



**Audit outcomes of national and provincial government
Year ended 31 March 2014**



Reputation promise

The Auditor-General of South Africa (AGSA) 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.



Focus of our audits

2013-14
PFMA

We audit ...	to determine ...
Financial statements	Fair presentation and reliability of information (no material misstatements)
Annual performance reports	Whether the reported information is reliable and credible (no material findings)
Compliance with legislation	Whether the auditee complied with key legislation on financial and performance management (no material non-compliance)



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Various categories of the audit outcomes

2013-14
PFMA

Unqualified opinion with no findings (clean audit)

This means the auditee was able to:

- produce financial statements free of material misstatements.
- report in a useful and reliable manner on performance as measured against predetermined objectives in the annual performance plan.
- comply with key legislation.

Financially unqualified opinion with findings

This means the auditee was able to produce financial statements without material misstatements but is struggling to:

- align their performance reports to the predetermined objectives they committed to in their annual performance plans
- set clear performance indicators and targets to measure their performance against their predetermined objectives
- report reliably on whether they achieved their performance targets
- determine which legislation they should comply with and implement the required policies, procedures and controls to ensure they comply.



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Qualified audit opinion

Auditees that received a financial with findings have the same challenges as those that were unqualified with findings but, in addition, they could not produce credible and reliable financial statements.

There are material misstatements in their financial statements, which they could not correct before the financial statements were published.

Adverse and disclaimed opinions

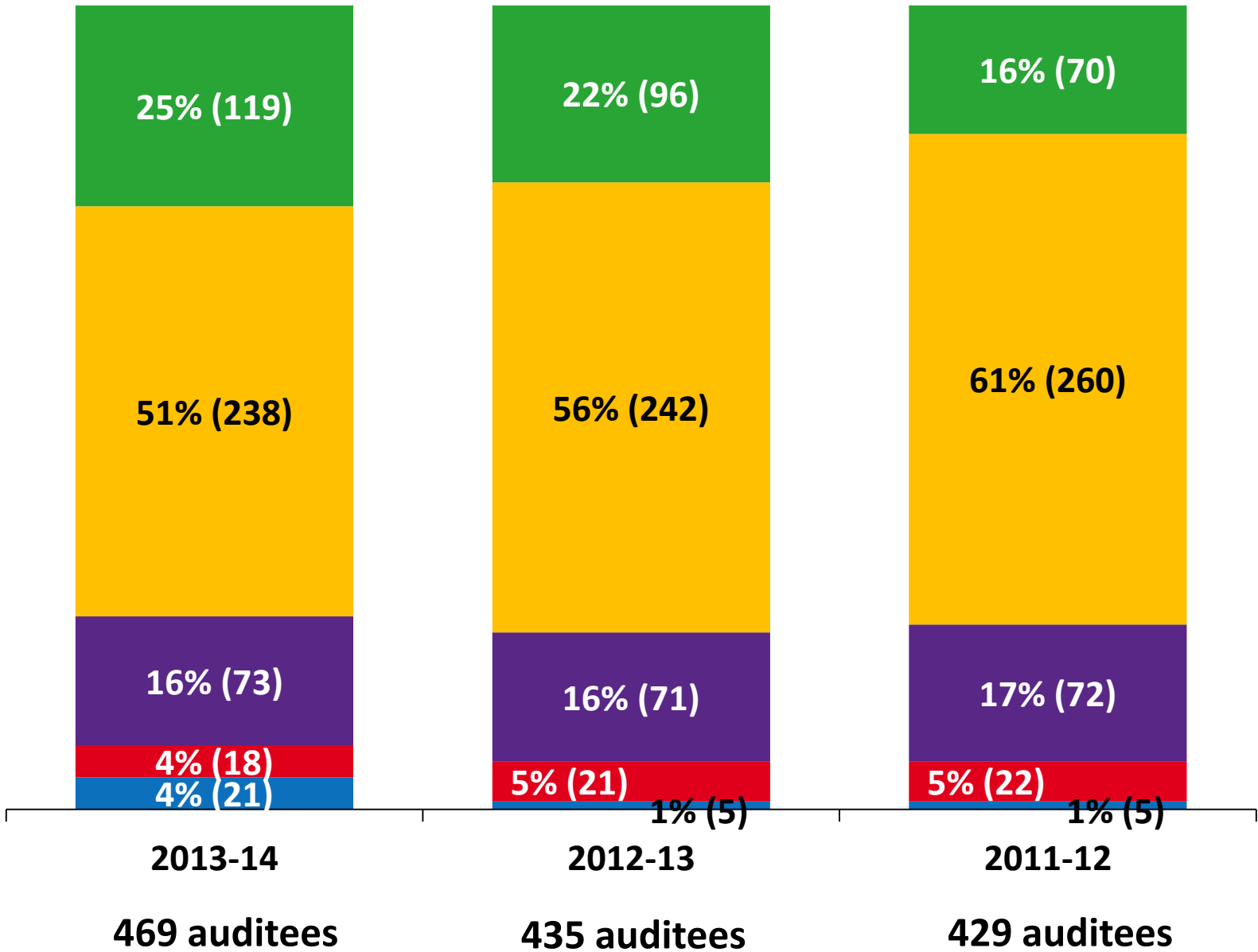
These mean the auditee was ...

- unable to provide sufficient supporting documentation for amounts in the financial statements and achievements reported in the annual performance report.
- not complying with key legislation.



Improvement in audit outcomes over the past three years

2013-14
PFMA

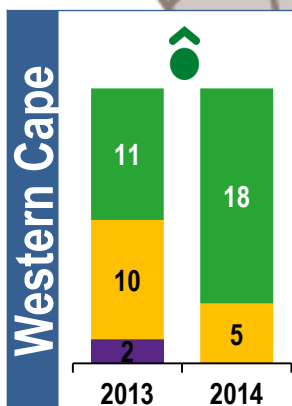
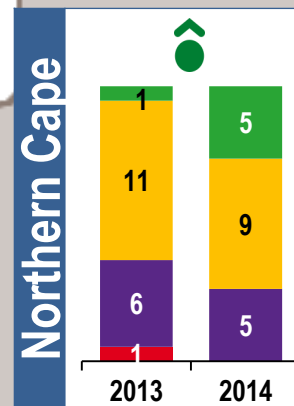
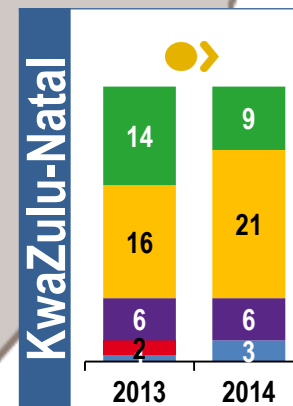
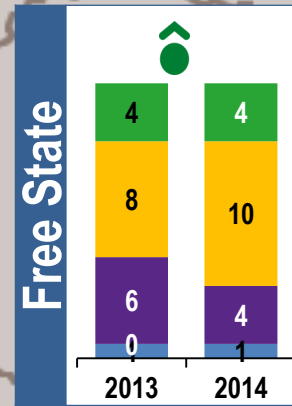
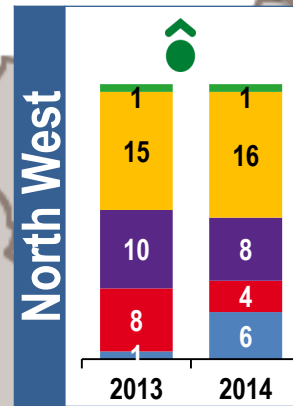
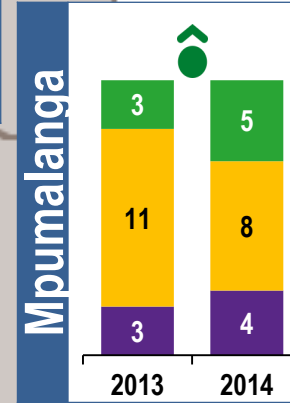
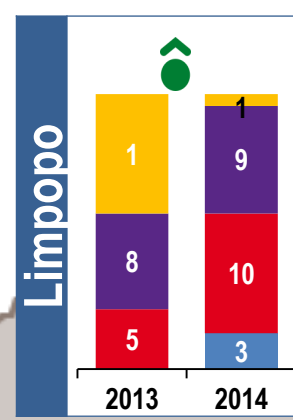
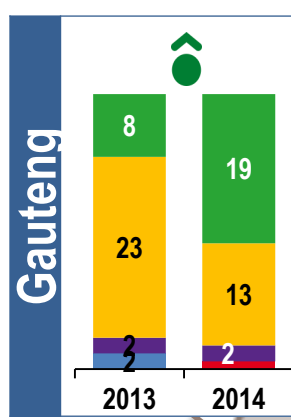
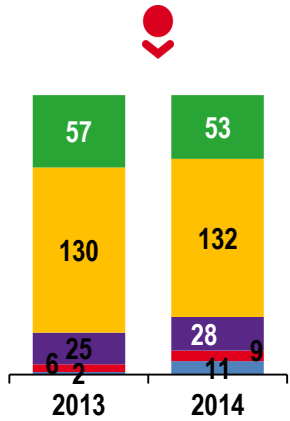


- Unqualified with no findings
- Unqualified with findings
- Qualified with findings
- Adverse or disclaimer with findings
- Audits outstanding



Audit outcomes PFMA: 2013 vs 2014

National government



2013-14 PFMA

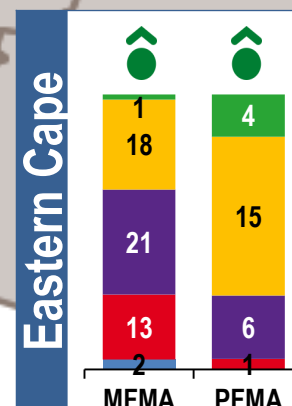
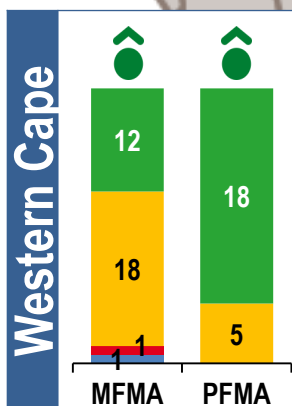
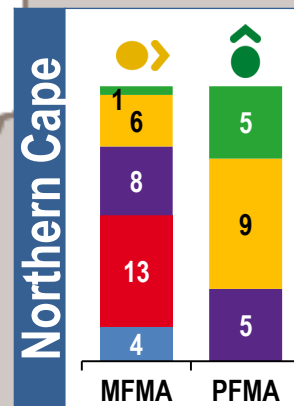
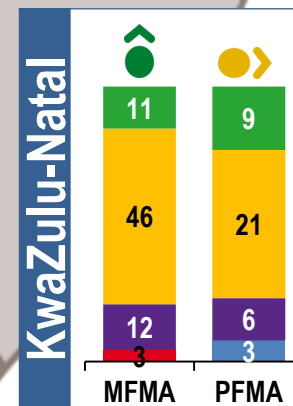
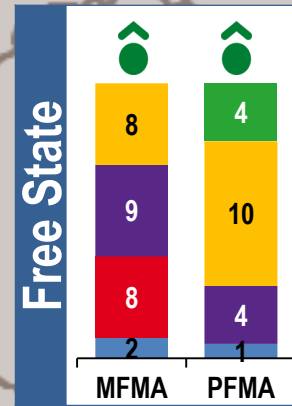
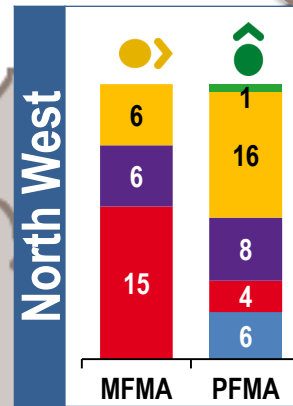
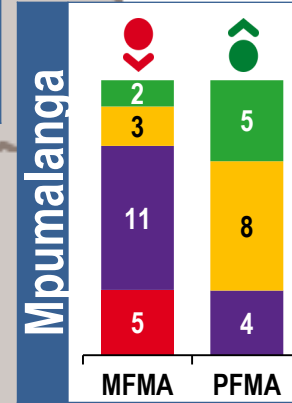
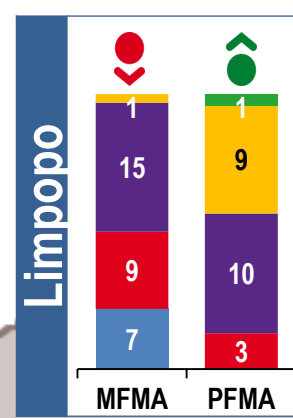
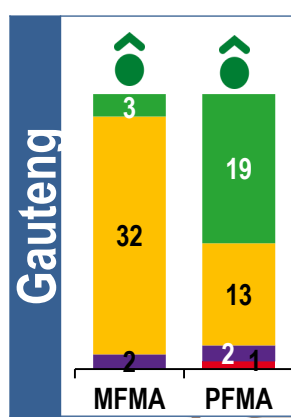
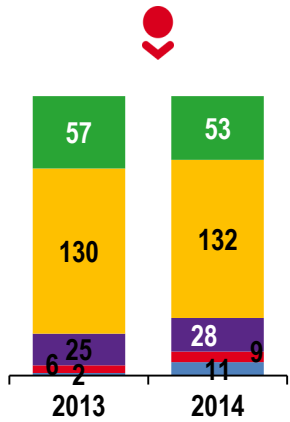
- Unqualified with no findings
- Unqualified with findings
- Qualified with findings
- Adverse or disclaimer with findings
- Audits outstanding
- ▲ Improved
- ▶ Stagnant or limited progress
- ▼ Regressed



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PFMA audit outcomes vs MFMA intra-provincial

National government



2013-14 PFMA

- Unqualified with no findings
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