



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



2014-15  
PFMA



**CONSOLIDATED** general report on national and provincial audit outcomes

## 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.



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# CONSOLIDATED

general report on national and provincial audit outcomes

**PFMA 2014-15**

The information and insights presented in this flagship publication are aimed at empowering oversight structures and executive 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 in auditing national and provincial government, for their diligent efforts towards fulfilling our constitutional mandate and the manner in which they continue to strengthen cooperation with the leadership of government.

*Auditor-General*

Kimi Makwetu  
**Auditor-General**





# OVERVIEW



47 departments and 84 public entities achieved clean audit status (Section 2)



Material non-compliance with legislation by 300 auditees; some of which could lead to financial loss (Section 3.2)



The departments of education, health and public works still require the most attention (Section 2)

81% financially unqualified audit opinions, some by correcting material misstatements identified during the audit process (Section 3.1)



Supply chain management is improving, but remains the largest contributor to irregular expenditure of R25,7 billion (Section 3.2.1)

Reduction in irregular, fruitless and wasteful expenditure and unauthorised expenditure (Section 3.2.1- 3.2.3)



Financial health of auditees is deteriorating (Section 3.3)

Weaknesses in the management of grants (Section 3.4)

Steady progress towards improving the reliability and usefulness of annual performance reports (Section 4.1)

Human resource management is improving but instability or vacancies in key positions remained high (Section 5.1)

Inadequate consequences for poor performance and transgressions (Section 5.1)



Management of consultants require attention (Section 5.2)

Leadership, audit action plans, daily and monthly reconciliations require improvement (Section 6.1)



Information technology controls are showing a slight improvement (Section 6.2)

Auditees and key role players are slow to respond to recommendations (Section 6.3)



Improvement in audit outcomes is only possible through improved assurance by key role players (Section 7)



Weaknesses identified in the delivery of key national programmes in the education, health and public sectors (Section 8)

Audit outcomes of ministerial portfolios and commitments made for improvement (Section 9)

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