## CONTENTS

### CLEAN AUDITS 2015-16

#### SECTION 1: EXECUTIVE SUMMARY

SECTION 2: OVERALL AUDIT OUTCOMES

# SECTION 3: THE STATUS OF FINANCIAL MANAGEMENT

3.1	Financial statements	30
3.2	Compliance with legislation	33
3.2.1	Irregular expenditure caused by weakness in supply chain management	es 35
3.2.2	Fruitless and wasteful expenditure	42
3.2.3	Unauthorised expenditure	44
3.2.4	Fraud and consequence management	45
3.3	Financial health	48
3.4	Management of grants	52
3.5	Conclusion	55

#### 5 SECTION 4: ANNUAL PERFORMANCE REPORTS 58

18

24

29

SECTIC	IN 5: ROOT CAUSES	63
5.1	Status of internal controls	64
5.2	Human resource management	66
5.3	Information technology controls	69
5.4	Initiatives and impact of key role players on audit outcomes	76
5.5	Conclusion	84

#### SECTION 6: OUTSTANDING AUDITS 88

#### SECTION 7: RECOMMENDATIONS 96

#### SECTION 8: MINISTERIAL PORTFOLIO OVERVIEW 99

Vote 1	The Presidency	100
Vote 2	Parliament of the Republic of South Africa	102
Vote 3	Communications	104
Vote 4	Cooperative Governance and	
	Traditional Affairs	106
Vote 5	Home Affairs	109
Vote 6	International Relations and Cooperation	111
Vote 7	Finance (National Treasury)	113
Vote 8	Planning, Monitoring and Evaluation	115
Vote 9	Public Enterprises	117
Vote 10	Public Service and Administration	119

Vote 11	Public Works	121
Vote 12	Statistics South Africa	124
Vote 13	Department of Women	126
Vote 14	Basic Education	128
Vote 15	Higher Education and Training	131
Vote 16	Health	137
Vote 17	Social Development	139
Vote 18	Correctional Services	141
Vote 19	Defence and Military Veterans	143
Vote 20	Independent Police Investigative Directorate (included under Vote 23)	
Vote 21	Justice and Constitutional Development	145
Vote 22	Office of the Chief Justice	147
Vote 23	Police	149
Vote 24	Agriculture, Forestry and Fisheries	151
Vote 25	Economic Development	153
Vote 26	Energy	155
Vote 27	Environmental Affairs	158
Vote 28	Labour	160
Vote 29	Mineral Resources	162
Vote 30	Science and Technology	164
Vote 31	Small Business Development	166
Vote 32	Telecommunications and Postal Services	168
Vote 33	Tourism	170
Vote 34	Trade and Industry	172
Vote 35	Transport	174
Vote 36	Water and Sanitation	177
Vote 37	Arts and Culture	179
Vote 38	Human Settlements	181
Vote 39	Rural Development and Land Reform	184
Vote 40	Sport and Recreation South Africa	186

SECTION 9: PROVINCIAL OVERVIEW		189
9.1	Eastern Cape	190
9.2	Free State	193
9.3	Gauteng	196
9.4	KwaZulu-Natal	198
9.5	Limpopo	201
9.6	Mpumalanga	204
9.7	Northern Cape	207
9.8	North West	210
9.9	Western Cape	213
SECTION 10: ANNEXURES 215		
Annexure 1: Auditees' audit outcomes; areas qualified; and findings on predetermined objectives, compliance, specific risk areas and unauthorised, irregular as well as fruitless and wasteful expenditure 216		
Annexure 2: Auditees' financial health indicators, supply chain management findings and root causes 239		239
Annexure	Annexure 3: Auditees' audit opinions over the past five years 250	
Annexure 4: Assessment of auditees' key controls at the time of the audit 266		266
SECTION 11: NEED TO KNOW 281		
11.1	AGSA audit processes and focus	282
11.2	Glossary of key terminology used in this report	289
11.3	Acronyms and abbreviations used in this report	293