

Press Release



SOUTH AFRICAN
INSTITUTE OF
RACE RELATIONS

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Qualified audits on the up for national government

National departments bucked the trend and experienced an alarming increase in the proportion that received qualified audits, while municipal and provincial departments showed a decrease, according to the latest *South Africa Survey*, published this week by the South African Institute of Race Relations.

Over the last decade, the proportion of national departments receiving qualified audits has increased from 19% to 34%.

In 2001, 81% of provincial departments received qualified audits. By 2009/10 this had fallen to 12%. Over the same period, qualified audits received by municipal departments decreased substantially from 75% to 39%.

Qualified audits include qualified, adverse, and disclaimer opinions. These may be made by the auditor-general in cases where accounting records are insufficient, where there is inappropriate audit evidence, the incorrect accounting method has been applied, or there are inadequate disclosures.

In 2009, the Department of Co-operative Governance and Traditional Affairs initiated 'operation clean audit', which aimed to eliminate disclaimer or adverse audit opinions by 2011 and qualified audits by 2014.

A researcher at the Institute, Ms Georgina Alexander, said that 'while it seems that municipal and provincial departments are on the right track to achieving the goal set by operation clean audit, the ball seems to have been dropped by national departments'.

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