

Speech by the honourable MEC Nomusa Dube on the Launch of Operation Clean Audit 2014.

It is an honour for me to be part of this launch which marks the Launch of Operation Clean Audit 2014 whose singular aim is to clean up Governance, revamp poor financial systems and enhance service delivery at both Local and Provincial Government level.

We are proud and encouraged to be part of a project that will make positive and revolutionary changes in the way our municipalities and Government Departments conduct their Financial Affairs in addressing the needs and aspirations of its communities.

This project is aimed at promoting Good Governance, strengthening financial management to achieve operational efficiency and promote accountability in government.

This project will also hold Mayors, Councillors and Senior Managers accountable to deliver on the mandate that they have been given by the electorate. Leaders must now pull up their socks and provide sound leadership. We need to eradicate poverty and underdevelopment from our province. All role players involved in this revolutionary campaign must play their part in building a democracy that is more accountable and transparent to the people we serve. Ladies and Gentlemen, it is time to deliver.

Today, all stakeholders will be signing a pledge committing themselves to actively participate in this Operation Clean Audit 2014 campaign. The signing of this pledge is a sure sign that government is here to demonstrate its seriousness and commitment to implement this mandate.

The Launch of the project is a result of a comprehensive and inclusive process with all spheres of Government and other key stakeholders in a strategic partnership aimed at rooting out all forms of corruption, mismanagement and supporting ailing municipalities towards the achievement of this goal.

This project instructs all municipalities to adopt improved financial controls and management systems to meet higher and professional accounting standards.

The launch of this programme has come at the perfect time. It comes at a time when our Departments and Municipalities face serious audit challenges and our municipalities are not functioning to their optimum, While government has made service delivery a priority, Auditor General's reports continue to reveal

ineffectiveness in internal financial systems. What this does is that it weighs heavily and negatively on service delivery.

Operation Clean Audit aims at reversing poor internal controls, poor quality of financial statements and non-compliance with Supply Chain Management.

The Minister of Cooperative Governance Mr. Sicelo Shiceka said at the National Launch that Operation Clean Audit 2014 is guided by the vision that we want to make sure that by 2014, all the 283 municipalities and 9 provincial governments departments in South Africa achieve clean audits on their Annual Financial Statements and that they further maintain systems for sustaining quality financial statements and management information.

The Minister further indicated that the launch signified the beginning of the end as far as disclaimers; adverse opinions and qualified audits are concerned for municipalities or provincial government departments will have a disclaimer or an adverse audit opinion; and by 2014 none should have those or a qualified audit.

According to the National Guidelines, the timeframe for all Municipalities and Departments are as follows.

- Between 2010 and 2011, no municipality and provincial departments will receive adverse and disclaimer audit opinions.
- At least 60% of provincial departments and the 283 municipalities must achieve unqualified audit opinion by 2012.
- By 2013, there must be an increase to 75 % both in municipalities and provincial departments that achieve unqualified audits.
- By 2014 , we must have 100% of 'clean audits', both at provincial departments and all municipalities

As we enter an era of renewed hope, let us today pledge ourselves to more effective service delivery so that all our people will benefit from the services that government provides.

This project has been successfully launched nationally and in other provinces of our country. We are all here today, bound by a common goal and determination to make KwaZulu Natal a better province, a province that is transparent, free of corruption and mismanagement and a province that adheres to the People First principle of Batho Pele.

Chairperson, our Honourable President Jacob Zuma expressed the importance of local government and its role in our society when he said

“The Municipalities are the first door that our people knock on when they need assistance from government. When people are frustrated with the slow

movement of the wheel of government they engage municipalities before other spheres”

Citizens also blame municipalities for functions that they have no direct control over. For example, municipalities are blamed for dysfunctional schools, poor service at hospitals and the slow pace of building houses.

These are of course responsibilities of other spheres of government. But for our people, local government is the first door of government they know, and sometimes the only door that they can reach.

It is for this reason that Operation Clean Audit 2014 is crucial towards improved service delivery and alleviating people’s fears of malpractices and corruption. We need transparency to satisfy our citizen’s right to information and we need to facilitate their understanding of government’s decision making process.

Operation Clean Audit 2014 in KwaZulu-Natal is a collaborated effort between the Office of the Premier, the Department of Cooperative Governance, Treasury and Municipalities.

The implementation of Operation Clean Audit 2014 requires Coordinating committees to be established. These committees will consist of representatives from the national and provincial department of Cooperative Governance and Traditional Affairs, the Office of the Premier, national and provincial treasury as well as business executives from SALGA and the provincial Auditor General’s office.

The role of these committees and the provincial leadership will be to:

- Ensure terms of reference to ensure accountability and solid management of the project. Before these committees begin operation, they will embark on an analysis of the districts focusing on leadership, governance and political oversight.
- Assess the ability of managers of municipalities and the finances of provincial departments
- Develop monitoring systems
- Work towards municipalities and provincial departments achieving unqualified audit percentage of 75% by 2013
- Assess the optimal functioning of internal audit units.

Political oversight

A council will exercise oversight over this project. The portfolio committee on finance will look at expenditure versus income, monthly management accounts. Scopa will look at detailed action to deal with audit queries.

High Level of Reporting

Committees will then submit reports that include;

- Annual comprehensive analysis of issues contributing to negative audit outcomes
- Audit Remedial plans
- Quarterly Financial Statements
- Timely submission of Financial Statements to the Auditor General
- Assessment of capacity of Budget
- Capacity building partnerships

Chairperson, it is without doubt the above directives will pave the way for a more transparent government.

What happens when we do not have transparency? We have discretion with no accountability, information is not accessible to the disadvantaged, we have lack of service culture and we have a lack of timely information. We need to remove these impediments and ensure that our people are always aware of the decision we take and they need to be safe in the knowledge that we are doing our best. Operation Clean Audit 2014 will take us a long way in providing clean governance.

Today we ask municipalities to work with honesty and integrity, to give this campaign their very best, to commit themselves to clean audits despite difficult times ahead. Today's launch must be a commitment by all of us to clean up our act so that future generations will benefit from the improved service delivery, transparency and good governance. We have until 2014 in making this project a reality. In order for us to achieve this, we need skills, dedication, commitment and a willingness to make this campaign succeed.

We are aware of the serious lack of skills, the inability of managers to analyse financial statements and their lack of conceptual skills. This will be addressed. To achieve this goal, we are looking towards good political oversight. Here I refer to the portfolio committees on finance and on Cooperative Governance and Traditional Affairs, as well as the Standing Committee on Public Accounts (SCOPA). These committees must be vigilant and make sure that administrators implement Operation Clean Audit 2014 to the best of their abilities.

We want administrators and politicians to lead through their actions for we know 'that actions speak louder than words'. We want all of you to assess your contributions and see how you best add value to this campaign. 2014 is not a way long off. Remember when we won the 2010 bid in May of 2004 and we thought 2010 was a long way off. Well, its here on our doorsteps and we all know that times passes by quickly.

Corruption

Ladies and gentlemen, we must focus our minds and apply ourselves so that we do not lose sight of our objectives. In other words, we need to keep our eye on the ball. By doing this, we can definitely achieve good governance in our country and realize our goals of clean audits. Our municipalities and provincial departments will be free from corruption, financial statements will be of high quality, and systems will be effective and sustainable. As I said, to achieve this, we need sound and strong leadership. We should not leave any stones unturned. We must investigate and get to the root of the problem.

I want us to see this as a cleansing process. Let us clean out our hearts and minds before we start cleaning up our act in government. Operation Clean Audit 2014 requires a shift in focus, a shift in our beliefs, actions and a shift of our goals. It's never too late to change. As Victor Frankl said, "When we are no longer able to change a situation, we are challenged to change ourselves..."

Let us demand clean audits, clean towns and cities, clean governance and a clean and pure society. It is not a dream but a reality we can strive for.