

**SPEAKING NOTES BY MEC FOR COGTA, HON. RM MTSHWENI  
DURING A SNAP DEBATE OF THE 2013/14 AUDIT OUTCOMES IN  
THE LEGISLATURE**

**DATE: 4 NOVEMBER 2014**

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**MADAM SPEAKER, HON. T SHONGWE**

**HONOURABLE MEMBERS OF THE EXECUTIVE COUNCIL  
HONOURABLE MEMBERS OF THE PROVINCIAL LEGISLATURE**

**DISTINGUISHED GUESTS**

**LADIES AND GENTLEMEN**

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- 1 Madam Speaker, the tireless efforts of the leadership of the Department of Co-operative Governance and Traditional Affairs (COGTA), to obtain a CLEAN AUDIT in the 2013/14 financial year, has finally paid off.
- 2 Such an achievement is no mean feat, as it involved sleepless nights in an effort to address issues raised by the Auditor-General in the previous audit process. The achievement can be attributed to the sterling leadership of my predecessor, **Hon. SPD Skhosana (uJali)** and former Head of Department, **Mr David Mahlobo (uMpangazitha)**. Furthermore, the collaboration between COGTA, the Office of the A-G, the Premier's office and the Provincial Treasury.
- 3 On behalf of Management and staff, I would like to thank their support. We are now preparing for the next audit process and are pulling all stops to replicate the same achievement in the next financial year.

- 4 The CLEAN AUDIT outcome resonates well with the Chinese Proverb, which states that: '***A journey of a thousand mile begins with one step***'. The journey might have been long, however, one step determined the outcome!
- 5 Madam Speaker, the CLEAN AUDIT achievement by two of our municipalities, is a cause for celebration. The municipalities are Steve Tshwete (4<sup>th</sup> time) and Ehlanzeni District (3<sup>rd</sup> time).
- 6 We hope the two municipalities will continue to champion the cause of clean audits in line with Clean Audit 2014 and not drop the ball.
- 7 Madam Speaker, unfortunately the same cannot be said about the 18 other municipalities: 5 of them obtained unqualified audit opinions from the A-G. 11 of them obtained qualified opinions while 5 of them obtained disclaimers.
- 8 The 5 municipalities with unqualified audit opinions, with findings are: Mbombela Local Municipality, the Nkangala and Gert Sibande Districts.
- 9 The 11 municipalities with qualified audit opinions from the A-G are: Thembisile Hani, Dr J.S Moroka, Emakhazeni, Victor Khanye, Lekwa, Govan Mbeki, Chief Albert Luthuli, Dr Pixley Ka Isaka Seme, Dipaleseng, Nkomazi and Umjindi.
- 10 Those with disclaimers are: Msukaligwa, Mkhondo, Emalahleni, Bushbuckridge and Thaba Chweu.

11 Madam Speaker, the main contributing factors which led to the poor audit outcomes for the municipalities are as follows: Supply, Chain Management, the poor quality of the performance report, the Human resource management, the poor quality of Annual Financial Statements submitted to the A-G, ICT control and Financial health (Cash Flow).

12 Remedial actions were put in place to deal with these factors, as highlighted by the A-G. However, we regret to inform this august house that not all the recommendations were implemented by the municipalities.

13 As a department, we are working harder this time to ensure that municipalities attend to these factors. We have up-scaled our level of support as a department, by putting together an Integrated Support Plan (ISP) which seeks to improve the audit opinions. With this plan, we are convinced that the clean audit outcome will become a reality, Madam Speaker.

14 We are working together with the Provincial Treasury in this regard.

Together, we take local government forward.

I thank you.