



AUDITOR - GENERAL
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Auditor-general calls on government to entrench a culture of accountability to improve service delivery

PRETORIA – Auditor-General (AG) Tsakani Maluleke today reported “a gradual upward trend” in the national and provincial government audit outcomes, and called on government to instil a culture of accountability in the public sector to improve service delivery to the citizenry.

Releasing the [2021-22 general report \(GR\) and material irregularity report for national and provincial departments and their entities](#), Maluleke said these spheres of government have been gradually improving their ability to report transparently on their finances over the term of the current administration.

“While we are cautiously optimistic about this trend, we have found that service delivery, good performance and financial discipline are not yet evident at those auditees with the greatest impact on the lives of South Africans and on government finances. These auditees are the key service delivery portfolios, consisting of health; basic education; public works and infrastructure; transport; water and sanitation; and housing, as well as state-owned enterprises, listed as schedule 2 public entities in the [Public Finance Management Act](#),” Maluleke revealed.

The AG emphasises that she firmly believes that service delivery improvement will be enabled “by capable, cooperative, accountable and responsive government institutions delivering on their mandates. That is why we themed our latest general report **A culture of accountability will improve service delivery**”.

Igniting commitment and action from all in the accountability ecosystem

She says that her office, through its new culture shift strategy, aspires to set in motion commitment and action from all roleplayers in the accountability ecosystem. This [accountability ecosystem](#) is made up of all roleplayers in national and provincial government, as well as Parliament and provincial legislatures, that have a part to play in enabling a culture of performance, accountability, transparency and integrity. This includes the [Auditor-General of South Africa \(AGSA\)](#) as the country’s supreme audit institution, as well as the people of South Africa.

The #cultureshift2030 strategy, Maluleke explains, aims to ignite “action that will ensure that everyone in the accountability ecosystem plays their part to resolve weaknesses in government institutions; improve governance and accountability; and ultimately enable good financial and performance management, compliance with legislation and service delivery”.

The impact of poor governance on the lives of citizens

Maluleke touches on the role of her office and how poor governance can directly affect people's lives, saying, “in this report, through [our expanded mandate](#), we have enriched our insights and strengthened our ability to influence and enforce accountability and consequence management. We have further responded to our new strategic imperative to provide valuable audit insights and therefore deepened the work we are mandated to perform on performance information to demonstrate how poor governance affects service delivery and the lived experiences of citizens.”

She continues, “poor overall performance leads to poor service delivery, which is detrimental to the people of South Africa. Much of this can be attributed to poor planning, insufficient intergovernmental coordination, execution without adequate oversight and monitoring, and lack of accountability for reliable reporting and the achievement of planned service delivery.”

The report outlines the impact of these weaknesses as follows:

- Deficiencies in financial and performance management may prevent government from achieving the ideals set out in the National Development Plan, such as alleviating poverty, providing access to clean water and sanitation, improving the life expectancy of the people of South Africa, enhancing the quality of teaching and learning through providing education infrastructure, enabling decent employment, and encouraging economic growth.
- Government is exposed to guarantees of R328 billion, with several state-owned enterprises at risk of defaulting on their debts, which would put additional strain on the fiscus. Financial difficulties at these entities also disrupted the delivery of essential services to citizens, such as the electricity, payment of social relief grants, rail infrastructure and water supplies.
- Infrastructure projects that are not effectively managed lead to delays in project completion, increases in project costs and financial losses, defects in building quality, and completed infrastructure not being commissioned or fully used. This may lead to the expected return on investment not being realised, placing further pressure on the government finances.
- Government launched multiple programmes and initiatives to improve the lived reality of South Africans and to address their concerns, such as an economic reconstruction and recovery plan, the professionalisation of the public service, and commitments to implement the recommendations to combat corruption and unethical behaviour included in the reports issued by the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in

the Public Sector including Organs of State (commonly known as the Zondo Commission). We encourage implementation of plans to realise desired impact. If the current weaknesses in financial, performance and infrastructure management are not addressed, they will also affect the implementation of these programmes and initiatives.

Call to action for the benefit of all citizens

Maluleke says if those in the accountability ecosystem that are charged with governance, administration and oversight were to diligently implement the following recommendations from her office, the slow upward trend in audit outcomes would progress to good governance and state institutions that are responsive to the service delivery needs of South Africans.

As such, she recommends that leadership and oversight should:

- ensure that vacancies are filled by appointing capable officials and ensure stability in key positions that will enable accountability
- refocus and energise performance planning processes to be comprehensive and aligned to auditees' mandates and the Medium-Term Strategic Framework of government to ensure that service delivery is planned for and reported on
- enable and insist on in-year monitoring controls and project management disciplines to achieve planned service delivery on time, within budget and at the required quality
- maintain a robust financial management culture, which includes ensuring effective revenue collection, prudent spending, and the prevention and swift recovery of financial loss and wastage
- lead by example and ensure that consequences for non-compliance with legislation and accountability failures are implemented to enable improved performance and service delivery.

The AG reiterated her office's message that "a culture of performance, accountability, transparency and integrity should be a shared vision", and urged all roleplayers in the accountability ecosystem "to fulfil their designated roles and play their part effectively and without fear or favour to ensure accountability for government spending and improvement in the lives of all South Africans".

Expanded powers starting to yield the desired impact

Maluleke says she is encouraged by the progress made by her office in implementing the AG's expanded mandate.

"At this early stage, I am pleased with the impact we are making through the implementation of this expanded mandate – as demonstrated through the increased attention given to our audit process and

outcomes, action being taken to address our findings, and the prevention or recovery of financial losses by accounting officers and authorities."

By 31 August 2022, we had notified accounting officers and authorities of 179 material irregularities (MIs) in the national and provincial spheres of government. Most of the MIs identified were caused by non-compliance and suspected fraud which resulted in, or are likely to result in, a material financial loss. We estimate the total financial loss of these MIs to be R12 billion.

She says there has been a shift at departments and public entities "from a slow response to our findings and recommendations over the years to an improved responsiveness".

Auditees, she further notes, are taking action to resolve these MIs by recovering losses, preventing further losses and harm through strengthening internal controls, and effecting consequences for transgressions. "We have noted that there were no actions taken to address 82% of the matters raised until we issued notifications of material irregularities.

"Through the process, financial losses of R636 million were prevented from taking place, R14 million in financial loss was recovered and R509 million in financial loss is in the process of being recovered. In addition, 39 MIs resulted in internal control improvements to prevent financial loss from recurring, 36 resulted in the officials responsible for the losses being identified and disciplined or undergoing disciplinary processes, 15 fraud and criminal investigations have been instituted and five supplier contracts have been stopped.

"We are also pleased that accounting officers are taking appropriate action to resolve 74% of material irregularities we raised and 11% are already resolved," Maluleke says.

"In 15% of the MIs we had to invoke our powers to enforce accountability. We included recommendations in the audit reports of six auditees for MIs that were not dealt with appropriately. In addition, we issued remedial action at three auditees that did not implement the recommendations that we had included in their audit reports in the previous year. For most of the auditees where we had to take these steps, we witnessed renewed commitment to address the MIs. Eight MIs were referred to public bodies for further investigation.

"However, greater impact will be achieved if accounting officers and authorities resolve the material irregularities quicker. We continue to advocate for investment in good preventative controls, as preventing material irregularities is more effective than having to deal with the consequences thereof," the AG adds.

State of national and provincial government

Audit outcomes

The [audit outcomes](#) show a gradual upward trend since the previous administration's term ended in 2018-19. Overall, 114 auditees now have a better audit outcome than in 2018-19, with 46 having a worse outcome – a net improvement in the outcomes of 68 auditees (17%).

Clean audits

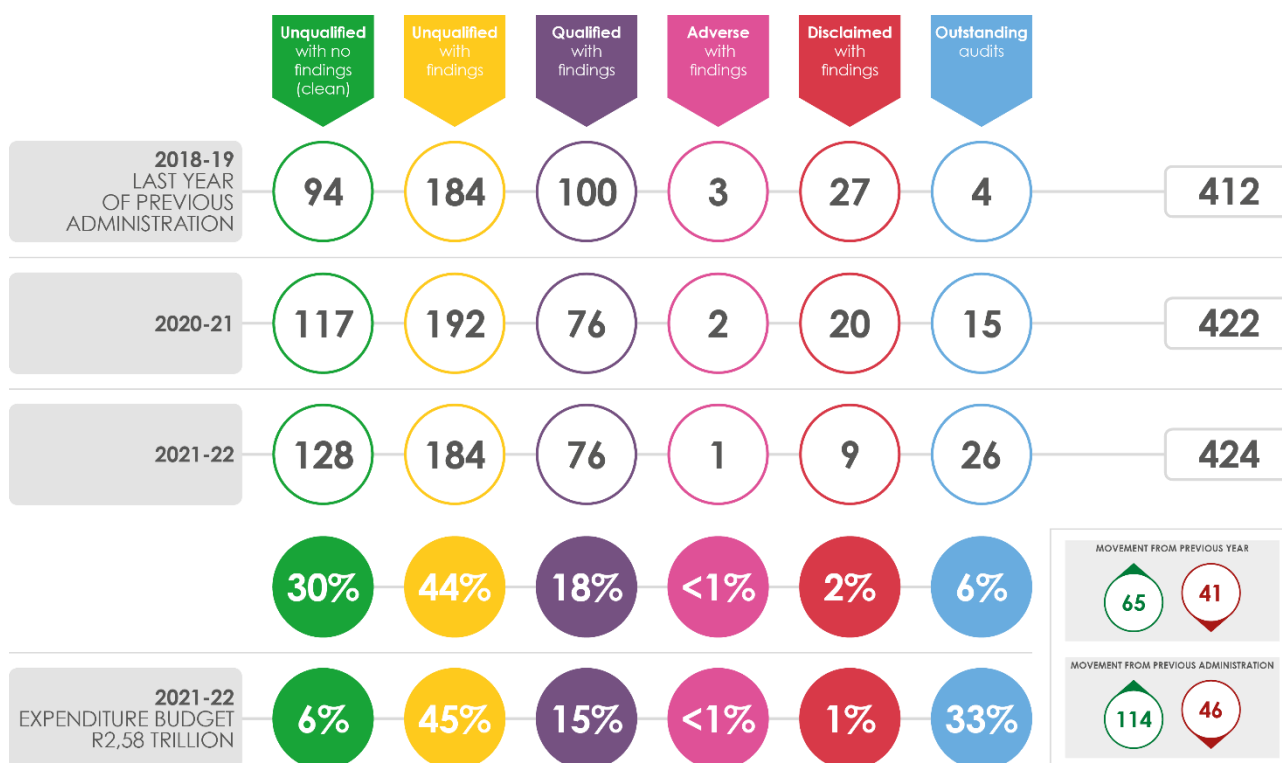
Maluleke says the number of [clean audits](#) increases every year due to significant effort and commitment by the leadership, officials and governance structures of these auditees. She re-emphasises that clean audits means a department or public entity financial statements and performance report give a transparent, honest and credible account of its finances and its performance against the targets that had been set and complied with the important legislation that applies to it. This enables everyone with an interest in the auditee – particularly those who need to oversee its performance and provide support for it to succeed – to use this as a good foundation to ensure that the citizen's needs are addressed and services are delivered.

However, the 128 auditees (56 departments and 72 public entities) with a clean audit status represent only 6% of the R2,58 trillion expenditure budget managed by national and provincial government. Maluleke says she is encouraged that “there are 30 auditees that are very close to obtaining a clean audit, and only need to address one finding on the quality of their financial statements or performance reporting”. She encouraged the auditees to work harder to address the weaknesses and continuously build a culture of accountability.

Key service delivery portfolios and state-owned enterprises

The [key service delivery portfolios](#) (basic education, health, human settlements, public works, transport, and water and sanitation) and the [state-owned enterprises](#) are responsible for more than 30% of the expenditure budget, but consistently have the worst audit outcomes. These auditees account for 58% of the outstanding audits and 31% of the modified audit opinions (qualified, adverse and disclaimed).

Movement in audit outcomes



Submission of financial statements

By 15 September 2022 (the cut-off date for audit outcomes to be included in the latest report), the audits of 26 auditees had not been completed. [Fifteen of these auditees](#) (58%) – most of them state-owned enterprises – had not yet submitted their financial statements at this date. Six of the auditees (23%) submitted their financial statements late, which delayed the completion of their audits. The remaining five outstanding audits (19%) were also delayed by the auditees for different reasons.

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Infrastructure for service delivery

The AG emphasises that the basic services cannot be efficiently delivered without adequate and well-maintained infrastructure. The existing infrastructure cannot support the growing demands in the country and there is a backlog in providing infrastructure, hence it is crucial that the significant infrastructure investment by government yields the desired results. In addition, the country's existing infrastructure must be properly maintained to ensure it remains in a workable and safe condition throughout its lifespan.

She says auditees have not sufficiently heeded the audit office's call over the past few years to address deficiencies in infrastructure project and maintenance, which puts the delivery of government's infrastructure programmes at risk.

The failures in infrastructure delivery are due to matters that the audit office has raised before, including inadequate needs assessment and project planning, appointment of contractors that cannot perform the work, ineffective monitoring of project and intergovernmental coordination and collaboration, underperformance by contractors without consequences, contractors not being paid on time or being overpaid, delays in projects, cost overruns, poor build quality and lack of coordination in commissioning the projects.

“We have also identified inadequate maintenance and poor delivery on infrastructure projects, which not only affect government's ability to deliver services to the public, but also have a significant cost implication, which puts further pressure on the fiscus,” she adds.

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Pressure on the fiscus

Lack of prudence in spending limited funds

Over the three-year term of the current administration, auditees have disclosed fruitless and wasteful expenditure totalling R5,83 billion. Since 2019, Maluleke's office has also identified non-compliance and fraud resulting in an estimated R12 billion in financial loss through the material irregularity process. The main reasons why money is being lost include:

- [poor payment practices](#) to suppliers for goods and services
- [unfair or uncompetitive procurement practices](#) when acquiring goods and services
- [no or limited benefits received for money spent and properties owned](#)
- [infrastructure not maintained and secured](#)
- [uneconomical practices for leasing properties](#)
- [inadequate needs analysis and project management.](#)

Poor payment practices

Maluleke says “contracts awarded to suppliers must be actively managed to ensure that the suppliers deliver at the right time, price and quality before any payments are made. Payments must also be made on time to avoid interest and penalties. Such requirements are not only standard financial management practices; they are also included in the Public Finance Management Act, which makes accounting officers and authorities responsible for ensuring that the required processes and controls are implemented.”

At some auditees, poor payment practices such as late payments, overpayments and payments for goods not received resulted in (or are likely to result in) financial losses. The accounting officers and

authorities were notified of these material irregularities. For example, it is common for government to have to pay interest on late payments, such as when auditees do not pay their creditors within 30 days.

Financial management

Auditees are required by legislation to submit their financial statements on time to ensure that they account for their financial affairs when this information is still relevant to stakeholders for decision making and oversight.

Credible financial statements are crucial for enabling accountability and transparency, but many auditees are failing in this area. More than half of the auditees submitted poor-quality financial statements for auditing. This means that if they had not corrected the misstatements identified by the auditors, only 191 of auditees with completed audits would have received unqualified audit opinions, compared to the 312 that ultimately received this outcome.

The credibility of financial statements is particularly important as parliamentary committees and legislatures use financial statements to hold accounting officers and authorities accountable and to make decisions on, for example, the allocation of the budget. For some public entities, creditors, banks and rating agencies also use the financial statements to determine the level of risk in lending money to the entity. Members of the public can further use the financial statements to see how well the departments and public entities are using the taxes they pay to provide services.

Economic recovery

In pursuit of the goals of the National Development Plan and amidst the deepening of the economic crisis following the covid-19 pandemic, government introduced an economic reconstruction and recovery plan for the South African economy in 2020 that aims to stimulate equitable and inclusive growth. The plan includes a number of priority interventions such as aggressive infrastructure investment, which is a critical catalyst for creating the multiplier effect that drives economic activity (through which government spending intended to stimulate the economy increases private spending that additionally stimulates the economy). The success of this infrastructure programme will depend on government's ability to urgently address the weaknesses in infrastructure delivery so that value for money is received for every rand spent.

Another key intervention includes employment initiatives such as the presidential employment stimulus programme, which aims to protect jobs and livelihoods, and to support meaningful work while the labour market recovers from the covid-19 pandemic. Maluleke notes, "We have identified risks in funds that are meant to alleviate distress being received late, which affected the implementation of some projects and resulted in the planned targets for job creation not being achieved for some initiatives. Work opportunities were also mostly short term and related to unskilled labour, which does not result in

sustainable job opportunities. Going forward, our audits will have an increased focus on these initiatives so that we can provide insights on how they have been implemented."

It is increasingly important that the identified risks are addressed through good financial management practices and improved governance. Auditees should be intentional about the implementation of set programmes; hence, these reforms should be implemented with a sense of urgency to ensure value for money and return on investment. The more pressure there is on the fiscus, the less money is available for service delivery to the people of South Africa.

Procurement

The audit office again identified and reported findings on non-compliance with procurement and contract management legislation at auditees – including at all key service delivery portfolios and at 16 state-owned enterprises.

In 2021-22, auditees disclosed irregular expenditure of R51,22 billion.

The total irregular expenditure could be even higher, as 25% of auditees did not report all irregular expenditure that should have been reported in their financial statements. In some cases, the amount of irregular expenditure reported was incorrect. The AGSA could also not audit contracts worth R2,53 billion because of missing or incomplete information.

State-owned enterprises

The audit revealed that most state-owned enterprises are still battling with going concern challenges, with three having disclosed material uncertainties about whether they would be able to continue operating (Independent Development Trust, Land and Agricultural Development Bank and South African Broadcasting Corporation).

Two state-owned enterprises (South African Post Office and South African Nuclear Energy Corporation) received modified audit opinions because they did not have sufficient evidence to show that they would be able to continue operating.

Maluleke says the South African Post Office, the South African Nuclear Energy Corporation and the South African Broadcasting Corporation need their respective accounting authorities to intervene, with the support of the shareholders. Their continued going concern challenges, coupled with successive losses, indicate that their turnaround plans are either not effective or not fully implemented.

"State-owned enterprises should not rely on government bailouts because they are expected to implement sustainable turnaround plans that will ensure creation of public value. Government provided

financial guarantees of over R420 billion over several years to these entities. The total government exposure relating to these guarantees is R328 billion (exposure means that the entities have used the guarantees to obtain loans from lenders). Eskom is the single biggest fiscal risk to the National Revenue Fund, accounting for over 80% of government guarantees to state-owned enterprises," said Maluleke

Inadequate and incomplete annual performance planning

Departments do not plan in isolation, as government was intended to work in a coordinated manner across all three spheres (national, provincial and local). Planning is done within specific portfolios, across delivery value chains and within sectors. Sectors are national and provincial departments that have the same (concurrent) functions, such as education, health and human settlements.

Maluleke says that even though there are well-designed processes with defined responsibilities for planning, achieving and reporting on auditees' delivery on their mandates and on the Medium-Term Strategic Framework (MTSF), "these processes are poorly implemented and the public continues to experience lack of delivery, particularly in the key service delivery portfolios".

In accordance with its responsibilities as provided for in the [Public Audit Act](#), the AGSA assesses the completeness of the performance indicators included in auditees' annual performance plans to determine whether the auditees are planning for delivering on their core-mandated functions and for their role in achieving the MTSF targets. It also audits whether the performance indicators and related targets are relevant and measurable.

"We found that auditees in the key service delivery portfolios excluded MTSF deliverables and indicators from their performance plans – in some portfolios it is because the national sector departments did not ensure that the provinces follow a common and consistent approach in planning to deliver on the MTSF," the AG explains.

"Some auditees also did their planning and reporting 'off the books'. Although they continued to work towards delivery, they did not include this work in their plans or report on their achievements in this area thereby not subjecting it to executive and oversight scrutiny as well as auditing. These auditees prefer to show good achievements on easier targets."

She stresses that if departments and public entities exclude indicators from their annual performance plans and reports, they risk not being able to achieve the MTSF targets. "This means the administration may not be able to deliver on its promised services and improve the lives of the people of South Africa. A target that is not measured or accounted for is unlikely to be delivered."

Targets not included , for example, five of the nine auditees in the education sector did not include an indicator relating to grade 6 and 9 learners with access to required mathematics and english first additional

language text. Eight of the 10 auditees in the public works sector did not include an indicator for government owned land parcels released towards spatial transformation and spatial justice.

There are also some targets that may not be achieved, despite the 2019-24 targets having been revised, for example the department of water and sanitation rehabilitation of dams has a target of 9 dams with one achieved after three years. In the transport sector, SANRAL has a target of 7 995 kilometers of roads to be upgraded, refurbished and maintained however only 744 kilometers was achieved after three years. PRASA also planned to modernise 33 train stations and none have been achieved after three years.

Provincial overviews

Provincial government is responsible for approximately 28% (or R711,41 billion) of the total national and provincial budget and plays a significant role in implementing government's service delivery priorities.

The [provincial audit outcomes](#) have shown a gradual upward trend over the new administration's term – 47 auditees have improved and 11 auditees have regressed over this period, with the Eastern Cape and KwaZulu-Natal showing significant improvement.

Below are key messages by provinces (in alphabetical order) on their governance and performance status. Details are on [page 74](#)

Eastern Cape

The AG says it is encouraging that the provincial leader's commitment to improve governance is starting to show a trend towards the desired outcomes.

"In our previous general report, we urged provincial leadership to instil a greater sense of urgency when it comes to improving the audit outcomes of the three departments that received qualified audit opinions and for those that had stagnated on unqualified opinions with findings."

"Leadership committed to improve audit outcomes and accountability and there has been some progress in responding to our message." Four auditees improved to clean audit opinions and there were no regressions. As a result, the current term of administration has seen a continuous increase in the number of clean audits. Currently, there are 11 clean audits (52%), which is the highest number of clean audits in the history of the province.

"Our message to the province is that '*decisive action is still required by leadership to meaningfully improve service delivery*'."

Free State

"In our last report we urged provincial leadership to ensure sound financial management to improve audit outcomes and enhance the lives of the people in the province through firm commitments from political leadership, supported by decisive action from the administration and monitoring by portfolio committees."

The AG says that over the past three years, the number of auditees that received clean audits increased from none in 2018-19 to three in 2021-22. The highlight of 2021-22, she notes, was the provincial cooperative governance and traditional affairs department achieving its first clean audit, the Fleet Management Trading Entity sustaining its clean outcome for a second year, and the provincial treasury reclaiming its clean audit status after a regression in the previous year.

Most auditees were not able to reach the desired clean audit status and stagnated on either financially unqualified opinions with findings (27%) or qualified opinions (40%).

"Effective oversight and consequence management is needed to improve accountability for sustainable impact on service delivery," says Maluleke.

Gauteng

"Over the term of the administration, we have noted stagnation in the audit outcomes, mainly due to a slow response and lack of effective monitoring and accountability. We urge leadership and oversight to further promote accountability at the right level to strengthen the province so as to better serve its citizens. We continue to encourage leadership to create a tone at the top that shifts the culture towards a preventative and proactive response," Maluleke says.

We find it encouraging that 65% of the financial statements submitted for auditing were free from material misstatements, compared to 48% in 2018-19. This improvement can mainly be attributed to improved review and monitoring processes and controls implemented by management and governance structures, however we still remain concerned about the diligence in dealing with procurement and contract management as well as performance related findings which then results in the stagnation in the overall audit outcomes.

"Lack of discipline in sustaining a culture that derives accountability and consequence management resulting in stagnant outcomes," she adds.

KwaZulu-Natal

Overall, audit outcomes in the province reflect a net improvement since the previous administration. Nine auditees improved to clean audits, three of which were qualified in 2018-19. The AG says “effective oversight, good governance and diligence by all roleplayers in the accountability ecosystem, combined with stability in key management positions, were instrumental in this improvement”.

“We previously urged provincial leadership to enforce a culture of accountability and consequence management to realise further improvements,” she continues, “and we appealed to them to make a concerted effort to improve outcomes and the service delivery experience of people in the province. They responded positively to our call to action, as evident in the 13 auditees (which account for 11% of the provincial budget) that obtained a clean audit in 2021-22.”

In her message to the province, the AG says there is an “*encouraging trend of improvements in audit outcomes, yet a lack of impactful actions to shift outcomes of key service delivery departments*”.

Limpopo

The province improved its overall audit outcomes over the three years since the previous administration. However, the 2021-22 audit outcomes regressed from the previous year because the provincial transport and community safety department could not sustain its clean audit status due to material findings on performance reporting and compliance with legislation.

Says the AG: “Our general report messages consistently emphasise the need to implement a strong and sustainable control environment. Although auditees develop action plans to address internal control weaknesses that lead to repeat findings, accounting officers, internal audit units and audit committees do not consistently monitor the implementation of these plans. Oversight structures must play a more prominent role in ensuring that accounting officers take responsibility for implementing sound financial management disciplines”.

The AG says that “*decisive leadership must be sustained to further reduce irregular expenditure and eliminate repeat findings to improve audit outcomes*”.

Mpumalanga

Audit outcomes in the province have continued to fluctuate, while remaining stagnant overall over the current administration term. This, the AG asserts, “was largely because provincial leadership failed to ensure that management and other parties in the accountability ecosystem, such as internal auditors and audit committees, effectively addressed the warning signals that we reported in prior years and that auditees institutionalised strong financial management and reporting internal controls”.

“Consequently, auditees continue to produce poor-quality financial statements, with only six auditees (38%) submitting credible financial statements for auditing,” she says. “Auditees also continue to rely on the audit process to identify and correct misstatements, with five auditees (31%) receiving unqualified audit opinions only because we allowed them to correct misstatements we identified in their submitted financial statements. Three of these auditees were key service delivery departments (health, education, and public works, roads and transport) that, together, are responsible for 80% (R45 billion) of the provincial budget.” Persistent weak financial management and budgeting controls led to the financial health status of auditees in the province deteriorating, which negatively affected their ability to deliver services.

Maluleke highlights that the province has “*a lack of leadership commitment to establish a strong control environment and enforce accountability*”.

Northern Cape

Over the term of the administration, the number of auditees receiving clean audits improved from two in 2018-19 to four in 2021-22, while the provincial education, economic development and tourism transport, safety and liaison departments managed to improve from qualified to unqualified audit opinions. The operation clean audit committee established by the premier focused on improving audit outcomes. The provincial treasury provided support to selected departments by assisting with the development of audit action plans and attending audit steering meetings. These initiatives are commendable and should be continued, but with increased focus by oversight structures on service delivery matters.

The highlights of 2021-22 were the provincial sport, arts and culture department achieving its first clean audit and the premier’s office, provincial treasury and provincial social development department all maintaining their clean audit status.

While most key service delivery departments (education; roads and public works; and cooperative governance, human settlements and traditional affairs) remained unqualified with findings in the area of compliance, the state of the provincial health department remains a key concern.

In her message to the province, the AG said it must have an “*enhanced culture of accountability for the improvement of people’s lives*”.

North West

The AG says that there were some gains and traction over the three-year period, as evident in improvements in the audit outcomes of four departments and two entities. “However, a sustainable

control environment to improve service delivery will require extra effort by all roleplayers in the accountability ecosystem."

The audit outcomes for 2021-22 reflect one clean audit and eight unqualified opinions with findings, as well as six qualified, one adverse and two disclaimed opinions.

However, she stresses that "the sustainability of the improvements over the past three years is yet to be seen, as accounting officers had not yet instilled a culture of producing quality financial statements, officials did not attend to recurring findings, and key roleplayers did not diligently and regularly monitor post-audit action plans".

The AG called on the leadership to "*intensify the role of coordinating and oversight structures to improve the lived experiences of people in the province*".

Western Cape

In 2021-22, the consistent positive pattern of previous years continued, reflecting an overall "robust control environment, with a solid and consistent pattern of good financial governance".

Maluleke notes that "this positive reflection highlighted the tone set by the accounting officers and authorities, instilling a culture of doing the right thing, being accountable, and improving controls as key elements in achieving and sustaining clean audit outcomes".

"This year, 17 auditees obtained clean audits, with 15 maintaining this status over the three year period. The province sustained this level of maturity by institutionalising daily and monthly controls, appointing competent staff, maintaining stability in key positions and ensuring that action plans effectively addressed any control weaknesses identified. These good practices supported the timely submission of quality financial statements by all auditees, except for Wesgro, which was qualified due to asset management issues.

Maluleke encouraged the leadership to "*leverage the stable control environment and financial governance practices to focus greater impact on service delivery to the people of the province*".

Conclusion

"Through our culture shift strategy," the AG explains, "we hope to ignite commitment and action from all roleplayers in the accountability ecosystem. As the AGSA, we contribute to improvements in accountability and service delivery by sharing our insights widely, making recommendations, and advocating for commitments by leadership at all levels of government to play their part."

Only a change in culture, which encourages accountability, can lead to improvement in governance and ultimately service delivery to citizens.

“We remain committed to partnering with and supporting the public sector through our audits, the Public Audit Act amendments, and the many initiatives we have implemented to assist and guide all roleplayers,” concludes Maluleke.

End.

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Media note: The consolidated general report on the PFMA national and provincial government audit outcomes will be available on www.agsa.co.za.

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