



CONSOLIDATED *general report on the audit outcomes of local government*



AUDITOR - GENERAL
SOUTH AFRICA

Consolidated general report on the audit outcomes of local government MFMA 2013-14

Our reputation promise/mission

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



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

This publication also captures the commitments that leaders have made to improve audit outcomes.

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

Auditor-General

Kimi Makwetu
Auditor-General



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HIGHLIGHTS

Message from auditor-general
(Foreword)



Increase in clean audits to 17%; improvement in audit outcomes of all provinces
(Section 2)

17% of auditees received disclaimed or adverse opinions and 22% received qualified opinions on their financial statements
(Section 2)

35% of auditees received unqualified opinions by correcting material misstatements in financial statements identified during audit process
(Section 3.1)



Non-compliance with key legislation remains at high levels, but is improving
(Section 3.2)

Uncompetitive and unfair procurement processes, inadequate contract management and missing tender documentation
(Section 3.2.1)



Reduction in irregular as well as fruitless and wasteful expenditure, but increase in unauthorised expenditure
(Section 3.2.1 - 3.2.3)

Financial health of auditees is deteriorating
(Section 3.3)

Weaknesses in effective utilisation of grants
(Section 3.4)

Steady improvement in quality of annual performance reports
(Section 4.1)

Management of roads infrastructure needs attention
(Section 4.2)



Vacancies and stability in key positions and inadequate consequences for poor performance and transgressions
(Section 5.1)

Continued reliance on consultants but improvement in management of this resource
(Section 5.2)

Internal control is improving but basic controls and disciplines require attention
(Section 6.1)



Information technology controls continue to need attention
(Section 6.2)

Slow progress of political and administrative leadership to address root causes of poor audit outcomes
(Section 6.3)



All role players should increase the level of assurance they provide
(Section 7)

Auditor-general reflects on importance of clean administration as a catalyst to drive service delivery
(Section 9)

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