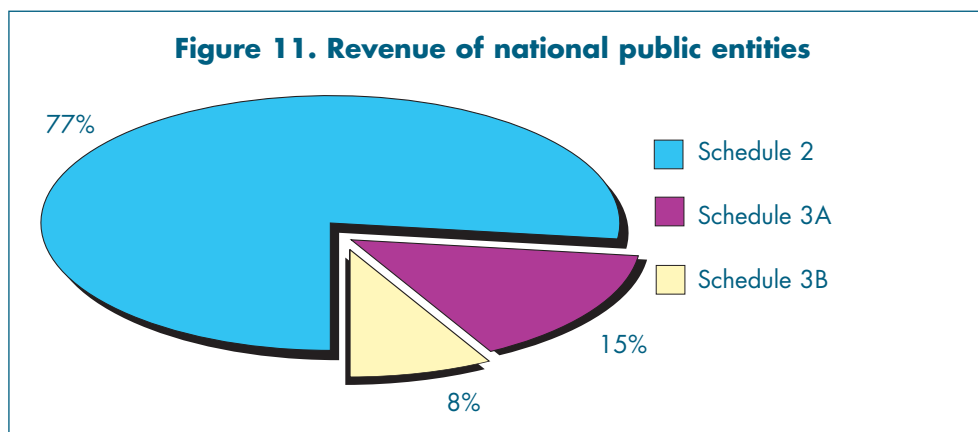




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3.3 AVAILABILITY OF INFORMATION

3.3.1 Availability of information to the Auditor-General

In total there are 198 national public entities, of which 110 are audited by my office. As at the end of August 2003 information on only 136 of these entities was available. This represents only 69% of all the national public entities.

The overall link between public entities that did not submit information to my office and the ministerial portfolio to which they belong provided some interesting information. Firstly the primary portfolios that submitted annual reports (or at least financial statements) for less than half of their public entities were the following:

- Communications
- Housing
- Trade and Industry
- Transport

These four portfolios represent 52% of the non-submission of information to the Auditor-General. The analysis I am able to provide in the general report is therefore severely limited and incomplete. This significant contravention of the PFMA requirements is an obstacle to the accountability process and a matter of concern. Figure 12 below provides more detail on the non-submission. Note that of the 69% of public entities for which information was reviewed for this analysis, only 44% managed to provide a complete annual report.

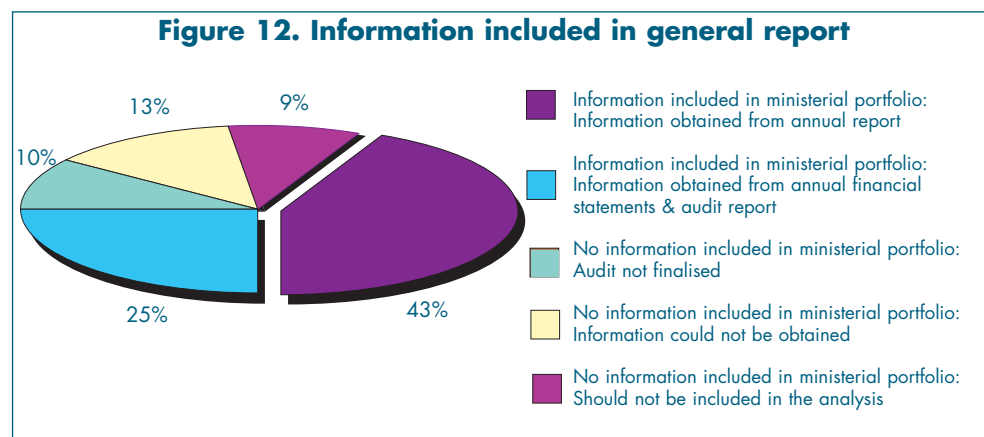
Figure 12 below provides further details on the other categories of reports not received by August 2003. In 10% of cases, where the term "audit not finalised" was used, the late finalisation of the audits can be attributed to



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the late submission or rejection of the original financial statements received from the public entities. In 13% of cases the information could not be obtained as my office was not responsible for the audit and unfortunately, despite our efforts, the information or an explanation for any delay was not furnished to the office. The entities falling under the categories "audit not finalised" and "information could not be obtained" are of serious concern as this hampers the accountability process and detracts from the value of any analysis that is undertaken. The entities are listed in annexure 3.1.

The remaining four categories represent entities that perhaps should not be listed as public entities and should, therefore, not be included in the analysis for the various reasons stated in figure 12 below. A list of these entities is included in annexure 3.2.



3.3.2 Availability of information to Parliament

In terms of the submission of annual reports to Parliament the portfolios listed below failed to submit over half of their public entities' annual reports to Parliament within six months of the year-end. The 13 portfolios represent 54% of the total number of ministerial portfolios. This provides evidence that the lack of submission of annual reports is widespread and points to serious concern regarding accountability.

The following ministerial portfolios failed to provide 50% of their public entities' annual reports to Parliament within six months of the year-end:

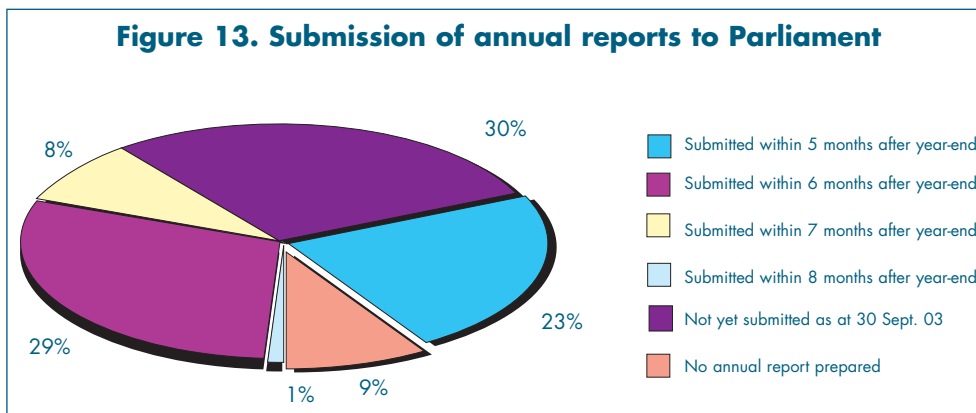
- Communications
- Defence
- Environmental Affairs and Tourism
- Health
- Housing
- Justice and Constitutional Development



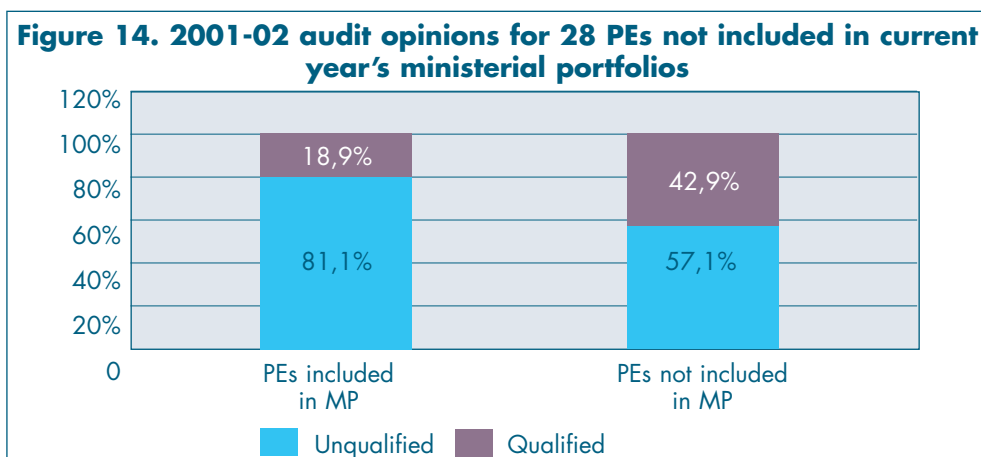
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- Provincial and Local Government
- Public Enterprises
- Public Service and Administration
- Social Development
- The Presidency
- Transport
- Water Affairs and Forestry

Figure 13 below gives a breakdown of the late submission by month. Only 23% of public entities provided annual reports to Parliament within the prescribed five months.



The entities not included in the analysis due to non-submission were analysed in terms of their audit opinions for 2001-02 against those entities of which the information was received. The graph below demonstrates that less than 20% of the entities included in the analysis received qualified audit opinions in 2001-02, whereas more than 40% of those not included received qualified audit opinions in 2001-02. This further supports the assertion that these entities distort any analysis and in fact should at least provide explanations for their non-submission of information.

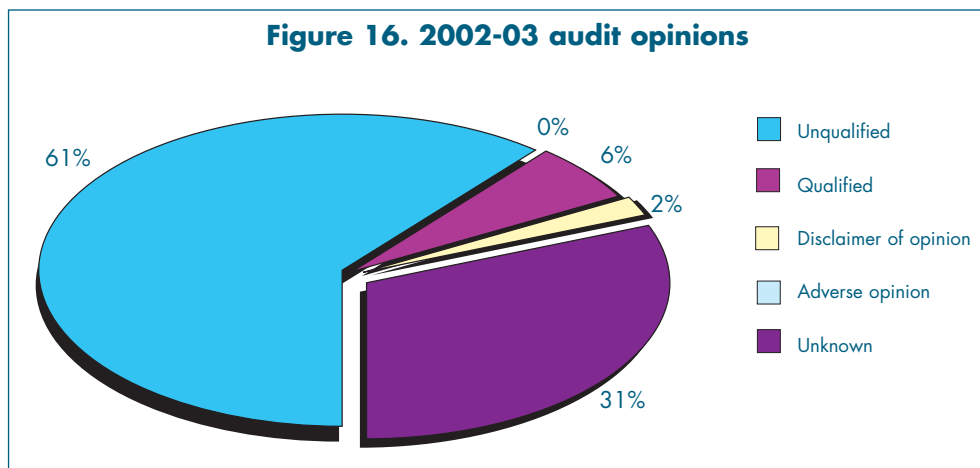
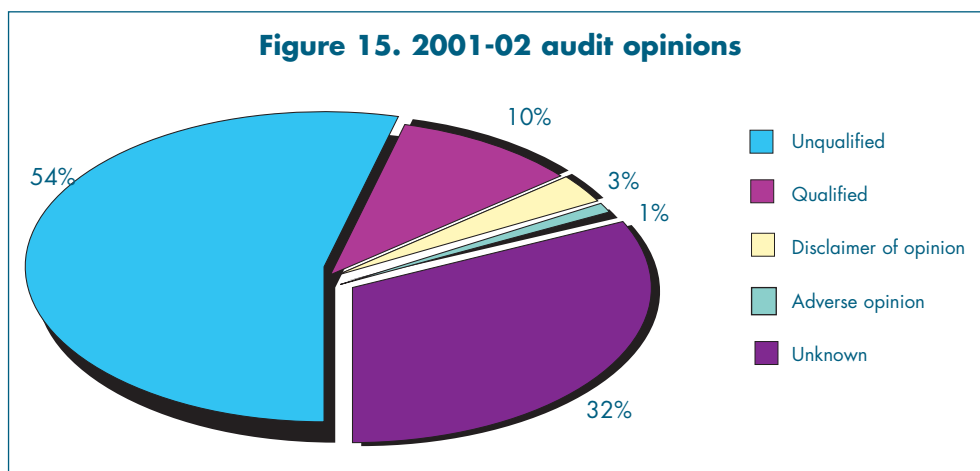




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3.4 AUDIT OPINIONS

The audit opinions on the public entities are shown in figures 15 and 16 below. Essentially, regarding those entities for which information was available there was a reduction in the number of qualifications from the previous year.



The unqualified audit opinions have risen from 54% to 61%, representing an improvement of more than 10%. However, the fact that for 31% of public entities the audit opinion is not known, might be distorting this picture. Only six ministerial portfolios make up all the qualifications, of which 50% is attributable to Arts and Culture. These entities are very small and often the qualifications represent weaknesses in internal control processes due in part to the size of the entities. Details on all qualifications can be obtained from the relevant portfolio summaries. Summarised information on the qualifications is provided in table 5 below with details on the disclaimers of audit opinions provided in table 6.