acquisition of resources in the right quantity, of the right quality, at the right time and place at the lowest possible cost
- auditing of the **efficiency** of utilisation of human, financial and other resources and the optimal relationship between the output of goods, services or other results and the resources used to produce them
- auditing of the **effectiveness** of performance in relation to achievement of the policy objectives, operational goals and other intended effects of the audited entity.

7.2 Results of performance auditing

The following performance audits were completed at the date of this report or were work-in-progress as at 31 July 2008:



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

Department	Report description	Expected date of tabling
Limpopo: Department of Local Government and Housing	Report of the Auditor-General on a performance audit of the allocation of housing subsidies to municipal employees and the administration of low-cost housing projects by the Limpopo Department of Local Government and Housing	N/A
Transversal audit	Report of the Auditor-General on a performance audit of entities that are connected with government employees and doing business with departments of the Limpopo Provincial Administration	November 2008
Limpopo: Department of Education	Report of the Auditor-General on a performance audit of investment in infrastructure at the Department of Education	September 2009
Limpopo: Department of Health	Report of the Auditor-General on a performance audit of investment in infrastructure at the Department of Health and Social Welfare	September 2009

7.3 Investigations

"Investigation" as contemplated in section 5(1)(d) of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) is defined as an independent and objective process where procedures are performed in accordance with guidelines issued by the Auditor-General to facilitate the investigation of financial misconduct, maladministration and impropriety, which may result in legal proceedings for adjudication, and ensure probity in the accounts, financial statements and financial management of an institution referred to in section 4(1) and section 4(3) of the PAA, and which may result in legal proceedings for adjudication. An investigation may be performed where the Auditor-General:

- considers it to be in the public interest
- receives a complaint relating to such institution or its affairs, or
- receives a request relating to such institution or its affairs, and
- deems it appropriate. This will result in a report (as contemplated in section 20 of the PAA) or a special report (as contemplated in section 29 of the PAA).

7.4 Results of investigations

No investigations requiring tabling in the legislature had been conducted or were in progress at the Limpopo provincial departments at the date of this report.



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

SECTION 3: PROVINCIAL PUBLIC ENTITIES

1. FINANCIAL REPORTING RESULTS

1.1 Introduction

The Limpopo provincial government comprises 12 public entities. The Auditor-General's Limpopo office opted to audit five of the 12 public entities in terms of the Public Audit Act (PAA). Two of these public entities had been taken over in the current year (2007-08), namely the Limpopo Tourism and Parks Board and Gateway Airport Authority Limited. Of the five public entities, one had not been included in our analysis, namely the Limpopo Housing Board.

The Auditor-General did not receive the 2007-08 financial statements of the Limpopo Housing Board. There had also been a delay in finalising the backlog audits for this entity which was largely due to poor quality work rendered by the service provider engaged to audit the financial statements on behalf of the Auditor-General. Another contributing factor was the determination of the basis of accounting to be applied by the housing funds. Consequently, the audit of the annual financial statements for the Limpopo Housing Board was in arrears, with no audit report having been issued since the 2003-04 financial year.

A new service provider has been appointed and it is anticipated that all backlogs would be cleared and audit reports issued during the 2008-09 financial year.

1.2 Overview of audit opinions on provincial public entities for 2007-08

- Table 1 below provides details of the actual audit outcomes of the Limpopo provincial public entities.

Table 1: Audit opinions on provincial public entities

Type of audit opinion	2007-08		2006-07	
	Number	%	Number	%
Adverse	0	0%	0	0%
Disclaimer	0	0%	0	0%
Qualified	1	25%	0	0%
Financially unqualified (with other matters)	3	75%	2	100%
Financially unqualified (with no other matters)	0	0%	0	0%
Total analysed	4	100%	2	100%



AUDITOR - GENERAL

Overall the public entities have performed reasonably well, with 75% receiving an unqualified audit opinion. The two public entities audited in the 2006-07 financial year (the Limpopo Gambling Board and Roads Agency Limpopo (Pty) Ltd) maintained their unqualified opinion of the prior year.

As highlighted in the introductory paragraph, one of the two public entities that the Auditor-General's Limpopo office opted to audit in the 2007-08 financial year, namely the Limpopo Tourism and Parks Board, obtained a financially qualified audit opinion.

- Table 2 below provides details of the actual audit outcomes of the Limpopo provincial public entities for the previous five years.

Table 2: Audit opinions on provincial public entities for the previous five years

Public entity	2007-08	2006-07	2005-06	2004-05	2003-04
Gateway Airport Authority Limited	Financially unqualified (with other matters)	N/A	N/A	N/A	N/A
Limpopo Gambling Board	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with no other matters)	Financially unqualified (with other matters)	Financially unqualified (with other matters)
Limpopo Tourism and Parks Board	Qualified	N/A	N/A	N/A	N/A
Roads Agency Limpopo (Pty) Ltd	Financially unqualified (with other matters)	Financially unqualified (with other matters)	Financially unqualified (with no other matters)	Financially unqualified (with no other matters)	Financially unqualified (with no other matters)

N/A – Audited by the Auditor-General only in the current financial year (2007-08).

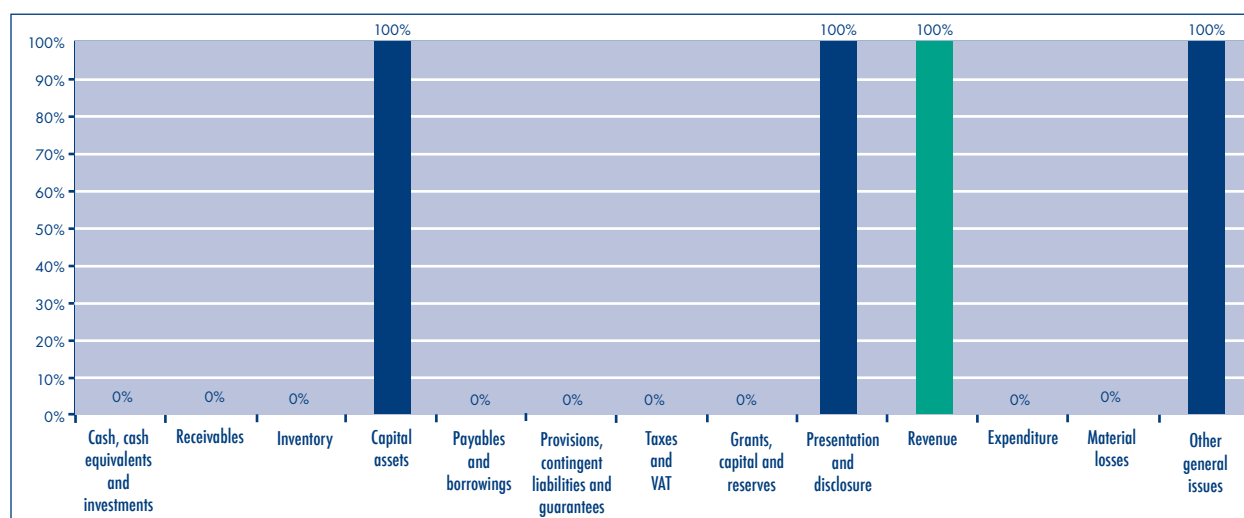


A U D I T O R - G E N E R A L

1.3 Qualification details

Figure 1 below provides a breakdown of all the audit findings which gave rise to the qualified audit opinions. It also provides an indication of the percentage of the provincial public entities that were qualified per audit finding. The audit findings are split between items on the statement of financial position (balance sheet) highlighted in blue bars and the statement of financial performance (income statement) highlighted in green bars.

Figure 1: Provincial public entities (one) that were qualified per audit finding



Overall conclusion

Only one public entity (Limpopo Tourism and Parks Board) received a qualification. The qualification was mainly due to the incorrect treatment and disclosure of transactions in terms of the requirements of the accounting standards. The areas of qualification were property, plant and equipment, revenue and disclosure.

The root cause of the qualification of the Limpopo Tourism and Parks Board relates to the lack of skills and resources to cope with the increase in the complexity of the accounting framework within which public entities operate, coupled with the fact that the prior year's (2006-07) external recommendations had not been substantially implemented due to lack of adequate supervision and monitoring by the leadership of the entity.

1.4 Audit findings in respect of other matters

The audit findings reported under "other matters" draw attention to the matters that are ancillary to the Auditor-General's responsibilities in the audit of financial statements.

Material non-compliance with relevant legislation

With respect to material non-compliance with legislation, no findings were reported.



AUDITOR - GENERAL

Matters of governance

In the case of 89% and 100%, respectively, an audit committee and internal audit function were in operation at public entities in accordance with approved written terms of reference. They were successful in substantially fulfilling their responsibilities this year by the same percentage. The exceptions were noted at the Gateway Airport Authority Limited where the audit committee had not discharged its responsibilities as required by the Treasury Regulations.

Other matters of governance

No significant difficulties were experienced during the audit concerning delays in providing or unavailability of expected information and/or the unavailability of senior management during the audit. The majority of the prior year's external audit recommendations had been substantially implemented and no SCOPA resolutions had been adopted in respect of these public entities.

Material misstatements

All financial statements submitted for audit were subject to material amendments as a result of the audit. Details of these adjustments were included in the management reports of the relevant public entities.

There has been an increase in the complexity of the accounting framework within which public entities operate. This, together with the lack of internal skills and resources, had resulted in material misstatements, or required corrections to be made to the financial statements during the audit. However, the overall presentation and quality of the financial statements submitted for audit were acceptable for audit purposes.

2. PERFORMANCE REPORTING RESULTS

2.1 Introduction

The Auditor-General continued to report on the audit of performance information in line with the relevant phasing-in approach. For 2006-07, the review was extended to include the controls and systems used in generating and reporting on performance information.

2.1 Results of the audit of performance information

Of the four public entities analysed, there were audit findings for two entities, namely the Gateway Airport Authority Limited, which had not reported on performance against predetermined objectives as required by section 55(2)(a) of the PFMA, and the Limpopo Tourism and Parks Board where the performance information had not been received in time for audit purposes. The reason for these findings was primarily a lack of resources to supervise and monitor performance information reporting.

As discussed above, these two entities where findings were reported had been audited by the Auditor-General only in the current financial year (2007-08). The other two entities, namely the Limpopo Gambling Board and the Roads Agency (Pty) Ltd, maintained their "no audit findings" status of the prior financial year (2006-07).



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

3. INFORMATION SYSTEMS AUDIT

3.1 Introduction

Information systems (IS) controls are significant in determining the effectiveness of internal controls. Weak IS controls severely diminish the reliability of other internal controls associated with an application. Without effective IS controls, other controls may be rendered ineffective by override, circumvention or modification.

3.2 Results of the information systems audit

No information systems audits were conducted at the Limpopo public entities that were audited by the Auditor-General during the 2007-08 financial year.

4. ISSUES DRIVING AUDIT RESULTS

4.1 Introduction

In the view of the Auditor-General, the following benchmark information can be considered as the basic good practice indicators which are relevant for achieving financially unqualified audit opinions as well as for reporting performance results:

- Clear trail of supporting documentation
- Quality of financial statements and management information
- Timeliness of financial statements and management information
- Availability of key officials during audits
- Development of and compliance with risk management and good internal control practices
- Supervision and monitoring (leadership effectiveness)



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

4.2 Achievement against good practice indicators

Table 3 below presents the results of the Limpopo departments achieving the above good practice indicators.

Table 3: Results of good practice indicators for Limpopo provincial public entities (four) for 2007-08

No.	Good practices	Percentage of total departments achieving good practice indicator ²
1	Clear trail of supporting documentation that is easily available and provided timeously	100%
2	Quality of financial statements and management information	0%
3	Timeliness of financial statements and management information	50%
4	Availability of key officials during audits	100%
5	Development of and compliance with risk management and good internal control and governance practices	75%
6	Leadership/supervision/monitoring	75%

Issues driving the non-implementation/implementation of good practices

- **Clear trail of supporting documentation**

In the case of public entities, 100% (four of four) demonstrated this good practice. Documentation requested for audit was readily provided with no scope limitation issues being reported on in the year under review. This can also be attributed to the leadership's (accounting authorities, chief financial officers and other managers) improved communication mechanisms implemented through their involvement in the audit steering committee meetings held throughout the audit.

- **Quality of annual financial statements**

Public entities need to drastically improve in this respect. All four entities did not submit quality financial statements. Material corrections to the financial statements mainly relate to issues of disclosure associated with compliance with the reporting framework. In this regard, processes need to be further refined in order to accurately collate information for the preparation and presentation of the financial statements.

- **Timeliness of annual financial statements**

As a result of the complexity of the accounting framework within which public entities operate and given the lack of internal skills and resources, two public entities, namely the Limpopo Tourism and Parks Board and Gateway Airport Authority Ltd, had not submitted financial statements by the legislated deadline of 31 May.

² This would serve as a baseline to monitor future improvement



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

Greater support and training to clarify technical accounting issues are required to ensure the timely submission of financial statements in future.

- **Availability of key officials**

As with the departments, 100% (four of four) of public entities' key officials were available during the audit, which went a long way towards clearing audit findings in a timely manner. Key officials also attended the audit steering committee meetings which demonstrated their commitment to cooperating with the audit.

- **Development of and compliance with risk management**

Seventy-five per cent (three of four) of public entities achieved this good practice indicator with the exception being the Gateway Airport Authority Ltd. The audit committee for this public entity had not substantially fulfilled its responsibilities for the year as set out in Treasury Regulation 27.2.

It is imperative that the audit committee fulfils its function to ensure that risks affecting the entity are adequately managed and that effective internal control and governance practices are maintained.

- **Supervision and monitoring**

At 75% (three of four) of public entities, supervision and monitoring were adequate, with the exception being the Limpopo Tourism and Parks Board. The lack of supervision and monitoring by the leadership (accounting officers, chief financial officers and relevant managers) in part contributed to the negative audit findings, which could have been avoided. The right leadership tone is necessary to establish a strong control environment and ensure compliance. On the other hand oversight by the parent departments needs to be enhanced.

5. SCOPA RESOLUTIONS

5.1 Introduction

As part of the International Standards on Auditing, ISA 720, *Other information contained in documents containing audited financial statements*, we are expected to include the review of the Standing Committee of Public Accounts (SCOPA) resolutions included in the accounting authority's report. However, no resolutions were passed by SCOPA for Limpopo public entities.

6. TABLING OF ANNUAL REPORTS

6.1 Introduction

In accordance with section 65 of the PFMA the executive authority responsible for the public entity must table in the provincial legislature the annual report and financial statements, as well as the audit report, within one month after receipt of the audit report.



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

6.2 Annual reports tabled

No.	Department	Tabled (Y/N)
1	Gateway Airport Authority Limited	Y
2	Limpopo Gambling Board	Y
3	Limpopo Tourism and Parks Board	Y
4	Roads Agency Limpopo (Pty) Ltd	Y

7. SUMMARY OF OTHER AUDITS

7.1 Performance auditing

No performance audits had been conducted at the Limpopo public entities at the date of this report.

7.2 Investigations

No investigations had been conducted or were in progress at the Limpopo public entities at the date of this report.



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

SECTION 4: PROVINCIAL OTHER ENTITIES

1. FINANCIAL REPORTING RESULTS

1.1 Introduction

The Limpopo provincial government comprises two other entities (the Urban Transport Fund and Limpopo Tribal and Trust Account). The Urban Transport Fund (UTF) is funded by the National Urban Transport Fund and the National Department of Transport. This funding is earmarked for a specific purpose relating to public transport.

Of the two other entities, one has not been included in our analysis, namely the Limpopo Tribal and Trust Account.

The financial statements of the Limpopo Tribal and Trust Account had not been submitted for audit since the 1997-98 financial year because the entity was unable to locate documentation to prepare auditable financial statements.

1.2 Overview of audit opinions on other entities for 2007-08

- Table 1 below provides details of the actual audit outcomes for Urban Transport Fund.

Table 1: Audit opinions on other entities

Type of audit opinion	2007-08		2006-07	
	Number	%	Number	%
Adverse	0	0%	0	0%
Disclaimer	0	0%	0	0%
Qualified	1	100%	0	0%
Financially unqualified (with other matters)	0	0%	1	100%
Financially unqualified (with no other matters)	0	0%	0	0%
Total analysed	1	100%	1	100%

The Urban Transport Fund moved from an unqualified opinion in the prior year (2006-07) to a financially qualified audit opinion in the current year (2007-08). The qualification was due to the overstatement of revenue in the financial statements.



AUDITOR - GENERAL

- Table 2 below provides details of the actual audit outcomes of the Urban Transport Fund for the previous three years.

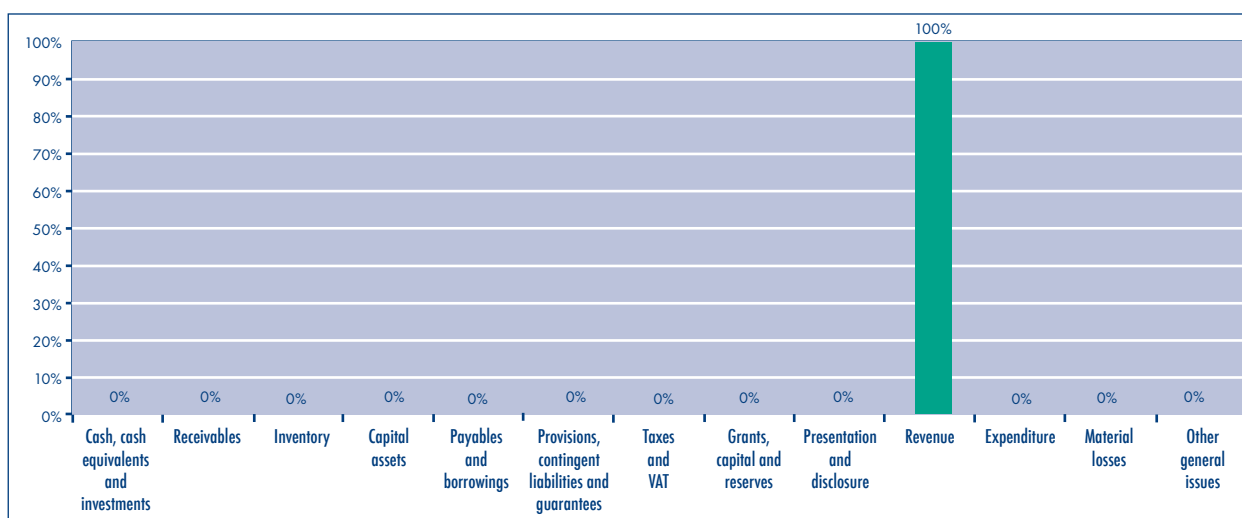
Table 2: Audit opinions on provincial other entities for the previous three years

Other entity	2007-08	2006-07	2005-06
Urban Transport Fund	Qualified	Financially unqualified (with other matters)	Qualified

1.3 Qualification details

Figure 1 below provides a breakdown of all the audit findings that gave rise to the qualified audit opinion of the one other entity. It also provides an indication of the percentage of the other entities (one of one or 100%) that were qualified per audit finding.

Figure 1: Other (one) that was qualified per audit finding



Overall conclusion

The resulting qualification in respect of revenue was due to the difference between the amount recorded in the financial statements and the revenue collected as per audit evidence. This resulted in the overstatement of revenue in the financial statements.

The root cause of the qualification was the lack of adequate supervision and monitoring by those charged with governance.

1.4 Audit findings in respect of other matters

The audit findings reported under "other matters" draw attention to the matters that are ancillary to the Auditor-General's responsibilities in the audit of the financial statements.



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

Material non-compliance with relevant legislation

With respect to material non-compliance with legislation, no findings were made that needed to be reported.

Matters of governance

The entity is funded by the National Urban Transport Fund and is under the control of the provincial Department of Roads and Transport. This fund account had been established by the Office of the MEC as a structure of governance to assist the department in dealing with transformation and policy matters. This fund account is not an entity that falls under the provisions of the PFMA and therefore requires no audit committee or internal audit function.

Other matters of governance

The majority of the prior year's external audit recommendations had been substantially implemented and no significant difficulties were experienced during the audit concerning delays in obtaining or the unavailability of expected information and/or the unavailability of management. No SCOPA resolutions were passed for the Urban Transport Fund.

2. PERFORMANCE REPORTING RESULTS

2.1 Introduction

The Auditor-General continued to report on the auditing of performance information in line with the relevant phasing-in approach. For 2006-07, the review was extended to the controls and systems used in generating and reporting on performance information.

2.2 Results of the audit of performance information

The Urban Transport Fund is a fund account and had been put in place as a governance measure to assist the Department of Roads and Transport to deal with transformation and policy matters. The performance objectives and the achievement thereof are included in the performance information report of the provincial Department of Roads and Transport, hence there is no separate performance information report for this fund account.

3. INFORMATION SYSTEMS AUDIT

3.1 Introduction

Information systems (IS) controls are significant in determining the effectiveness of internal controls. Weak IS controls severely diminish the reliability of other internal controls associated with an application. Without effective IS controls, other controls may be rendered ineffective by override, circumvention or modification.

The Urban Transport Fund, established as a governance measure to assist the Department of Roads and



AUDITOR - GENERAL

Transport with regard to transformation and policy matters, does not have a computerised financial system. Therefore, no information systems audit was in operation at the Urban Transport Fund as the accounting records are maintained manually.

4. ISSUES DRIVING AUDIT RESULTS

4.1 Introduction

In the view of the Auditor-General, the following benchmark information can be considered as the basic good practice indicators which are relevant for achieving financially unqualified audit opinions as well as for reporting performance results:

- Clear trail of supporting documentation
- Quality of financial statements and management information
- Timeliness of financial statements and management information
- Availability of key officials during audits
- Development of and compliance with risk management and good internal control practices
- Supervision and monitoring (leadership effectiveness)

4.2 Achievement against good practice indicators

Table 3 below presents the results of the Urban Transport Fund in achieving the above-mentioned good practice indicators.

Table 3: Results of good practice indicators for Limpopo provincial public entities (one) for 2007-08

No.	Good practices	Percentage of total departments achieving good practice indicator ³
1	Clear trail of supporting documentation that is easily available and provided timeously	100%
2	Quality of financial statements and management information	100%
3	Timeliness of financial statements and management information	100%
4	Availability of key officials during audits	100%
5	Development of and compliance with risk management and good internal control and governance practices	100%
6	Leadership/supervision/monitoring	0%

• Clear trail of supporting documentation

The Urban Trust Fund demonstrated this good practice, as documentation requested for audit was readily provided, resulting in the absence of scope limitation issues in the year under review.

³ This would serve as a baseline to monitor future improvement



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

- **Quality of annual financial statements**

Considering the size and nature of the entity, the quality and presentation of the financial statements as a whole were acceptable for audit purposes.

- **Timeliness of annual financial statements**

Good planning for the financial statement preparation process ensured that the Urban Transport Fund had submitted their financial statements for auditing by the legislated deadline of 31 May. This process was also aided by the good preparation process for submission of financial statements by departments, as discussed above. The Urban Transport Fund forms part of the Department of Roads and Transport.

- **Availability of key officials**

As with the departments and public entities, key officials were available during the audit, which went a long way towards clearing audit findings in a timely manner.

- **Development of and compliance with risk management**

The entity is funded by the National Urban Transport Fund and is under the control and management of the provincial Department of Roads and Transport. There were no findings indicating any deficiency in this area of good practice, which includes good internal control and governance practices.

- **Supervision and monitoring**

Increased supervision and monitoring at top and middle management levels require attention to ensure the accuracy of the financial statements submitted for audit and to avoid qualifications in future.

5. SCOPA RESOLUTIONS

5.1 Introduction

No resolutions were passed by SCOPA for the Urban Transport Fund.

6. TABLING OF ANNUAL REPORT

6.1 Introduction

The annual report is tabled with the report of the provincial Department of Roads and Transport in terms of section 65 of the PFMA which requires that the executive authority responsible for a department must table in the provincial legislature the annual report and financial statements, as well as the audit report, within one month after receipt of the audit report.



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

6.2 Annual reports tabled

No.	Department	Tabled (Y/N)
1	Urban Transport Fund	Y

7. SUMMARY OF OTHER AUDITS

7.1 Performance auditing

No performance audits had been conducted or were in progress at the other entities at the date of this report.

7.2 Investigations

No investigations had been conducted or were in progress at the other entities at the date of this report.



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

SECTION 5: CONCLUSION

The Limpopo Province faces a number of challenges, particularly in the areas of asset management, matters of governance and material adjustments to the financial statements during audits at departments and public entities. This will require a coordinated effort by the leadership of the province with the support of the national and provincial treasuries to turn the situation around.

There has been an improvement at the provincial departments in that five fewer received a qualified audit opinion. This was the result of the good practices within the departments, which should be maintained and improved on. Departments, with the assistance of the provincial treasury, should focus on addressing the shortcomings around capital assets and critical skills challenges. Senior management should ensure efficient monitoring and supervision to address areas of non-compliance with legislation. Since internal audit functions are crucial in assisting management to establish a sound internal control environment and perform ongoing evaluation and monitoring of management's compliance with pre-defined controls and progress in implementing action plans, the internal audit functions should be strengthened by addressing the capacity constraints, currently experienced.

The audit outcomes of public entities remain positive, with only one public entity receiving a qualified audit opinion. However, focus is still required to address challenges around critical skills to maintain and improve on this positive outcome in future. Timely submission of financial statements remains a challenge for public entities, and senior management should become more involved to ensure efficient monitoring and supervision to address these areas. It is imperative that the audit committee fulfil its obligations to ensure development of and compliance with risk management and good internal control and governance practices.

The modified audit opinion of the other entity can be avoided in the future if the leadership of the parent department maintains adequate supervision and monitoring practices.

The critical message we are leaving with the legislators and the executive in this report is that it is possible to obtain an unqualified audit report if the good practice indicators are in place and constantly monitored by the leadership.

We are confident that the challenges are not insurmountable and remain committed to working with the legislatures and executive to assist in the process of identifying and disseminating good practices and to improve governance and accountability, so as to build public confidence in government's ability to account for public resources in a transparent manner.



AUDITOR - GENERAL

ANNEXURE 1: LIMPOPO																										
Classification	Department	Portfolio	Audit opinion: 2007/08	Audit opinion: 2006-07	Cash, cash equivalents and investments	Receivables	Inventory	Capital assets	Payables and borrowings	Provisions, contingent liabilities and guarantees	Taxes and VAT	Grants, capital and reserves	Presentation and disclosure	Revenue	Expenditure	Material losses	Other general issues	Non-compliance	Governance findings	Material misstatements	Clear trail of supporting documentation that is easily available and provided in time	Quality of financial statements and management information	Timeliness of financial statements and management information	Availability of key officials during audits	Development of, and compliance with, risk management and good internal control and governance practices	Leadership /supervision / monitoring
PD	Economic Development, Environment and tourism	LP	Qualification	Qualification																						
PD	Education	LP	Qualification	Qualification																						
PD	Health	LP	Qualification	Qualification																						
PD	Local Government and Housing	LP	Qualification	Qualification																						
PD	Provincial Legislature	LP	Qualification	Qualification																						
PD	Provincial Treasury	LP	Qualification	Qualification																						
PD	Public Works	LP	Qualification	Qualification																						
PD	Roads and Transport	LP	Qualification	Qualification																						
PD	Agriculture	LP	Financially unqualified (with other matters)	Qualification																						
PD	Office of the Premier	LP	Financially unqualified (with other matters)	Qualification																						
PD	Social Development	LP	Financially unqualified (with other matters)	Qualification																						
PD	Sport, Arts and Culture	LP	Financially unqualified (with other matters)	Qualification																						
PD	Safety, Security and Liaison	LP	Financially unqualified (with other matters)	Qualification																						
E	Limpopo Tourism and Parks Board	LP	Qualification	Qualification																						
PE	Gateway Airport Authority Limited	LP	Financially unqualified (with other matters)	Financially unqualified (with other matters)																						
PE	Limpopo Gambling Board	LP	Financially unqualified (with other matters)	Financially unqualified (with other matters)																						
PE	Limpopo Roads Agency	LP	Financially unqualified (with other matters)	Financially unqualified (with other matters)																						
PE	Limpopo Housing Board	LP	Audit outstanding	Audit outstanding																						
OE-F	Urban Transport Fund	LP	Qualification	Financially unqualified (with other matters)																						
OE-TA	Tribal and Trust Account	LP	Audit outstanding	Audit outstanding																						



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

ANNEXURE 1: LIMPOPO (continued)

KEY
 PD = Provincial departments
 PE = Provincial public entities
 TA = Trading account
 F = Fund

SUMMARY

Totals	
Departments existing	13
Departments analysed	13
Departments qualified	8

Public entities existing	5
Public entities analysed	4
Public entities qualified	1

Other entities existing	2
Other entities analysed	1
Other entities qualified	1

Departments	0	0	0	8	0	1	0	0	1	2	0	1	0	5	8	8	11	5	13	13	6	8
Public entities	0	0	0	1	0	0	0	0	1	1	0	0	1	0	2	4	4	0	2	4	3	3
Other entities	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	1	1	1	1	0

AUDIT FINDINGS IN RESPECT OF QUALIFICATIONS

Departments	0%	0%	0%	100%	0%	13%	0%	0%	13%	25%	0%	13%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%
Public entities	0%	0%	0%	100%	0%	0%	0%	0%	100%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%
Other entity	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%

AUDIT FINDINGS IN RESPECT OF OTHER MATTERS

Departments	38%	62%	62%
Public entities	0%	50%	100%
Other entity	0%	0%	0%

GOOD PRACTICES

Departments	85%	38%	100%	100%	100%	46%	62%
Public entities	100%	0%	50%	100%	100%	75%	75%
Other entity	100%	100%	100%	100%	100%	100%	0%



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

ANNEXURE 2: SUMMARY OF AUDIT REPORTS OF LIMPOPO DEPARTMENTS

1. AGRICULTURE

Unqualified (with other matters)

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Material underspending of the budget
 - The department materially underspent its budget on programmes 1, 2, 3 and 5 to the amount of R96 million.

Other matters

- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

2. ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

Qualification

- Capital assets
 - There was an unreconciled difference of R10,7 million between the asset register and the disclosure note to the annual financial statements. No alternative procedures could be performed.
 - Biological assets belonging to the department were not accounted for in the accounting records. The value of these assets could not be quantified.
 - Consequently, the completeness, existence and valuation of the tangible capital assets balance of R96,4 million or the adjustments thereto could not be verified.
- Revenue
 - A major part of the department's revenue consists of licence and accommodation income. Due to the lack of sufficient internal controls, appropriate audit evidence on the completeness of and accuracy of this revenue item amounting to R3,7 million could not be obtained.



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

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Material underspending of the budget
 - The department materially underspent its budget to the amount of R41 million.
- Restatement of corresponding figures
 - As disclosed in note 12 to the financial statements, the corresponding figures for 2006-07 have been restated as a result of an error corrected during the 2007-08 financial period.

Other matters

- Non-compliance with applicable legislation
- Treasury Regulations
 - In contravention of Treasury Regulation 11.2.1, the department did not take effective and appropriate steps to collect money due to the state since receivables totalling R1 million had been outstanding for more than three years.
- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were not subject to any material amendments resulting from the audit.

3. EDUCATION

Qualification

- Capital assets
 - The department did not keep full and proper records as required by section 40(1)(a) of the PFMA and an adequate asset register was not maintained. My audit revealed that assets to the value of R17,1 million were grouped in bundles in the asset register, assets were not bar-coded, asset descriptions in the asset register were inadequate and not all assets were recorded in the asset register. Assurance regarding the completeness, valuation and existence of the tangible asset balance of R907,6 million as disclosed in the financial statements could not be obtained.



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

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Restatement of corresponding figures
 - As disclosed in note 11.1 to the financial statements, the corresponding figures for 31 March 2007 were restated as a result of the incorrect treatment of unauthorised expenditure in the financial statements of the department at, and for the year ended, 31 March 2007.

Other matters

- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

4. HEALTH

Qualification

- Capital assets
 - The department submitted their asset register for audit purposes substantially later than the previously agreed date. Furthermore, my audit revealed several errors and omissions and as a result the completeness, valuation, allocation and existence of and rights and obligations relating to the tangible asset balance of R2 309 120, or the adjustments thereto, as disclosed in the financial statements could not be confirmed.

Emphasis of matters

- Unauthorised expenditure
 - The department incurred unauthorised expenditure amounting to R484 000 as disclosed in note 9 to the financial statements.



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Other matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Unaudited supplementary schedules
 - The supplementary information disclosed does not form part of the financial statements and is presented as additional information. These schedules have not been audited and accordingly no opinion is expressed thereon.
- Non-compliance with applicable legislation
- Treasury Regulations
 - Accruals which exceed the payment terms of 30 days as detailed in Treasury Regulation 8.2.3 amounted to R404,84 million. This amount in turn exceeded the voted funds to be surrendered of R39,63 million as per the statement of financial performance by R365,2 million. The amount of R365,2 million would therefore have constituted unauthorised expenditure should the invoices have been paid in time.
 - Contrary to Treasury Regulation 16A.6.5, the department procured oxygen from another service provider while a transversal contract (in which they had previously opted to participate) was in existence.
- Division of Revenue Framework Act, 2007 (Act No.1 of 2007) (DoRA)
 - Although the monthly and quarterly reports in respect of the HIV/AIDS and Forensic Pathology conditional grants were compiled and submitted to the national Department of Health (NDoH), some reports were submitted late resulting in non-compliance with DoRA requirements. Vacant positions were not filled due to a delay in the approval of the human resource structure. Expired antiretroviral treatment (ARV) drugs were found at a clinic.
 - Regarding the Health Professional Training and Development (HPTD) conditional grant, no evidence could be obtained that monthly and quarterly reports were submitted to the national Department of Health. Although DoRA prescribes that the HPTD business plan be approved by 28 February 2007, it was determined that approval was only granted on 12 June 2007.
 - Although the facilities completed as per the programme for the Hospital Revitalisation grant were found to be suitable for use and built according to plan, there were concerns regarding:
 - poor workmanship visible at Dilokong and Nkhensani hospitals
 - various projects that appeared to be behind schedule.



AUDITOR - GENERAL

- Matters of governance
 - The internal audit function did not fulfil its responsibilities for the year, as set out in Treasury Regulation 3.2.
- Material misstatement
 - The financial statements submitted for audit were not subject to any material amendments resulting from the audit.

5. LOCAL GOVERNMENT AND HOUSING

Qualification

- Presentation and disclosure
 - The department used an incorrect schedule to determine the capped leave commitment and leave entitlement. The department subsequently submitted updated leave schedules. This submission was, however, received too late to take into consideration for the audit and still meet the legislated reporting date. The completeness, obligation, valuation and accuracy of the amounts reflected in the financial statements to the value of R28,5 million and R9,3 million respectively could not be confirmed.
- Material losses
 - Payments were made during the year in respect of “unblocking” housing projects. In the process, partial structures previously erected were demolished and new structures built. Consequently fruitless expenditure had been incurred which was not disclosed in the financial statements. My audit procedures also revealed duplicate payments for other housing projects. The total amount which should have been disclosed as fruitless and wasteful expenditure could not be quantified.
- Capital assets
 - My audit procedures revealed a number of errors and omissions in the asset register supplied for audit purposes. The completeness, accuracy and valuation of the tangible and intangible asset balances of R100,8 million and R6,8 million respectively, or the adjustments thereto, as disclosed in the financial statements could not be confirmed.

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Restatement of corresponding figures



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- Attention is drawn to notes 11 and 19 to the financial statements dealing with changes to the prior period balances for unauthorised expenditure and voted funds to be surrendered, respectively. Furthermore corresponding figures were restated in respect of transfers and subsidies in the appropriation statement, performance awards in note 29 and accruals as disclosed in note 28.

Other matters

- Non-compliance with applicable legislation
- Treasury Regulations
 - The department did not take adequate measures to timeously collect all amounts due in terms of Treasury Regulation 11.2.1.
- Matters of governance
 - Significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

6. LEGISLATURE

Qualification

- Capital assets
 - The asset register of the legislature was not adequate to facilitate the identification of assets of the entity. Suitable alternative audit procedures could not be performed and therefore, the existence, completeness and valuation of tangible capital assets disclosed in the financial statements, amounting to R15 238 000, as well as intangible capital assets disclosed in the financial statements, amounting to R1 718 000, could not be confirmed.

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Unauthorised expenditure
 - The department has materially overspent the budget on programme 3, Parliamentary Services, to the amount of R1,13 million as disclosed in the financial statements.



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Other matters

- Matters of governance
 - The audit committee did not substantially fulfil its responsibilities for the year, as set out in section 77 of the PFMA.
 - The department did not have an internal audit function in operation throughout the financial year.
 - The internal audit function does not operate in terms of an approved internal audit plan.
 - The internal audit function did not substantially fulfil its responsibilities for the year.
 - The prior year's external audit recommendations have not been substantially implemented.
 - SCOPA resolutions have not been substantially implemented.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

7. PUBLIC WORKS

Qualification

- Capital assets
 - The department could not provide me with a movable capital asset register and therefore, the completeness and valuation of the opening balance of R68 764 000 and the closing balance of R76 412 000 disclosed in the financial statements could not be confirmed.

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Amendments to the applicable basis of accounting
 - As disclosed in the accounting policy note to the financial statements, the National Treasury approved a deviation from the basis of accounting applicable to departments, which granted the department exemption from the disclosure of certain immovable assets and from the use of fair value to value assets where the cost could not be determined accurately. Furthermore, there was a difference of R5,39 million between note 10 and note 37 which relates to additions of immovable assets that have been appropriately reclassified from movable assets to immovable assets.



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- The National Treasury issued a letter, which requires departments to prepare a separate schedule on immovable assets disclosing the immovable assets and stating either the number or nature of the immovable assets not recognised. This schedule has however not been prepared by the department to be included as an unaudited supplementary schedule to the financial statements.

Other matters

- Matters of governance
 - Significant difficulties were experienced during the audit concerning delays/unavailability of expected information and/or unavailability of senior management.
 - The prior year's external audit recommendations have not been substantially implemented.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

8. ROADS AND TRANSPORT

Qualification

- Capital assets
 - As reported in paragraph 9 of the previous year's audit report, assets received from the provincial Department of Public Works (value not determined) and those transferred to the Mpumalanga Department of Roads and Transport valued at R5,8 million were not included in the prior year's closing balance of R138,12 million. Moreover, the asset register did not include assets purchased as from the 2002-03 to 2004-05 financial years. Furthermore, no current year adjustment to prior year balances was made in the note to the financial statements, with the result that the closing balance of R184,73 million was not a fair value of the total assets of the department.
- Provisions, contingent liabilities and guarantees
 - The department did not consider the recoverability of debtors at year-end and it would appear that long-outstanding debtors will not be recovered and therefore the department should have disclosed potential irrecoverable debts amounting to R4,37 million in a note to the annual financial statements.

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Fruitless and wasteful expenditure



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- As disclosed in a note to the financial statements, the department incurred fruitless and wasteful expenditure amounting to R1,5 million, in respect of which a criminal case against the two officials is ongoing.
- Irregular expenditure
 - Irregular expenditure amounting to R3,1 million as disclosed in the note to the financial statements, was incurred under programme 1 (Administration) as a result of a contravention of section 43(4) (c) of the PFMA which specifically prohibits savings on capital expenditure being utilised to defray current expenditure.
- Unauthorised expenditure
 - As disclosed in the note to the financial statements, unauthorised expenditure amounting to R19,1 million was incurred as a result of double payments to bus companies and underbudgeting for bus subsidies.
- Restatement of corresponding figures
 - Notes 11, 16, 19, 20 and 22 to the financial statements indicate that the prior year figures were restated due to unauthorised expenditure, actual revenue collected and voted funds to be surrendered having been incorrectly treated previously.

Other matters

- Matters of governance
 - Significant difficulties were experienced during the audit concerning delays/unavailability of expected information and/or unavailability of senior management.
 - SCOPA resolutions had not been substantially implemented.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

9. SAFETY, SECURITY AND LIAISON

Financially unqualified (with no other matters)

Emphasis of matters

- None



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

Other matters

- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were not subject to any material amendments resulting from the audit.

10. SOCIAL DEVELOPMENT

Financially unqualified (with other matters)

Emphasis of matters

- None

Other matters

- Non-compliance with applicable legislation
- Public Finance Management Act
 - My audit revealed that the minor asset register was incomplete and inadequate to enable the accounting officer to manage, safeguard and maintain assets, as required by section 38(1)(d) of the PFMA.
 - With regard to transfer payments to non-governmental organisations and contrary to section 38(1)(j), there was no evidence that the department considered whether the entities implemented effective, efficient and transparent financial management and internal control systems prior to these transfer payments.
- Matters of governance
 - The internal audit function did not substantially fulfil its responsibilities for the year, as set out in Treasury Regulation 3.2.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.



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11. SPORTS, ARTS AND CULTURE

Financially unqualified (with other matters)

Emphasis of matters

- Significant uncertainty
 - With reference to the disclosure in the financial statements, the department is the defendant in a contractual lawsuit. The department is opposing a claim of R10,4 million and the ultimate outcome of the matter cannot presently be determined.
- **Highlighting critically important matters presented or disclosed in the financial statements**
- Material underspending of the budget
 - The department materially underspent its budget by R19,8 million.
- **Other matters**
- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

12. OFFICE OF THE PREMIER

Financially unqualified (with other matters)

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**
- Purchases of tangible assets
 - Attention is drawn to note 37 to the financial statements regarding the purchase of vehicles for the traditional leaders.



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

Other matters

- **Matters of governance**

- The internal audit function did not substantially fulfil its responsibilities for the year, as set out in Treasury Regulation 3.2.

- **Material misstatement**

- The financial statements submitted for audit were subject to material amendments resulting from the audit.

13. PROVINCIAL TREASURY

Qualification

- **Capital assets**

- The asset balance included assets with a value of R1,4 million which could not be traced from the fixed asset register to actual physical assets.
- A number of major tangible capital assets were not included in the closing balance of R16,1 million. The closing balance was consequently misstated by an unquantifiable amount which would equate to the cost or fair value of the assets had they been determined.
- Consequently, the completeness, existence and valuation of the tangible and intangible asset balances of R16,1 million and R600 000 respectively or the adjustments thereto, as disclosed in notes 24 and 25, could not be confirmed.

- **Revenue**

- The department did not have an adequate system of control over tender income. The audit procedures performed could not provide me with reasonable assurance that all tender income had been properly recorded. Consequently, the completeness and accuracy of tender income amounting to R799 841 000 could not be confirmed.

Emphasis of matters

- **Highlighting critically important matters presented or disclosed in the financial statements**

- **Material underspending of the budget**

- The department materially underspent its budget to the amount of R20,5 million.



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- Restatement of corresponding figures
 - As disclosed in note 12 to the financial statements, the corresponding figures for 2006-07 have been restated as a result of an error corrected during the 2007-08 financial period.
- Non-compliance with applicable legislation
- Treasury Regulations
 - The department administered the Tribal Levies and Trust Account on behalf of the various tribal communities in the Limpopo Province. Annual financial statements for the financial years ending 31 March 2004 to 2008 had not been prepared, as required by TR 14.3.1(d). The annual financial statements for the financial years ended 31 March 1999 to 2003 had been prepared but were subsequently withdrawn.
 - The unexpended voted funds for 2006-07, amounting to R12,6 million, were not surrendered to the Revenue Fund as required by TR 15.8.1.
- Matters of governance
 - The internal audit function did not substantially fulfil its responsibilities for the year, as set out in Treasury Regulation 3.2.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.



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

ANNEXURE 3: SUMMARY OF AUDIT REPORTS OF LIMPOPO PUBLIC ENTITIES

1. GATEWAY AIRPORT AUTHORITY LIMITED

Financially unqualified (with other matters)

Emphasis of matters

- None

Other matters

- Matters of governance
 - The audit committee did not substantially fulfil its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.
 - The annual financial statements were submitted for audit as per the legislated deadlines (section 55 of the PFMA).
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

2. LIMPOPO GAMBLING BOARD

Financially unqualified (with other matters)

Emphasis of matters

- None

Other matters

- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.



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3. LIMPOPO TOURISM AND PARKS BOARD

Qualification

- Capital assets
 - The Board took over assets in 2003-04 from the Department of Finance, Environmental Affairs and Tourism to the amount of R51,8 million. Depreciation of R38 million had been written off as at the reporting date. The board had contracted a third party to verify the existence and economic value of the assets taken over. The third party was also contracted to barcode these assets for future physical identification. This process was still not finalised as at the reporting date. The values reflected in the asset registers maintained by the board were still the initial values, which might not necessarily reflect the economic value of those assets.
 - There was no indication that the Limpopo Tourism and Parks Board did assess the useful life and residual values of its assets on an annual basis as required by International Accounting Standards 16, *Property, Plant and Equipment*.
 - The board did not assess its assets for impairment at the reporting date in terms of IAS 36.
 - My procedures revealed that assets with a historical cost of R5,9 million were transferred from the Limpopo Tourism and Parks Board to the Department of Economic Development and Planning in the Mpumalanga Provincial Government. The disposals were not recorded in the asset register and accounting records of the Limpopo Tourism and Parks Board, resulting in the overstatement of property, plant and equipment, accumulated depreciation and depreciation.
 - My procedures revealed that assets acquired during the period under review were not bar-coded for future physical identification. My procedures also revealed that the asset register submitted by the Limpopo Tourism and Parks Board did not have sufficient information to identify assets in order to confirm the existence and completeness thereof.
 - My procedures revealed that a project that was completed to the value of R4,6 million was classified as capital in progress under current assets instead of property, plant and equipment.
 - Consequently, the valuation, completeness and existence of property, plant and equipment of R54,8 million as disclosed in note 2 to the financial statements could not be confirmed.
- Grants, capital and reserves
 - The fixed asset register provided did not distinguish between assets bought through own revenue and assets financed through government grants. Adequate evidence to determine the accuracy, completeness and occurrence of the amount recognised as other income of R18,3 million as disclosed in the note to the financial statements could not be obtained.
 - Included in special funds was an amount of R1,7 million received from the Department of Economic Development, Environment and Tourism for parks capital and infrastructure projects. This amount had been incorrectly classified as special funds resulting in understatement of deferred income and overstatement of special funds by R1,7 million.
 - Consequently, the valuation, existence and completeness of and rights and obligations relating to the closing balance of deferred income (R45,1 million) as disclosed in the financial statements could not be confirmed.



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- Leases
 - The entity failed to disclose capital and lease commitments of R5,3 million in the financial statements. Furthermore it was noted that IAS 17 in respect of lease equalisation was not applied.
- Other general issues
 - The annual financial statements did not include a report by the accounting authority disclosing remuneration of all members of the accounting authority, CEO, CFO and persons serving in the public entity's senior management in terms of Treasury Regulation 28.1.1 to 28.1.4. The remuneration of the CEO, CFO and senior managers as disclosed in note 16 to the financial statements did not agree with the VIP (human resource management system) report, resulting in a difference of R3,2 million.
 - The entity failed to disclose related party transactions in terms of IAS 24 in the financial statements.

Emphasis of matters

- None

Other matters

- Matters of governance
 - The annual financial statements were not submitted for audit as per the legislated deadlines (section 55 of the PFMA).
 - The prior year's external audit recommendations had not been substantially implemented.
- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.

4. ROADS AGENCY LIMPOPO (PTY) LTD

Financially unqualified (with other matters)

Emphasis of matters

- None

Other matters

- Matters of governance
 - None



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

- Material misstatement
 - The financial statements submitted for audit were subject to material amendments resulting from the audit.



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

ANNEXURE 4: SUMMARY OF AUDIT REPORT OF LIMPOPO OTHER ENTITY

1. THE URBAN TRANSPORT FUND

Qualification

- Revenue
 - Total revenue disclosed in the financial statements amounted to R176,3 million, while the total of the different types of revenue collected during the year accumulated to R149,4 million. As a result, total revenue was overstated by R26,9 million in the financial statements.

Emphasis of matters

- None

Other matters

- Matters of governance
 - None
- Material misstatement
 - The financial statements submitted for audit were not subject to any material amendments resulting from the audit.



Accountability

Integrity

Independence

Impartiality