

**Preventative measures for avoiding disclaimers in the Department
of Public Works: Mmabatho Regional Office**

By

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**A mini-dissertation submitted in partial fulfillment for the Degree
Masters of Business Administration at the Mafikeng Campus of
the North West University**

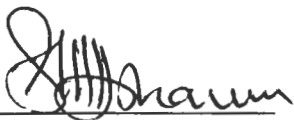
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Declaration

I MMBENGANI DZIVHANI declare that the mini-dissertation submitted for the degree of masters in business administration at the North West University is my own work and has never been submitted to any institution.

Signature



Date

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Acknowledgement

Firstly, let me acknowledge the Almighty God for giving me strength from beginning until the end of this study.

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Dedication

I dedicate this research from the depth of my heart to my special and lovely daughter (Ndiene Rethabile Dzivhani) whom has not received my special attention during my academic concentration.

Abstract

The purpose of the study is investigating causes of disclaimer by finding preventative measures at the National Department of Public Works in the Mmabatho Regional Office. The study was conducted from sixty sampled employees from all relevant directories in the department.

The Department of Public Works had been in the public domain on how funds have been spent that cannot be accounted for, which raises the desire to conduct a study by examining and investigating causes of disclaimer and its challenges. National Department of Public Works (NDPW), Mmabatho Regional Office is a government entity assigned by the parliament to provide infrastructure for all National Departments within the boundaries of the North West Province.

As a consequence of Section 8, 9, 40 and 55 of the Public Finance Management Act of 1999 (PFMA), for year 2012, management of National Department of Public Works reported their assessment of the financial year and its operating effectiveness of internal controls measures over financial reporting which resulted in a disclaimer of opinion.

Since the study is positioned as an exploratory study, the questionnaire was the critical tool used as the primary source of data collection. These questionnaires were distributed, evaluated and analysed to evaluate major causes of a disclaimer and preventative measures to be implemented by the department. Sixty questionnaires were distributed to sampled officials at the Regional Office.

It is outlined that among all other causes of disclaimers, non-compliance to policies and regulations, and prescriptions played a significance role in the poor audit report as published by the Auditor General for the public interest. It has been concluded that the National Department of Public Works is faced with challenges including communication, leadership, non-compliance, financial statements, internal controls, and many more gaps identified.

Key words: Financial Statements, Internal Control, Internal Auditing.

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1. Introduction

The concept of the accountability for use of public resources and government authority is the key to South Africa's governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, ethically, and equitably within the context of the statutory boundaries of the specific government program. Government auditing is essential in providing accountability to legislators, oversight bodies, those charged with governance, and the public. Audits provide an independent, objective, nonpartisan assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the audit (Government auditing standards, 2011).

The Republic of South African Government introduced Public financial management Act (no.1 of 1999), to regulate financial management in the national government and provincial governments. It was introduced to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; and to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith. According to Granof (2001), General Accepted Accounting Principles (GAAP) represents the rules & regulations which determine the structure & content of general purpose financial statement.

The National Department of Public Works: Mmabatho Regional Office is a government entity assigned by the parliament to provide infrastructure for all national departments within the boundaries of the North West Province. As a consequence of Section 8, 9, 40 and 55 of the Public Finance Management Act of 1999 (PFMA), for year 2012, management of the National Department of Public Works reported their assessment of the financial year and its operating effectiveness of internal controls measures over financial reporting. The National Department of Public Works audit report for the financial year ending 2012 was declared Audit disclaimer opinion by the Auditor General (Report of the Auditor General, August 2012).

The auditor ordinarily expresses a disclaimer of opinion when it is not possible to determine which financial statement line items are or may be affected by an inability to obtain sufficient appropriate audit evidence and accordingly it may be difficult or impossible for the auditor to clearly describe in the auditor's report the effect on the financial statements. If the auditor as not obtained sufficient appropriate audit evidence about a relevant assertion or has substantial doubt about a relevant assertion, the auditor should perform procedures to obtain further audit evidence to address the matter. If the auditor is unable to obtain sufficient appropriate audit evidence to have a reasonable basis to conclude about whether the financial statements as a whole are free of material misstatement, indicates that the auditor should express a qualified opinion or a disclaimer of opinion (Auditing Standard, 2010 :A7 –6) internet accessed 16 January 2015.

The accounting officer of the department must ensure and maintain an effective, efficient and transparent system of internal control regarding performance management, which described and represented how department processes of performance planning, monitoring, measurement, review and reporting are conducted, organized and managed as required by the section 38(1)(a)(i) and (b) of the PFMA.

A disclaimer of opinion, commonly referred to simply as a Disclaimer, is issued when the auditor could not form and consequently refuses to present an opinion on the financial statements. This type of report is issued when the auditor tried to audit an entity but could not complete the work due to various reasons and does not issue an opinion (Davis, 2004: internet). Mcgladrey (2002:199) auditor may give a disclaimer of an opinion. This means that the scope of work was not sufficient for him to express an overall opinion on the financial statement taken as a whole, or that some other circumstances prevented the expression of such an opinion.

2. Problem Statement

The National Department of Public Works plays a role in national government departments by providing infrastructure for national departments in the province of the North West. The Accounting Officer for the department fails to prepare financial statements in accordance with the departmental financial reporting framework prescribed by the National Treasury and the requirements of the Public Finance Management Act (1 of 1999). This includes such

control as the accounting officer may determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The Auditor General could not raise an audit opinion during the financial year 2011/2012 due to lack of sufficient information required to express an opinion. The department received a disclaimer of opinion as the results of scope limitation. It affects the management and the entire organisational staff and it has effect on accountability by not able to account for public money spent. Auditor General could not express audit opinion when financial statements are audited during financial year 2011/2012. The Department should be able to account for the public money spent by getting clean audit report. The accountability lies upon management by ensuring good corporate governance.

3. Aim of the study

The aim of the study is to investigate the causes of audit disclaimers and finding preventative measures for avoiding disclaimers in the department of Public Works at the Mmabatho Regional Office by providing recommendations that will ensure accountability of the public funds and avoiding disclaimer audit opinion. The study is ensuring that financial statements results into free from material misstatements and are no material findings on reporting on performance objectives with legislations.

3.1. Research objectives

- The objective of the study is to investigate the causes of audit disclaimer and finding preventative measures to avoid disclaimer audit report.

3.2. Main Research Questions

Does internal auditing of the department ensures effectiveness of the internal control systems, policies and procedures?

4. Research methodology

Research methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done scientifically (Kumar, 2008:5). The study is exploratory in nature. The primary data were collected from departmental employees at top, middle, lower level management and none managers by making use of a questionnaire. According to Vijayakumar and Nagaraja (2012:4), secondary data is the collection of literature review from published research papers, books, and journals. This study employed literature review to collect data.

4.1 Research Design

4.1.1 Population

Population is all possible observation units from which a sample was taken (Lohr, 2010:3). Population in the research project of investigating the causes of audit disclaimers and finding preventative measures for avoiding disclaimers in the case of Public Works at the Mmabatho Regional Office consists of eight directorates (8) namely: Regional managers office support, finance and supply chain management, property management, Human resources management, legal services, key accounts management, projects, and Expanded Public Works Program (EPWP).

4.1.2 Sampling Technique

For the sample a sub-group of the population was selected to participate in the study (Matima, 2001:82). Only eight (8) directorates with 32 subsections and a total number of 60 sampled employees from the department were interviewed to participate in collecting data regarding the preventative measures for avoiding disclaimers in the case of Public Works at the Mmabatho Regional Office. The total number of employees interviewed for the research purpose was sixty (60).

4.1.3 Methods of Data collection/Questioner

Primary data are data that have been collected from the original sources, often by means of a sample survey (Barrow, 2001:190). Since the study is positioned as an exploratory study, the questionnaire was the primary source of data collection and was a pre-existing tool to gather data from respondents. The questionnaire was distributed to employees at top level, middle management level, lower level management and non managers.

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data. Mellbergh [2008] internet accessed 18.03. 2014. The questionnaire was structured as a closed ended questionnaire.

Data collection processes ensured that all employees are aware of the data collection three months before the actual data collection and they were given four (4) weeks to complete the questionnaire. Feedback was only given back to the participating employees. Top and middle management and all participating employees are welcome to further enquire about the study. Sixty (60) sampled employees at the Regional Office were given questionnaires by the researcher.

4.1.4 Data collection procedure

Data was collected using a questionnaire and was a pre-existing tool to gather primary data from the respondents. The questionnaire was distributed to all sixty (60) sampled employees.

4.2 Data analysis method

SPSS Bar charts, tables and percentages was used to analyse the data collected using a descriptive method.

4.3 Ethical consideration

All professions are guided by a code of ethics that are evolved over the years to accommodate the changing ethos, values, needs and expectations of those who hold a stake in the professions. The principles of research ethics are universal and concerned issues such as honesty and respect for the rights of individuals (Welman et al., 2006:181).

2.1 Introduction

Most governments are required by law to use a fund accounting structure as a means to control use of the resources. Government financial reports can demonstrate compliance with legally mandated budgetary controls and controls accomplished through the use of fund accounting (Ruppel, 2010). The Government Accounting Standard Board (GASB) was formed in 1984 to establish and improve standards of financial accounting for the state and local government entities. The operational structure of the Government Accounting Standard Board [GASB] is similar to that of the Financial Accounting Standard Board (FASB).

The financial accountability faced by the national department of public works in South Africa in the recent financial year has left the department administrators seeking for tools and mechanisms to improve the financial oversight and operation control efficiency. Financial service providers (FSP), chartered accountants (CA's), and supply chain management specialists are outsourced as a part of the turnaround strategy for the financial year 2013/2014 to improve financial instability and accountability.

Despite the importance of an internal audit in the government financial oversight process, public administration research has paid little attention to the relationship between internal audit and efficient financial management. One way of ensuring operational accountability over public funds is through effective use of internal audit as to improve financial performance (Aikins, 2011:307).

Marx et al (2001:16-8) indicates that disclaimer of opinion is the results of the possible effect of limitation of scope material; pervasive and fundamental that the auditor was unable to obtain sufficient audit evidence. The auditor is unable to express an opinion on the financial statements. Marx et al (2001:16-8) further outlines the following conditions or causes of disclaimer

1. No inventory count or confirmation of debtors
2. Accounting collapse
3. Inability to verify transactions
4. Various uncertainties that is pervasive.

2.2 Financial statements

Financial performance, as a medium of communication, provides valuable summarised information of the economic history of an enterprise. This information can be used to judge the performance of an enterprise and to assess the future potential of the enterprise (Koen & Oberholster, 2004:111). According to Ruppel (2010:7 page), the basics of financial statements used for government entity's fair presentation in accordance with generally accepted accounting principles include both information reported on government-wide basis and information presented on the funds basis. Romic (2011:149) and Das (2010:2) agree that financial statements are presented in form of a *balance sheet* (dealing with the financial position at a specific date), an *income statement* (dealing with the results of operations during an accounting period), *statement of changes in equity* (showing the movement in equity during an accounting period) and a *cash flow statement* (dealing with the acquisition and utilization of cash during a specific accounting period).

Public Finance Management Act (1 of 1999) regulates that, an accounting officer is responsible for the preparation of the financial statements in accordance with the departmental financial reporting framework prescribed by National Treasury and requirements of the Public Finance Management Act and for such internal controls as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

2.2.1 Auditors responsibilities for detecting of misstatements

Romic (2011:150) suggests that the audit of the financial statement of a public company is usually performed by independent accountants or auditing firms. The results of the audit are summarized in an audit report that either provides an unqualified opinion of the financial statements or qualifications as to its fairness and accuracy. Konrath (2002) and Pickett (2007) support that auditors have a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Reasonable assurance is achieved when audit risk, the risk that the auditor may unknowingly fail to appropriately modify the opinion on financial statements that are materially misstated, is at an appropriately low level. According to Asare (cited by Akins, 2011:309), financial statements may be misstated due to various causes, including errors, fraud, and certain illegal

acts, internal auditors bolster financial accountability through the evaluation and improvement of internal control, risk management and governance processes.

2.2.2 Errors and Fraud

Pickett (2007:86), Gupta & Gill (2012:150) and Whittington & Pany (2001:39) defined **Errors** as unintentional misstatements or omissions of amounts disclosed in the financial statements. It may involve mistakes in gathering data or processing days, unreasonable accounting estimates arising from oversight or misinterpretation of facts, or mistakes in the application of generally accepted accounting principles.

Konrath (2002), Gupta & Gill (2012) and Whittington & Pany (2001:39) define fraud as an intentional act that causes misstatements of financial statements due to fraudulent financial reporting, and misappropriation of assets. Dechow *et al.* (2011:18) agree that although fraud is often implied by the SEC's allegations, the term misstatement is used because firms and managers typically do not admit or deny guilt with respect to the SEC allegations.

2.3 Public Finance Management

Moeti *et al.* (2008:2) state that "public money" under the control of government is held collectively by the state on behalf of the people, to be used in the public interest. In democratic countries, the public elects the government, and this government exists only to provide the goods that the public wants, but for which the public is unable to provide for itself on an individual basis. Pauw *et al.* (2009:15) agrees that public money belongs to the people. Therefore, it must always be used in ways that are in the public interest or of public benefits.

2.4 Monitoring and controlling

According to Moeti *et al.* (2008:42), all government activities need to be monitored and controlled to make sure that government resources are used properly and that waste is avoided. They further indicate that internal and external audits are done to enhance financial control. Internal control may be provided by the public managers, and external control is normally accomplished through legislative institutions such as the Standing Committee on

Public Accounts (SCOPA) and the Auditor-General (AG). These external control institutions exist to further enhance financial accountability.

2.5 Role of chief executive officer

According to Gildenhuys (1999:71), the role of Director-General of the department of finance may be undoubtedly be regarded as the chief financial officer (CFO) of the state. As far as financial matters are concerned, the CFO has to supervise and control the financial activities of all departments at the macro level. CFO should be supported by the offices of the various branches of the department of finance in the execution of the following functions:

- Formulation and execution of macro-economic and financial policy; Regulating and controlling the finances of the state; Funding of the exchanger; Safekeeping and appropriation of funds to the various state departments and other public institutions; and the management of the government debt.

Visser & Erasmus (2002:129) agree that the CFO must ensure that systems, records, and statements of procedures of the institution are capable of meeting the purpose of sound cash management, and further argue that the CFO should adhere to the Public Finance Management Act (1 of 1999) and Treasury Regulations.

2.6 Responsibilities of accounting officer

According to Moeti *et al.* (2008:50), with reference to the Public Financial Management Act (1 of 1999) section 38(1) [i] The accounting officer should maintain effective, efficient and transparent systems of financial and risk management and internal control. [ii] There is a system of internal audit under control and direction of an audit committee.

2.7 Controlling financial matters and accounting to the people who have original authority

According to Gildenhuys (cited by Moeti *et al.*, 2008:44), departments are expected to spend the allocated financial resources so as to provide specific services within their mandate. It is mandatory for the legislature to know whether the various departments are acting within their budgetary constraints. Legislature ensures that departments are accountable and enhance

financial responsibilities. The executive authority must be subjected to the legislature in order to ensure that public accountability is maintained.

2.8 Audit disclaimer opinion

According to Schmidt (2015) the auditor may issue a disclaimer of opinion, that is, publicly report that the auditor has chosen not to issue an opinion. This may occur when

- Auditors decide they cannot be impartial or independent regarding the company or organization audited.
- The auditor's scope of coverage was substantially limited.
- The auditor has significant uncertainties regarding the appropriateness of parts or all of the financial reports.

2.9 Preventatives measures for audit disclaimer opinion on financial statement

According to, CPA (2011:14) Substantive audit procedures provide evidence as to whether actual account balances are fairly stated. The Procedures are used to obtain audit evidence about particular financial statement assertions by management. Financial statement assertions can be classified into the following categories:

- **Existence or Occurrence** – Assets or liabilities of the company exist at a given date, and recorded transactions have occurred during a given period.
- **Completeness** – All transactions and accounts that should be presented in the financial statements are so included.
- **Valuation or Allocation** – Asset, liability, equity, revenue, and expense components have been included in the financial statements at appropriate amounts.
- **Rights and Obligations** – The company holds or controls rights to the assets, and liabilities are obligations of the company at a given date.
- **Presentation and Disclosure** – The components of the financial statements are properly classified, described, and disclosed.

2.10 Internal Auditing

Gray & Manson (2005:564) and Puttick *et al.* (2004:32) explained internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes (Akins, 2011:308).

2.10.1 Government auditors

Jackson & Stent (2006:2) refer government internal auditors, as auditors that perform a role similar to that of the external auditors, but with the government departments are government internal auditors. They evaluate and investigate the financial affairs of the government department by reporting their findings to senior government and assist the government in meeting its responsibilities in running the financial affairs of the country.

2.10.2 Roles and objectives of Internal Audit

According to Pickett (2007:186), internal audit is responsible for reviewing the way systems minimize the risk of waste, breach of procedure, poor value for money and fraud. National Treasury (2009) emphasizes that the internal audit activity (IAA) should be a major source of information to the audit committee (AC) on the performance of the organisation. To maximise the value of IAA, it is important that open lines of communication are established and maintained between the IAA and AC. Vijayakumar & Nagaraja (2012:2) further indicate that internal auditing is there to assist members of the organisation in the effective way to discharge responsibilities. Internal auditing furnishes strategic management with analyses, appraisal, recommendations, counsel and information concerning the activities reviewed. Internal audit is a post-transaction review to evaluate the records, controls, and operations in an organisation.

2.10.3 Internal Audit and Public Financial Management



According to Asare (cited by Aikins, 2011:308), the broad objectives of public financial management are to achieve fiscal discipline, efficient and effective provision of public

services, and efficient allocation of resources to reflect priority needs. An audit helps to improve control by discovering deviations from accepted standards and instances of illegality, inefficiency, irregularity and ineffectiveness in order to take corrective action, hold violators accountable, and take steps to prevent further losses (Mikesel, cited by Aikins 2011:308). Asare (cited by Aikins, 2011:309) further argues that Government internal auditors contribute towards public sector risk management by assessing and monitoring organisational risks; recommending controls to mitigate those risks; and evaluate related trade-offs to enable the organisation to accomplish its strategic and operational objectives.

Aikins (2011:309) argues that Government internal auditor roles in financial accountability are also manifested by monitoring the effectiveness of management's internal control structure to identify and reduce conditions that breed corruption and misuse of resources by government officials. Therefore financial oversight contributions, government auditors detect and deter corruption, including misappropriation of funds, in appropriate or abuse acts and other misuse of power, to ensure judicious utilization of public resources, efficiencies and cost saving. According to Arens *et al.* (2006) government internal auditors monitor control adequacy and effectiveness by assessing the quality of control. He further argues that monitoring covers ongoing and periodic evaluations of external supervision of internal controls by management or other parties outside the process. It ensures that controls are operating as intended and that they are modified appropriately to cater for changes.

2.10.4 Functions of the Internal Auditor

Whittington & Pany (2001) view the internal audit function as an important aspect of the organisation's monitoring systems. Internal auditors investigate and appraise internal control and efficiency with which the various units of the organisation are performing their assigned functions, and report their findings and recommendations to top management. As representatives of top management, the internal auditors must determine whether each branch or department has a clear understanding of its assignment, is adequately staffed, maintains records, properly safeguard cash, inventories, and other assets, and cooperates harmoniously with other departments. The internal audit department performs internal consulting activities within their organisation. Aikins [2011:307) argues that the internal audit function is the key governmental unit with the expertise for assessing the effectiveness of utilizing financial resources by identifying waste, inefficiencies and fraud in budget items. He further illustrate

that internal audit functions make recommendations to enhance efficiency of operations and improve financial performance.

According to Pitso (2008:11) Internal audit function should assist the directors and management in maintaining effective control by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following:

1. The information system to evaluation,
2. The reliability and integrity of financial & operation information
3. The effectiveness & efficiency of operations
4. Safeguarding of assets; and
5. Compliance with laws and regulations

2.10.5 The relation between the audit committee and internal audit activity

National Treasury (2009) states that the relation of audit committee and internal audit is an Act of a forum for communication between management, internal and external audit review the internal audit strategic and operational plans, ensure that these plans are based on the organisation's risk assessment, and approve thereof. It should also periodically review the performance of internal audit activities.

2.10.6 The Purpose of Internal Audit Framework on Internal Audit

National Treasury [2009:2] the purpose of the framework is to establish a minimum guideline for the development and operation of internal auditing in the public service. It serves as a source of reference and is the pre-eminent guideline mechanism on internal auditing in the public service. It is intended to ensure that the internal audit activities (IAA) comply with the requirements of the legislations.

2.10.7 Legislation guidelines of internal audit in public services

- The constitution of the Republic of South Africa
- The Public Finance Management Act, (Act no. 1 of 1999) as amended in terms of the PFMA
- The Treasury Regulation (TR) issued in terms of the PFMA
- The Municipal Finance Management Act [Act 56 of 2003] MFMA
- The Institute of internal auditors (IIA) international standards for the professional practice of internal auditing (ISPPIA)
- The committee of sponsoring organisation (COSO) framework on internal control, as well as the risk management framework

2.10.8 Consideration of Laws and Regulations in an Internal Audit

The standard of internal audit (2013) regulates that the following should be considered in an internal audit environment to ensure compliance to laws and regulation (SIA, 2013:17):

- It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements (SIA, 2013:17).
- The objectives of the internal auditor are to obtain sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform specified audit procedures to help identify instances of noncompliance with other laws and regulations that may have a significant impact on the functioning of the entity and to respond appropriately to non-compliance or suspected non-compliance with laws and regulations identified during the internal audit (SIA, 2013:17).
- Since the role of an internal auditor is to carry out a continuous and critical appraisal of the functioning of an entity and suggest improvements thereto, the identification of non-compliance with laws and regulations is also an inherent part of his responsibilities (SIA, 2013:17).

- Internal auditor should obtain an understanding of the Legal and Regulatory Framework (SIA, 2013:17).
- The internal auditor shall request management and, where appropriate, those charged with governance to provide written representations, that all known instances of non-compliance or suspected non-compliance with laws and regulations which impact the functioning of the entity, including the reporting framework, have been disclosed to the internal auditor (SIA, 2013:17).
- If the internal auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the internal auditor shall obtain an understanding of the nature of the act and circumstances in which it has occurred and further information to evaluate the possible effect on the functioning of the entity. The internal auditor may discuss the findings with those charged with governance where they may be able to provide additional audit evidence (SIA, 2013:17).
- If the internal auditor concludes that non-compliance has a significant impact on the functioning of an entity and has not been adequately dealt with by the management, the internal auditor shall report the same in accordance with SIA 4, "Reporting". If the internal auditor is precluded by management or those charged with governance from obtaining sufficient appropriate audit evidence to evaluate whether non-compliance that may be significant to the functioning of the entity has, or is likely to have, occurred, the internal auditor should report the same (SIA, 2013:17).

2.11 Constitution of the Republic of South Africa

- Chapter 10, Section 195(1) & (2) of the Constitution states that, "democratic values and principles that include, amongst others, a high standard of professional ethics; efficient, economic and effective use of resources; accountability and transparency must govern public administration. The principles apply to administration in every sphere of government, organs of state, as well as public enterprises".
- Chapter 13, Section 215(1) of the Constitution states that; "National, provincial, and municipal budgets and budgetary processes must promote transparency, accountability, and the effective financial management of the economy, debt and Public Sector".

2.12 Internal Control

Elder *et al.* (2008:547) state that Sarbanes-Oxley Act (SOX) emphasized internal control as a “process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives. Committee of sponsoring organization(Coso) (cited by Akins, 2011:307) he argues that Internal controls are the measures designed and implemented by the public sector manager to help accomplish the entity’s financial goals and objectives, and to mitigate operational and financial risks. Coso (1994) suggests that controls activities relate to the policies and procedures pertaining to segregation of duties, information processing, physical control and performance reviews. Coso (1994) introduced an internal control framework, Guy (2002:45-46) and Barlow *et al.* (1999:115) further agreed that the framework has interrelated components, consideration of internal control in a financial statement audit. Guy and Barlow explained the following internal control framework as outlined by Coso (1994):

- Control environment: foundation for all other components of internal control period discipline structure.
- Information communication: the identification, capture and exchange of information in a form and time frame that enables people to carry out their responsibilities

Management is responsible for internal control. Managers establish policies and processes to help the organisation achieve specific objective to avoid unfavorable audit findings. He further illustrate that poor controls can lead to qualification and disclaimer audit opinion.

Coetzee et al (2012:9) emphasizes the advantage of internal control to support Pitso (2008:11)

1. Achieve its goal for profitability and output
2. Prevent resources losses
3. Promote reliable financial reporting
4. Ensure compliance with legislation and regulations
5. Prevent the reputation of the organisation becoming tarnished and the related results.

2.12.1 Objectives of internal control

- Implementation of effective and influential operational processes in a systematic, ethical and economic way.
- Meeting the obligations of responsibility accounting.
- Avoiding the loss of assets.

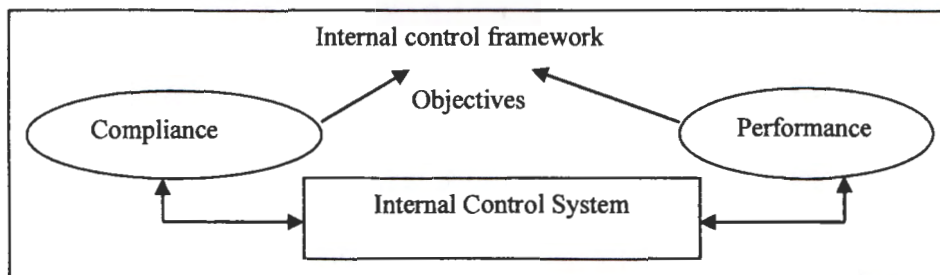


Figure 1: Internal Control Framework (Vijayakumar & Nagaraja, 2012:2).

2.12.2 Internal Control Framework

- **Internal control system** is an important component in an organisation structure used to monitor activities of the entity by the management to ensure good governance (Vijayakumar & Nagaraja, 2012:2). Internal Audit standard (2010) outlined internal control to focus towards improving internal control structure & promoting better corporate governance.
- **Risk** is the possibility of an event occurring that will have an impact on the achievement of objectives. It is measured in terms of the likelihood. Further, it can be both threats and opportunities which may be exploited (Vijayakumar & Nagaraja, 2012:2).
- **Risk management** is the art of good corporate governance (Vijayakumar & Nagaraja, 2012:2). Razali & Tahir (2011:8) define risk management as disciplines by which an organisation in any industry assesses, controls, exploits, finances, and monitors risks from all sources for the purposes of increasing the organisation's short- and long-term value to its stakeholders.

2.12.3 Internal Control Weakness

Effective internal control systems should lead to more reliable financial statements (Hammersley *et al.*, 2012:75-76). The auditing standards define three categories of internal control weaknesses, in increasing order of severity; control deficiencies, significant deficiencies, and material weaknesses. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on time. Weshah *et al.* (2012: 139) explain factors limiting the use of analytical audit procedures which are the lack of financial and non-financial information, lack of predictive capacity and weak internal control systems. As a result, Li *et al.* (2010:93) report that companies with weaker CFO's are more likely to initially report a material weakness, and that those which hire better qualified CFO's are more likely to remedy material weaknesses.

2.12.4 Types of Internal Control in Relation to Internal Audit

Coetzee (2012:115-116) and Barlow *et al.* (1999:126) identified the following controls in relation to internal audit to detect and prevent ineffectiveness of internal control measures to avoid misstatements and material weaknesses:

- **Directive Controls:** a directive control is intended to cause or encourage a desirable event to occur, for example orientation of all new employees on organisational policies within the organisation
- **Preventive Controls:** a preventive control is designed to prevent undesirable events from occurring. Preventive controls include employment of trustworthy and competent people, segregation of duties, and physical control over assets to prevent improper conversion or use.
- **Detective Controls:** detective controls are designed to detect undesirable events that have occurred. Detective controls include reviews and comparisons, such as records of performance and independent checks on performance. They also include such control devices as bank reconciliations, confirmation of bank balances, cash counts, physical

counts of inventories and analysis of variances, and computerized techniques such as transaction limits and passwords.

- **Corrective Controls:** corrective controls rectify an error or irregularity which has been detected. An example is causing an employee to pay back funds that were fraudulently acquired from the organisation.

2.12.5 Significance of Internal Control

Fadzil et al. (2005:845) argue that the primary objective of an organisation's system of internal controls is to provide administrative management reasonable assurance that financial information is accurate and reliable, the organisation complies with policies, plans, procedures, laws, regulation and contracts, assets are safeguard against loss and theft, resources are used economically and efficiently, established objectives and goals for operations or programs can be met. When objectives are achieved, Agbejule & Jokipii, (2009:500) argued that internal controls should be deemed effective. Weshah *et al.* (2012:146) argued that internal observation of internal controls is the cornerstone of the work of the audit institution and the report on the effectiveness of internal observation by certified audit of the internal institution is a step in the right direction, and this needs to develop the knowledge of Auditors on the importance of internal observation and the methods of evaluation, and activate the internal control management activities in institutions and public enterprises and all government units and this provide added value to the work of the public sector auditors, and then to reduce corruption.

2.13 Conclusion

This chapter reviewed literature surveyed on the topic of the study. Among others the chapter gave a full discussion of internal auditing. It also discussed the legislative frameworks that departments should follow to avoid disclaimers.

3.1 Introduction

This chapter of the study reflects on the outline of the methodology used in the study to further detail the approach for data collection and how the study was conducted. Chapter one and two of the study placed a theoretical framework as a guideline to achieve constructive results for the purpose of the research.

According to Kumar (2008:5) research methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done scientifically. It is the study of various steps that are generally adopted by the researcher in studying research problems along with the logic behind them. Brynard and Hanekom (1997:28) further illustrate that collecting data, necessitates a reflection on the planning, structuring and execution of the research in order to discover the truth regarding a specific problem.

The questionnaire technique was used for collecting data regarding preventative measures to avoid disclaimers. The questionnaire was issued to respondents with the view of gathering all information required that can combat the poor departmental performance and accountability. The most suitable method to obtain information was to conduct a survey. The survey method of obtaining information is based on the questioning of respondents. The primary data collection method from department employees was from top, middle and lower level management through questioner.

3.2 Population

According to Goddard and Melville (2001:34), population is any group that is the subject of interest of research. Mmabatho Regional office consists of eight (8) directorates namely: regional manager's office support, finance and supply chain management, property management, human resources management, legal services, key accounts management, projects, and expanded public works program. The selected sample was chosen because it was easy for data collection and all directorates were consulted and feedback was given in good faith.

3.3 Data collection methods

3.3.1 Questionnaire

A questionnaire is a means of eliciting the feelings, beliefs, experiences, perceptions, or attitudes of some sample of individuals. As a data collecting instrument, it could be structured or unstructured (Key, 1997:1). sixty (60) questionnaires based on the study for preventative measures were considered for the literature analysis. The main reason for the questionnaire was to ensure that employees of the department of public works give their opinions based on the study under investigation on preventative measures for avoiding disclaimers. All questionnaires were accompanied by a covering letter indicating the purpose of the study with a view of improving the current status of audit disclaimer report.

3.3.2 Advantage of questionnaires

According to Phellas *et al.* (2011:184), surveys using self-completion questionnaires have some distinct advantages over face-to-face interviews:

- They are cheap to administer. The only costs are those associated with printing or designing the questionnaires, their postage or electronic distribution.
- They allow for a greater geographical coverage than face-to-face interviews without incurring the additional costs of time and travel. Thus they are particularly useful when carrying out research with geographically dispersed populations.
- Using self-completion questionnaires reduces biasing error caused by the characteristics of the interviewer and the variability in interviewers' skills.
- The absence of an interviewer provides greater anonymity for the respondent.
- When the topic of the research is sensitive or personal it can increase the reliability of responses.

3.3.3 Sampling Technique

Sampling is a sub-group of the population selected for participation in the study (Matima, 2001:82). Total number of 60 employees from each directorate was interviewed in a form of a questionnaire. The purposive sampling method was used as one of the most common

sampling strategies, group's participants according to preselected criteria relevant to the research question (homestead, 2013).

3.4 Data Analysis Method

The study is focusing on explaining and identifying the preventative measures for avoiding disclaimers in the department of Public Works at the Mmabatho Regional office and implementation thereof with regard to audit findings for the previous financial years.

Microsoft excel 2010 and Statistical Package for the Social Scientists 20 (SPSS) is the software tool used to analyse data collected; charts, tables and percentages for data analysis were used. SPSS and excel are windows based programs that can be used to perform data entry and can perform all of the analyses covered in the text.

3.5 Validity

According to Bless and Higson-Smit (2000:153), validity is the degree to which a study actually measures what it purports to measure. For the study to have validity the researcher should either consider construct validity type, content validity type or criterion validity type. Based on the study, construct validity was appropriate. Uggioni (2013:205) attests that construct validity is recommended as the discriminative validity with the instrument being applied to different groups with different levels of the knowledge. Therefore the researcher used construct validity as it can be evaluated by statistical methods to verify several measurements in the study. It is vital for a test to be valid in order for the results to be accurately applied and interpreted. Makhubu (2010:41) further illustrates that construct validity provides justification of the instrument which is used in the study and the appropriateness of the intended instrument interpretations.

3.6 Reliability

According to Drost (2011:106), reliability is the extent to which measurements are repeatable when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments which measure the same. It is a consistency of measurement or stability of measurement over a variety of

conditions in which basically the same results should be obtained. Bless and Higson-Smit (2000:157) argues that it is an estimate of the accuracy and internal consistency of an instrument. For the results to be reliable the researcher should produce same results under the similar methodology.

3.7 Ethical Consideration

All professions are guided by a code of ethics that has evolved over the years to accommodate the changing ethos, values, needs and expectations of those who hold a stake in the professions (Kumar, 2005:210). The principles of research ethics are universal and concern issues such as honesty and respect for the rights of individuals (welman et al, 2006:181). For the study to be successful the researcher was granted permission by the head of the department to conduct a study and questionnaires were distributed within the department as a tool to collect data. All respondents were considered honest, fair and confidentiality was assured. According to Shamoo and Resnik (2009), when conducting research on human subjects minimize harm and risks and maximize benefits; respect human dignity, privacy, and autonomy; take special precautions with vulnerable populations; and strive to distribute the benefits and burdens of research fairly.

3.8 Conclusion

The methodology for data collection tools utilised for the study was outlined. It was ideal for the researcher to be the primary data collector to minimise loss of questionnaires and ensure that sampled employees were the correct recipients of the questionnaires.

4.1 Introduction

The preventative measures for avoiding audit disclaimer report opinion research methodology followed in the execution of this study was discussed in the previous chapter. Chapter 4 of this study focuses on the execution of the primary research. The discussions are based on findings to address the research question. Bar charts, pie charts, and column charts and tables were used to compute the empirical findings. The analysis will be based on the figures and tables as presented in this chapter.

4.2 Statistical analysis

Since the research is explanatory in nature, descriptive statistics used in the research sample include frequencies. Frequencies can be defined as the number of times a certain value or category appears in the results. Field (2005:8) explains that when a plot or graph is made to show the number of times that each score occurs, this is referred to as a frequency distribution or histogram. Wells et al. (2002:232) illustrate that descriptive statistics may be presented graphically by means of histograms, bar diagrams and pie charts. Graphical illustrations of the data make it easier to interpret and understand large sets of data.

4.3 Correlations

SPSS provides a table with correlation coefficients between each pair of variables listed, the significance level and the number of cases. The relationship between variables is indicated in positive/negative sign. Correlation coefficient reveals the nature of similarity between the variables. Howell (2008:183) defines correlations as a nonparametric measure of statistical dependence between two variables.

4.4 Demographic profile

The demographic profiles of the respondents from the Department of Public Works were classified according to age group, race, gender, occupational category, experience in public service, experience in current position, and highest qualification. Demographics are shown in figures and interpreted below.

Figure 4.1 Age Category

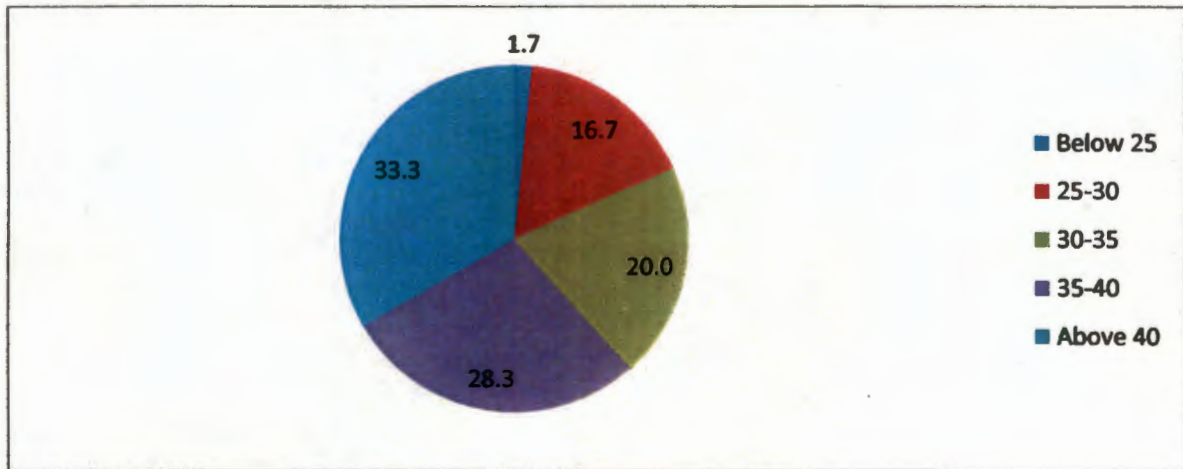


Figure 4.1 depicts the majority of respondents (33.33%) as being above 40 years of age. The age category of between 35 and 40 years is at 28.3%. The graph further illustrates that 20% of respondents are between the ages of 30 and 35 and 16.7% are young adults of between 25 and 30 years, with only 1.7% of the respondents being below 25 years.

Figure 4.2 Race

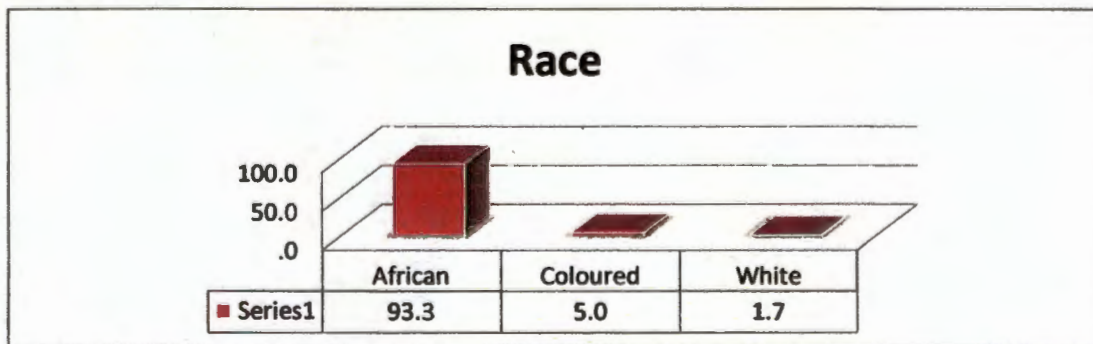


Figure 4.2 indicates that most of the respondents are African at 93.3% followed by coloured 5% and 1.7% white.

Figure 4.3 Gender

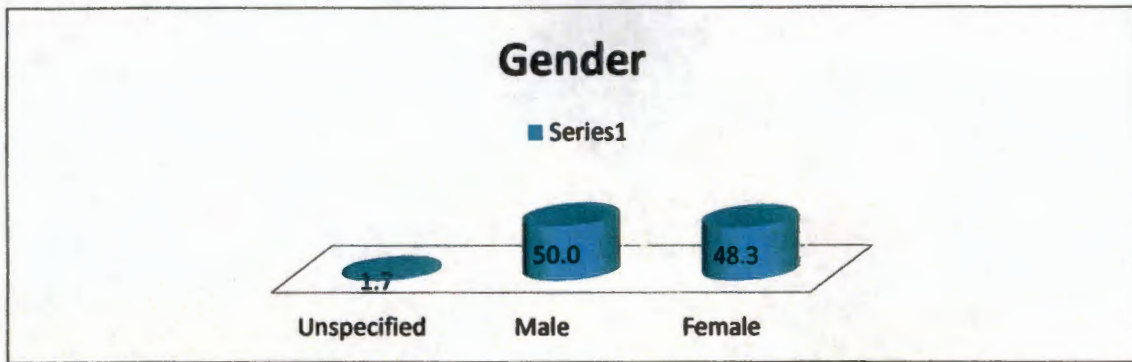
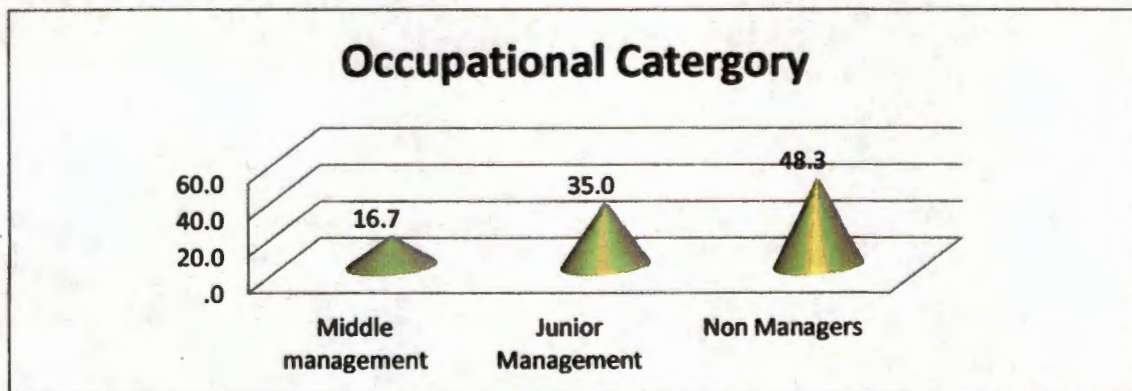


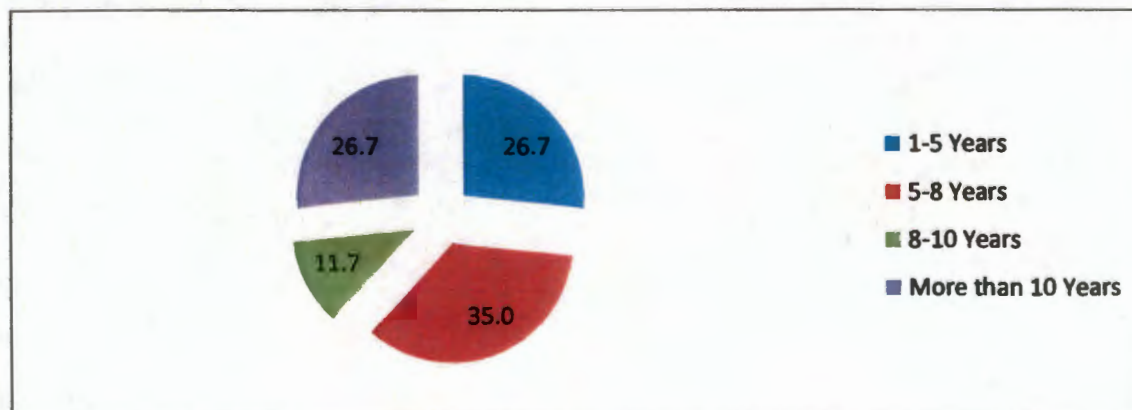
Figure 4.3 above on gender distribution shows males as being in the majority of 50% while 48.3% are females. Participants who did not indicate their gender make up 1.7% of the participants.

Figure 4.4 Occupational Category



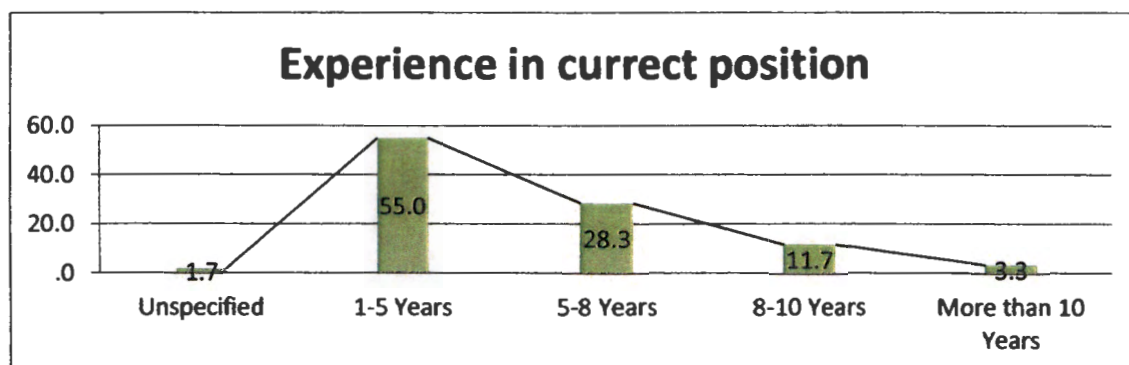
Respondents were requested to disclose their occupational category. Figure 4.4 indicates that the majority of respondents at 48.3% are none managers followed by 35% who are junior managers and 16.7% who are middle managers.

Figure 4.5 Experience in public service



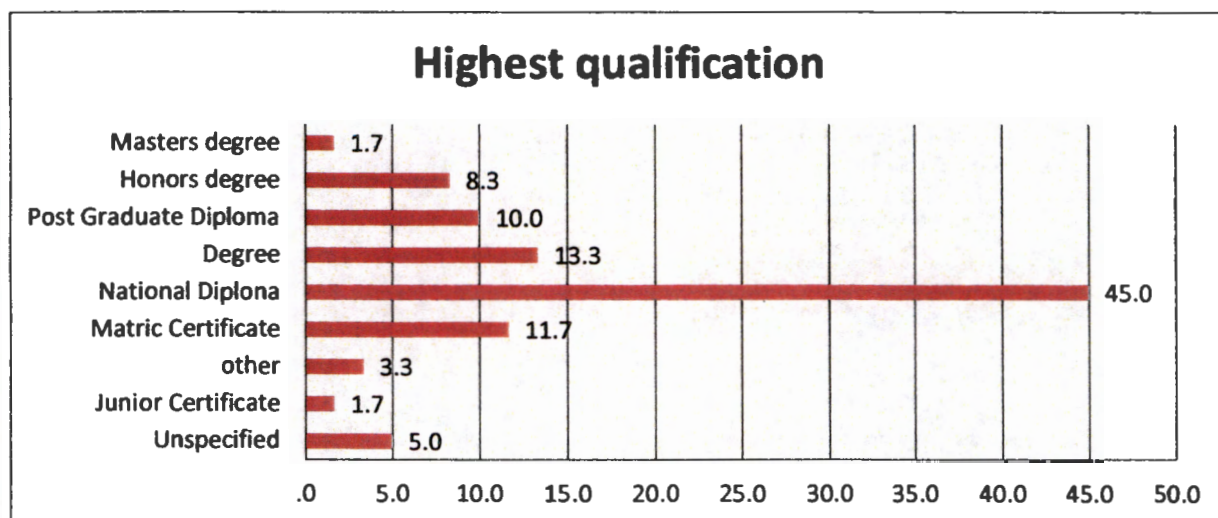
Most of the respondents at 35% have experience of between 5 – 8 years in public service while those with more than 10 years and between 1 and 5 years make up 26.7% together. Only 11.7% respondents have experience of between 8 -10 years.

Figure 4.6 Experience in current position



Most of the respondents as shown in figure 4.6 have not been long in their current positions. The majority at 55% have experience of between 1 and 5 years, followed by 28% who have 5 – 8 years. The figure further shows that those with experience of between 8 – 10 years are 11.7% while 3.3% of respondents are have experience of above 10 years. 1.7% of respondents did not specify their level of experience.

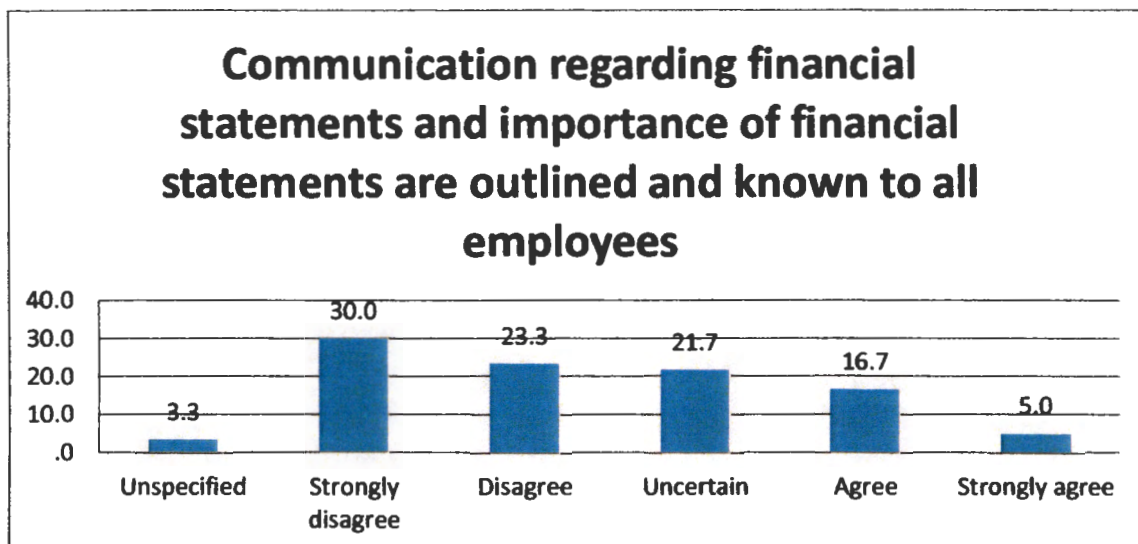
Figure 4.7 Highest qualification



The highest qualification of the majority of the respondents at 45% as shown in figure 4.7 have national diplomas, 13.3% have degrees, 11.7% hold matric certificate, 10% have post graduate diplomas, and 8.3% respondents possess honours degree. Respondents who have other qualifications such as B-Tech make up 3.3%. It is clear that only 1.7% had master's degree while 5% of respondents did not indicate their qualifications.

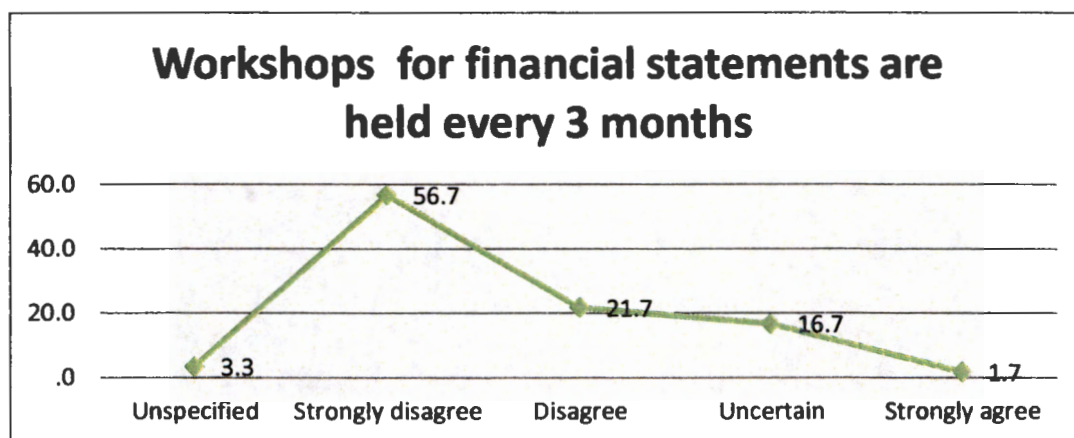
4.5 Financial Statements

Figure 4.8 Communication regarding financial statements and importance of financial statements are outlined and known to all employees



The level of communication regarding financial statements and its importance is shown in figure 4.8 above. The figure shows that there is low communication as 30% of the respondents strongly disagree. This is supported by 23.3% who are disagreeing that communication does take place. 21.7% respondents are not certain that there is communication while 16.7% agree that there's communication regarding financial statements supported by 5% who strongly agree. 3.3% of respondents did not respond.

Figure 4.9 Workshops for financial statements are held every 3 months



Respondents were requested to disclose if meetings regarding financial statements are held. Respondents who are in the positive make up 30% as shown in figure 4.8. The majority of the

respondents at 56.7% were adamant that workshops are not held every three months, while 21.7% of the respondents strongly disagree. Most respondents are not sure if workshops are held. The figure 4.9 above illustrates that 1.7% strongly agree while 3.3% did not respond to the question.

Figure 4.10 if any, did you attend the workshop

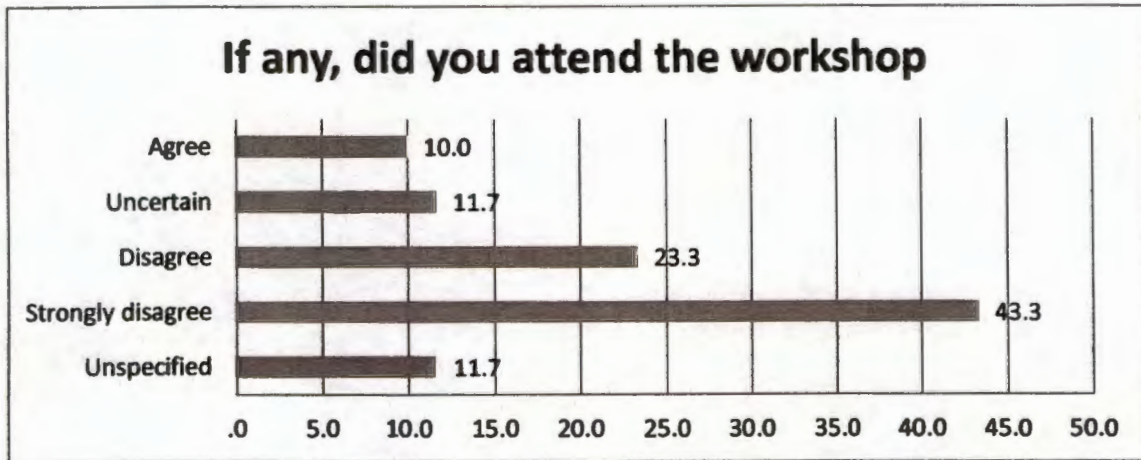
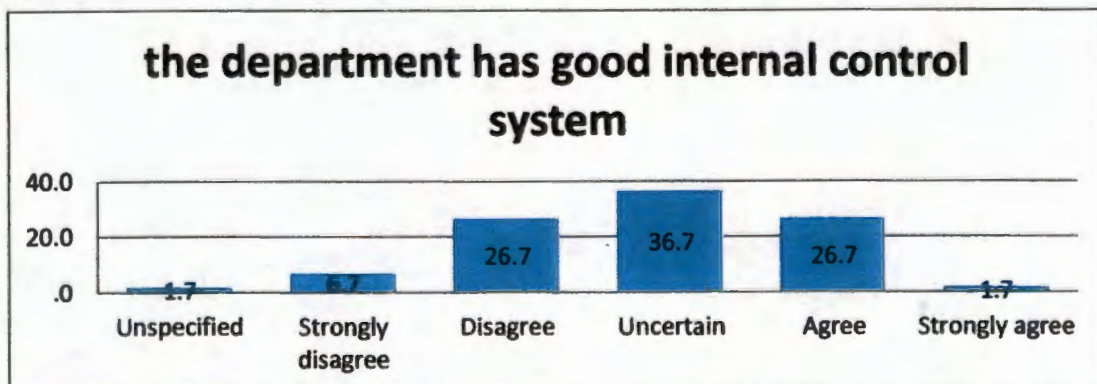


Figure 4.10 depicts that 43.3% and 23.3% of the respondents indicated that they have never attended a workshop; lack of communication in figure 4.8 can be the reason for non attendance. 11.7% are uncertain if they did attend any workshop, but 10% have attended while 11.7% were none responsive.

4.6 Internal Control

Figure 4.11 the department has good internal control system



The majority of 36.7% of respondents are uncertain if the department has good internal control systems. The figure indicates that a total of 26.7% both respondents agree and

disagree. But 6.7% strongly disagrees while 1.7% strongly disagrees. It can be seen that the percentages of disagreeing and agreeing are the same. 1.7% was none responsive.

Figure 4.12 The department structure permits good proper segregation of duties.

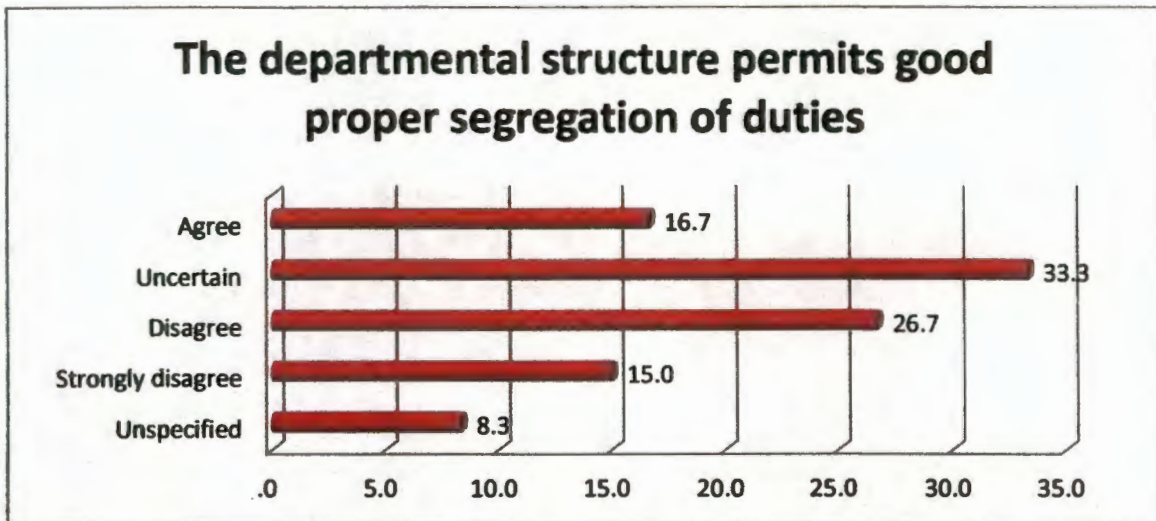
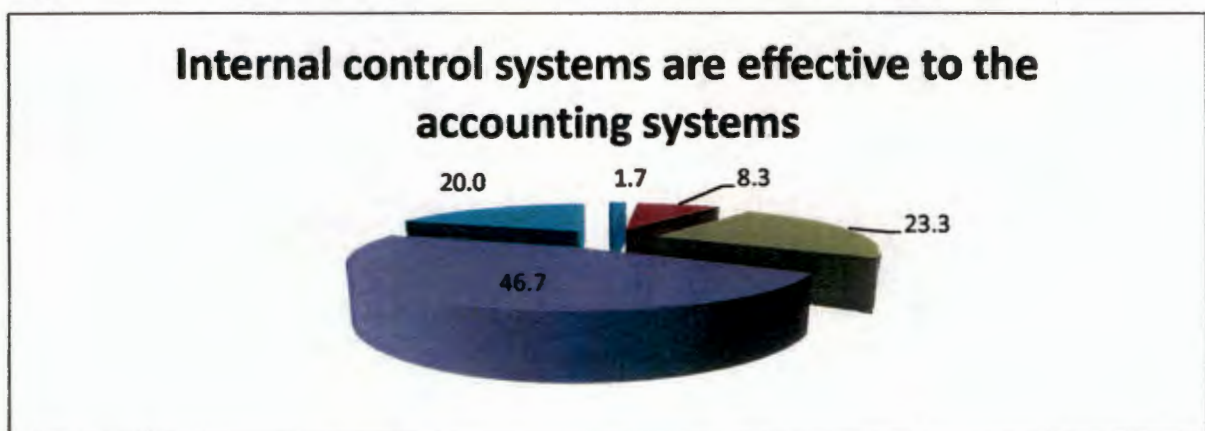


Figure 4.12 depicts that the majority of respondents at 33.3% are uncertain whether the departmental structure permits good and proper segregation of duties. The figure further shows that 26.7% disagree while 15% strongly disagree. Only 16.7% agree while 8.3% respondents cannot specify whether they agree or disagree.

Figure 4.13 Internal control systems are effective to the accounting systems



From figures 4.11 and 4.12 the majority are not certain about departmental control systems while in figure 4.13 the majorities at 46.7% are still uncertain whether internal controls are effective, followed by 23.3% disagreeing that they are effective but 20% agrees that controls are effective. The figure also depicts that 8.3% strongly disagree that controls are effective. None responsive rate was at 1.7%.

Figure 4.14 Transactions are authorised according to the correct delegation

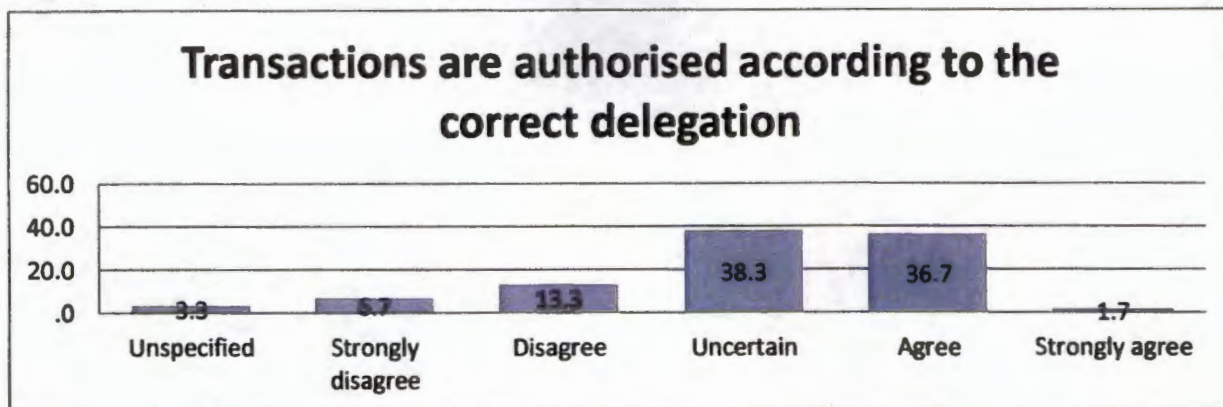
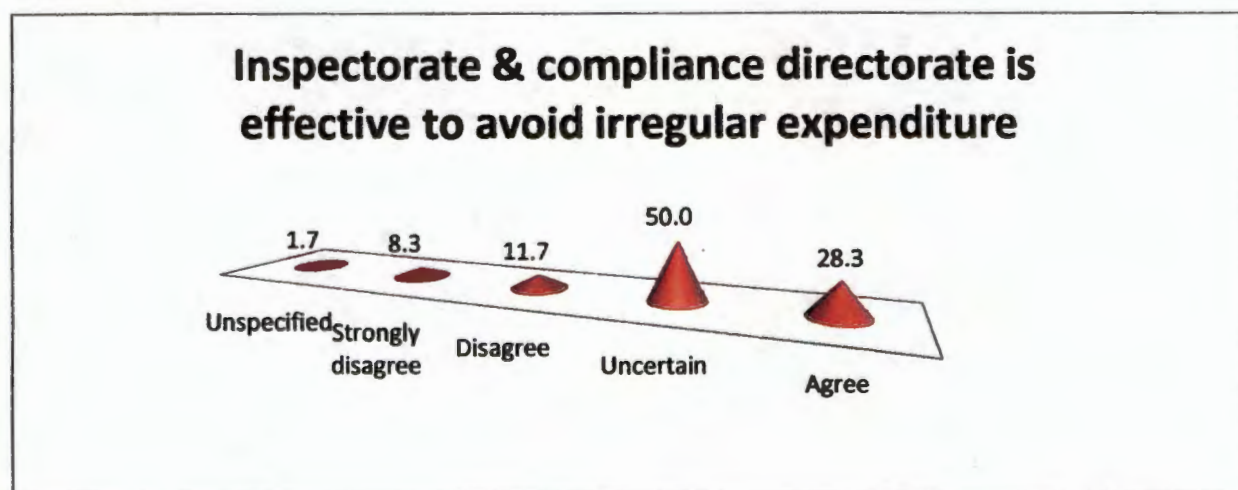


Figure 4.14 depicts that transactions are authorised according to the correct delegation. The majority at 38.3% are uncertain while 36.7% agree and 1.7% strongly agrees. 13.3% disagreed followed by 6.7% of respondents who do not believe that transactions are authorised according to correct delegation. 3.3% of participants were non responsive.

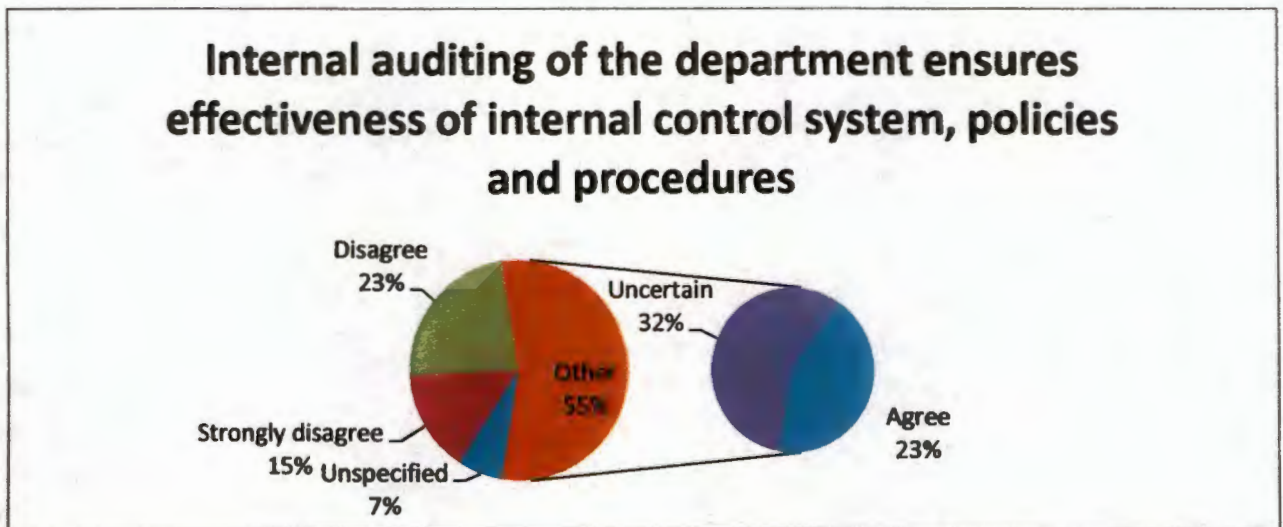
Figure 4.15 Inspectorate and compliance directorate is effective to avoid irregular expenditure



The department has seen a need to prevent irregular expenditure; hence respondents were requested to give views on the new inspectorate and compliance directorate. The majority at 50% are uncertain that the directorate is preventing irregular expenditure from occurring, while 28.3% agree and about 11.7% disagree with this view. Some respondents at 8.3% strongly disagree that they do prevent irregular expenditure.

4.7 Internal Auditing

Figure 4.16 internal auditing of the department ensures effectiveness of internal control systems, policies and procedures.



The majority of respondents at 31.7% are uncertain whether internal auditing ensures effectiveness of internal controls systems, policies and procedures. It can be seen in the figure 4.16 that 23.3% of the respondents agree and another 23% disagree. But those disagreeing strongly have support of 15% with 7% record of not responding.

Figure 4.17 the status and role of the internal audit function is known and recognised throughout the organisation.

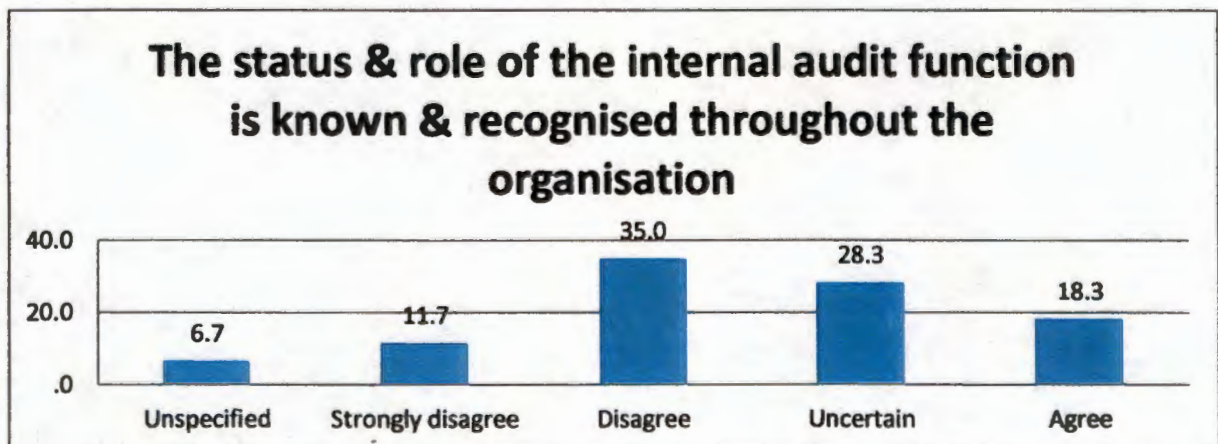
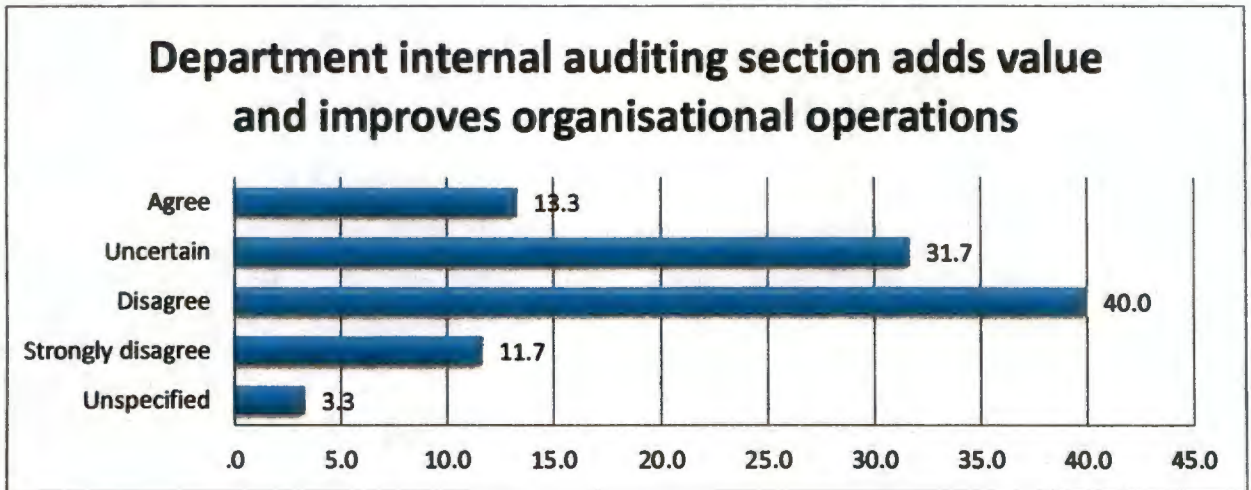


Figure 4.17 depicts that the majority of respondents do not know the role of internal audit in the organisation. 35% of respondents disagreed, followed by 28.3% that are uncertain while 11.7% strongly disagree. The figure shows that about 18.3% agree and know the role of

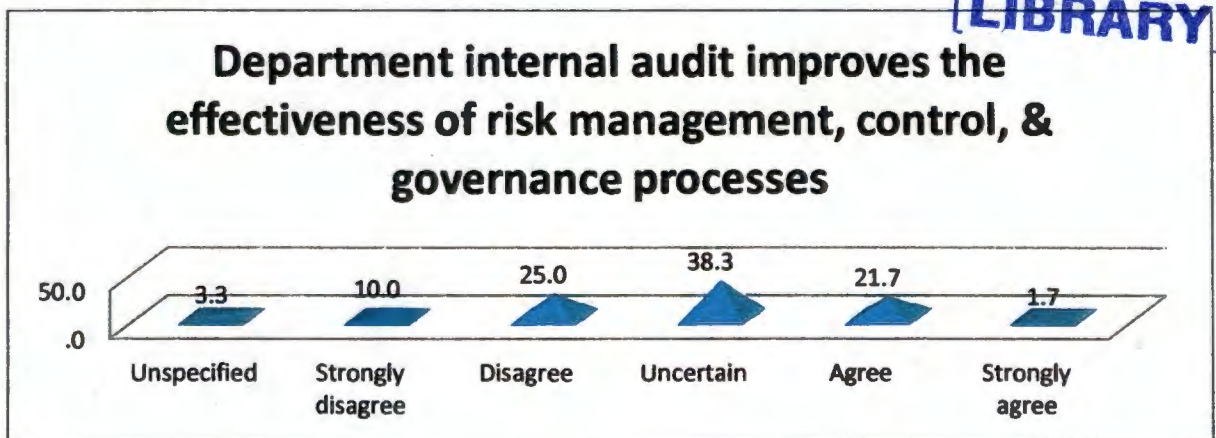
internal audit function. From the figure above, it can be suggested that the role of internal audit is not known to all internal stakeholders in the department.

Figure 4.18 Department internal auditing section adds value and improves organisational operations



Respondents were requested to indicate if internal audit does add value to the department and adding value to their daily operations. The majority of 40% respondents are disagreeing followed by 11.7% who are strongly disagreeing that internal audit does add value. 31.7% are not sure if it does add value, while 13.3% agrees that the internal audit section adds value.

Figure 4.19 department internal audit improves the effectiveness of risk management, controls, and governance processes



From the figure above, 38.8% of the respondents are uncertain whether internal audit improves the effectiveness of risk management, control, and governance processes. 25% are disagreeing while 21.7% agree. It can also be noted that about 10% of the respondents

strongly disagree that internal audit improves the effectiveness of risk management, control and governance processes, while 1.7 strongly agrees to the view.

Figure 4.20 department management engage with internal audit to gather information on monthly basis

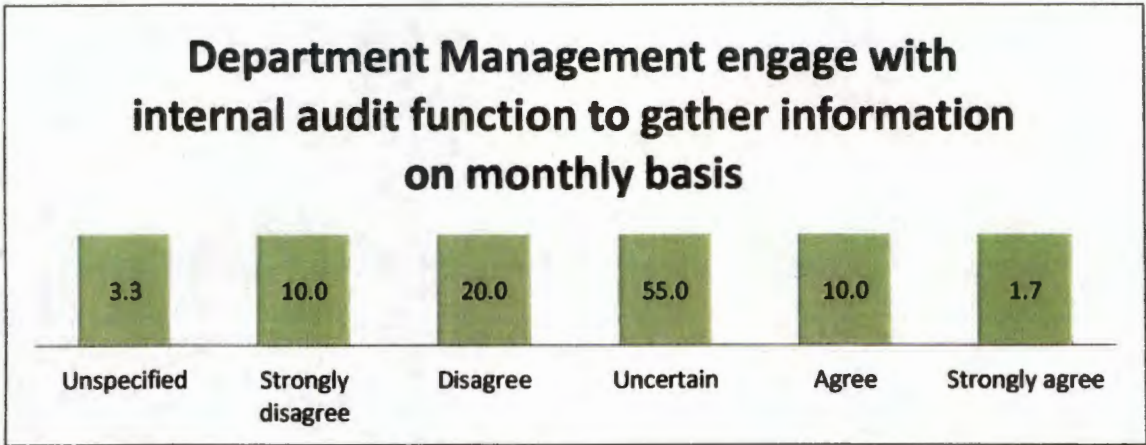
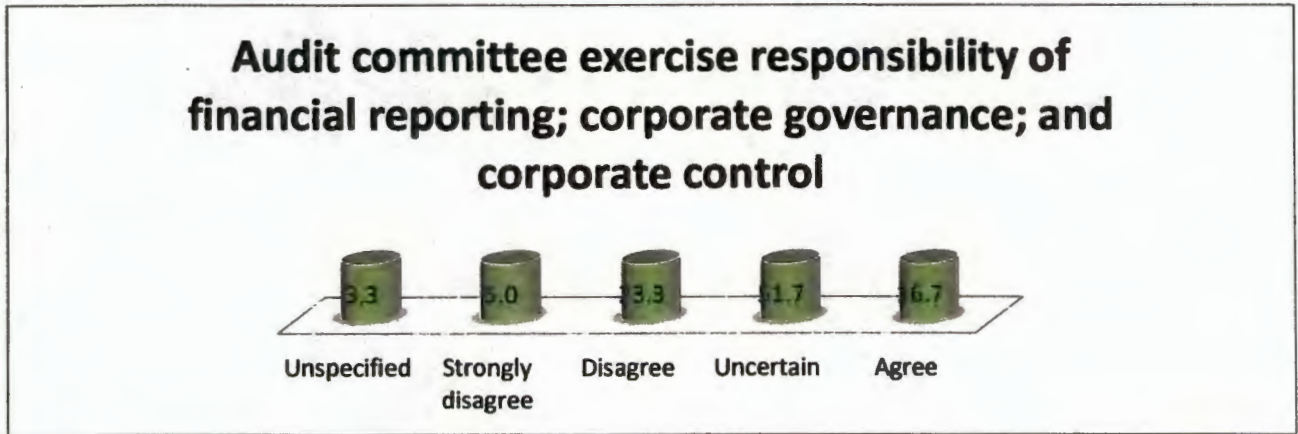


Figure 4.20 illustrates that internal audit and management of the department gather information on a monthly basis. Majority at 55% are uncertain if internal audit does collect relevant information from stakeholders and present it to management matters of incompliance on a monthly basis. 20% respondents disagree that information is requested from them and 10% strongly disagree to support this view. Only 10% of the respondents believe that internal audit does engage with staff and management.

Figure 4.21 Audit committee exercise responsibility of financial reporting; corporate governance; and corporate control



The majority of respondents at 51.7% are uncertain that the audit committee exercises the responsibility of financial reporting, corporate governance and corporate control. The figure further depicts that 23.3% of the respondents disagree while 5% strongly disagree. It further

illustrates that 16.7% agree that audit committee does exercise responsibility of financial reporting.

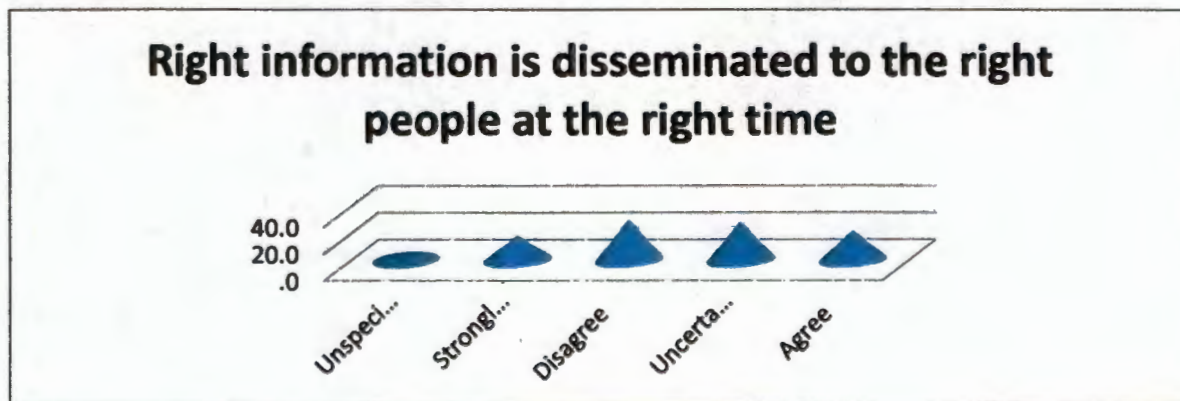
4.8 Communication

Figure 4.22 Oral communication via meetings and informal talks helps bring important information



Figure 4.22 depicts that 30% of the respondents are agreeing that meetings are important to bring important information to stakeholders while 10% strongly agree. It is still depicted on the figure above that respondents at 26.7% are not certain that oral communication does help to bring important information. This is followed by 18.3% disagreeing, while 1.7% of respondents did not respond.

Figure 4.23 right information is disseminated to the right people at the right time



The majority of the respondents are disagreeing that information is disseminated to the right people at the right time. It shows that 30% and 18.3% are disagreeing and strongly disagreeing respectively, but about 28.3% of respondents are uncertain while 21.7% agrees

that information is distributed to right people at the right time, about 1.7% respondents were non responsive.

Figure 4.24 communications with internal stakeholders takes place through general staff meetings on monthly basis



Respondents were to disclose if meetings do take place. Figure 4.22 shows that the majority believes that meetings help to bring information to stakeholders. In Figure 4.23 the majority are disagreeing that the right information is disseminated. In this figure 4.24, 31.7% of majority respondents declare that meetings are not held. Few respondents at 8.3% indicated that they do hold meeting on a monthly basis.

Figure 4.25 audit report is disseminated to all department employees

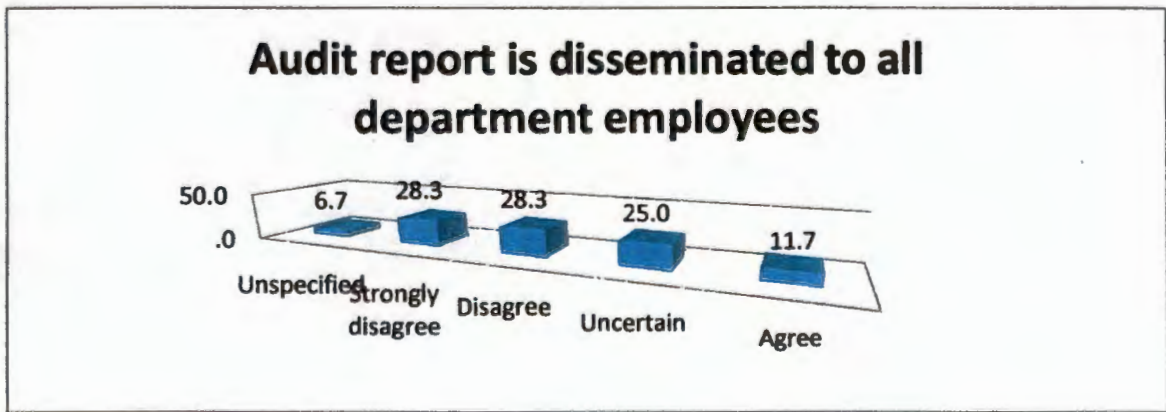


Figure 4.25 depicts that 28.3% disagree and another 28.3% strongly disagree. The figure shows that the audit report is only disseminated to 11.7% of the respondents. About 25% o

the respondents are uncertain if they have received an audit report for previous financial years.

4.9 Leadership

Figure 4.26 the management provides professional leadership to the staff and a democratic style is applied

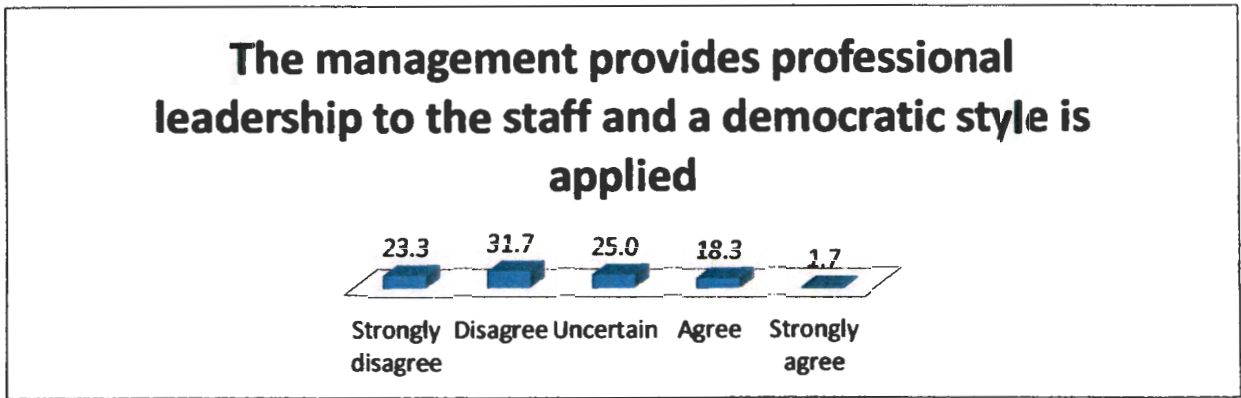
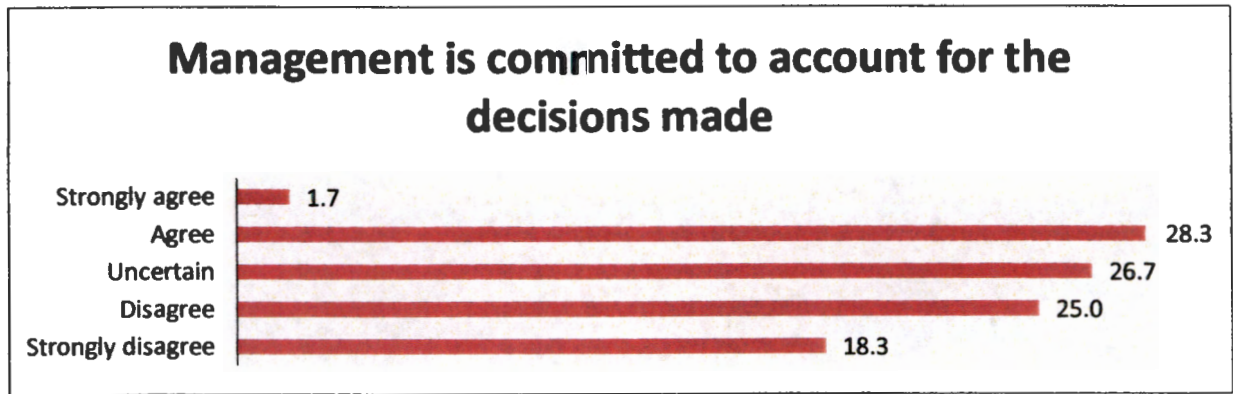


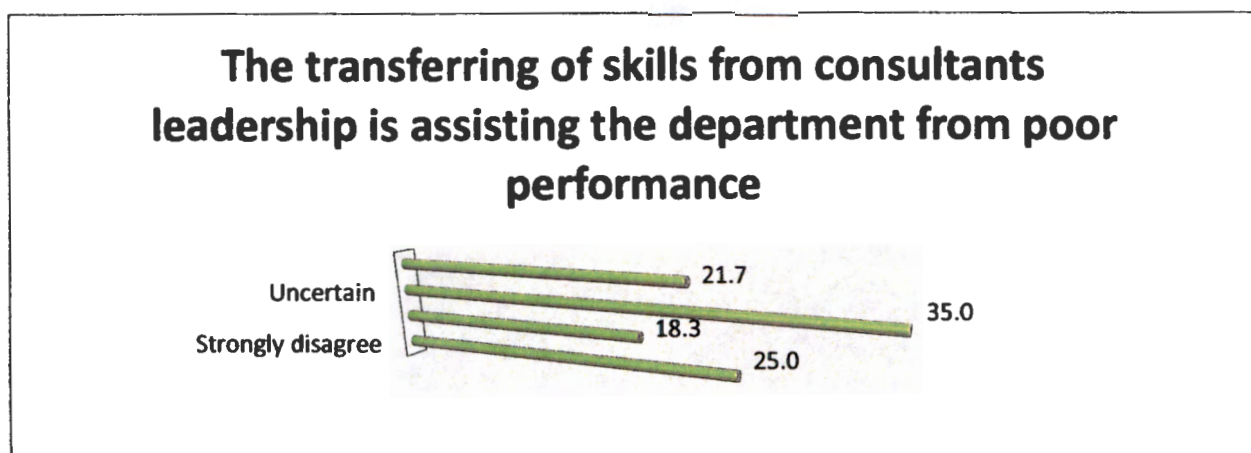
Figure 4.26 depicts the majority of the respondents believing that leadership is not democratic with 31.7% and 23.3% showing that leadership does not provide democratic style. 18.3% agree that leadership is democratic and 1.7% strongly disagree.

Figure 4.27 Management is committed to account for the decision made



It is illustrated in figure 4.27 that 28.3% of respondents are agreeing that management does take accountability for decisions made while 26.7% are not sure. It further illustrates that 25% are disagreeing that management is committed to the decisions made while 18.3% strongly disagree. It can be determined that the majority of respondents are in disagreement that management does take accountability for their decisions.

Figure 4.28 the transferring of skills from consultants leadership is assisting the department from poor performance



The department has outsourced financial service providers to assist in uplifting the departmental outlook. Respondents were requested to give a view if skills transferred from consultants will assist the department from audit disclaimer opinion. The majority of respondents at 35% are uncertain whether skills transfer is happening while 25% strongly disagree and 18.3% disagreeing. The figure depicts that 21.7% are in agreement that skill transfer can really assist department from poor performance. The figure 4.28 shows that the majority of respondents disagree that skill transfer does take place.

Figure 4.29 Management complies with Public Finance Management Act and Treasury Regulation

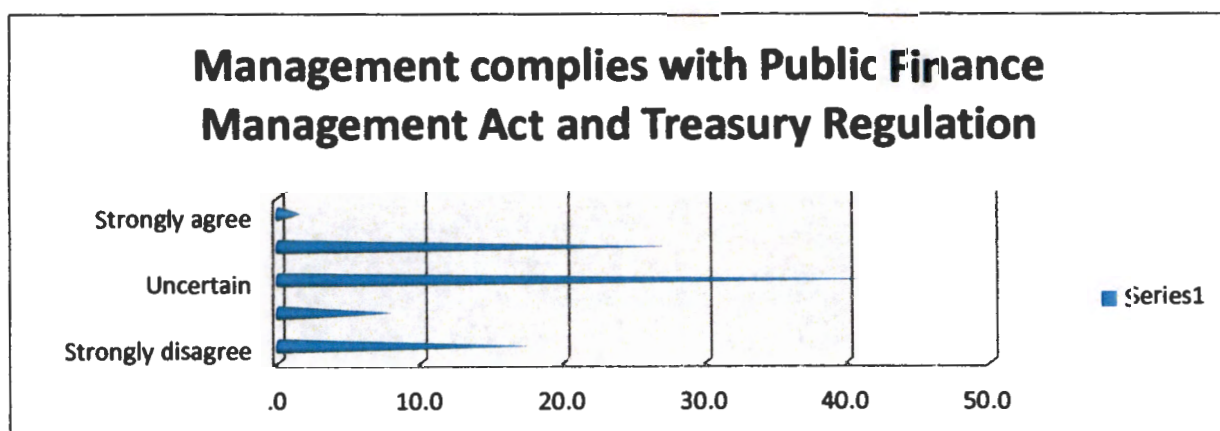
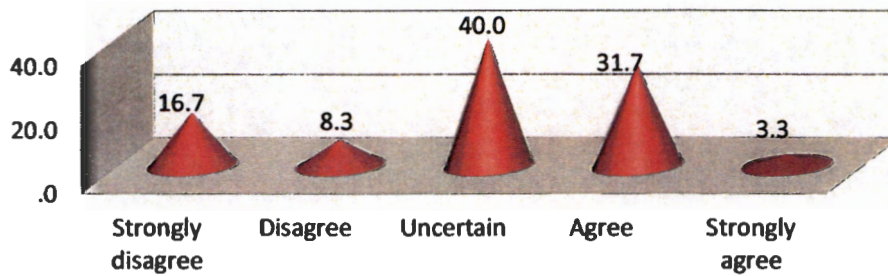


Figure 4.29 depicts that the majority of respondents at 43.3 are uncertain that management does comply with PFMA and TR, while 28.3% are in agreement that compliance does happen. The figure illustrates further that 18.3% and 8.3% do not agree that there is compliance to the financial prescriptions. The majority of respondents do not agree that compliance of PFMA and TR is adhered to by management.

Figure 4.30 Financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business decision

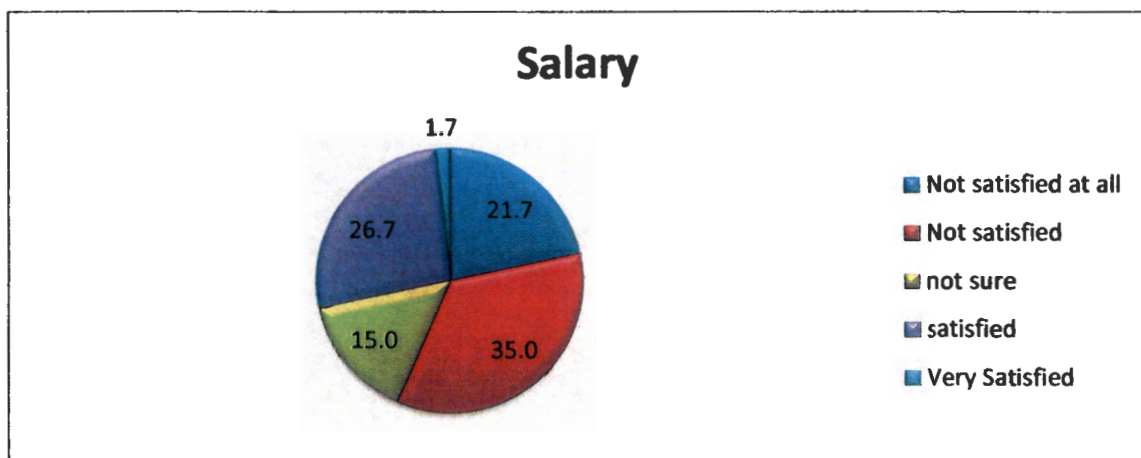
Financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business decision



Respondents were requested to indicate if the financial manager does provide financial advice and support clients and colleagues to enable them make sound business decisions. The majorities at 40% are uncertain whether the financial manager is responsible, but 31.7% are in agreement that advice is provided. About 16.7% of respondents strongly disagree that financial advice is provided followed by 8% in disagreement.

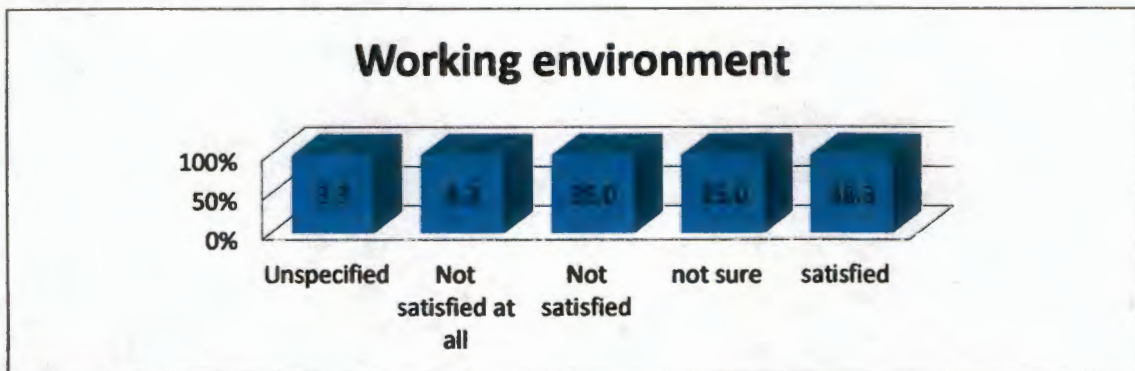
4.10 Job Satisfaction

Figure 4.31 Salary



It is illustrated in figure 4.31 that 35% of respondents are not satisfied with their salary level. The satisfied respondents are at 26.7% followed by 21.7% who are not satisfied at all. The figure depicts that the majority of the respondents are not satisfied with their salary level.

Figure 4.32 Working environment



Working environment is very vital for good service delivery and production. Figure 4.32 indicates that the majority at 38.3% are satisfied with their work environment. There are about 35% of respondents who are not satisfied and 15% are not sure if the environment is well, followed by 8.3% who are not satisfied at all. The figure overall depicts that the majority are not satisfied with their working environment.

Figure 4.33 Supervision

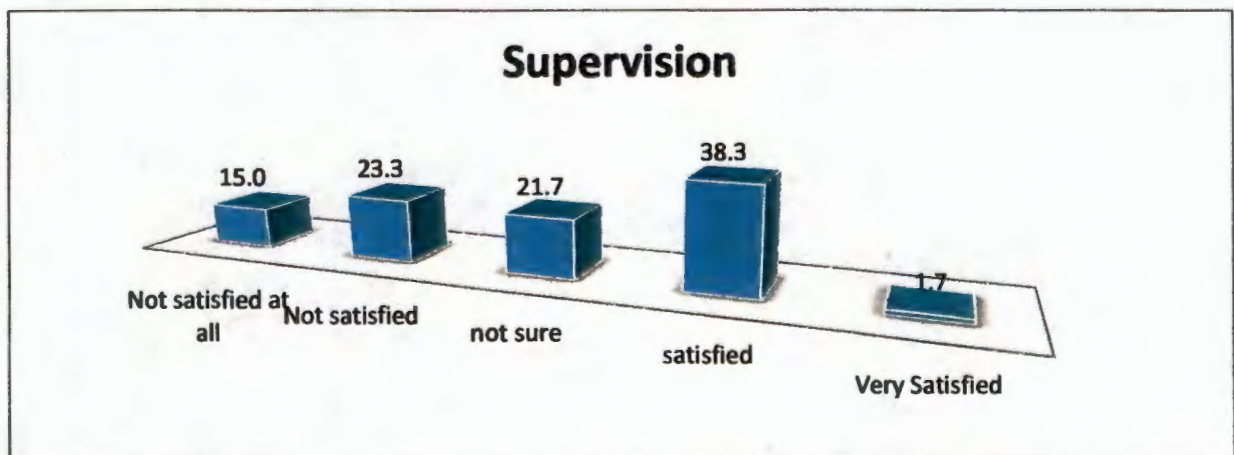


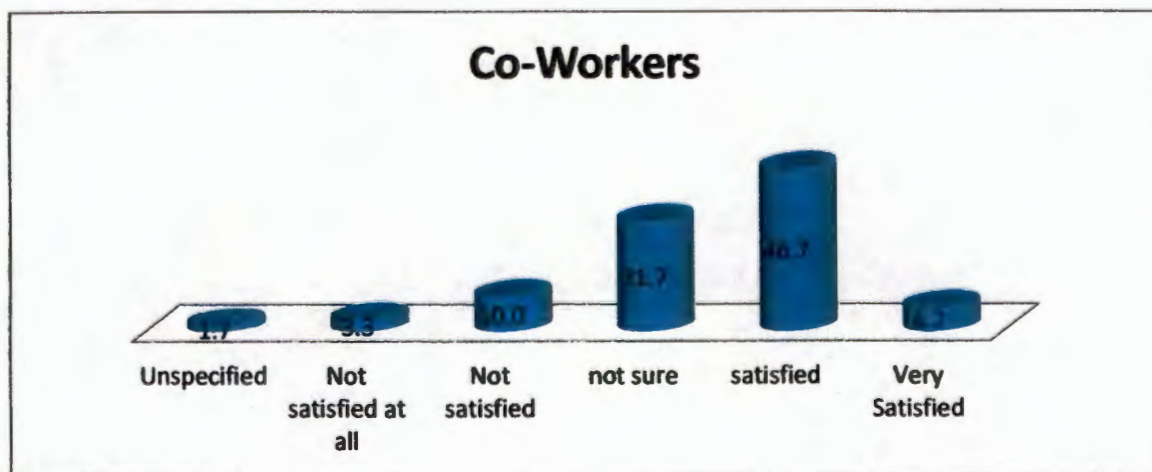
Figure 4.33 indicates that about 38.3% are satisfied with their supervisors, about 23.3% of respondents are not satisfied and 21.7% are not sure if their supervisors are good for them. It further shows that 15% of subordinates are not satisfied with their supervisor at all.

Figure 4.34 Leadership



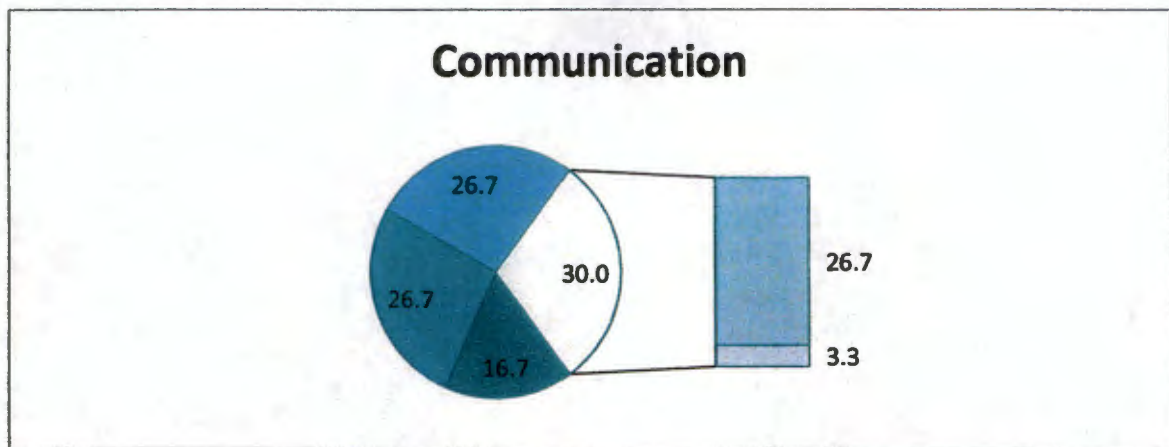
Leadership has shown to be not satisfactory where the majority at 26.7% are not sure of the leadership. It is also tabled that both respondents who are satisfied and not satisfied both have 25% of respondents with strong support of not satisfactory at all at 21.7%. The figure depicts that leadership is not satisfactory as viewed by respondents.

Figure 4.35 Co-workers



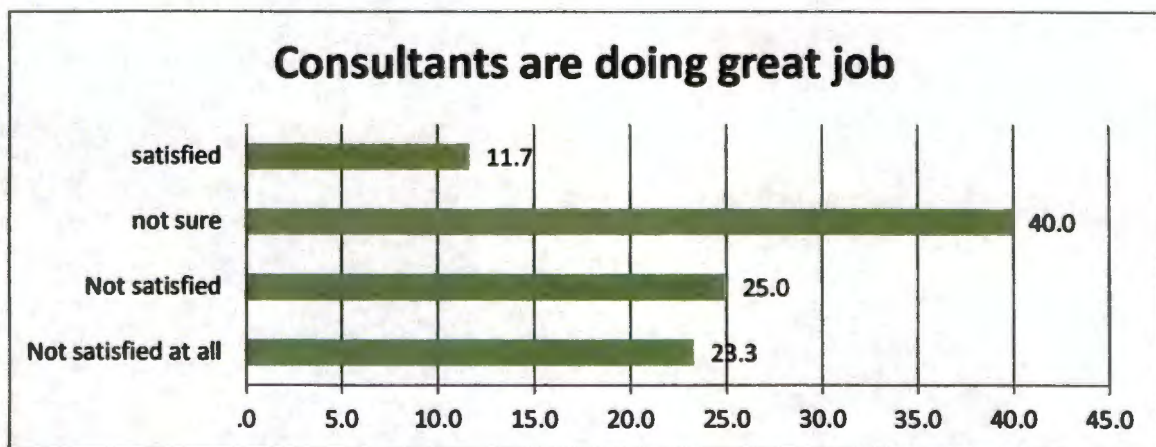
In figure 4.35 above, the majority of co-workers at 46.7% are satisfied with their colleagues. This is followed by 31.7% of respondents who are not sure if they are in good stand with their colleagues. It can be illustrated that majority of co-workers are satisfied with people they work with while about 13.3% (3.3%+10%) are not satisfied.

Figure 4.36 Communication



Respondents have shown 26.7%, the tri-stalemate of communication satisfactory, not sure and not satisfied respectively. But since 16.7% of respondents are not satisfied at all, it can be said that most respondents are not satisfied with communication channels.

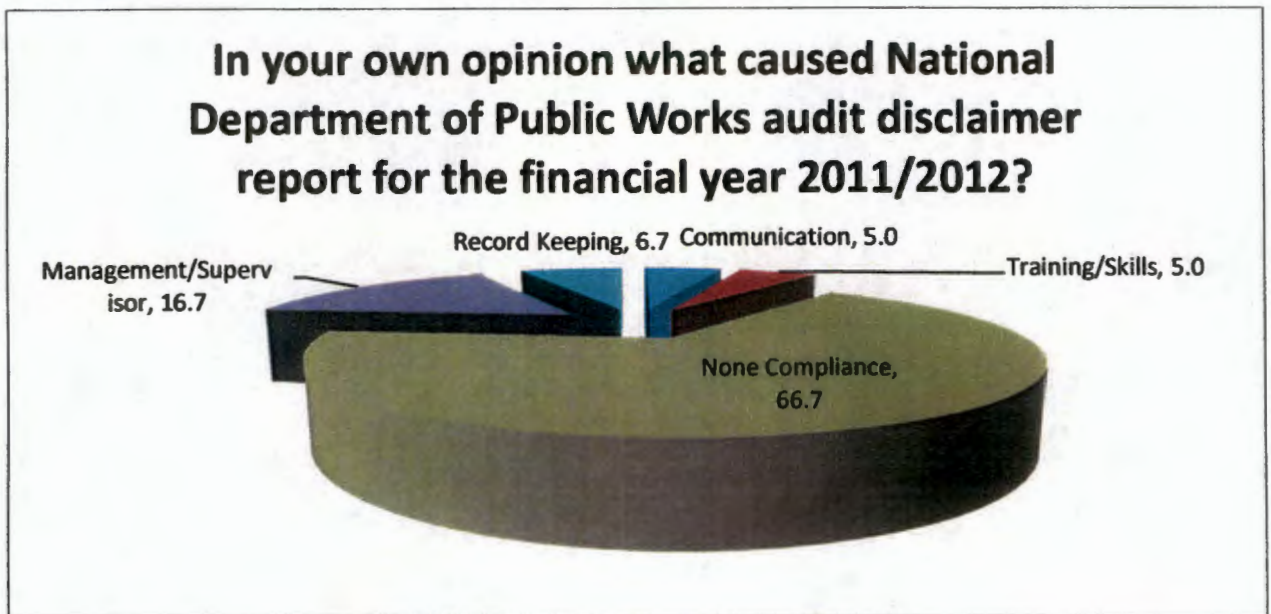
Figure 4.37 Consultants are doing great job



Respondents are not sure if consultants are doing a great job. Majority (40%) of respondents are not sure while 25% are not satisfied followed by 23.3% of those who are not satisfied at all about the consultants. The figure further depicts that only 11.7% of respondents are satisfied. Overall majority of about 88.3% are not satisfied with the presence of consultants.

4.11 Open ended question

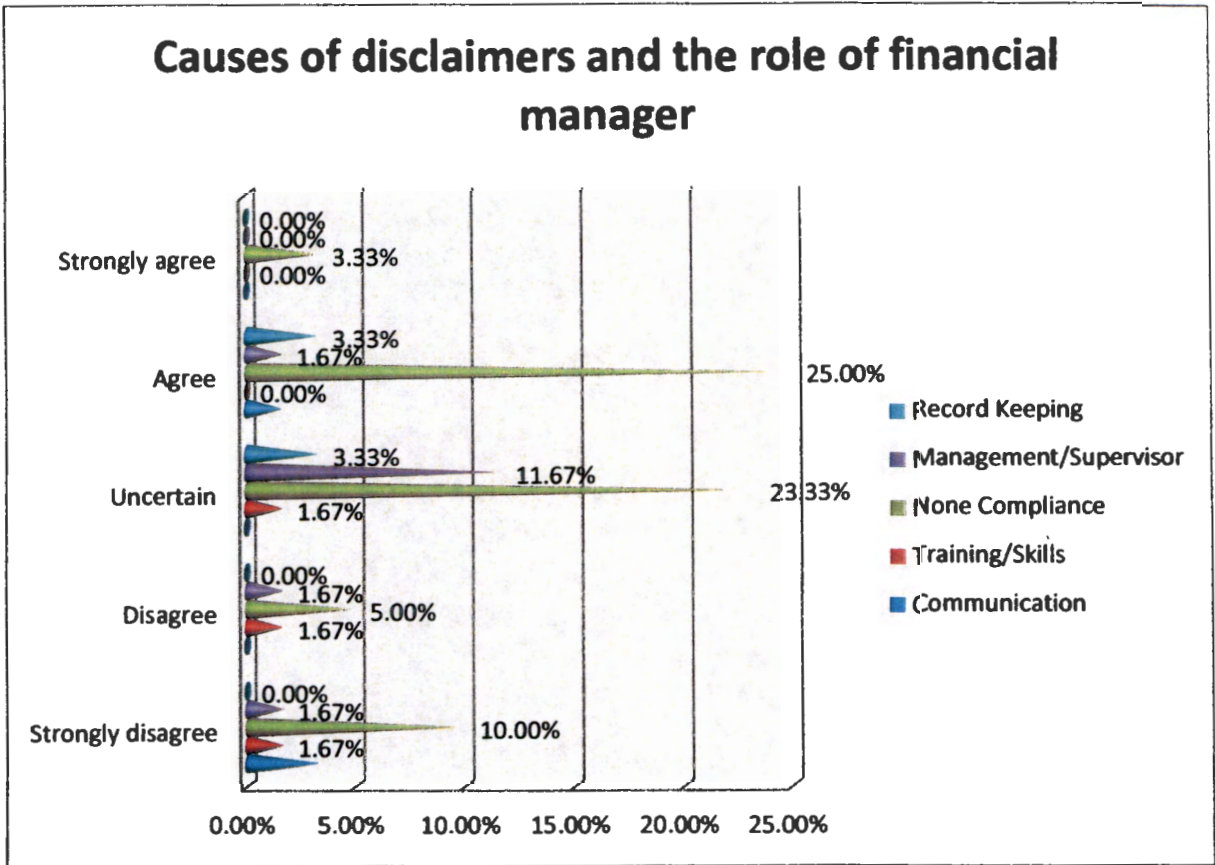
Figure 4.38 in your opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012?



Respondents in figure 4.38 displayed the highest rate of 66.7% mentioning that it is non compliance that leads to audit disclaimer opinion. The reason for audit disclaimer according to respondents is non compliance. 16.7% think it is because of management or supervisors followed by 6.7% of those who mention that poor record keeping and 5% believe it is both communication and lack of training. The figure depicts that the causes of disclaimer are non compliance of regulations, prescription, policies and regulation.

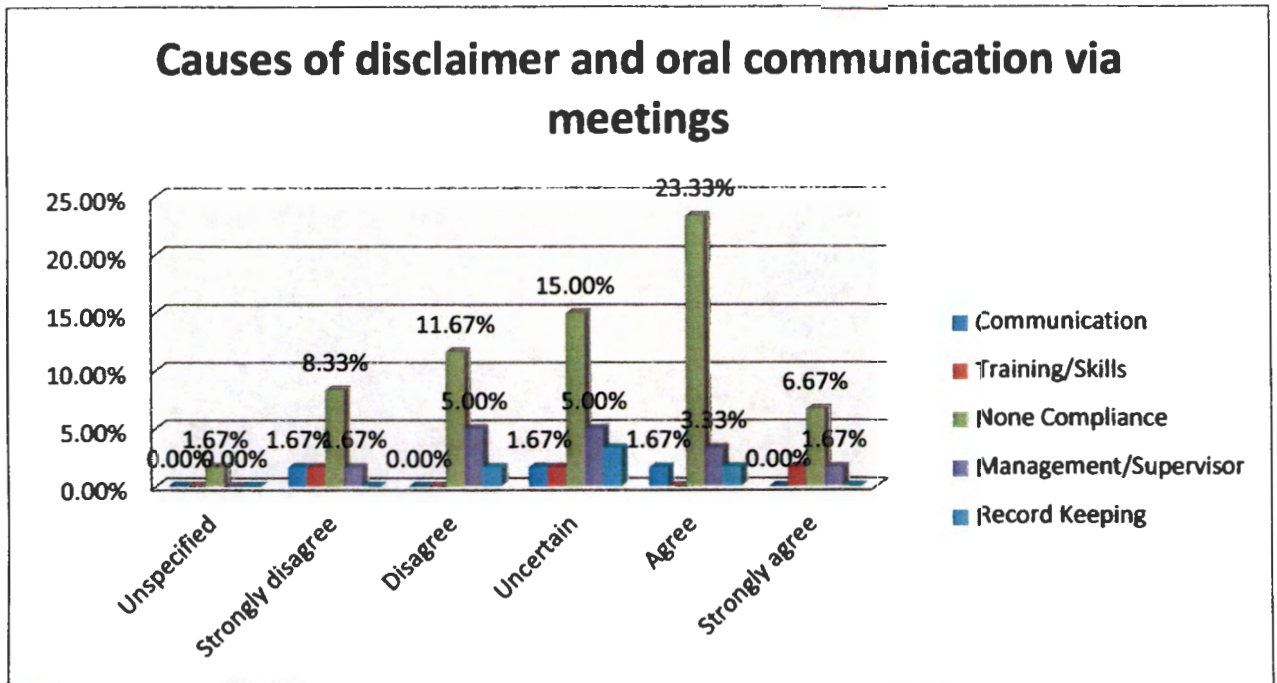
4.12 Cross tabling of major causes of audit disclaimer and other variables

Figure 4.39 Causes of disclaimers and the role of financial manager



The majority of the employees see that the financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business decisions. None compliance was recorded as the main cause for audit declaimers by 25 % of respondents. However, there is substantial amount of about 23.33% respondents who do not believe that financial manager is responsible to prevent audit disclaimer. The figure further indicates that 11.67% of management being responsible and 3.33% record keeping as the causes of audit disclaimers.

Figure 4.40 Causes of disclaimer and oral communication via meetings



The majority of the employees see that oral communication through meetings plays a vital role to none compliance. None compliance was recorded as the main cause for audit declaimers by 23.33% of respondents. However, there is substantial amount of about 5% respondents who believe that management is responsible to prevent audit disclaimer. The figure further indicates that 3.33% of respondents mention record keeping and 1.67% of communication as the causes of audit disclaimers.

Figure 4.41 Causes of disclaimer and internal audit effectiveness of internal control

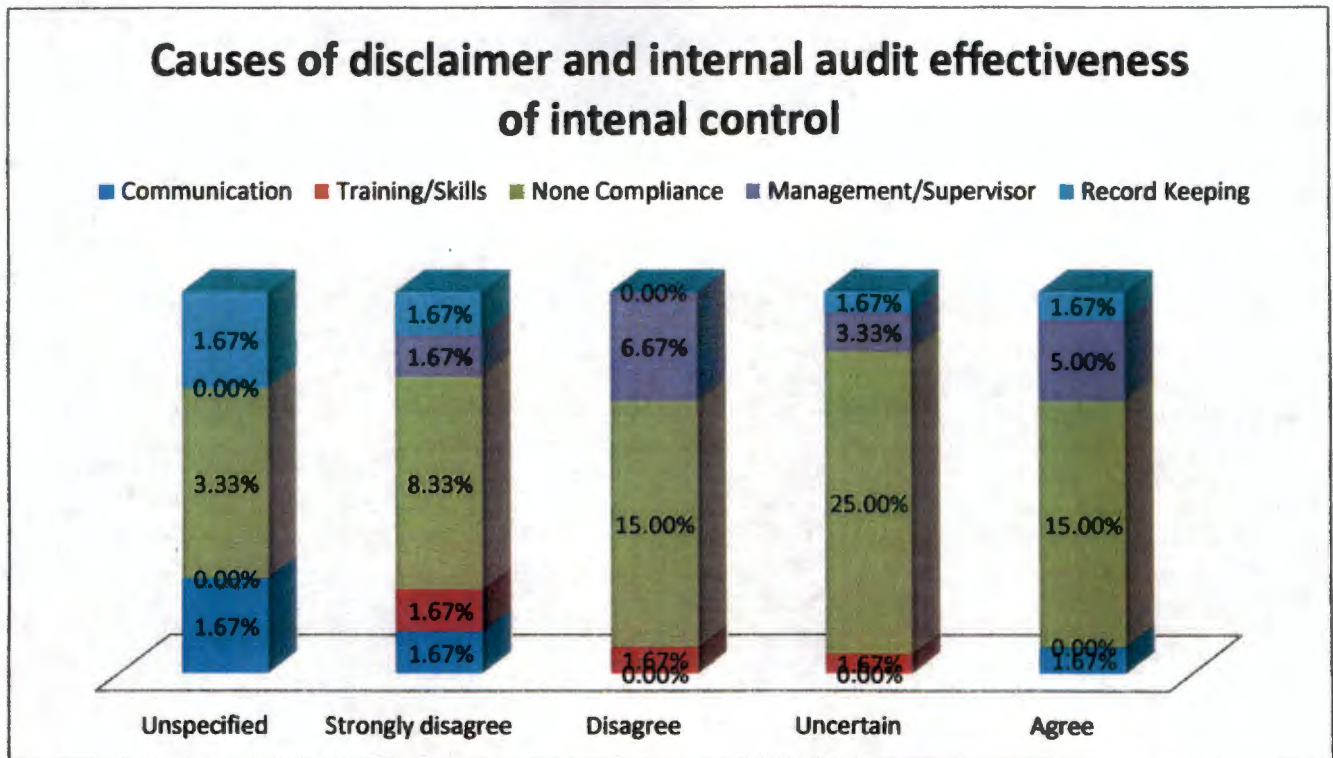
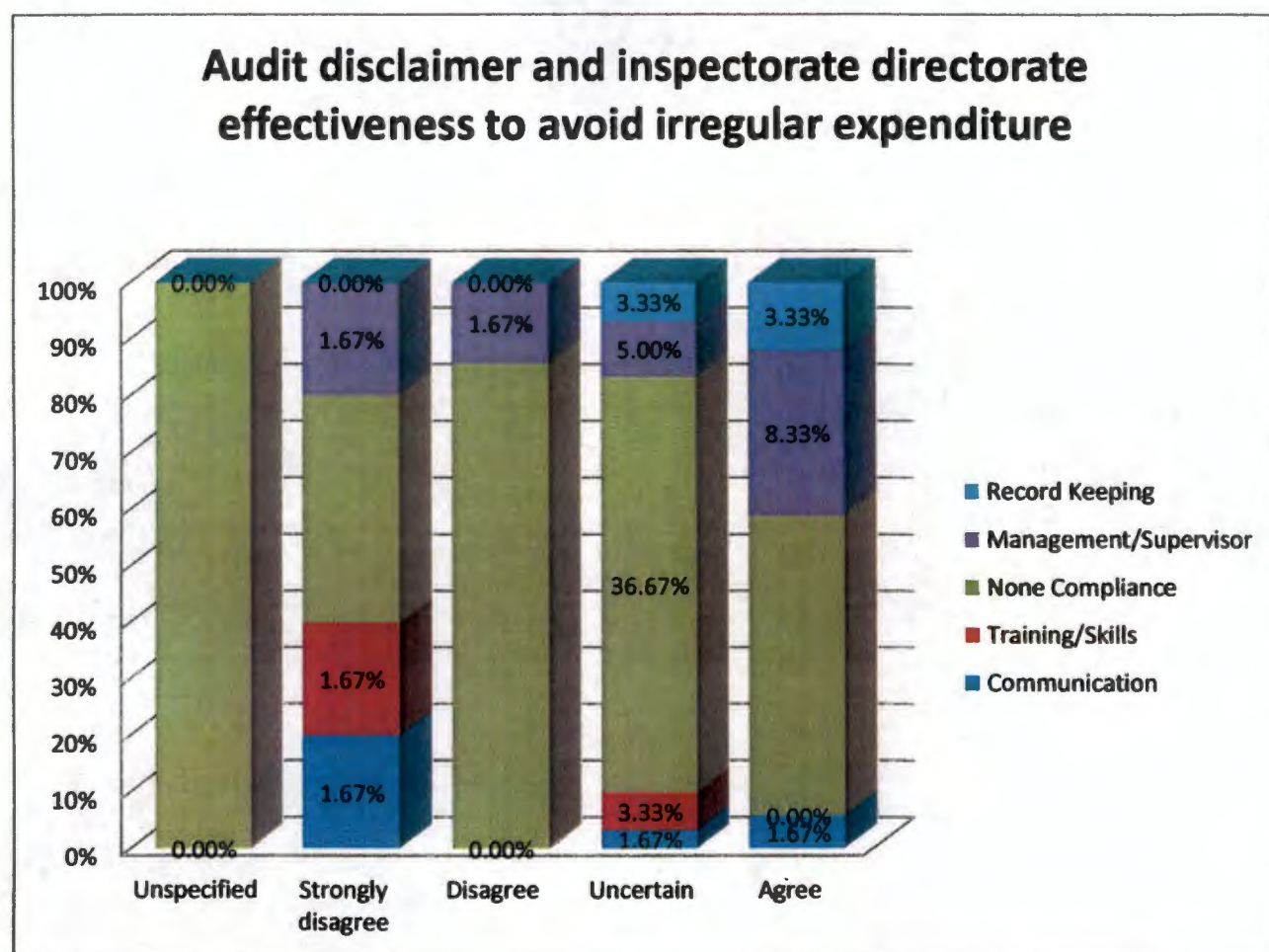


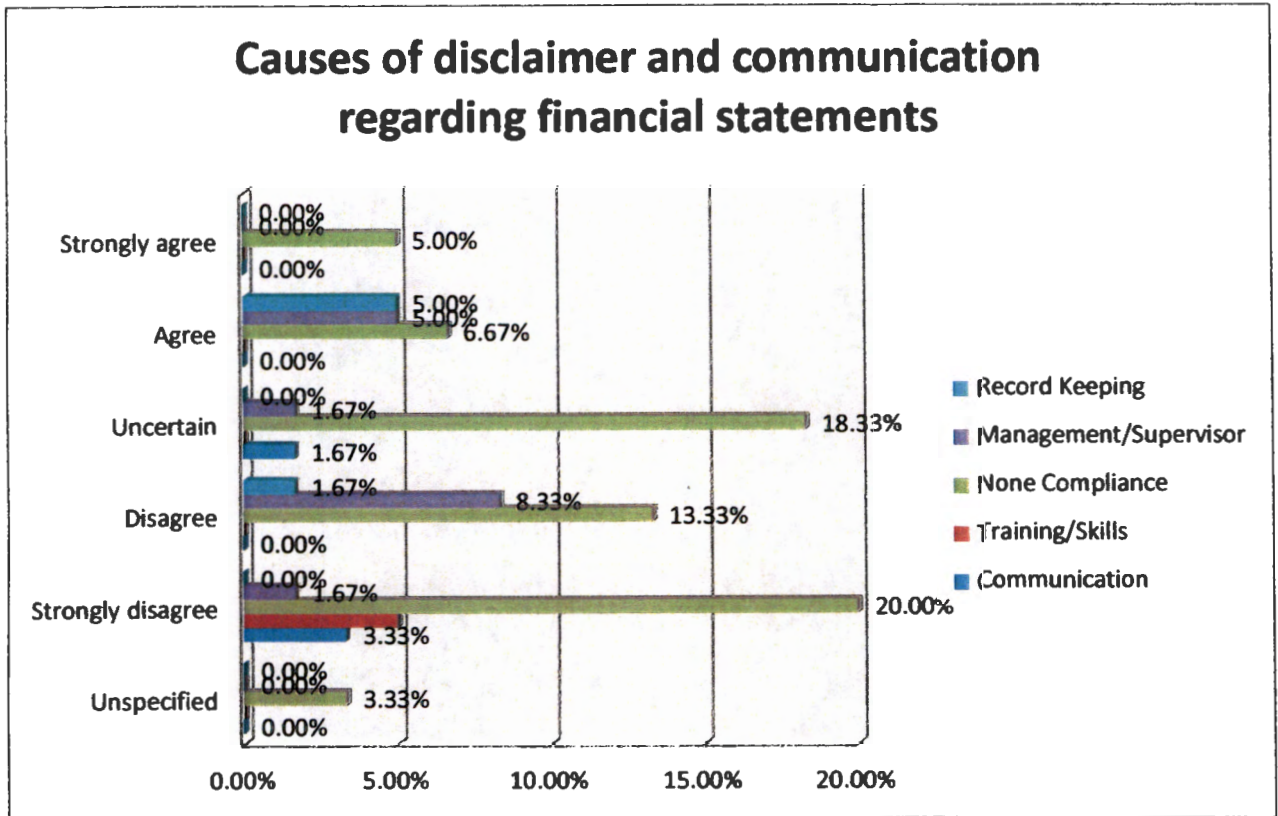
Figure 4.41 illustrates that the majority at 25% state that none compliance is the responsibility of internal audit to ensure effectiveness of internal control systems, policies and procedures. Other respondents at 6.67% think that it is management while 1.67% believes it is communication, training and record keeping as the causes of audit disclaimer.

Figure 4.42 Audit disclaimer and inspectorate directorate effectiveness to avoid irregular expenditure



The majority of 36.67% of respondents are uncertain whether inspectorate and compliance directorate avoid irregular expenditure from occurring. 5% of the respondents believe that it is the role of management and 3.33% think that it is training and the other 33% believe that it is record keeping. Other respondents believed that communication played a role with 1.67%.

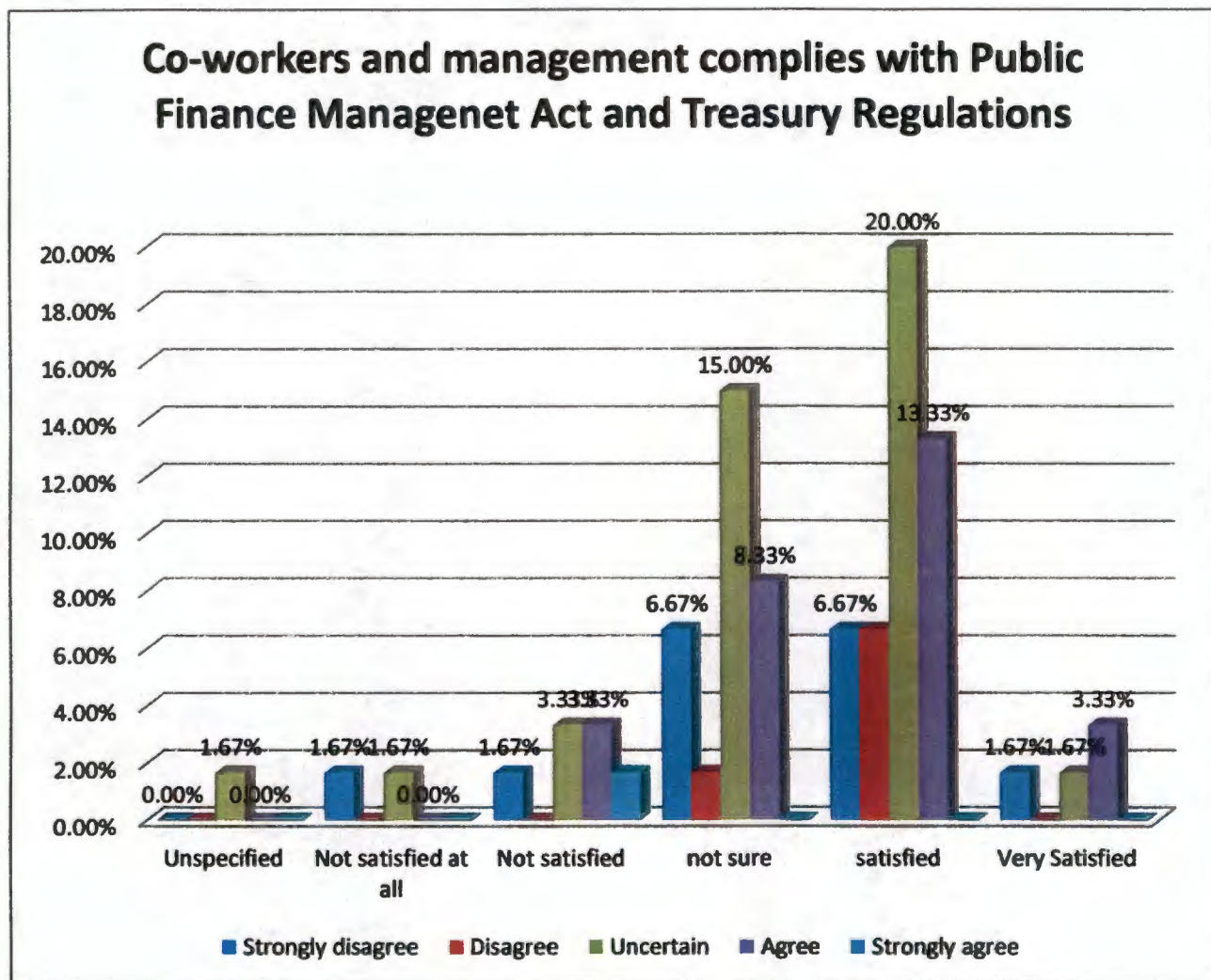
Figure 4.43 Causes of disclaimer and communication regarding financial statements



According to figure 4.43, the majority of respondents at 20% strongly disagree that communication regarding financial statements is known. This is followed by 18.33% where respondents are uncertain that communication is available regarding financial statements, Further, it is illustrated by 8.33% of respondents disagreeing that communication is not made available regarding financial statements and its importance, 5% agreeing that communication is made and 3.33% unspecified. Figure 4.43 depicts that communication regarding financial statements and importance of financial statements are not outlined and known to all employees

4.13 Cross tabling of co-workers and other variables

Figure 4.44 Co-workers and management complies with Public Finance Management Act and Treasury Regulations



The majority of co-workers at about 20% are uncertain that management complies with Public Finance Management Act (PFMA) and Treasury Regulation (TR), while 13.33% agree that management does comply, followed by the 6.67% who strongly disagree and the other 6.67% disagree. Only 1.67% of respondents strongly agree that management does comply with PFMA and TR.

Figure 4.45 Co-worker's view of management is committed to account for decision made

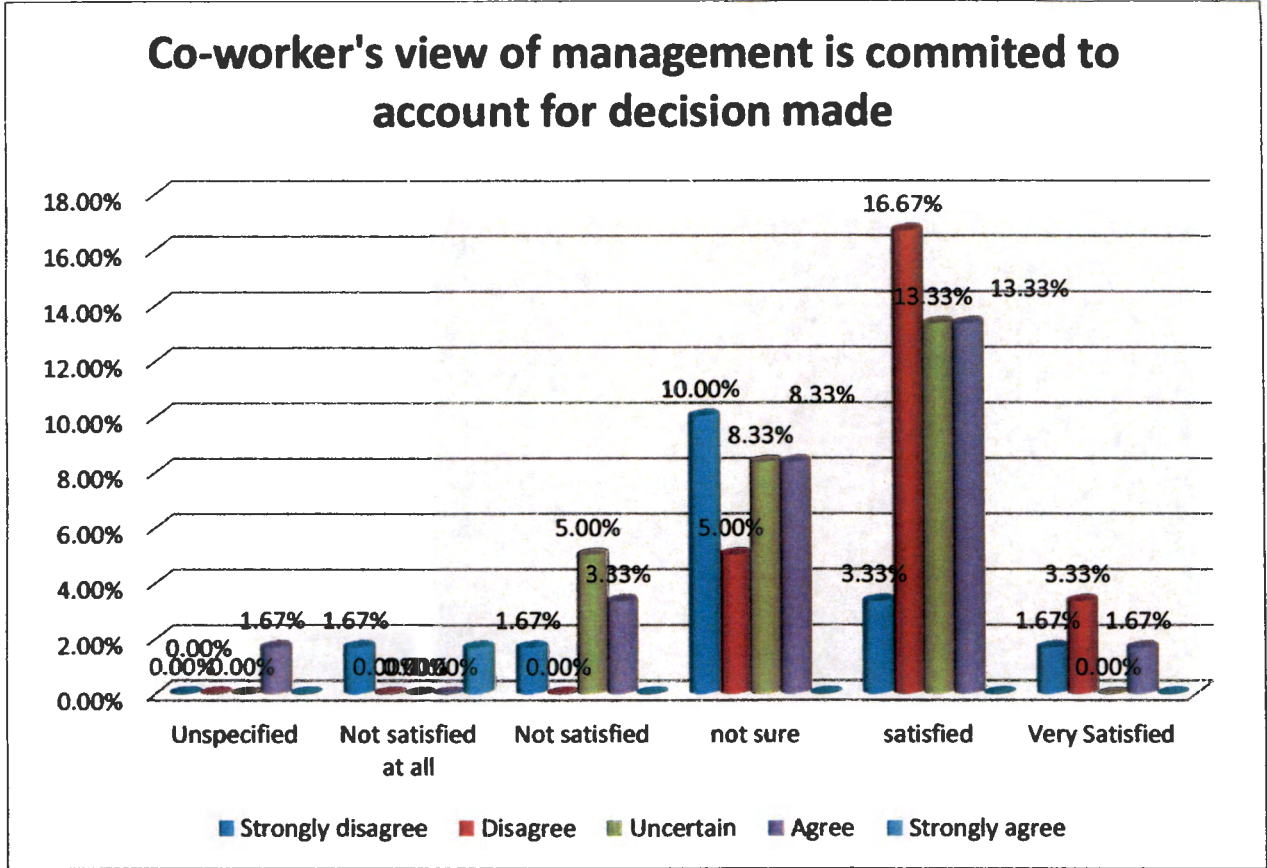


Figure 4.45 illustrates that 16.67% of co-workers disagree that management is committed to the decision made while 13.33% are uncertain while those agreeing are also 13.33%. The figure shows that only 10% are strongly disagreeing and 1.67% strongly agrees that management is committed to the decision made. With 16.67% majority this indicates that management is not committed to the decisions made.

Figure 4.47 Co-workers and disseminating of information

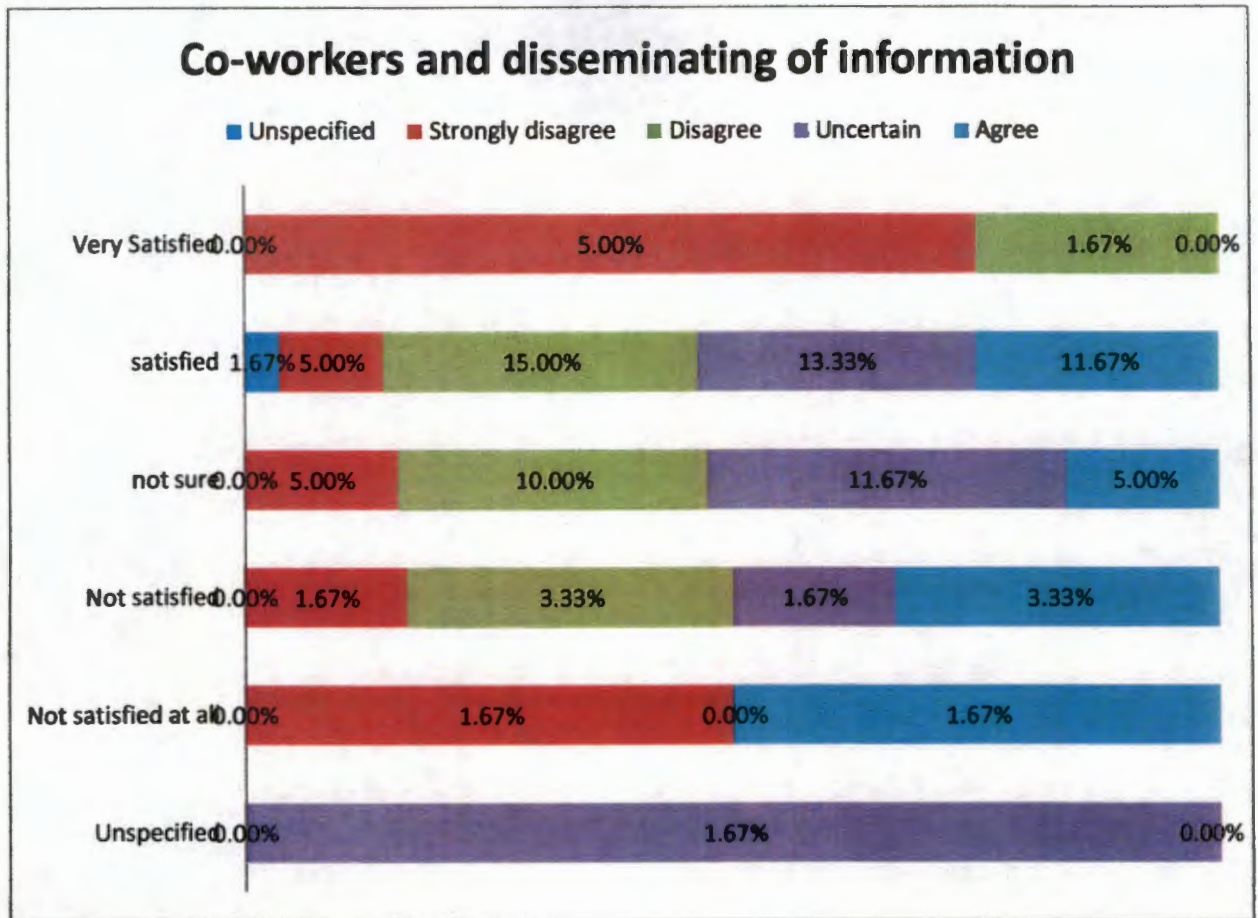
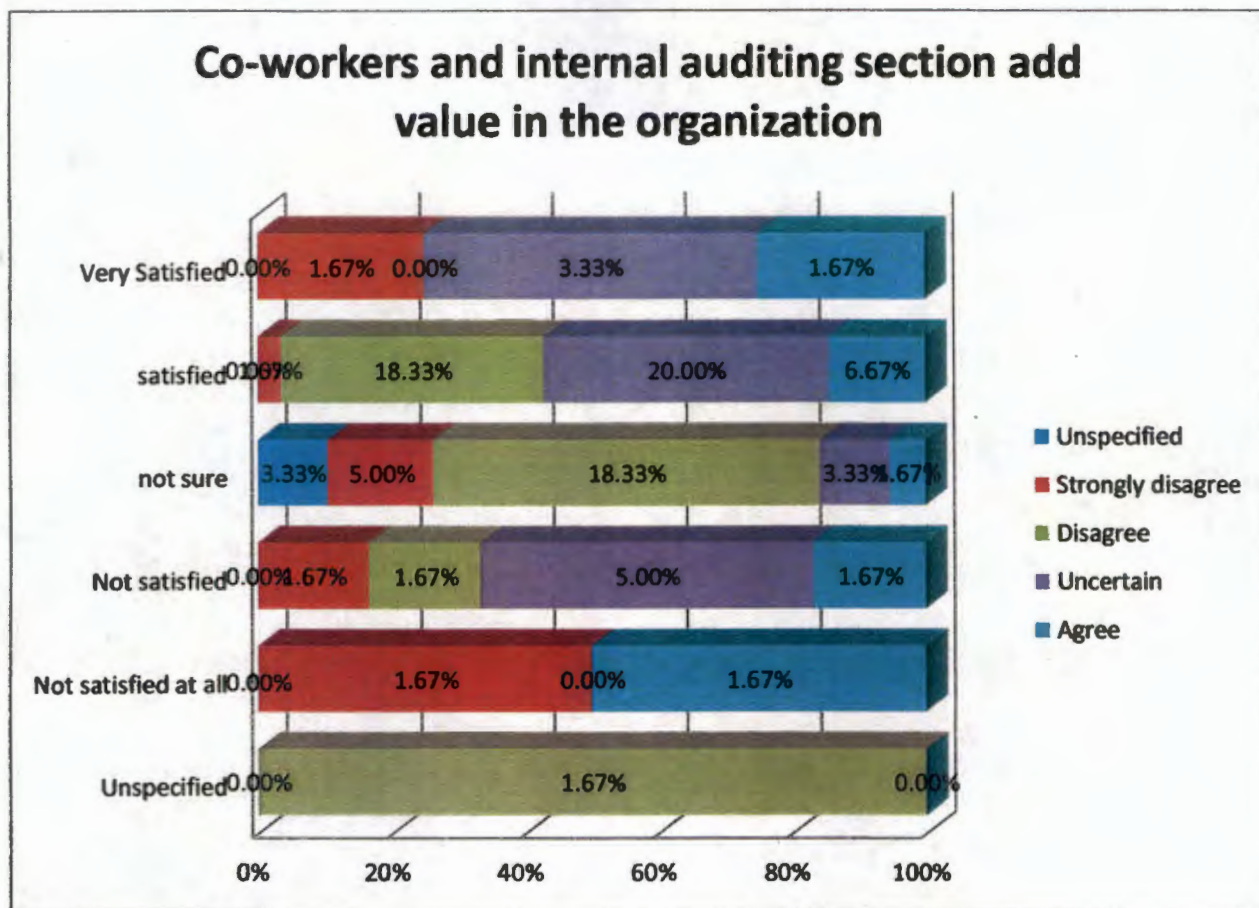


Figure 4.47 above indicates that 15% of co-workers disagrees that information is shared among all stakeholders, while 13.33% is not certain that information is being shared. Only 11.67% agrees that distribution or disseminating of information does happen in the organisation. It further illustrates that 5% are agreeing while 1.67% did not respond. There is high possibility of none information sharing among internal stakeholders.

Figure 4.48 Co-workers and internal auditing section add value in the organization



Respondents were requested to indicate if internal audit adds value in avoiding audit disclaimer where majority at 20% are uncertain if internal audit section is adding value, followed by 18.33% disagreeing that internal audit does not add value, followed by 6.67% respondents who does believe internal audit add value to the department. The figure further illustrates that only 5% strongly disagree while 3.33% never specified or did not respond.

Figure 4.49 Co-workers and salary

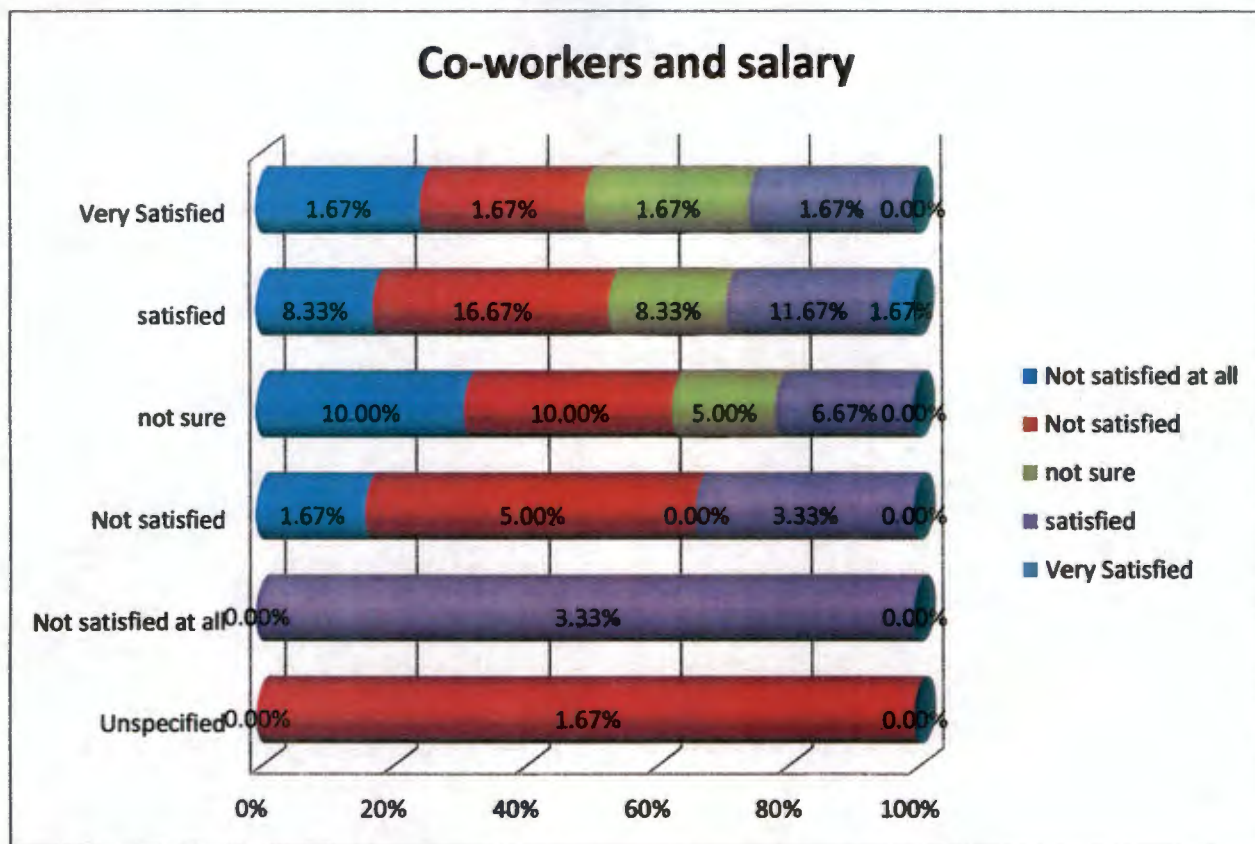


Figure 4.49 depicts that most employees are not satisfied with their salary level. The figure shows that the majority at 16.67% is dissatisfied with salary, while 11.67% is satisfied with the current salary. It further indicates 8.33% stalemate between employees not sure if the salary is the problem/challenge and employees who are not satisfied at all. There are only 1.67% respondents who are very satisfied with the current salary. If employees are not satisfied, this can impact service delivery and create audit disclaimers.

Figure 4.50 Co-workers and communication

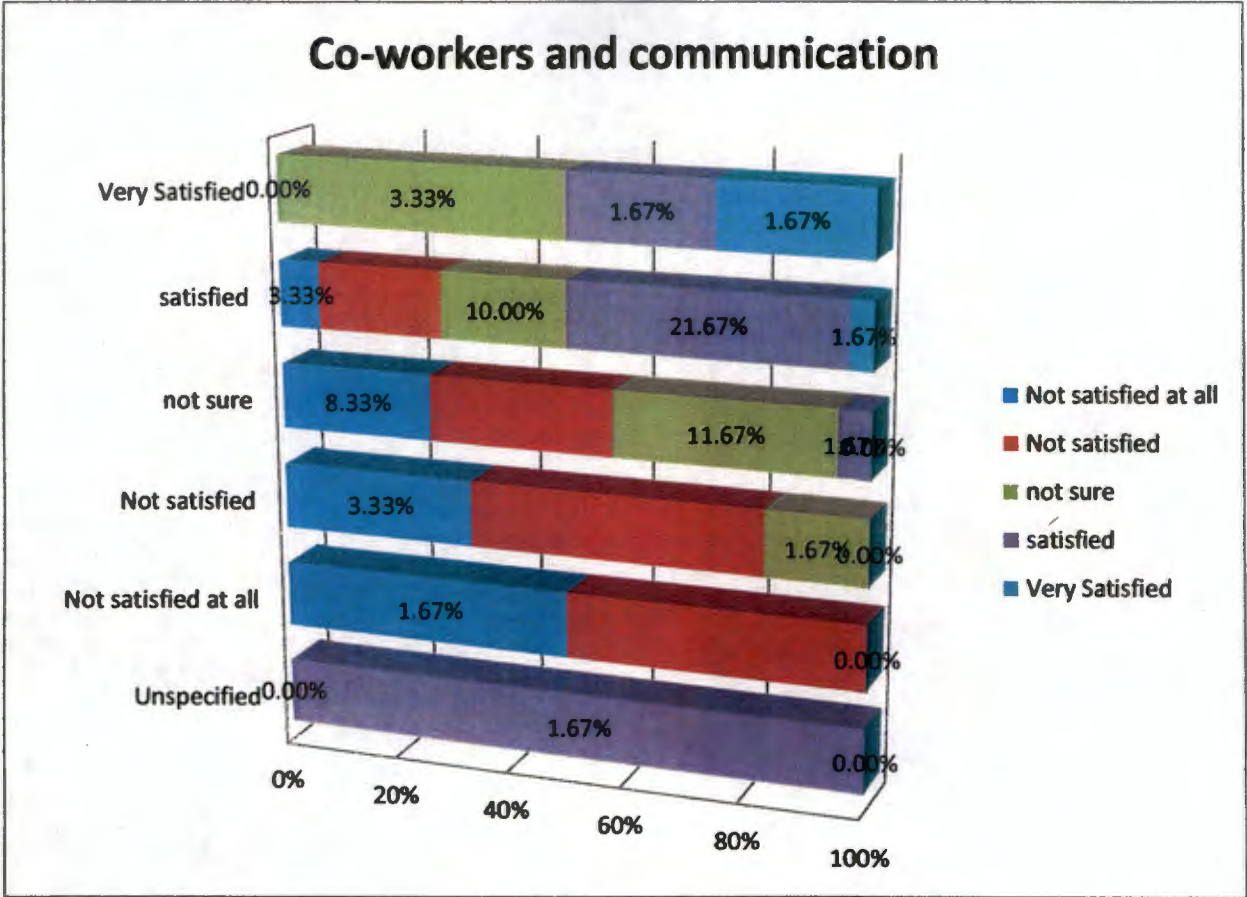
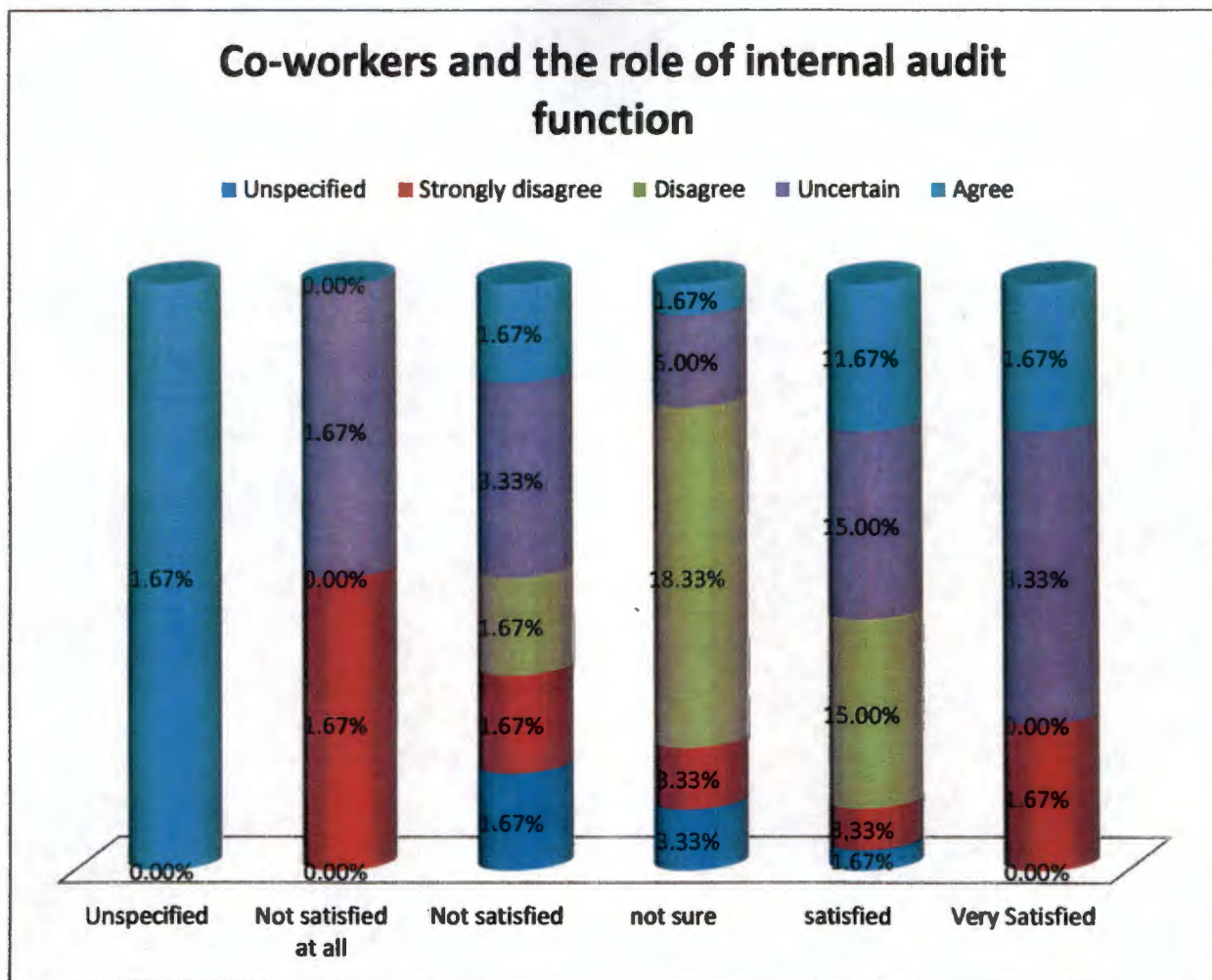


Figure 4.50 depicts communication as satisfactory between co-workers, majority of 21.67% are satisfactory with communication, and 10% for both respondents who are not satisfied and those who are not sure if there is communication. The figure further illustrates that 3.33% of respondents are not satisfied that communication does occur between co-workers and 1.67% is very satisfied about communication within the organisation.

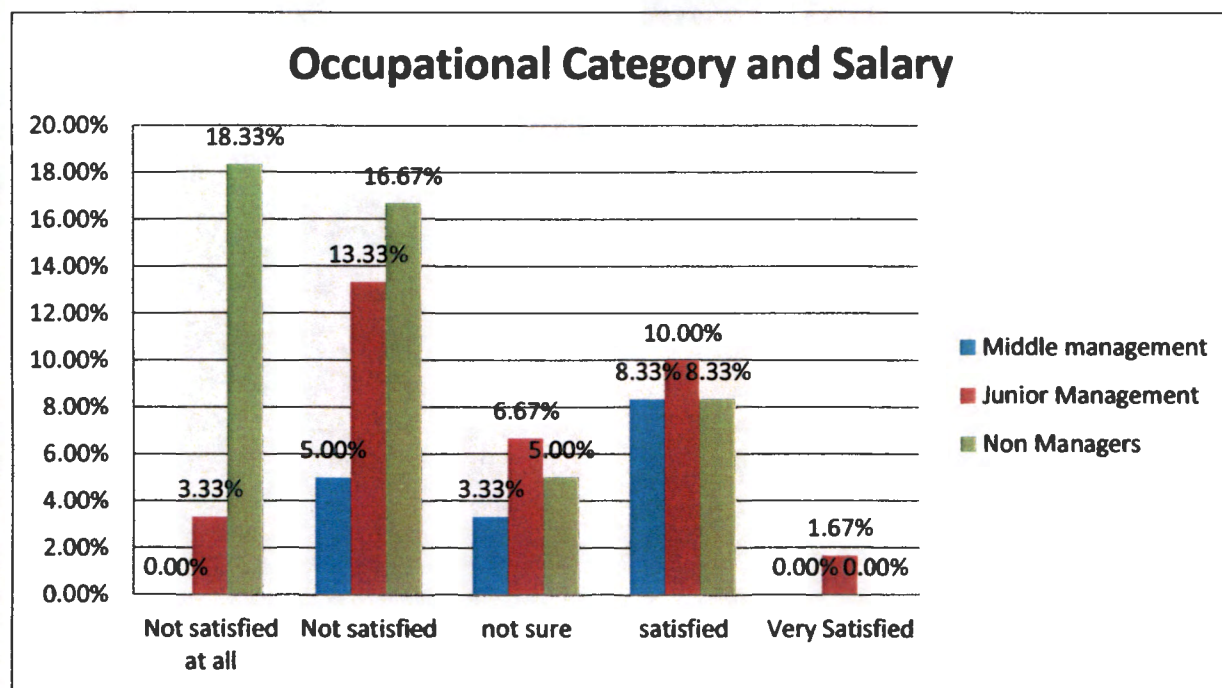
Figure 4.51 Co-workers and the role of internal audit function



Respondents in figure 4.51 above disagreed by 18.33% that internal audit role is known in the department, while 15% of respondents are uncertain about internal audit roles. It further indicates that 11% agree to be acquainted to the roles of internal audit in the department, followed by 3.33% respondents who are strongly disagreeing and 3.33% unspecified. The majority of respondent are not familiar to internal audit role as tabled in figure 4.51 above.

4.14 Cross tabling of occupational category and job satisfaction

Figure 4.52 Occupational category and salary



Respondents were requested to show their salary satisfaction as per their occupational category, where the majority of 18.33% are none managers and are not satisfied at all with their salary, junior managers recorded 13.33% not satisfied and middle managers are satisfied by 8.33%. The figure above depicts that none managers are not satisfied with their salary at all, they might be possibility of poor quality output or services at a lower level.

Figure 4.53 Occupational category and work environment

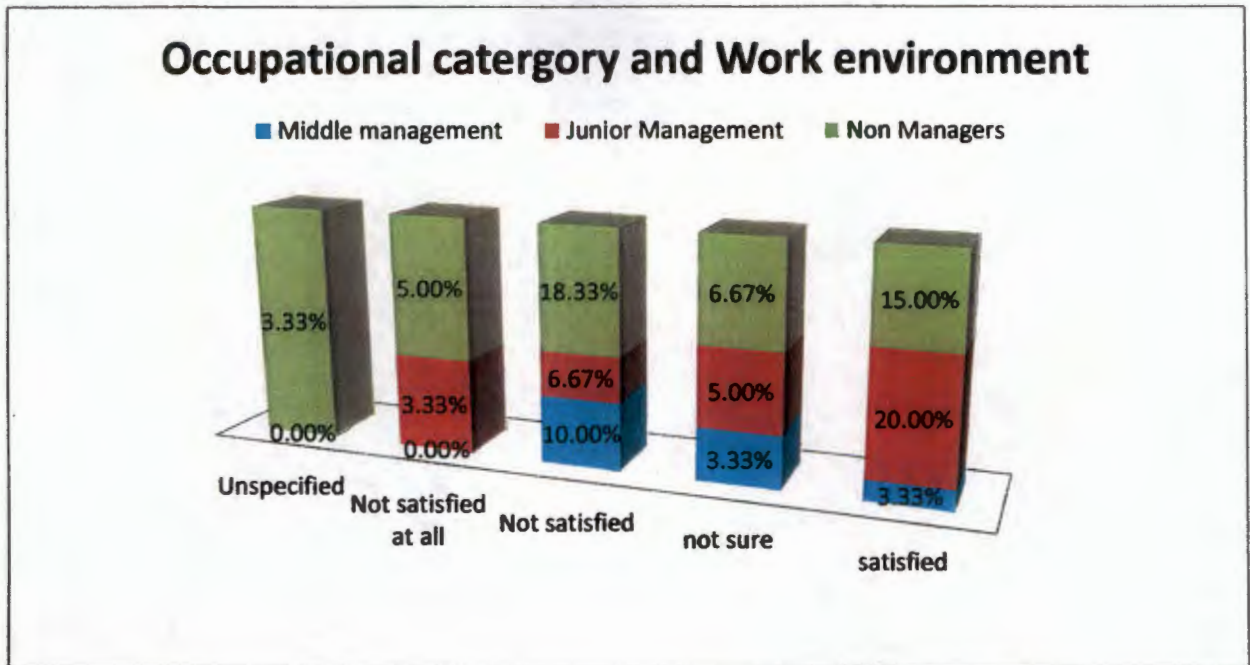
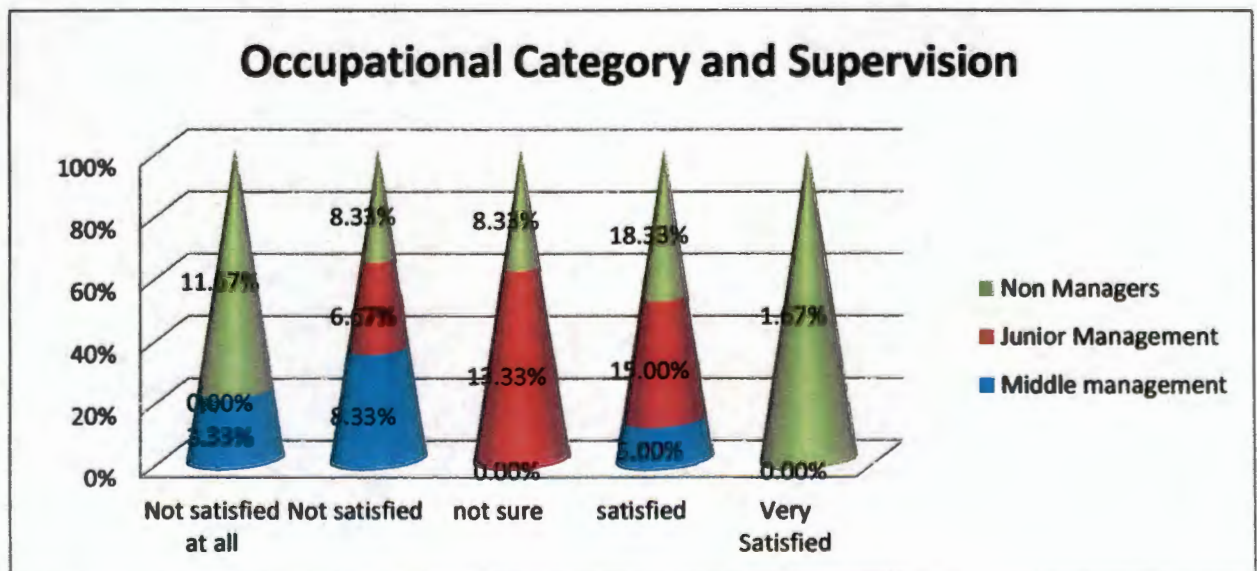


Figure 4.53 indicates the occupational category and working environment, the more non managers complaints about their salary in figure 4.52 the more the working environment becomes more complicated, the figure above depicts 20% of junior managers being satisfied with environments and 18.33% of non managers that are not satisfied with the environment they work in. Middle managers are also not satisfied with environment they work in.

Figure 4.54 Occupational category and supervision



Respondents had to indicate their relationship with their supervisors where majority of 18.33% of none managers are satisfied, followed by the junior managers at 13.33% who are not sure if they have good relation with their supervisors and middle management shows 8.33% unsatisfactory with their managers.

Figure 4.55 Occupational category and Leadership

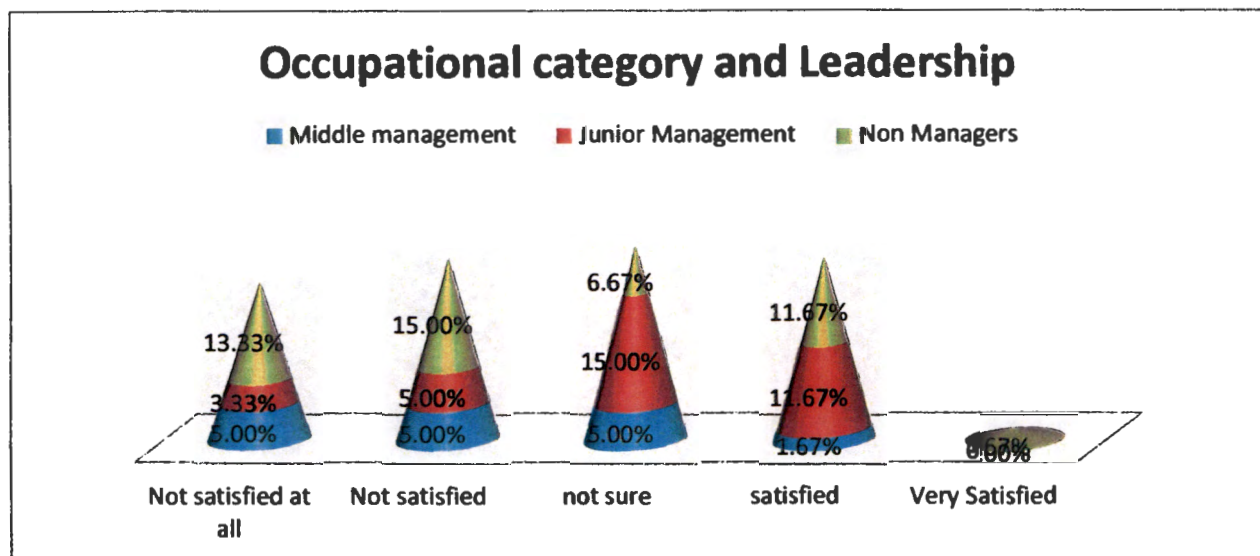
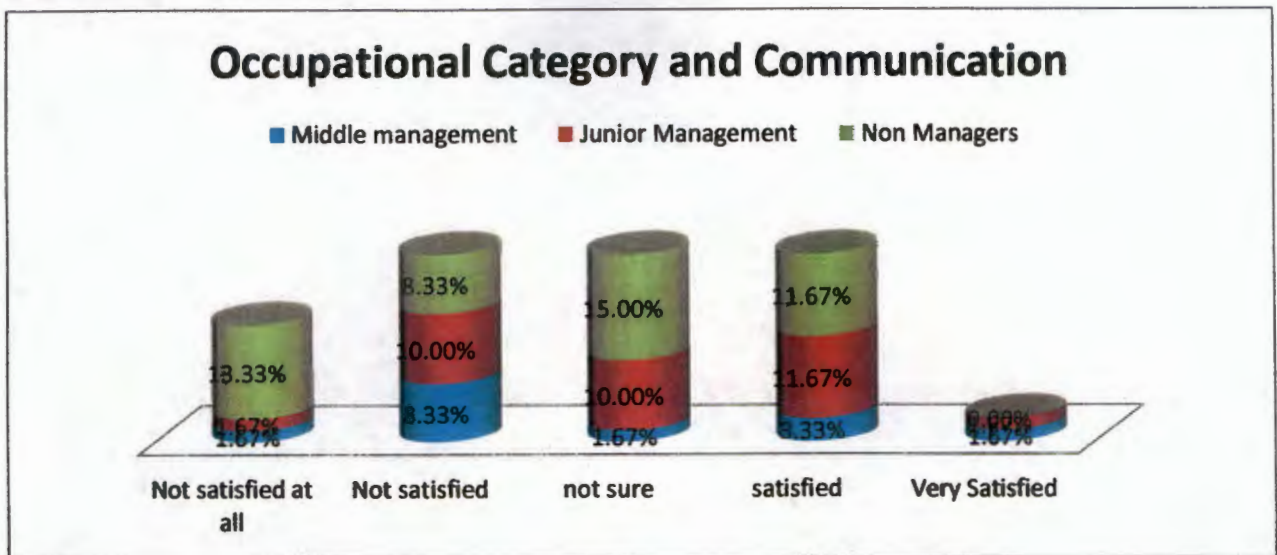


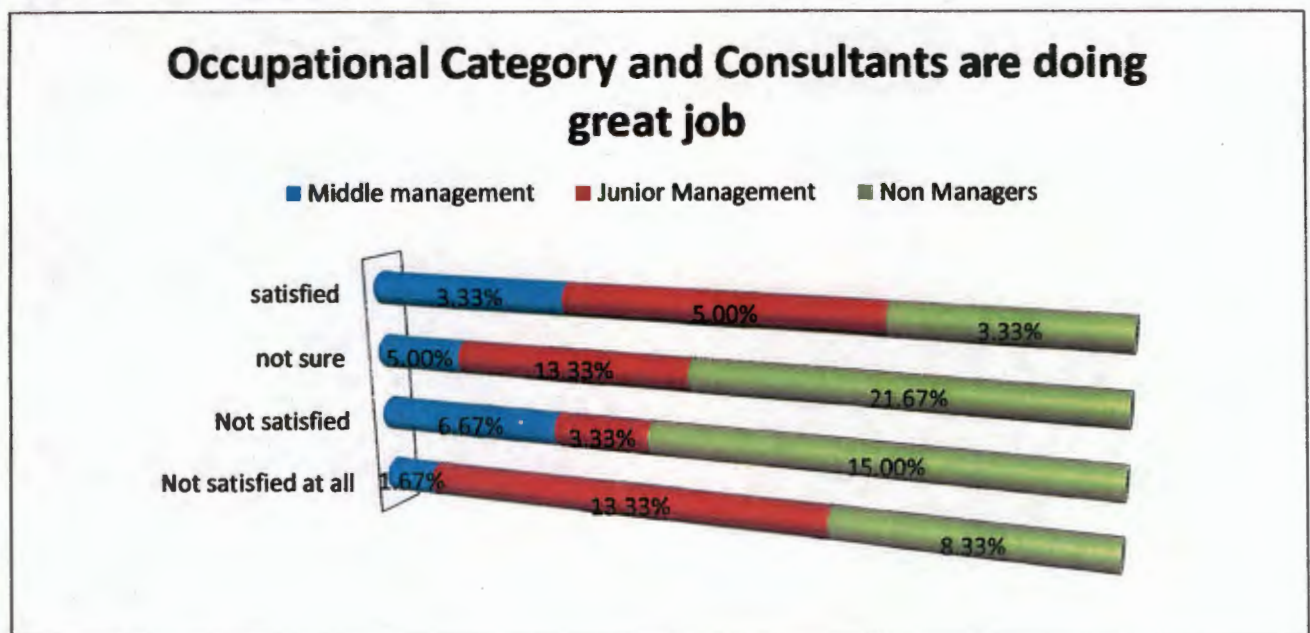
Figure 4.55 depicts that 15% of non managers are not satisfied and 15% of junior managers are not sure if the leadership is satisfactory. Middle managers are not satisfied with the leadership of the organisation where 1.67% is satisfied and 5% not satisfied and not satisfied at all respectively. The figure also illustrates that none managers also have the highest at 13.33% of not satisfied with their leadership.

Figure 4.56 Occupational category and communication



In figure 4.56, none managers are not sure if communication does happen the way it should. 15% of non managers are not sure, junior managers are satisfied by 11.67% and middle managers are not satisfied, hence the figure depicts 8.33% of not satisfied with communication channels.

Figure 4.57 Occupational Category and Consultants are doing great job



Respondents were requested to respond on current financial service provider's assistance, where 21.67% and 15% of none managers are not sure and are not satisfied that consultants are doing a great job, followed by 13.33% of junior managers who are not satisfied at all by

the role of consultants in the region. Only 5% of middle management is satisfied that consultant are doing great job.

4.15 CORRELATION

Table 1 Bivariates: In your own opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012 and occupational category.

Correlations

		In your own opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012?	Occupational Category
In your own opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012?	Pearson Correlation	1	.059
	Sig. (2-tailed)		.652
	N	60	60
Occupational Category	Pearson Correlation	.059	1
	Sig. (2-tailed)	.652	
	N	60	60

There is no correlation between causes of audit disclaimer and occupation. You cannot predict what the cause of audit disclaimer is based on the occupation of the person.

4.16 Conclusion

The interpretation and analysis of findings of the study were presented. Bar, column, pie and line charts and tables were presented in figures and table format. The interpretation and analysis addressed all questions asked in the survey at the National Department of Public Works in Mmabatho Regional Office.

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this concluding chapter, data analysis, recommendations and conclusions are outlined based on the statistical analysis and interpreted results. Recommendations are based on (chapter 2) the literature review in conjunction with the findings from chapter 4. Preventative measures are outlined not only for mitigating the research problem, but also to serve as an approach for uplifting the department outlook.

5.2 Research design and data collection design and methodology

The research focused on preventative measures for avoiding disclaimers in the Department of Public Works in the Mmabatho Regional Office. The sample population was selected through non-probability sampling with the method used to select the sample being convenience. The population relevant to this study consists of the Department of Public Works employees from different directorates in the Mmabatho Regional Office.

5.3 Findings and discussion

Research aims to investigate the causes of the disclaimer and to provide preventative measures to avoid audit disclaimer opinions.

5.4 Research objectives

- The objective of the study is to investigate the causes of audit disclaimer and finding preventative measures to avoid disclaimer audit report.
- To evaluate the effectiveness of internal control measures, internal audit, communication and the leadership of the department.



5.4.1 Financial statements and communication

In this research, Figure 4.8 showed that communication has an impact on what is expected from role players during financial statements preparations. However, it was shown that the input of the quality of annual financial statements is very poor, due to a lack of information and commitment. From Figure 4.56 it is clear that communication is a barrier to reach the departmental goals and objectives.

Romic (2011:149) states that the financial statement objectives are to provide information about the financial position, performance and changes in the financial position of an enterprise that are useful to a wide range of users in making economic decisions. (Romic, 2011:149) further elaborates that communication for financial statements should be understandable, relevant, reliable and comparable. Since findings are against the literature review, ways of bringing reliable and understandable financial information to users will be recommended.

Since none compliance is a major cause for disclaimers, figure 4.29 shows that 69.9% of respondents are not in agreement that management does comply with the Public Finance Management Act and Treasury Regulation. It can be concluded that financial statements are misstated and inaccurate hence this resulted in the financial statements receiving a disclaimer of audit opinion for the year 2011/2012 financial year.

The Auditor General (2012) recorded that financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the Public Finance Management Act. Figure 4.9 indicated that 56.7% of respondents are not aware that workshops do take place regarding the presentation of financial statements. Communication regarding financial statements shows to be one of the causes, with more than 56% of respondents indicating that communication is not clear.

Findings show that the financial manager is not helpful to stakeholders in providing financial advice and support to clients and colleagues to enable them to make sound business decisions. According to Asare (cited by Aikins, 2011:308), the broad objectives of public

financial management are to achieve fiscal discipline, efficient and effective provision of public services, and efficient allocation of resources to reflect priority needs.

5.4.2 Internal control and internal audit

Internal control was a challenge where the majority of more than 71% of respondents are not in agreement that controls are adequate. It has been found that internal controls of the department are inadequate and ineffective. Figure 4.12 and 4.13 depict that most respondents are not sure if department internal control does permit good proper segregation of duties. It can be concluded that the leadership does not strengthen the internal control hence it is not clear to employees.

The internal audit role and function is highly rated, with 81.7% of not recognized by the respondents. Literature argued that government internal auditors monitor adequacy and effectiveness by assessing the quality of controls. Monitoring covers ongoing and periodic evaluations of external supervision of internal control by management or other parties outside the process. The majority of respondents (71.8%) do not agree that internal controls of the department are good. The Auditor General (2012) did indicate that the implemented controls over daily and monthly processing and reconciliation of transactions were ineffective. This can be supported by Figure 4.13, where the majority of respondents (90%) believed that the internal control systems of the department are ineffective and internal audit is not exercising its duties as an internal body.

When the Auditor General described internal audit departmental function (Auditor General, 2012), the report concluded that the internal audit function did not assess the operational procedures and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual Division of Revenue Act, as required by Treasury Regulation 3.2.8. Figure 4.18 indicates that 83.4% of respondents disagree that internal audit section does adds value and improves organisational operations. It can be concluded that internal audit of the department does not add value and is ineffective as depicted in Figure 4.16 of data analysis.

5.4.3 Leadership

Different types of leadership styles have been identified and aligned to the departmental leadership. The results showed that leadership in the department is autocratic. Managers have to observe employees and improve the trustworthiness and reliability for the benefit of reaching organisational goals and objectives. It is basically the ability to form and mould attitudes of other individuals. It is the process of influencing others to mobilize and direct their effort towards specific goals through them (Limbare, 2012:172).

Respondents revealed that there is no skills transfer from the consultant's leadership, where it has been found (see Figure 4.28) that the majority of respondents are not accepting any skills transfer from the consultant. The Auditor General (2012) also indicated that there is a high level of turnaround strategy in the department; however it did not timeously translate into a comprehensive documented audit action plan.

There is a significant lack of consequences for poor performance and transgressions in the department. Figure 4.34 indicates that the leadership is not seen as satisfactory. This reveals that employees are not happy with how leadership runs the organisation. It can be concluded that the instability of leadership positions has a negative impact in providing effective leadership in the department. According to The Auditor General (2012), the leadership is not enforcing the message of accountability for actions and outcomes.

5.4.4 None compliance

Prevention and detection of financial statement fraud has become a major concern for almost all organisations globally (Gupta & Gill, 2012:150). In the public sector, policy and procedural compliance have wider regulatory, operational, and financial implications that need to be managed to ensure successful accomplishment of overall goals (Aikins, 2011:321). Therefore, the need for documented financial management policies and procedures that provide an adequate framework for acceptable practices and related controls to help accomplish stated mission and goals is vital.

The Department of Public Works has formed a newly Inspectorate and Compliance Directorate to prevent irregularities from business transactions; however, Figure 4.15

indicates that this directorate is ineffective. The new inspectorate and compliance directorate only verify documents prior to payment processing and not before services are rendered or delivery takes place. It can be concluded that the directorate is only reporting for all none compliance issues without preventing them.

Davis (2004:26) described a disclaimer of opinion in the following circumstances.

- i. Lack of independence (SAS 26).
- ii. Scope limitation (inability to obtain sufficient competent evidential matter) (SAS 58).
- iii. Where the auditor concludes that there is substantial doubt about the entity's ability to survive (going-concern) (SAS 59).
- iv. Matters involving uncertainties (SAS 79).

5.5 RECOMMENDATIONS

The recommendations below are vital for the department of public works in addressing the preventative measures for avoiding disclaimers. If the following recommendations are implemented, the outlook of the department will be uplifted from disclaimer to an unqualified audit opinion.

5.5.1 Recommendation 1: Non compliance

It is recommended that the Accounting Officer comply with section 38(1) (a) of the PFMA to ensure that the entity maintains effective, efficient and transparent systems of financial and risk management and internal control. Treasury Regulations section 16A6.3 specify that the Accounting Officer or Accounting Authority must ensure that (a) Bid documentation and the general conditions of a contract are in accordance with:

- i. The instructions of National Treasury; or
- ii. The prescripts of the Construction Industry Development Board, in case of a bid relating to the construction industry

It is important that management form a program that will address the non compliance. In this research the majority of respondents indicated that there is a lack of policies, regulations and prescriptions. It is vital for the management to implement steps to address the non compliance as recommended by Alberth *et al.* (2012:5).

1. Organisations should design a target compliance system by analysing the required item by item to create full transparency, and to summarize them in an annotated version for further use.
2. The organisation should conduct an organisational self-assessment on compliance and control. The annotated version of the requirements is issued to develop a questionnaire that assesses current levels of compliance. The individual questionnaire should be send to responsible managers, who are asked to assess the level of compliance and provide evidence of compliance.
3. The target compliance system and the results of the self-assessment are used to identify gaps and define the measures necessary to close them. The identified gaps and defined measures provide senior management with an overview of the most important deficiencies so leaders can make final recommendations on mitigating actions.
4. Lastly, it is critical to ensure that improvements are made on a sustainable basis. This includes offering education and training and making cultural changes, as well as turning the first comprehensive compliance and control effort into a continuous compliance and quality-improvement program.

5.5.2 Recommendation 2: Financial Statements

- Management should adequately review the financial statements before they are being submitted for audit purposes to ensure that errors are corrected before submission.
- Management should ensure that all relevant positions in finance are filled with officials with knowledge of GAAP/GRAP and are experienced.
- Management should train all officials on the new systems to ensure that transactions are correctly captured and accounted for on the system.

5.5.3 Recommendation 3: Internal Audit and Internal control

Since the role of internal audit role is not well defined and ineffective, it is recommended that the internal audit section of the department do quarterly sampling of all transactions that took place within the quarter. The literature review outline internal control and internal audit under monitoring and controlling, it demonstrated that internal control and internal audit can assist

the department to improve accountability for public funds as a responsibility for the accounting officer.

The department should ensure that all supporting documentation be properly filled and safeguarded and be made available for audit purposes. Management should also perform regular monitoring over the safekeeping of accounting records.

5.5.4 Recommendation 4: Communication

It is recommended that the directorate follows the communication guidelines set by Mantha & Sivaramakrisha (2013). Through communication, people reach some understanding of each other, learn to like each other, influence one another, build trust, and learn more about themselves and how people perceive them.

5.5.5 Recommendation 5: Leadership

It is recommended that the leadership of the department be acquainted with a leadership style that encourages all employees to give their views. This style of leadership has been described as democratic or developer leadership style; it puts trust in people, and is concerned with developing them as individuals. This style assumes that individual members of a group who take part personally in the decision making process will have greater commitment to the objectives and goals of the organisation (Limbare, 2012:172)

Good leadership is crucial for the department of public works to ensure good and concrete decision making. Kosicek *et al.* (2012:50) emphasised that effective leadership is believed to be critical to the success of a community, country, business, house of worship, or any organisation. Those with greater skills, who are perceived as more intelligent or who possess a history of successful accomplishment, are viewed as the leader.

5.6 Conclusion

The study aimed at investigating the causes and findings of preventative measures, to avoid disclaimer audit opinion at national Department of Public Works. The study revealed that there are many challenges faced by the department including communication, leadership, non

compliance, financial statements, internal controls, and many more gaps as identified in Chapter 4. The current study has its own limitations, since it was conducted from only sixty sampled respondents. It will be ideal to conduct a survey from all the employees in order to come with valid and reliable findings and recommendations. However the researcher is adamant that the survey was successful. It is important for the department to complete the full study to determine the need and ideal good working environment.

The recommendations should be implemented to assist the department to progress the day to day operations, outlook from public domain and build a communication channel to have deliverables and clear milestones. The implementation of the recommendations will elevate the department performance and build stronger department accountability towards stewarding the tax payer's money.

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Annexure A

PO Box 23213
Mafikeng
2745
15 August 2013

Department of Public Works
Private Bag X 120
Mmabatho
2735

Dear respondent

RE: REQUEST TO PARTICIPATE IN THE RESEARCH STUDY

I am currently conducting a study on preventative measures for avoiding disclaimers in the department of Public Works: Mmabatho Regional Office. The study forms part of my academic requirement for the degree of Masters of Business Administration at North-West University.

I am kindly requesting your assistance in completing the attached questionnaire. There is no right or wrong answer, your confidentiality is assured.

Thank you for your participation

Kind Regards

.....

M. Dzivhani
(018) 386 5358

Annexure B

Research Questionnaire

TITLE: PREVENTATIVE MEASURES FOR AVOIDING DISCLAIMERS IN THE DEPARTMENT OF PUBLIC WORKS: MMABATHO REGIONAL OFFICE

SECTION A

Instructions: Kindly mark the appropriate option with X

BIOGRAPHICAL DATA

1. AGE GROUP

- 1.1 Below 25
- 1.2 Between 25 – 30
- 1.3 Between 30 – 35
- 1.4 Between 35 – 40
- 1.5 Above 40

2. RACE

- 2.1 African
- 2.2 Indian
- 2.3 Colored
- 2.4 White
- 2.5 Other (please specify).....

3. GENDER

- 3.1....Male
- 3.2....Female

4. OCCUPATION CATEGORY

- 4.1.....Top Management (SL 14-15)
- 4.2.....Senior Management (SL 13)
- 4.3.....Middle Management (SL 11-12)
- 4.4.....Junior Management (SL 8 – 10)
- 4.5.....Junior Staff/Non managers (1-7)

5. EXPERIENCE IN PUBLIC SERVICE

- 5.1.....1 - 5 Years
- 5.2.....5 – 8 years
- 5.3.....8 – 10 years
- 5.4.....More than 10 Years

6. EXPERIENCE IN CURRENT POSITION

- 6.1.....1 - 5 Years
- 6.2.....5 – 8 years
- 6.3.....8 – 10 years
- 6.4.....More than 10 Years

7. HIGHEST QUALIFICATION

- 7.1.....Junior Certificate
- 7.2.....Metric Certificate
- 7.3.....Technical/FET college certificate
- 7.4.....Diploma
- 7.5.....Junior Degree
- 7.6.....Post Graduate Diploma
- 7.7.....Honors Degree
- 7.8.....Master's Degree
- 7.9.....Doctoral Degree
- 7.10.....Other (Please specify).....

SECTION B

Instructions: there are five options to choose from, kindly indicate your opinion with reference to the below statements by marking with **X** on the number provided in the below columns.

1. Strongly disagree, 2 Disagree, 3 Uncertain/unsure, 4 Agree, 5 Strongly agree

8.1 FINANCIAL STATEMENT

8.1.1 Communication regarding financial statements and importance of financial statements are outlined and known to all employees	1	2	3	4	5
8.1.2 Workshops for financial statements are held every 3 months	1	2	3	4	5
8.1.3 If any, did you attend the workshop	1	2	3	4	5
8.1.4 If any, did the workshop address the department challenges	1	2	3	4	5

8.2 INTERNAL CONTROLS

8.2.1 The department has good internal control systems	1	2	3	4	5
8.2.2 The departmental structure permits good proper segregation of duties	1	2	3	4	5
8.2.3 Internal control systems are effective to the accounting systems	1	2	3	4	5
8.2.4 Transactions are authorised according to the correct Delegation	1	2	3	4	5
8.2.5 Inspectorate & compliance directorate is effective to avoid irregular expenditure	1	2	3	4	5

8.3 INTERNAL AUDITING

8.3.1 Internal auditing of the department ensures effectiveness of internal control system, policies and procedures	1	2	3	4	5
8.3.2 The status & role of the internal audit function is known & recognised throughout the organisation	1	2	3	4	5
8.3.3 Department internal auditing section adds value and improves organisational operations	1	2	3	4	5

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8.3.4 Department internal audit improves the effectiveness of risk management, control, & governance processes	1	2	3	4	5
8.3.5 Department Management engage with internal audit function to gather information on monthly basis	1	2	3	4	5
8.3.6 Audit committees exercise responsibility of financial reporting; corporate governance; and corporate control	1	2	3	4	5

8.4 COMMUNICATIONS

8.4.1 Oral communication via meetings and informal talks helps bring important information	1	2	3	4	5
8.4.2 Right information is disseminated to the right people at the right time	1	2	3	4	5
8.4.3 Communication with internal stakeholders takes place through general staff meetings on monthly basis	1	2	3	4	5
8.4.4 Audit report is disseminated to all department employees	1	2	3	4	5

8.5 LEADERSHIP

8.5.1 The management provides professional leadership to the staff and a democratic style is applied	1	2	3	4	5
8.5.2 Management is committed to account for the decisions made	1	2	3	4	5
8.5.3 The transferring of skills from consultants leadership is assisting the department from poor performance	1	2	3	4	5
8.5.4 Management complies with Public Finance Management Act and Treasury Regulations	1	2	3	4	5
8.5.5 Financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business decisions	1	2	3	4	5

SECTION C

9. JOB SATISFACTION

Instructions: please indicate your level of satisfaction by marking a number next to the variables provided, where:

1 Not satisfied at all; **2** Not satisfied; **3** Not sure; **4** Satisfied; **5** Very satisfied

9.1 Salary	1	2	3	4	5
9.2 Working environment	1	2	3	4	5
9.3 Supervision	1	2	3	4	5
9.4 Leadership	1	2	3	4	5
9.5 Co-workers	1	2	3	4	5
9.6 Communication	1	2	3	4	5
9.7 Consultants are doing a great job	1	2	3	4	5

SECTION D

10. OPEN ENDED QUESTION

10.1 In your own opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012?

.....

.....

.....

.....

Frequency Table

Age Category

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25	1	1.7	1.7	1.7
25-30	10	16.7	16.7	18.3
30-35	12	20.0	20.0	38.3
35-40	17	28.3	28.3	66.7
Above 40	20	33.3	33.3	100.0
Total	60	100.0	100.0	

Race

	Frequency	Percent	Valid Percent	Cumulative Percent
African	56	93.3	93.3	93.3
Coloured	3	5.0	5.0	98.3
White	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Male	30	50.0	50.0	51.7
Female	29	48.3	48.3	100.0
Total	60	100.0	100.0	

Occupational Category

	Frequency	Percent	Valid Percent	Cumulative Percent
Middle management	10	16.7	16.7	16.7
Junior Management	21	35.0	35.0	51.7
Non Managers	29	48.3	48.3	100.0
Total	60	100.0	100.0	

Experience in public service

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 Years	16	26.7	26.7	26.7
5-8 Years	21	35.0	35.0	61.7
8-10 Years	7	11.7	11.7	73.3
More than 10 Years	16	26.7	26.7	100.0
Total	60	100.0	100.0	

Experience in current position

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
1-5 Years	33	55.0	55.0	56.7
5-8 Years	17	28.3	28.3	85.0
8-10 Years	7	11.7	11.7	96.7
More than 10 Years	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Highest Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	3	5.0	5.0	5.0
Junior Certificate	1	1.7	1.7	6.7
other	2	3.3	3.3	10.0
Matric Certificate	7	11.7	11.7	21.7
National Diploma	27	45.0	45.0	66.7
Degree	8	13.3	13.3	80.0
Post Graduate Diploma	6	10.0	10.0	90.0
Honors degree	5	8.3	8.3	98.3
Masters degree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Communication regarding financial statements and importance of financial statements are outlined and known to all employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	18	30.0	30.0	33.3
Disagree	14	23.3	23.3	56.7
Uncertain	13	21.7	21.7	78.3
Agree	10	16.7	16.7	95.0
Strongly agree	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Workshops for financial statements are held every 3 months

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	34	56.7	56.7	60.0
Disagree	13	21.7	21.7	81.7
Uncertain	10	16.7	16.7	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

If any, did you attend the workshop

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	7	11.7	11.7	11.7
Strongly disagree	26	43.3	43.3	55.0
Disagree	14	23.3	23.3	78.3
Uncertain	7	11.7	11.7	90.0
Agree	6	10.0	10.0	100.0
Total	60	100.0	100.0	

If any, did the workshop address the department challenges

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	9	15.0	15.0	15.0
Strongly disagree	20	33.3	33.3	48.3
Disagree	13	21.7	21.7	70.0
Uncertain	15	25.0	25.0	95.0
Agree	3	5.0	5.0	100.0
Total	60	100.0	100.0	

The department has good internal control systems

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Strongly disagree	4	6.7	6.7	8.3
Disagree	16	26.7	26.7	35.0
Uncertain	22	36.7	36.7	71.7
Agree	16	26.7	26.7	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

The departmental structure permits good proper segregation of duties

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	5	8.3	8.3	8.3
Strongly disagree	9	15.0	15.0	23.3
Disagree	16	26.7	26.7	50.0
Uncertain	20	33.3	33.3	83.3
Agree	10	16.7	16.7	100.0
Total	60	100.0	100.0	

Internal control systems are effective to the accounting systems

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Strongly disagree	5	8.3	8.3	10.0
Disagree	14	23.3	23.3	33.3
Uncertain	28	46.7	46.7	80.0
Agree	12	20.0	20.0	100.0
Total	60	100.0	100.0	

Transactions are authorised according to the correct Delegation

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	4	6.7	6.7	10.0
Disagree	8	13.3	13.3	23.3
Valid Uncertain	23	38.3	38.3	61.7
Agree	22	36.7	36.7	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Inspectorate & compliance directorate is effective to avoid irregular expenditure

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Strongly disagree	5	8.3	8.3	10.0
Disagree	7	11.7	11.7	21.7
Valid Uncertain	30	50.0	50.0	71.7
Agree	17	28.3	28.3	100.0
Total	60	100.0	100.0	

Internal auditing of the department ensures effectiveness of internal control system, policies and procedures

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	4	6.7	6.7	6.7
Strongly disagree	9	15.0	15.0	21.7
Disagree	14	23.3	23.3	45.0
Valid Uncertain	19	31.7	31.7	76.7
Agree	14	23.3	23.3	100.0
Total	60	100.0	100.0	

The status & role of the internal audit function is known & recognised throughout the organisation

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	4	6.7	6.7	6.7
Strongly disagree	7	11.7	11.7	18.3
Disagree	21	35.0	35.0	53.3
Valid Uncertain	17	28.3	28.3	81.7
Agree	11	18.3	18.3	100.0
Total	60	100.0	100.0	

Department internal auditing section adds value and improves organisational operations

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	7	11.7	11.7	15.0
Disagree	24	40.0	40.0	55.0
Uncertain	19	31.7	31.7	86.7
Agree	8	13.3	13.3	100.0
Total	60	100.0	100.0	

Department internal audit improves the effectiveness of risk management, control, & governance processes

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	6	10.0	10.0	13.3
Disagree	15	25.0	25.0	38.3
Uncertain	23	38.3	38.3	76.7
Agree	13	21.7	21.7	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Department Management engage with internal audit function to gather information on monthly basis

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	6	10.0	10.0	13.3
Disagree	12	20.0	20.0	33.3
Uncertain	33	55.0	55.0	88.3
Agree	6	10.0	10.0	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Audit committees exercise responsibility of financial reporting; corporate governance; and corporate control

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	3	5.0	5.0	8.3
Disagree	14	23.3	23.3	31.7
Uncertain	31	51.7	51.7	83.3
Agree	10	16.7	16.7	100.0
Total	60	100.0	100.0	

Oral communication via meetings and informal talks helps bring important information

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Strongly disagree	8	13.3	13.3	15.0
Disagree	11	18.3	18.3	33.3
Valid Uncertain	16	26.7	26.7	60.0
Agree	18	30.0	30.0	90.0
Strongly agree	6	10.0	10.0	100.0
Total	60	100.0	100.0	

Right information is disseminated to the right people at the right time

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Strongly disagree	11	18.3	18.3	20.0
Disagree	18	30.0	30.0	50.0
Valid Uncertain	17	28.3	28.3	78.3
Agree	13	21.7	21.7	100.0
Total	60	100.0	100.0	

Communication with internal stakeholders takes place though general staff meetings on monthly basis

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Strongly disagree	19	31.7	31.7	35.0
Disagree	19	31.7	31.7	66.7
Valid Uncertain	14	23.3	23.3	90.0
Agree	5	8.3	8.3	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Audit report is disseminated to all department employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	4	6.7	6.7	6.7
Strongly disagree	17	28.3	28.3	35.0
Disagree	17	28.3	28.3	63.3
Valid Uncertain	15	25.0	25.0	88.3
Agree	7	11.7	11.7	100.0
Total	60	100.0	100.0	

The management provides professional leadership to the staff and a democratic style is applied

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	14	23.3	23.3	23.3
Disagree	19	31.7	31.7	55.0
Uncertain	15	25.0	25.0	80.0
Agree	11	18.3	18.3	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Management is committed to account for the decisions made

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	11	18.3	18.3	18.3
Disagree	15	25.0	25.0	43.3
Uncertain	16	26.7	26.7	70.0
Agree	17	28.3	28.3	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

The transferring of skills from consultants leadership is assisting the department from poor performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	15	25.0	25.0	25.0
Disagree	11	18.3	18.3	43.3
Uncertain	21	35.0	35.0	78.3
Agree	13	21.7	21.7	100.0
Total	60	100.0	100.0	

Management complies with Public Finance Management Act and Treasury Regulations

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	11	18.3	18.3	18.3
Disagree	5	8.3	8.3	26.7
Uncertain	26	43.3	43.3	70.0
Agree	17	28.3	28.3	98.3
Strongly agree	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	10	16.7	16.7	16.7
Disagree	5	8.3	8.3	25.0
Uncertain	24	40.0	40.0	65.0
Agree	19	31.7	31.7	96.7
Strongly agree	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Salary

	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied at all	13	21.7	21.7	21.7
Not satisfied	21	35.0	35.0	56.7
not sure	9	15.0	15.0	71.7
satisfied	16	26.7	26.7	98.3
Very Satisfied	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Working environment

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	2	3.3	3.3	3.3
Not satisfied at all	5	8.3	8.3	11.7
Not satisfied	21	35.0	35.0	46.7
not sure	9	15.0	15.0	61.7
satisfied	23	38.3	38.3	100.0
Total	60	100.0	100.0	

Supervision

	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied at all	9	15.0	15.0	15.0
Not satisfied	14	23.3	23.3	38.3
not sure	13	21.7	21.7	60.0
satisfied	23	38.3	38.3	98.3
Very Satisfied	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Leadership

	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied at all	13	21.7	21.7	21.7
Not satisfied	15	25.0	25.0	46.7
not sure	16	26.7	26.7	73.3
satisfied	15	25.0	25.0	98.3
Very Satisfied	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Co-Workers

	Frequency	Percent	Valid Percent	Cumulative Percent
Unspecified	1	1.7	1.7	1.7
Not satisfied at all	2	3.3	3.3	5.0
Not satisfied	6	10.0	10.0	15.0
not sure	19	31.7	31.7	46.7
satisfied	28	46.7	46.7	93.3
Very Satisfied	4	6.7	6.7	100.0
Total	60	100.0	100.0	

Communication

	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied at all	10	16.7	16.7	16.7
Not satisfied	16	26.7	26.7	43.3
not sure	16	26.7	26.7	70.0
satisfied	16	26.7	26.7	96.7
Very Satisfied	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Consultants are doing great job

	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied at all	14	23.3	23.3	23.3
Not satisfied	15	25.0	25.0	48.3
not sure	24	40.0	40.0	88.3
satisfied	7	11.7	11.7	100.0
Total	60	100.0	100.0	

In your own opinion what caused National Department of Public Works audit disclaimer report for the financial year 2011/2012?

	Frequency	Percent	Valid Percent	Cumulative Percent
Communication	3	5.0	5.0	5.0
Training/Skills	3	5.0	5.0	10.0
None Compliance	40	66.7	66.7	76.7
Management/Supervisor	10	16.7	16.7	93.3
Record Keeping	4	6.7	6.7	100.0
Total	60	100.0	100.0	

Annexure D

Cross tabling of causes of disclaimer and other variables

	Financial manager is responsible for providing financial advice and support to clients and colleagues to enable them to make sound business					
Causes of audit disclaimer	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	Total
Communication	3.33%	0.00%	0.00%	1.67%	0.00%	5.00%
Training/Skills	1.67%	1.67%	1.67%	0.00%	0.00%	5.00%
None Compliance	10.00%	5.00%	23.33%	25.00%	3.33%	66.67%
Management/Supervisor	1.67%	1.67%	11.67%	1.67%	0.00%	16.67%
Record Keeping	0.00%	0.00%	3.33%	3.33%	0.00%	6.67%
	16.67%	8.33%	40.00%	31.67%	3.33%	100.00%

	Oral communication via meetings and informal talks helps bring important information						
Causes of audit disclaimer	Unspecified	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	Total
Communication	0.00%	1.67%	0.00%	1.67%	1.67%	0.00%	5.00%
Training/Skills	0.00%	1.67%	0.00%	1.67%	0.00%	1.67%	5.00%
None Compliance	1.67%	8.33%	11.67%	15.00%	23.33%	6.67%	66.67%
Management/Supervisor	0.00%	1.67%	5.00%	5.00%	3.33%	1.67%	16.67%
Record Keeping	0.00%	0.00%	1.67%	3.33%	1.67%	0.00%	6.67%
	1.67%	13.33%	18.33%	26.67%	30.00%	10.00%	100.00%

	Internal auditing of the department ensures effectiveness of internal control system, policies and procedures					
Causes of audit disclaimer	Unspecified	Strongly disagree	Disagree	Uncertain	Agree	Total
Communication	1.67%	1.67%	0.00%	0.00%	1.67%	5.00%
Training/Skills	0.00%	1.67%	1.67%	1.67%	0.00%	5.00%
None Compliance	3.33%	8.33%	15.00%	25.00%	15.00%	66.67%
Management/Supervisor	0.00%	1.67%	6.67%	3.33%	5.00%	16.67%
Record Keeping	1.67%	1.67%	0.00%	1.67%	1.67%	6.67%
	6.67%	15.00%	23.33%	31.67%	23.33%	100.00%

	Inspectorate & compliance directorate is effective to avoid irregular expenditure					
Causes of audit disclaimer	Unspecified	Strongly disagree	Disagree	Uncertain	Agree	Total
Communication	0.00%	1.67%	0.00%	1.67%	1.67%	5.00%
Training/Skills	0.00%	1.67%	0.00%	3.33%	0.00%	5.00%
None Compliance	1.67%	3.33%	10.00%	36.67%	15.00%	66.67%
Management/Supervisor	0.00%	1.67%	1.67%	5.00%	8.33%	16.67%
Record Keeping	0.00%	0.00%	0.00%	3.33%	3.33%	6.67%
	1.67%	8.33%	11.67%	50.00%	28.33%	100.00%

	Communication regarding financial statements and importance of financial statements are outlined and known to all employees						
Causes of audit disclaimer	Unspecified	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	Total
Communication	0.00%	3.33%	0.00%	1.67%	0.00%	0.00%	5.00%
Training/Skills	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%	5.00%
None Compliance	3.33%	20.00%	13.33%	18.33%	6.67%	5.00%	66.67%
Management/Supervisor	0.00%	1.67%	8.33%	1.67%	5.00%	0.00%	16.67%
Record Keeping	0.00%	0.00%	1.67%	0.00%	5.00%	0.00%	6.67%
	3.33%	30.00%	23.33%	21.67%	16.67%	5.00%	100.00%

Annexure E

Cross tabling of Co-workers and other variables

Co-Workers * Management complies with Public Finance Management Act and Treasury Regulations

Crosstab

Count		Management complies with Public Finance Management Act and Treasury Regulations					Total
Co-Workers		Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	
Unspecified		0.00%	0.00%	1.67%	0.00%	0.00%	1.67%
Not satisfied at all		1.67%	0.00%	1.67%	0.00%	0.00%	3.33%
Not satisfied		1.67%	0.00%	3.33%	3.33%	1.67%	10.00%
not sure		6.67%	1.67%	15.00%	8.33%	0.00%	31.67%
satisfied		6.67%	6.67%	20.00%	13.33%	0.00%	46.67%
Very Satisfied		1.67%	0.00%	1.67%	3.33%	0.00%	6.67%
Total		18.33%	8.33%	43.33%	28.33%	1.67%	100.00%

Co-Workers * Management is committed to account for the decisions made

Crosstab

Count		Management is committed to account for the decisions made					Total
Co-Workers		Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	
Unspecified		0.00%	0.00%	0.00%	1.67%	0.00%	1.67%
Not satisfied at all		1.67%	0.00%	0.00%	0.00%	1.67%	3.33%
Not satisfied		1.67%	0.00%	5.00%	3.33%	0.00%	10.00%
not sure		10.00%	5.00%	8.33%	8.33%	0.00%	31.67%
satisfied		3.33%	16.67%	13.33%	13.33%	0.00%	46.67%
Very Satisfied		1.67%	3.33%	0.00%	1.67%	0.00%	6.67%
Total		18.33%	25.00%	26.67%	28.33%	1.67%	100.00%

Co-Workers * Right information is disseminated to the right people at the right time

Crosstab

Count		Right information is disseminated to the right people at the right time					Total
Co-Workers		Unspecified	Strongly disagree	Disagree	Uncertain	Agree	
Unspecified		0.00%	0.00%	0.00%	1.67%	0.00%	1.67%
Not satisfied at all		0.00%	1.67%	0.00%	0.00%	1.67%	3.33%
Not satisfied		0.00%	1.67%	3.33%	1.67%	3.33%	10.00%
not sure		0.00%	5.00%	10.00%	11.67%	5.00%	31.67%
satisfied		1.67%	5.00%	15.00%	13.33%	11.67%	46.67%
Very Satisfied		0.00%	5.00%	1.67%	0.00%	0.00%	6.67%
Total		1.67%	18.33%	30.00%	28.33%	21.67%	100.00%

Co-Workers * Department internal auditing section adds value and improves organisational operations

Crosstab

Count		Department internal auditing section adds value and improves organisational operations					Total
	Co-Workers	Unspecified	Strongly disagree	Disagree	Uncertain	Agree	
	Unspecified	0.00%	0.00%	1.67%	0.00%	0.00%	1.67%
	Not satisfied at all	0.00%	1.67%	0.00%	0.00%	1.67%	3.33%
	Not satisfied	0.00%	1.67%	1.67%	5.00%	1.67%	10.00%
	not sure	3.33%	5.00%	18.33%	3.33%	1.67%	31.67%
	satisfied	0.00%	1.67%	18.33%	20.00%	6.67%	46.67%
	Very Satisfied	0.00%	1.67%	0.00%	3.33%	1.67%	6.67%
Total		3.33%	11.67%	40.00%	31.67%	13.33%	100.00%

Co-Workers * Salary

Crosstab

Count		Salary					Total
	Co-Workers	Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
	co-workers						
	Unspecified	0.00%	1.67%	0.00%	0.00%	0.00%	1.67%
	Not satisfied at all	0.00%	0.00%	0.00%	3.33%	0.00%	3.33%
	Not satisfied	1.67%	5.00%	0.00%	3.33%	0.00%	10.00%
	not sure	10.00%	10.00%	5.00%	6.67%	0.00%	31.67%
	satisfied	8.33%	16.67%	8.33%	11.67%	1.67%	46.67%
	Very Satisfied	1.67%	1.67%	1.67%	1.67%	0.00%	6.67%
Total		21.67%	35.00%	15.00%	26.67%	1.67%	100.00%

Co-Workers * Communication

Crosstab

Count		Communication					Total
	Co-workers	Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
	Unspecified	0.00%	0.00%	0.00%	1.67%	0.00%	1.67%
	Not satisfied at all	1.67%	1.67%	0.00%	0.00%	0.00%	3.33%
	Not satisfied	3.33%	5.00%	1.67%	0.00%	0.00%	10.00%
	not sure	8.33%	10.00%	11.67%	1.67%	0.00%	31.67%
	satisfied	3.33%	10.00%	10.00%	21.67%	1.67%	46.67%
	Very Satisfied	0.00%	0.00%	3.33%	1.67%	1.67%	6.67%
Total		16.67%	26.67%	26.67%	26.67%	3.33%	100.00%

Co-Workers * The status & role of the internal audit function is known & recognised throughout the organisation

Crosstab

Count

Co-workers		The status & role of the internal audit function is known & recognised throughout the organisation					Total
		Unspecified	Strongly disagree	Disagree	Uncertain	Agree	
Co-Workers	Unspecified	0.00%	0.00%	0.00%	0.00%	1.67%	1.67%
	Not satisfied at all	0.00%	1.67%	0.00%	1.67%	0.00%	3.33%
	Not satisfied	1.67%	1.67%	1.67%	3.33%	1.67%	10.00%
	not sure	3.33%	3.33%	18.33%	5.00%	1.67%	31.67%
	satisfied	1.67%	3.33%	15.00%	15.00%	11.67%	46.67%
	Very Satisfied	0.00%	1.67%	0.00%	3.33%	1.67%	6.67%
Total		6.67%	11.67%	35.00%	28.33%	18.33%	100.00%

Co-Workers * The department has good internal control systems

Crosstab

Count

Co-workers		The department has good internal control systems						Total
		Unspecified	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree	
Co-Workers	Unspecified	0	0	0	1	0	0	1
	Not satisfied at all	0	0	0	1	0	1	2
	Not satisfied	0	0	2	1	3	0	6
	not sure	1	2	6	4	6	0	19
	satisfied	0	1	7	14	6	0	28
	Very Satisfied	0	1	1	1	1	0	4
Total		1	4	16	22	16	1	60

Annexure F

Cross tabling of occupational category and job satisfaction

Occupational Category * Salary

Crosstab

Count		Salary					Total
	Occupational Category	Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
Occupational Category	Middle management	0.00%	5.00%	3.33%	8.33%	0.00%	16.67%
	Junior Management	3.33%	13.33%	6.67%	10.00%	1.67%	35.00%
	Non Managers	18.33%	16.67%	5.00%	8.33%	0.00%	48.33%
Total		21.67%	35.00%	15.00%	26.67%	1.67%	100.00%

Occupational Category * Working environment

Crosstab

Count		Working environment					Total
	Occupational Category	Unspecified	Not satisfied at all	Not satisfied	not sure	satisfied	
Occupational Category	Middle management	0.00%	0.00%	10.00%	3.33%	3.33%	16.67%
	Junior Management	0.00%	3.33%	6.67%	5.00%	20.00%	35.00%
	Non Managers	3.33%	5.00%	18.33%	6.67%	15.00%	48.33%
Total		3.33%	8.33%	35.00%	15.00%	38.33%	100.00%

Occupational Category * Supervision

Crosstab

Count		Supervision					Total
	Occupational Category	Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
Occupational Category	Middle management	3.33%	8.33%	0.00%	5.00%	0.00%	16.67%
	Junior Management	0.00%	6.67%	13.33%	15.00%	0.00%	35.00%
	Non Managers	11.67%	8.33%	8.33%	18.33%	1.67%	48.33%
Total		15.00%	23.33%	21.67%	38.33%	1.67%	100.00%

Occupational Category * Leadership

Crosstab

Count		Leadership					Total
	Occupational Category	Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
Occupational Category	Middle management	5.00%	5.00%	5.00%	1.67%	0.00%	16.67%
	Junior Management	3.33%	5.00%	15.00%	11.67%	0.00%	35.00%
	Non Managers	13.33%	15.00%	6.67%	11.67%	1.67%	48.33%
Total		21.67%	25.00%	26.67%	25.00%	1.67%	100.00%

Occupational Category * Communication

Crosstab

Count

		Communication					Total
Occupational Category		Not satisfied at all	Not satisfied	not sure	satisfied	Very Satisfied	
Occupational Category	Middle management	1.67%	8.33%	1.67%	3.33%	1.67%	16.67%
	Junior Management	1.67%	10.00%	10.00%	11.67%	1.67%	35.00%
	Non Managers	13.33%	8.33%	15.00%	11.67%	0.00%	48.33%
Total		16.67%	26.67%	26.67%	26.67%	3.33%	100.00%

Occupational Category * Consultants are doing great job

Crosstab

Count

		Consultants are doing great job				Total
Occupational Category		Not satisfied at all	Not satisfied	not sure	satisfied	
Occupational Category	Middle management	1.67%	6.67%	5.00%	3.33%	16.67%
	Junior Management	13.33%	3.33%	13.33%	5.00%	35.00%
	Non Managers	8.33%	15.00%	21.67%	3.33%	48.33%
Total		23.33%	25.00%	40.00%	11.67%	100.00%

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