



AUDITOR - GENERAL
SOUTH AFRICA

MEDIA RELEASE

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AGSA's response to allegations relating to Centlec

PRETORIA – The Auditor-General of South Africa (AGSA) has noted a media statement by ActionSA alleging irregularities in the audits of Centlec, an electricity distributor of the Free State's Mangaung Metropolitan Municipality.

These allegations first surfaced on social media in 2024, and, since then, as the AGSA, we investigated them to verify their veracity. The investigation involved various layers, including our internal quality review process and engagements with the management of the entity and the leadership of the Mangaung Metropolitan Municipality.

As part of our standing processes, our findings were reported in the audit reports of Centlec and shared with its management and tabled in the municipal council.

Allegations against AGSA employees

The AGSA rejects the allegations of collusion between our team and Centlec employees. The AGSA reviewed the entity's audits and concluded there was no basis for the allegations, as all findings were reported consistently. For the past five (5) financial years, Centlec has been receiving unqualified-with-findings audit outcomes from the AGSA. Our auditors have constantly been raising compliance issues that the entity needs to address. There is no evidence that any of the irregularities were ignored, as they were reported in the management and audit reports of the entity.

The AGSA audits are subject to stringent internal and external processes to ensure that they adhere to ethical and auditing standards. They also undergo strict independent quality reviews

by independent industry regulators such as the Independent Regulatory Board for Auditors (IRBA).

In line with International Standards on Auditing (ISA) that we adhere to, our audit processes are such that no single person can conclude and audit alone, as there are several stringent internal and external review mechanisms that all our auditors must adhere to. In addition, all our auditors adopt a professional and ethical approach whenever they do audits.

As with all our audits, these steps have been followed with the Centlec audits. Our latest internal investigation also attests to this, and that none of our teams mentioned in the allegations were involved in any collusion for the entity to receive better audit outcomes. We therefore call on those who have concrete evidence of impropriety to submit it through our complaints process to enable the AGSA to investigate it.

The AGSA will continue to execute its constitutional mandate without fear, favour or prejudice.

End.

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Contact: Africa Boso 0713653024 Africab@agsa.co.za



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About the AGSA: The AGSA is the country's supreme audit institution. It is the only institution that, by law, has to audit and report on how government is spending taxpayers' money. This has been the focus of the AGSA since its inception in 1911 – the organisation celebrated its 100-year public sector auditing legacy in 2011.