



Benchmarking financial reporting in the public sector (2008)



Dieter Gloeck:

Chairperson of the SAIGA Reporting Awards Committee

Seven years ago, the Southern African Institute of Government Auditors (SAIGA) introduced a series of important awards in the public sector to recognize the pursuit of excellence in annual reports published by all provincial and national departments.

The Awards are called the Annual Public Sector Reporting Awards (or SAIGA Reporting Awards). The SAIGA Reporting Awards project produces twelve awards:

- one for the best report of a national department
- one for the best provincial department (for each of the nine provinces)

- one for the most consistent highest score over the last three years
- a twelfth award is made for the department obtaining the overall highest score.

This year's overall winner with the highest score of 95.19% is the Free State Department of Sport, Arts & Culture. Previous winners were - 2007: the national department of Education; 2006: the Free State Department of Health; 2005: the national department of Sport & Recreation; 2004: the Free State Department of Health; 2003: the national Department of Housing; and 2002: the Department of Provincial & Local Government.

The full list of 2008 winners for the financial reporting year ended 31 March 2007 is:

Category(Province)	Winning Department (ranked from highest score downwards)	Score %	Average % for category
Overall winner	Sport, Arts & Culture (Free State)	95.19	86.34 (all)
Free State	Sport, Arts & Culture	95.19	88.39
National	Environmental Affairs & Tourism	93.98	87.44
Western Cape	Local Government & Housing Parliament (joint winners)	93.58 93.58	91.43
Mpumalanga	Agriculture & Land Administration	92.65	87.88
KwaZulu-Natal	Office of the Premier	92.25	85.80
Northern Cape	Sport, Arts & Culture	91.71	87.81
Eastern Cape	Safety & Liaison	91.71	83.90
Gauteng	Sport, Arts, Culture & Recreation	89.84	83.95
North West	Office of the Premier	89.44	82.10
Limpopo	Local Government & Housing	87.17	82.71
Most consistent	Agriculture (Western Cape)	93.32	86.34 (all)

Professor Dieter Gloeck, Executive President of SAIGA and Chairperson of the Award Committee praised the high scoring

departments and pointed to the overall sustained improvement in adherence to reporting standards since the inception of the

awards seven years ago. This bodes well for increased transparency and public accountability. Since the competition was intense, special mention should also be made of departments which achieved a high score, but were

not category winners. SAIGA has therefore decided to publish a "Top 20" list (as three departments occupy joint last place on this table it is extended to 22).

Top 20

Position	Name of Department	Percentage	Category Province
1	Sport, Arts & Culture	95.19	Free State
2	Environmental Affairs and Tourism	93.98	National
3	National Treasury	93.72	National
4	Local Government & Housing	93.58	Western Cape
4	Parliament	93.58	Western Cape
6	Health	93.45	Western Cape
7	Agriculture	93.32	Western Cape
8	Transport	93.18	National
9	Public Enterprises	93.05	National
10	Environmental Affairs and Development Planning	92.91	Western Cape
11	Agriculture and Land Administration	92.65	Mpumalanga
11	Legislature	92.65	Mpumalanga
11	Agriculture	92.65	National
11	Education	92.65	Western Cape
11	Transport and Public Works	92.65	Western Cape
16	Office of the Premier	92.25	KwaZulu-Natal
16	Education	92.25	National
18	Arts, Culture and Tourism	92.11	KwaZulu-Natal
18	Treasury	92.11	Western Cape
20	Premier	91.98	Free State
20	Tourism, Environmental and Economic Affairs	91.98	Free State
20	Public Service and Administration	91.98	National

- The score of the Free State Department of Sport, Arts & Culture (95.19%) is the highest score ever recorded by a department since the Awards' inception in 2002.
- The overall average score recorded by all departments this year is a record 86.34%. This is the highest average score recorded in the seven year history of the Awards, with the second highest score recorded in 2006 (86.00%). Other previous scores were: 2007: 84.95%; 2006: 86.0%; 2005: 82.83%; 2004: 80.49%; 2003: 75%; 2002: 70%.

- The high percentage is even more impressive if one takes into account that the number of evaluation criteria are steadily being increased as departments are required to disclose more detail in their annual financial statements. In the first year of the competition the maximum number of points was 410 marks compared to the 748 points this year.
- A record total of 35 departments scored above 90%. In

- The "Top 20" list shows that the competition was stiff - the lowest percentage in the Top 20 has crept up to almost 92% (91.98%) (2007: 90%; 2006: 90%; 2005: 89%; 2004: 88%; 2003: 83%; 2002: 79%). It now seems that the top departments are consolidating around the 90% plus mark which is a remarkable adherence percentage.
- This year only 8 departments (2007: 14; 2006: 8; 2005: 9; 2004: 8; 2003: 14; 2002: 27) did not qualify as their audit reports contained a disclaimer. In the Eastern Cape Province 4 departments were disqualified and in the Northern Cape 2. The other province with a single qualification was KwaZulu-Natal and one national department.
- The departments in the Western Cape recorded the highest average of 91.43%. The same province topped this list in 2007 with a score of 89.38%. The province with the lowest score is North West province with 82.10%. Last year Limpopo came last with 79.95%. The overall improvement is therefore also clearly visible in these statistics.
- Another indication of sustained high scoring by adhering to public sector reporting standards is the fact that with the exception of two departments all other qualifying departments scored above 70%. In the first year of the Award (2002) only 47 departments exceeded this barrier (2003: 91; 2004: 122 ; 2005: 134; 2006:142 and last year (2007) 147 departments scored above 70%).The prestige of achieving the most consistent high performance award over three years goes to the Department of Agriculture in the Western Cape (positions: 7 in 2008; 2 in 2007 and 15 in 2006).

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The SAIGA Reporting Awards are now firmly established and have become a highly visible instrument and benchmark to monitor public accountability and transparency in national and provincial departments.

Auditing SA