

Audit outcomes for 2001/02

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The outcome of financial audits is an important indicator of the quality of financial management. One of the most important priorities for each government to ensure that all its departments receive unqualified audits. Table 1 explains the classification system used by the Auditor-General, including the audit opinion and degree of severity.

Table 1: Types of audit opinions

Audit opinion	Severity	Explanation
Unqualified audit opinion	None	Audit findings do not justify any further audit disclosure.
Unqualified audit opinion with emphasis of matter	Least severe opinion	To bring matters to the attention of the users of the financial statements, which are not significant enough for the audit opinion to be qualified, or with regard to statutory reporting requirements.
Qualified opinion	Severe opinion	Except for matters highlighted under the qualification, the financial statement presents a fair view.
Adverse	More severe opinion	An adverse opinion is expressed when the effect of a disagreement between the auditors and the auditee is so material, pervasive and/or fundamental to the financial statement that the auditor is not in agreement that the financial results in a fair presentation.
Disclaimer	Most severe opinion	An audit opinion is disclaimed when the possible effect of a limitation of scope of the audit work is so material, pervasive and fundamental that the auditor has not been able to obtain sufficient appropriate audit evidence, and accordingly is unable to express an opinion on the financial statement.

Consolidated national and provincial outcomes

The table below highlights the number of departments per provincial and national government that succeeded in achieving an unqualified audit for 2001/02. The table also indicates that 70 national and provincial departments received qualified audits, including 56 which were classified as severe or disclaimed by the Auditor-General. In three provinces, all departments received qualified audits.

Table F1: Summary of national and provincial annual reports

Province	Number of Departments with Unqualified Audit Reports	Number of Departments with Qualified Audit Reports
Eastern Cape	0	13 (6)
Free State	10	2 (2)
Gauteng	7	6 (6)
KwaZulu-Natal	11	5 (3)
Limpopo	0	12 (12)
Mpumalanga	10	2 (2)
Northern Cape	0	13 (11)
North West	7	6 (4)
Western Cape	8	3 (2)
Sub Total (Provinces)	53	62 (48)
National Departments	25	8 (8)
Total	78	70 (56)

The number in brackets indicate the number of votes with adverse qualified opinions

Sector outcomes

The following tables indicate the audit outcomes per sector, for the last three years:

Only two of the nine provincial education departments received unqualified audits for 2001/02 (Free State and Mpumalanga).

Table F2: Education

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	No opinion expressed
Free State	Q	U	U	-
Gauteng	Q	Q	Q	Most severe
KwaZulu-Natal	Q	Q	Q	Most severe
Limpopo	Q	Q	Q	Severe
Mpumalanga	Q	Q	U	-
Northern Cape	Q	Q	Q	Most severe
North West	Q	Q	Q	Most severe
Western Cape	U	U	Q	Severe
National Department of Education	U	U	Q	Adverse

Four provincial health departments achieved unqualified audit reports for 2001/02. These are the Free State, Mpumalanga, KwaZulu-Natal and Western Cape.

Table F3: Health

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	Most severe
Free State	Q	Q	U	-
Gauteng	Q	Q	Q	Severe
KwaZulu-Natal	U	Q	U	-
Limpopo	Q	Q	Q	Severe
Mpumalanga	Q	Q	U	-
Northern Cape	Q	Q	Q	Most severe
North West	Q	Q	Q	?
Western Cape	U	U	U	-
National Dept of Health	U	U	Q	Adverse

Only one provincial social development department (Mpumalanga) received an unqualified audit report for 2001/02. The national department of social development also received an unqualified audit report.

Table F4: Social Development

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	Most severe
Free State	U	U	Q	Severe
Gauteng	Q	Q	Q	Severe
KwaZulu-Natal	U	Q	Q	Severe
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	U	–
Northern Cape	Q	Q	Q	Severe
North West	Q	Q	Q	?
Western Cape	Q	Q	Q	Severe
National Dept of Social Development	U	U	U	–

Four provincial and the national housing departments received unqualified audit reports for 2001/02 (Free State, KwaZulu-Natal, North West and Western Cape).

Table F5: Housing

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	Most severe
Free State	U	U	U	–
Gauteng	Q	Q	Q	Severe
KwaZulu-Natal	Q	U	U	–
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	Q	Severe
Northern Cape	Q	Q	Q	Severe
North West	Q	Q	U	–
Western Cape	U	U	U	–
National Dept of Housing	Q	U	U	–
SA Housing Fund (National Dept of Housing)	Q	Q	Q	No opinion expressed

Many provinces combine the roads and public works functions, and often do not report on them separately. In the case of the Western Cape, the roads function is located in a single department. KwaZulu-Natal and Mpumalanga received unqualified audit reports. The other six provinces received severe qualified audit reports. Apart from the Free State, the other four roads and public works departments received qualified reports for the last three years. There was no audit opinion expressed for the Western Cape roads department.

Table F6: Transport, Roads and Public Works

Provincial Department	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	Severe
Free State	U	Q	Q	Severe
Gauteng	Q	Q	Q	Severe
KwaZulu-Natal #	U	Q	U	–
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	U	–
Northern Cape	–	Q	Q	Severe
North West	Q	Q	Q	Severe
Western Cape	U	–	–	–
National Public Works #	Q	Q	Q	
National Transport #	Q	Q	U	–

Consists of two departments. Public Works had qualifieds report whereas Transport had an unqualified report for 2001/02

Provincial treasuries in Free State, Gauteng, North West, Western Cape and the National Treasury received unqualified audits in 2001/02.

Table F7: National and Provincial Treasuries

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	?
Free State	U	Q	U	Least severe
Gauteng	Q	Q	U	–
KwaZulu-Natal	U	Q	U	–
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	Q	Severe
Northern Cape	Q	Q	Q	Most severe
North West	U	U	U	–
Western Cape	U	U	U	Least severe
National Treasury #	U	U	U	–

Departments of Finance and State Expenditure merged during 2000/01.

The Premier's offices in Free State, Gauteng, KwaZulu-Natal, Mpumalanga and Western Cape received unqualified audits, as did the Presidency, which has consistently received unqualified audits.

Table F8: Office of the Premier

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	Severe
Free State	Q	U	U	Severe
Gauteng	Q	Q	U	Severe
KwaZulu-Natal	U	Q	U	Least severe
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	U	–
Northern Cape	Q	Q	Q	Severe
North West	Q	U	Q	?
Western Cape	-	-	U	–
The Presidency	U	U	U	–

Five provincial legislatures received unqualified audits

Table F9: Provincial Legislatures

Province	1999/00	2000/01	2001/02	
Eastern Cape	Q	Q	Q	?
Free State	U	U	U	Severe
Gauteng	Q	U	U	Least severe
KwaZulu-Natal	U	U	Q	?
Limpopo	Q	Q	Q	Severe
Mpumulanga	Q	Q	U	Severe
Northern Cape	U	U	Q	Most severe
North West	U	Q	U	–
Western Cape	Q	U	U	Least severe
Parliament	U	U	U	–

Government outcomes

The audit outcomes can also be assessed within each government. The tables below focus on the audit outcomes for all the departments in each provincial government, and end up with a table on all national departments.

Eastern Cape

Table F10: Eastern Cape

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	Q	Q	?
Provincial Legislature	Q	Q	Q	?
Health	Q	Q	Q	Most severe
Welfare	Q	Q	Q	Most severe
Roads and Public Works	Q	Q	Q	Severe
Education	Q	Q	Q	No opinion expressed
Housing and Local Government	Q	Q	Q	Most severe
Agriculture	Q	Q	Q	Most severe
Economic Affairs, Environment and Tourism	Q	Q	Q	?
Transport	Q	Q	Q	?
Provincial Treasury	Q	Q	Q	?
Sport, Arts and Culture	Q	Q	Q	?
Safety and Liaison	Q	Q	Q	?

Free State

Table F11: Free State

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	U	U	Severe
Provincial Legislature	U	U	U	Severe
Tourism, Environmental and Economic Affairs	U	U	U	-
Finance and Expenditure	U	Q	U	Least severe
Health	Q	Q	U	Least severe
Education	Q	U	U	Least severe
Social Development	U	U	Q	Severe
Local Government and Housing	U	U	U	-
Public Works, Roads and Transport	U	Q	Q	Severe
Public Safety, Security and Liaison	U	U	U	--
Agriculture	Q	Q	U	Least severe
Sport, Arts and Culture	Q	U	U	-

Gauteng

Table F12: Gauteng

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	Q	U	Severe
Provincial Legislature	Q	U	U	Least severe
Finance and Economic Affairs	Q	Q	U	-
Health	Q	Q	Q	Severe
Education	Q	Q	Q	Most severe
Social Services and Population Development	Q	Q	Q	Severe
Housing and Land Affairs	Q	Q	Q	Severe
Development Planning and Local Government	Q	Q	U	Least severe
Public Works, Roads and Transport	Q	Q	Q	Severe
Public Safety, Security and Liaison	Q	Q	U	Least severe
Agriculture, Conservation, Environment and Land Affairs	Q	Q	Q	Severe
Sport, Arts and Culture	Q	Q	U	-
Gauteng Shared Service Centre (Established October 2001)	N/A	N/A	U	-

KwaZulu-Natal

Table F13: KwaZulu-Natal

Provincial	1999/00	2000/01	2001/02	
Office of the Premier	U	Q	U	Least severe
Provincial Legislature	U	U	Q	?
Agriculture	U	Q	U	Least severe
Economic Affairs and Tourism	U	U	U	Least severe
Education	Q	Q	Q	Most severe
Finance	U	Q	U	–
Health	U	Q	U	Least severe
Housing	Q	U	U	Least severe
Housing Fund			Q	–
Safety, Security	U	U	U	–
Royal Household	Q	Q	U	Least severe
Traditional and Local government Affairs	Q	U	U	Least severe
Transport	U	Q	Q	Severe
Welfare and Population Development	U	Q	Q	Severe
Works	U	Q	U	Least severe
RDP	Q	Q	U	Least severe
Main Control Responsibility		Q		–

Limpopo

Table F14: Limpopo

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	Q	Q	Severe
Education	Q	Q	Q	Severe
Agriculture	Q	Q	Q	Severe
Health	Q	Q	Q	Severe
Transport	Q	Q	Q	Severe
Public Works	Q	Q	Q	Severe
Safety, Security and Liaison	Q	Q	Q	Severe
Welfare	Q	Q	Q	Severe
Provincial Legislature	Q	Q	Q	Severe
Local Government and Housing	Q	Q	Q	Severe
Finance, Economic Affairs and Tourism	Q	Q	Q	Severe
Sport, Arts and Culture	Q	U	Q	Severe

Mpumalanga

Table F15: Mpumalanga

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	Q	U	Severe
Finance	Q	Q	Q	Severe
Economic Affairs	Q	Q	Merged with Finance	–
Local Government	Q	Q	U	–
Agriculture	Q	Q	U	Least severe
Environmental Affairs	Q	-	Merged with Agriculture	–
Education	Q	Q	U	–
Public Works, Roads and Transport	Q	Q	U	–
Safety, Security and Liaison	Q	Q	U	–
Social Services and Population Development	Q	Q	U	Least severe
Health	Q	Q	U	Least severe
Housing and Land Affairs	Q	Q	Q	Severe
Legislature	Q	Q	U	–
Sport, Recreation, Arts and Culture	Q	Q	U	–

Northern Cape

Table F16: Northern Cape

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	Q	Q	Severe
Provincial Legislature	U	U	Q	Most severe
Provincial Service Commission	Q	Vote ended		–
Safety, Security and Liaison	Q	Q	Q	Severe
Education	Q	Q	Q	Most severe
Works	Q	See Transport, Roads & Public Works below		–
Transport	Q			–
Public Works, Roads and Transport		Q	Q	Severe
Economic Affairs & Tourism	Q	Q	Q	?
Sport, Arts and Culture	U	Q	Q	Severe
Finance	Q	Q	Q	Most severe
Housing and Local Government	Q	Q	Q	Severe
Health	Q	Q	Q	Most severe
Social Services and Population Development	Q	Q	Q	Severe
Agriculture	Q	See Agriculture, Land Affairs, Nature Conservation & Environmental Affairs below		–
Nature Conservation	Q			–
Agriculture, Land Affairs, Nature Conservation & Environmental Affairs		Q	Q	Severe
RDP	Q	Q	Q	–
Improvement of Conditions of Service	U	U	Incorporated in Finance	–

North West

Table F17: North West

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	Q	U	Q	Severe
Provincial Legislature	U	Q	U	-
Health	Q	Q	Q	?
Traditional and Corporate Affairs	N/A	Q	U	Least severe
Safety, Security and Liaison	Q	U	U	Least severe
Economic Development and Tourism	U	Q	U	Least severe
Finance	U	U	U	-
Education	Q	Q	Q	Most severe
Local Government and Housing	Q	Q	U	-
Transport, Roads and Public Works	Q	Q	Q	Severe
Social Services, Arts, Culture and Sport	Q	Q	Q	?
Agriculture, Conservation, Environment	U	Q	Q	More severe
Contingency Reserve	N/A	U	U	--

Western Cape

Table F18: Western Cape

Provincial Department	1999/00	2000/01	2001/02	
Office of the Premier	-	-	U	-
Provincial Legislature	Q	U	U	Least severe
Business Promotion, Property Management and Tourism	U			-
Planning, Local Government and Housing	U	U	U	Least severe
Finance	U	U	U	Least severe
Community Safety	U	Q	Q	?
Health	U	U	U	Least severe
Corporate Services	U	-	-	-
Agriculture	U	-	-	-
Social Services	Q	Q	Q	Severe
Environmental and Cultural Affairs and Sport	U	U	U	Least severe
Education	U	U	Q	Severe
Transport & Works	U	-	-	-
ICS	U	-	-	-
Premier, Director General & Corporate Services	-	U	U	Least severe
Economic Affairs, Agriculture and Tourism	-	Q	U	Least severe

National Government

Table F19: National Departments

Province	2001/02	
The Presidency	U	–
Parliament	U	–
Foreign Affairs	U	–
Home Affairs	Q	Adverse
Provincial and Local Government	U	–
Public Works	Q	Adverse
Government Communications and Information System	U	–
National Treasury	U	–
Public Enterprises	U	–
Public Services and Administration	U	–
Public Service Commission	U	–
South African Management Development Institute	U	–
Statistics South Africa	Q	Adverse
Arts, Culture, Science and Technology	U	–
Education	Q	Adverse
Health	Q	Adverse
Housing	U	–
Social Development	U	–
Sport and Recreation South Africa	U	–
Correctional Services	Q	Adverse
Defence	U	–
Independent Complaints Directorate	U	–
Justice and Constitutional Development	Q	Adverse
Safety and Security	U	–
Agriculture	U	–
Communications	U	–
Environmental Affairs and Tourism	U	–
Labour	U	–
Land Affairs	U	–
Minerals and Energy	U	–
Trade and Industry	U	–
Transport	U	–
Water Affairs and Forestry	Q	Adverse
Arts and Culture	U	–
Science and Technology	U	–

Local Government

TABLE F20: SUBMISSION DATES AND AUDIT OUTCOMES OF FINANCIAL STATEMENTS FROM A SAMPLE OF 31 MUNICIPALITIES

Municipality	Submission date: 2000/01 financial statements	Issue date of audit report	Unqualified opinion	Submission date: 2001/02 financial statements	Issue date of audit report	Unqualified opinion
Eastern Cape						
Nelson Mandela	2001/09/30	2002/02/02	No	2002/11/14	In Progress	-
Cacadu	2001/10/26	2001/12/31	No	2002/12/03	In Progress	-
Buffalo City	2002/01/31	2002/02/28	No	Outstanding	-	-
O R Tambo	2002/11/07	In Progress	-	2002/12/12	In Progress	-
Amatole	2000/08/16	2001/11/12	Yes	2002/09/30	2002/12/03	Yes
Northwest						
Rustenburg	2002/08/05	Outstanding	-	Outstanding	-	-
Potchefstroom	2001/09/18	2002/08/31	Yes	2003/01/24	In Progress	-
Klerksdorp	2001/12/18	2002/08/31	No	Outstanding	-	-
Limpopo						
Greater Tzaneen	2002/01/23	2002/04/05	Yes	2002/11/07	In Progress	-
Polokwane	2001/09/25	2001/12/19	No	2002/11/11	2003/01/31	-
Western Cape						
City of Cape Town	2002/04/03	2002/09/13	No	Outstanding	-	-
Swartland	2002/08/30	2002/12/08	No	2002/10/02	2002/12/20	No
West Coast District	2001/08/24	2001/11/28	No	2002/11/28	2002/12/04	No
George	2001/08/31	2002/02/27	No	2002/09/27	2002/12/11	No
Knysna	2001/11/26	2002/03/28	No	2002/11/04	In Progress	-
Free State						
Mangaung	2001/10/01	2002/05/30	No	2002/09/27	In Progress	-
Matjhabeng	2002/09/04	2002/12/04	No	Outstanding	-	-
Mpumalanga						
Eastvaal	2001/09/28	2002/05/16	Yes	2002/09/30	2002/12/18	Yes
Middelburg	2001/10/01	2002/09/30	Yes	2002/09/25	In Progress	-
Mbombela	2002/04/19	2002/06/25	Yes	Outstanding	-	-
Ehlanzeni	2001/12/04	In Progress	-	2002/10/31	In Progress	-
KwaZulu-Natal						
eThekweni	2001/10/01	2001/12/18	Yes	2002/10/01	2002/12/18	Yes
Msunduzi	2002/05/18	2002/07/12	No	2003/01/07	In Progress	-
uMgungundlovu	2002/05/27	2002/06/04	No	-	-	-
uMhlathuze	2001/10/01	2002/02/15	Yes	2002/10/01	In Progress	-
Gauteng						
Ekurhuleni	-	-	-	-	-	-
Johannesburg	2001/10/11	2002/10/11	No	Outstanding	-	-
Tshwane	-	-	-	2002/10/01	2002/12/02	No
Emfuleni	-	-	-	2002/10/25	2002/12/09	No
Northern Cape						
Sol Plaatjie	2001/11/01	2002/03/30	No	2002/09/05	In Progress	-
Frances Baard	2001/08/31	2002/06/28	No	2002/09/29	2002/11/12	No

Source: Office of the Auditor-General