



Clean Audit
Promoting efficiency
through access to high-level
financial skills



The coveted "clean audit" title

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Every year, the Auditor-General of South Africa publishes findings regarding the state of financial controls in the public sector. It particularly highlights municipalities across South Africa that fail to obtain the coveted "clean audit" status that would indicate that they are effectively discharging their responsibilities.

With the focus on municipalities meeting their service delivery objectives, but often not having the capacity or skilled resources available to meet audit expectations, a "middle way" has to be found. There are positive examples that could lead the way.

Outsourcing as an enabler

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The resulting partnerships have seen various state service providers, particularly at municipal and SETA levels, using professional accountants who work within their organisations to provide support for executive management, so that financial controls can be improved and service delivery can be maximised.

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For executive management in public entities, using permanently assigned accountants for periods of at least three years is becoming increasingly attractive. This offers the particular organisation the continuity required for a sound base supported by administrative procedures, customised IT systems and on-the-job skills transfer to take place and become entrenched within the corporate culture.

Outsourcing: A bonus for all

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Initial reservations about projects possibly reducing job opportunities within the public sector are put aside once it is realised that the partnerships are creating opportunities for the development of young black accounting professionals.

Ultimately, the public-sector entity, and indeed the country, benefit from the exposure these young people get to the public sector. The fact that many may decide to enter the public service after being introduced to the public sector arena through outsourcing is a "bonus" for all concerned.

Driving cost efficiency

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Reduced internal costs typically drive the creation of these partnerships, with one professional being able to perform a number of tasks, with wider access to trained expertise that covers a number of financial disciplines. The result is controls that pave the path to entities receiving "clean audit" status from the Auditor-General – the ultimate goal of these partnerships.

Other areas where value can be unlocked



Bridging the gap: Service delivery vs. capacity and skills shortage

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With the public sector at local, provincial and national level being focused on service delivery, the development of relationships that are designed to fill skill shortage gaps and so bolster outputs is gaining momentum as municipalities and other government entities seek to improve their operational capacity.

This is especially apparent in the formation of focused partnerships that are taking place in the SETA sector, where a number of the organisations opt to use the services of firms like Deloitte to strengthen and improve financial controls within their financial administrative functions.

A tailored approach

The benefits become even more significant when one considers that specialised support can be tailored to meet the overall or specific demands of a financial department within public entities, with employment time being matched to these needs.

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