

Contents page

.....	Summary of audit opinions	1
.....	Audit findings action plan	2

Audit Findings and Action Plan

Input into the public hearings on conditional grants and capital expenditure

5 November 2007

**EASTERN CAPE
PROVINCIAL TREASURY**



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Contents page

1.	Summary of audit opinions.....	2
2.	Audit findings action plan	5

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1. Summary of audit opinions

Department	2006/07 Audit Opinion	Significant issues
Agriculture	Unqualified	<ul style="list-style-type: none"> ▪ None
Health	Adverse	<ul style="list-style-type: none"> ▪ Scope limitation ▪ Misallocations ▪ Journals ▪ Departmental revenue ▪ Compensation of employees ▪ Expenditure ▪ Allocation / Disclosure of consultants, contractors and special advisors ▪ Transfers and subsidies ▪ Unauthorised expenditure ▪ Funds to be surrendered ▪ Bank overdraft ▪ Contingent liabilities ▪ Commitments including lease commitments ▪ Irregular expenditure ▪ Public Private Partnership ▪ Ownership – immovable property
Public Works	Disclaimer	<ul style="list-style-type: none"> ▪ Limitation of scope ▪ Fixed assets ▪ Receivables ▪ Employee costs
Economic Affairs, Environment and Tourism	Qualified	<ul style="list-style-type: none"> ▪ Compensation of employees ▪ Missing supporting documentation for goods and services ▪ Local and foreign aid assistance ▪ Housing loan guarantees ▪ Commitments and accruals ▪ Lease commitments ▪ Capital assets ▪ Leave entitlement ▪ Journals



Department	2006/07 Audit Opinion	Significant issues
Social Development	Adverse	<ul style="list-style-type: none"> ▪ Transfer payments ▪ Property, plant and equipment ▪ Bank overdraft ▪ Receivables ▪ Payables ▪ Expenditure ▪ Commitments and accruals ▪ Contingent liabilities ▪ Lease commitments ▪ Compensation of employees ▪ Appropriation statements
Provincial Treasury	Qualified	<ul style="list-style-type: none"> ▪ Tangible assets ▪ Transfer payments to RIDA
Office of the Premier	Qualified	<ul style="list-style-type: none"> ▪ Tangible assets
Provincial Legislature	Qualified	<ul style="list-style-type: none"> ▪ Tangible assets ▪ Employee costs ▪ Gifts, donations and sponsorship
Roads and Transport	Qualified	<ul style="list-style-type: none"> ▪ Tangible assets
Sport, Arts, Recreation and Culture	Qualified	<ul style="list-style-type: none"> ▪ Tangible assets
Safety and Liaison	Unqualified	<ul style="list-style-type: none"> ▪ None



Department	2006/07 Audit Opinion	Significant issues
Education	Adverse	<ul style="list-style-type: none"> ▪ Compensation of employees ▪ Expenditure ▪ Property, plant and equipment ▪ Employee benefits and key management personnel ▪ Receivables ▪ Payables ▪ Journals ▪ Commitments and accruals ▪ Contingent Liabilities ▪ Fruitless and wasteful expenditure ▪ Irregular expenditure ▪ Borrowings ▪ Leases ▪ Funds to be surrendered ▪ Local and foreign aid assistance
Housing, Local Government and Traditional Affairs	Qualified	<ul style="list-style-type: none"> ▪ Housing assets, debtors and departmental revenue ▪ Transfers and subsidies ▪ Contingent liabilities ▪ Transfers to households



2. Audit findings action plan

The Provincial Treasury is currently engaged in a detailed analysis of the Auditor-General audit findings reports, as well as the management letters. This analysis will enable the Provincial Treasury to formulate detailed action plans to correct the issues identified.

These plans will be department specific in certain instances, but it is also envisaged that certain issues cut across all departments and, as such, will be dealt with transversally. The appropriate budget for these intervention plans is to be set aside for the successful implementation of thereof.

All action plans are to be monitored and evaluated by Provincial Treasury.

<ul style="list-style-type: none"> • Commitments and accounts • Contingent liabilities • Excess and wasteful expenditure • Irregular expenditure • Borrowings • Loans • Funds to be surrendered • Local and foreign investments 		
<ul style="list-style-type: none"> • Housing assets, stocks and departmental revenues • Transfers and expenses • Contingent liabilities • Transfers to households 	<p>Quarterly</p>	<p>Housing, Local Government and Traditional Affairs</p>

