The Need for Records Management in the Auditing Process in the Public Sector in South Africa

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Abstract

There is a consensus among scholars that proper records management plays a significant role in the auditing process. Despite this role, in South Africa, many governmental bodies are issued with disclaimer opinions every year by the Auditor-General of South Africa (AGSA) due to a lack of supporting documentation. Whenever AGSA embarks on an audit assignment, the first constraint it faces is that records either do not exist or, if they do exist, are disorganised, and retrieval becomes problematic, resulting in a disclaimer of opinion. Furthermore, many public organisations rarely see the connection between the lack of proper records management and failures of financial accountability. This article reports on part of doctoral research project by Ngoepe in 2012 that sought to develop a framework to embed the records management function into the auditing process. However, this article seeks to investigate the role of records management in the auditing process in the public sector of South Africa, with a view to entrenching a culture of clean audits. The study relied on both quantitative and qualitative approaches, with the quantitative paradigm as the dominant design, while the qualitative paradigm was used to substantiate numerical data. Data collection adopted a multi-approach with three key sources of data: a questionnaire, interviews and literature review. The results indicate that in most governmental bodies records management did not form part of the internal audit scope, hence many record-keeping issues were identified by external auditors at a later stage. The study revealed that most governmental bodies have established internal audit units, audit committees and records management units, which did not work in unison. The study concludes by arguing that proper records management is one of the key enablers of the auditing process.

Keywords: Auditing, Records, Records management, Record-keeping, Public sector, South Africa.

Introduction and Background

Since the dawn of democracy in 1994, the public sector in South Africa has been plagued by an abyss of audit results and a perilous financial state. According to De Jager (2006/07,) it is not unusual for the media in South Africa to carry the following sentiments in their reports: "that the overall impression of the audit reports of governmental bodies (national departments, provincial departments, municipalities and statutory bodies) is one of financial disorder and widespread mismanagement of taxpayers' money." One of the contributing factors to the perilous financial state is often cited in the media as a lack of proper record-keeping, which causes monumental embarrassment to the affected governmental bodies. Indeed, the problem of poor record-keeping in public administration features prominently in reports generated by oversight mechanisms such as AGSA,

the South African Human Rights Commission (SAHRC), the Standing Committee on Public Accounts (SCOPA) and to some extent, the National Archives and Records Service of South Africa (NARS). For example, when the external auditor of government (AGSA) audits governmental bodies, one of the constraints it faces is that records are either not available or could not be retrieved.

The significant role of proper records management in the auditing in both the public and the private sectors cannot be over-emphasised. Indeed, as Akotia (1996) would concur, "proper records management is increasingly becoming the only weapon through which organisations fulfil the requirements of the auditors." As it is commonly known, an auditor's main focus is on the lack of accountability and good governance (Bhana, 2008). In his editorial remarks, De Jager (2006/07) posits that for as long as auditing is undertaken, relevant and reliable records will be required as evidence. In fact, records management supports the entire accounting function, as the beginning of accounting circle starts with the creation of a record. As Akotia (1996) hits a chord, "a major defect in financial administration arises from failure to integrate accounting and records management process, with the result that essential information is lost or becomes subject to inaccuracies." Akotia (1996:6) believes that there needs to be adequate cross-reference between records management and account systems for organisations to manage finances properly. Put simply by Bhana and Ngoepe (2009):

> An ideal audit environment is one where an auditor can walk into an organisation and be provided with an audit file that contains the financial statements, which are in turn cross-referenced, to all the relevant supporting records in the same file or at least indicating where such records can be retrieved easily.

If such a quintessential environment existed, most, if not all governmental bodies in South Africa or organisations throughout the globe would achieve clean audit reports. However, the world is not always ideal. Although the auditing process is so simple in theory, Bhana (2008) and Nel (2011) cast a baleful light that the lack of adequate records or the

challenges to retrieve records increase audit risk. Moving along the same spectrum, Akotia (1996) maintains that in the absence of records as evidence, an audit cannot proceed, which is what AGSA is experiencing in most government bodies. Whenever AGSA embarks on an audit assignment, the first constraint faced is that records either do not exist or, if they do exist, are disorganised and retrieval becomes a challenge (Nel, 2011). For example, the review of accounts by the Auditor-General of Ghana in 1996 indicated that "some of the account balances used in the preparation of the financial statements (FS) were not derived from authorised source documents and records" (Akotia, 1996). In these circumstances as outlined by Akotia (1996):

> When the Auditor-General (AG) is unable to vouch for the reliability of the financial statements and therefore unable to form an opinion as to whether the final accounts give a true and fair reflection of the public accounts, a dimension leading inexorably to a crisis of governance is created.

According to Akotia (1996), Bhana (2008), Nel (2011) and Palmer (2000) at the root of the crisis lies the old, often ignored requirement to manage public records.

The reciprocal relationship of proper record-keeping and auditing is also highlighted in many audit findings of various supreme audit institutions (SAIs). For example, since the 2001/02 financial year, the Australian National Audit Office (ANAO) (2006) conducted a series of audits to assess the extent to which entities were meeting their record-keeping responsibilities. The results indicate that the standard of record-keeping has been a recurring issue in ANAO audits in Commonwealth organisations. Many ANAO reports have noted an absence of, or only limited, on-going documentation or records, such as in audits of risk management and internal controls. Even more profoundly, Mosweu (2011) bemoans that conducting public audits in Botswana has been a strenuous exercise for the Office of the Auditor-General in that country, as the results were riddled with lamentations of poor records management. In his study, Mosweu (2011) links poor service delivery in Botswana to a lack of proper records management. The audit results in Sierra Leone are

even more disconcerting as school records could not be found (Audit Service of Sierra Leone, 2009); while in Jamaica there was overstocking of drugs in hospitals due to malfunctioning records management systems (Auditor-General of Jamaica, 2011).

The public sector in South Africa can also identify with the above scenarios. In South Africa, when reporting on audit findings, AGSA is always on record noting the importance of keeping records as a key component of any entity's governance (Bhana, 2008; Nel, 2011; Ngoepe, 2009a; 2011). AGSA places a high premium on proper records management to the extent that in its general reports on audit outcomes, it lists "a clear trail of supporting documentation that is easily available and provided timeously" as the first of six good practice indicators[1] for government departments to achieve positive audit results (Bhana, 2008; Ngoepe, 2009b). In a more sobering conundrum, AGSA (2010) observes that government departments and municipalities often scrambled at the financial year-end to compile information for submission to AGSA in terms of the Public Finance Management Act (Act No 1 of 1999) and Municipal Finance Management Act (Act No. 56 of 2003). As a result, many governmental bodies in South Africa have sunk into an auditing abyss with records so badly organised that AGSA has been unable to express an opinion on the financial statements. Metrofile (2010) further observes that for many governmental bodies in South Africa, financial year-end is a stressful period as it invokes a range of mixed, and at times, anxious feelings, particularly when it comes to the external auditors from AGSA checking the supporting records. The monthly online column of AG (2011) also emphasised that governmental bodies in South Africa has a tendency to prepare the full set of accounts and the supporting documentation at the eleventh hour at the end of the financial year. Metrofile (2010) believes that much of the audit concern AGSA raises in governmental bodies can be mitigated through proper records management by ensuring that the information needed by auditors is properly arranged and readily available.

Problem Statement

Despite the importance of recorded information to the auditing process as stated in the AGSA's six good practice indicators for governmental bodies to achieve clean audit results, many governmental bodies in South Africa are disclaimed every year due to a lack of documentation. While various researchers and organisations around the globe acknowledge the importance of proper record-keeping for the auditing process and corporate governance, AGSA (2010) observes that records management is often not regarded as essential for good governance in the public sector of South Africa. Furthermore, most managers do not rank organising records highly among their priorities. Instead, it is thought to be a mundane chore with which management should not be concerned. This tedious task is often left to the discretion of the staff in charge of records management (IRMT, 1999). In addition, financial legislation, regulations, standards and the accounting manuals, which provide the foundation for designing financial management systems, tend to specify what records should be kept but not how they should be kept.

Beside the financial legislation, standards and regulations not prescribing or recommending the how part of records management, the other dilemma is that some records such as financial records, personnel records and electronic records usually fall outside the jurisdiction of the organisation's records manager. As a result, these records are not managed or controlled adequately. Ngoepe (2011) observes that in South Africa, most records are managed only during their last stage when they metamorphosed into archives and by then it is too late to control the records. Failure to manage records can lead to the build-up of unwanted records, overcrowding and disorganisation. This, in turn, will make it very difficult to retrieve and use financial records efficiently and to carry out the auditing process. In this light, it is essential that records are managed properly to enable the auditing process and risk management.

Research Purpose and Objectives

The general purpose of this study was to investigate the role of records management into the auditing process in the public sector of South Africa with a view to entrenching the culture of clean audits. The specific objectives were to:

– Investigate the availability of records management programmes and its role to audit opinions in the public sector of South Africa.

– Investigate the relationship between internal auditing units and records management units in the public sector of South Africa.

– Investigate the management of financial records in the public sector of South Africa.

Research Methodology

The focus of this study was on regularity of audits of governmental bodies in South Africa, which are audited by AGSA. The public sector in South Africa consists of four spheres of government, namely: national government departments, provincial government departments, municipalities, and constitutional bodies/public entities. However, statutory bodies that were not consistently audited by AGSA were excluded from this study. Equally beyond the scope of the study were other types of audits performed by AGSA such as performance audits, forensic audits and information system audits. These types of audits are not performed consistently but are done only on request or if there is a need. Therefore, an assumption is that there would be insufficient data on these types of audits as only few organisations would have been audited in this regard.

In order to investigate the role of records management into the auditing process, this study relied on both quantitative and qualitative approach, with the quantitative paradigm as the dominant design, while the qualitative paradigm was used as the less dominant design.

Data Collection Tools

This study used a combination of data collection tools with a self-administered questionnaire as the principal instrument. Data collected via the questionnaire were supplemented through interviews. In research, the use of various methods to collect the same data for corroboration or triangulation is highly commendable. While in most surveys, the units of analysis are individuals, this was not the case in this study as governmental bodies were used as units of analysis.

Population and Sampling

The population of this study consisted of governmental bodies in South Africa (national departments, provincial departments, municipalities and statutory bodies). AGSA's stakeholder database, which listed 283 municipalities, 37 national government departments, 108 provincial government departments in all nine provinces and 30 constitutional bodies/public entities, was used as a sampling frame. Since the population being studied was large and heterogeneous, this study used a stratified random sampling.

The population was divided into strata of municipalities, national departments, provincial departments, and public entities to ensure representation. Municipalities and provincial departments were further grouped into sub-strata according to their respective provinces. Participants from the chosen sample were selected purposively and consisted of either the records management staff member or the internal audit staff member. In some instances, especially in municipalities where there were no records managers, municipal managers were selected. The study utilised a Raosoft sample size calculator, available online to determine the sample size. A proportional sample size of 37 percent (171) was taken from the population. In other words, the sample in each stratum was taken in proportion to the size of the stratum (see table 1 for the sampling proportion). The sample constituted of 105 municipalities, 14 national departments, 40 provincial departments and 12 public entities/ statutory bodies, taking a tally to 171. Furthermore, two external auditors responsible for regularity audits in the municipalities and government departments and an executive committee member from AGSA were included in the study through the interviews. The participants from AGSA were chosen purposively.

Table 1: Stratified proportional sampling

Stratum	Elements in population	Proportional sampling
Municipalities	283 x (37%)	105
National departments	37 x (37%)	14
Provincial departments	108 x (37%)	40
Statutory bodies	30 x (37%)	12

Data Analysis and Research Findings

This section analyses and presents the results of the data obtained via questionnaire and interviews.

Response Rate and Participants' Profile

In this study, out of 171 copies of the questionnaire designed and distributed during February - April 2012, only 94 were returned, representing a 55 percent response rate. Copies of the questionnaire which were returned via post and e-mail were captured on free open source software that automatically produces an Excel spreadsheet. Quantitative data from the questionnaire were analysed using different analytical tools and computer software such as Excel Spreadsheet and PHstat to produce the graphs. Qualitative data from questionnaires and interview results with AGSA staff were analysed manually and used to substantiate numerical data.

As reflected in Figure 1, of the 94 copies received, 14.9 percent (14) were from national departments; 29.8 percent (28) were from provincial departments; 43.6 percent (41) were from municipalities; and 11.7 percent (11) were from statutory bodies.
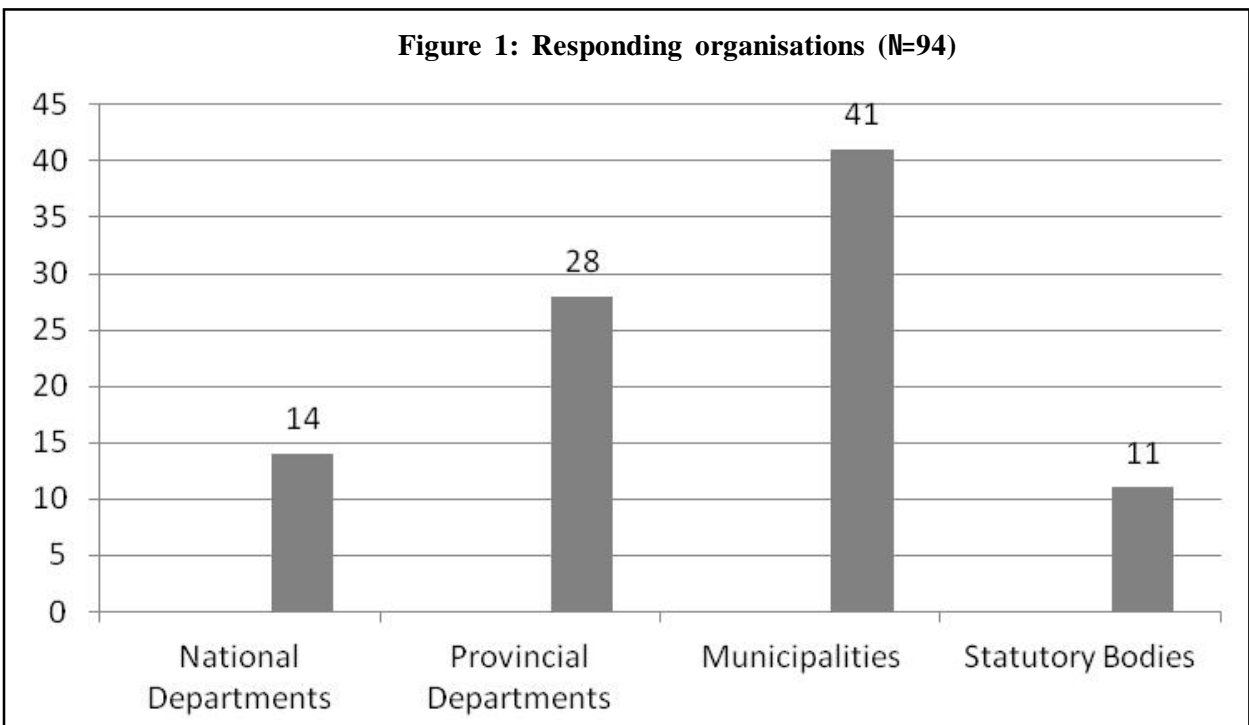

Figure 1: Responding organisations (N=94)

Figure 2 reflects that of the 94 responses, 42.5 percent (40) were completed by records managers; 28.7 percent (27) by registry clerks; 15.9 percent (15) by other information professionals such as librarians, knowledge managers and information technology specialists, while 12.7 percent (12) were completed by different officials such as municipal managers, risk managers and internal auditors. In some instances, the questionnaire was completed by more than one person in one institution, that is, the records manager and the internal auditor. In this regard, the records manager would complete only the section applicable to his/her section and the internal auditor would complete the part on auditing. The explanation given was that the records manager didn't have background on auditing and the internal auditors also didn't have background on records management in that organisation. Therefore, it was best for two respondents to complete the questionnaire together.

Figure 2: Position / affiliation of the respondents (N=94)
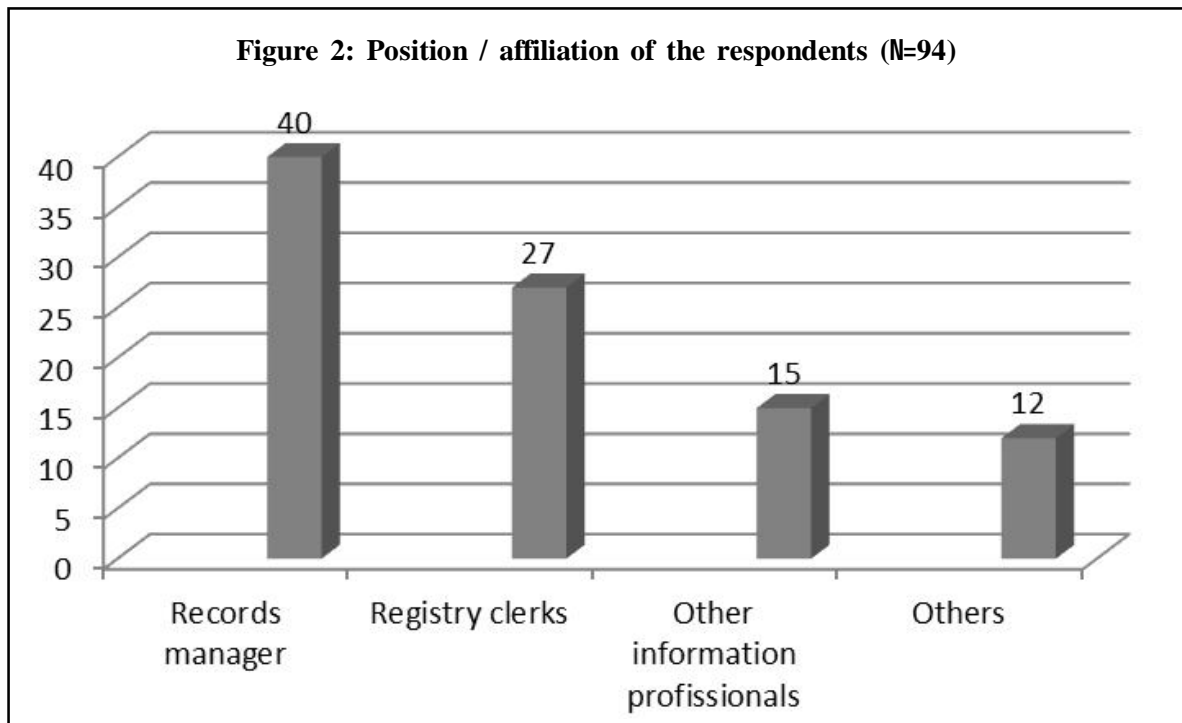
The Role of Records Management in the Audit Opinion in the Public Sector of Sout Africa

Participants were asked to indicate the nature of the audit opinion obtained by their organisations in the 2009/10 financial year. As indicated in Figure 3, 20.2 percent (19) received an unqualified opinion; 57.4 percent (54) a qualified opinion; 9.6 percent (9) an adverse opinion; and 12.8 percent (12) a disclaimer.

Figure 3: The nature of audit opinion for 2009/10 in governmental bodies (N=94)
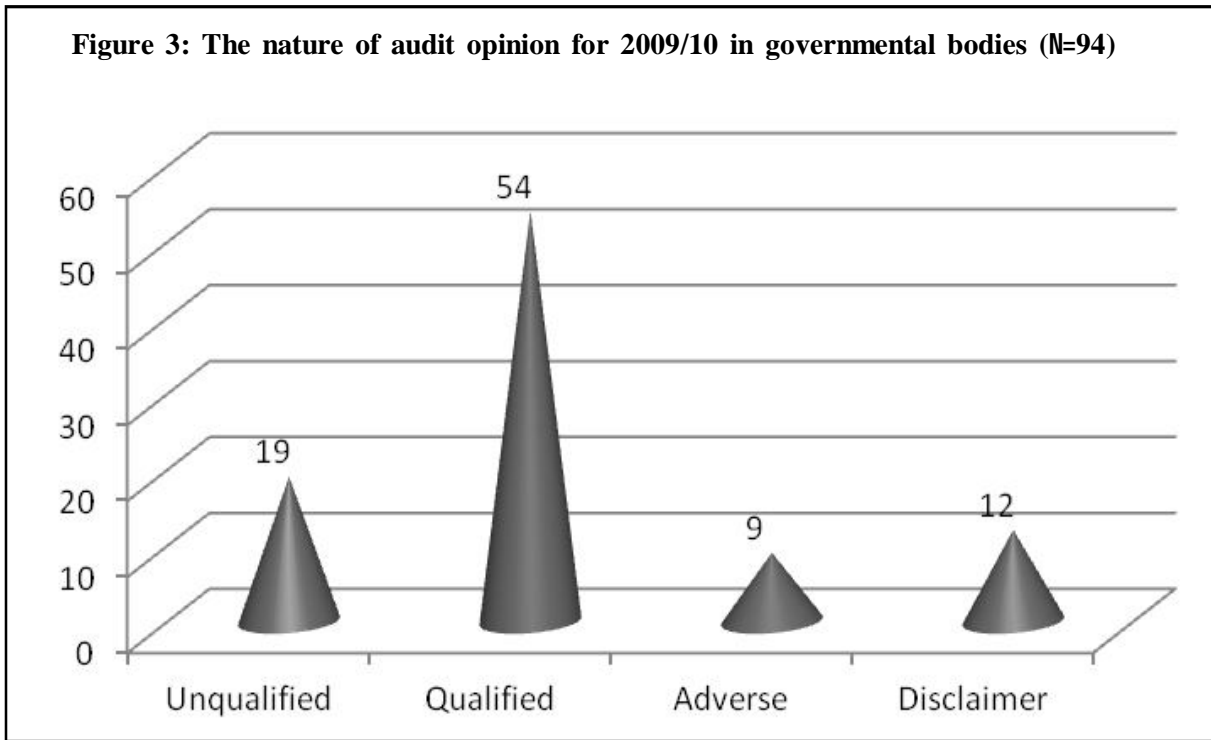
Respondents were asked to rate key issues that contributed to the audit opinion. As reflected in table 2, records management was ranked number six out of 10 issues, with internal controls ranking position one as the major contributor to the audit opinion. It is worth noting that as the respondents ranked the areas contributing to audit opinion, the open source software that was utilised for data analysis automatically analysed the data as reflected in table 2. Therefore, it was not possible for the researchers to provide raw scores.

**Table 2: Ranking of key contributors to audit opinion by respondents**

Rank	Key contributors	Average score
1	Internal controls	7.63%
2	Quality and timeliness of financial statements	6.80%
3	Finance	6.15%
4	Availability of key officials	6.01%
5	Leadership	5.79%
6	Records management	5.68%
7	Supply chain management	5.43%
8	Information Technology	4.16%
9	Human resources	3.80%
10	Risk management	3.56%

Results of interviews from AGSA indicate that the major contributor to negative audit opinions in governmental bodies was attributed to: a lack of supporting evidence (records) for financial statement items and a lack of knowledge of finance staff to properly deal with accounting issues. A respondent from AGSA indicated that an audit can only be conducted if the auditee has proper records that are available for viewing and that support the balances and transactions disclosed in the annual financial statements. According to the respondent, the records that were mostly required for the audit by AGSA include: invoices supporting expenditure, memo's/approvals of relevant officials to procure the expenditure, journal vouchers substantiating entries passed in books, trial balances and general ledger of the entity, salary advices and payment evidence.

The Availability of Records Management Programme and its Role into the Audit Opinions

Governmental bodies in South Africa are required by archival legislation such as the National Archives and Records Service Act (Act No 43 of 1996) to establish a records management programme in conformity with standards and codes of best practice in records management. The availability of a records management unit in governmental bodies goes a long way in helping with the implementation of policies and a filing system. It is essential to manage the transactions, information and knowledge necessary to sustain an organisation. In this regard, records can be easily retrieved when requested by auditors or whoever seeks information. The purpose of this objective was to establish if governmental bodies have developed a records management programme that supports governance processes such as auditing. As reflected in Figure 4, 83 percent (78) had records management units as compared to 17 percent (16) that did not have one. Those that did not have records management units indicated that records management was the responsibility of each unit and in some cases records creators.

**Figure 4: Availability of records management units (N=94)**
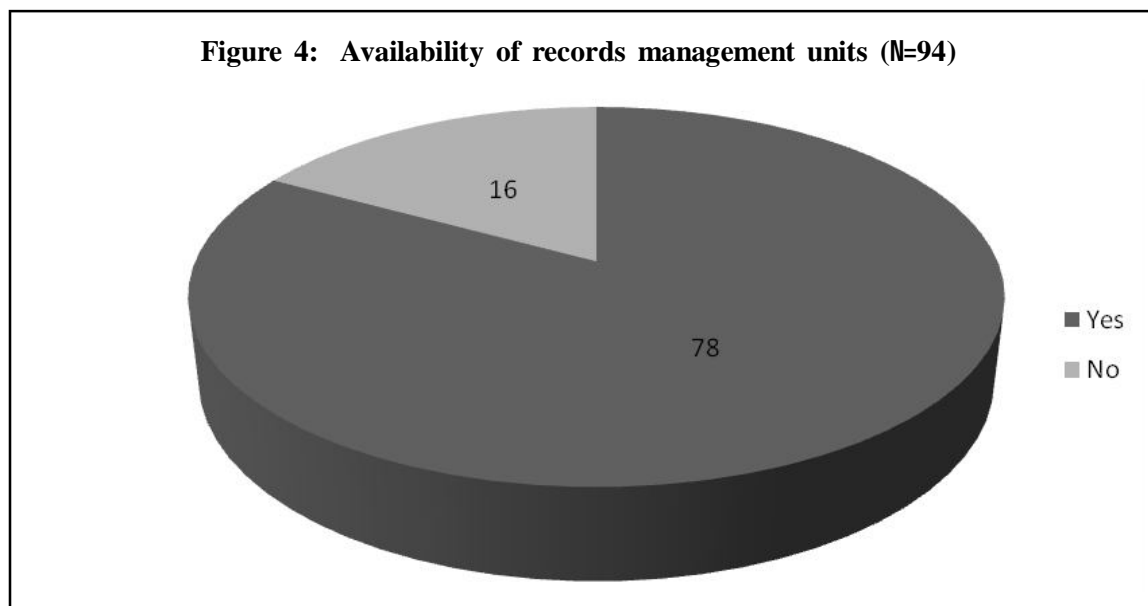
The Relationship between Internal Auditing Unit and Records Management

Internal auditing plays an important role in any country's public sector and, in particular, in organisations' corporate governance, internal control structure, risk management and financial reporting (Janse van Rensburg and Coetzee, 2010/11). South Africa is no exception, and the role of internal auditing in the country is emphasised in financial legislation such as the Public Finance Management Act (Act No. 1 of 1999) and the King Report III on corporate governance. For example, this piece of legislation and the corporate governance model suggest that an internal audit function should be established within an entity.

As reflected in Figure 5, 74.5 percent (70) had internal audit units as compared to 25.5 percent (24) which did not have. Those that did not have an internal audit unit were mainly provincial government departments and indicated that the Premier's offices had a transversal role in internal auditing for provinces. In this regard, the internal audit unit in the Premier's Office was responsible for the entire province.

**Figure 5: Availability of internal audit function (N=94)**
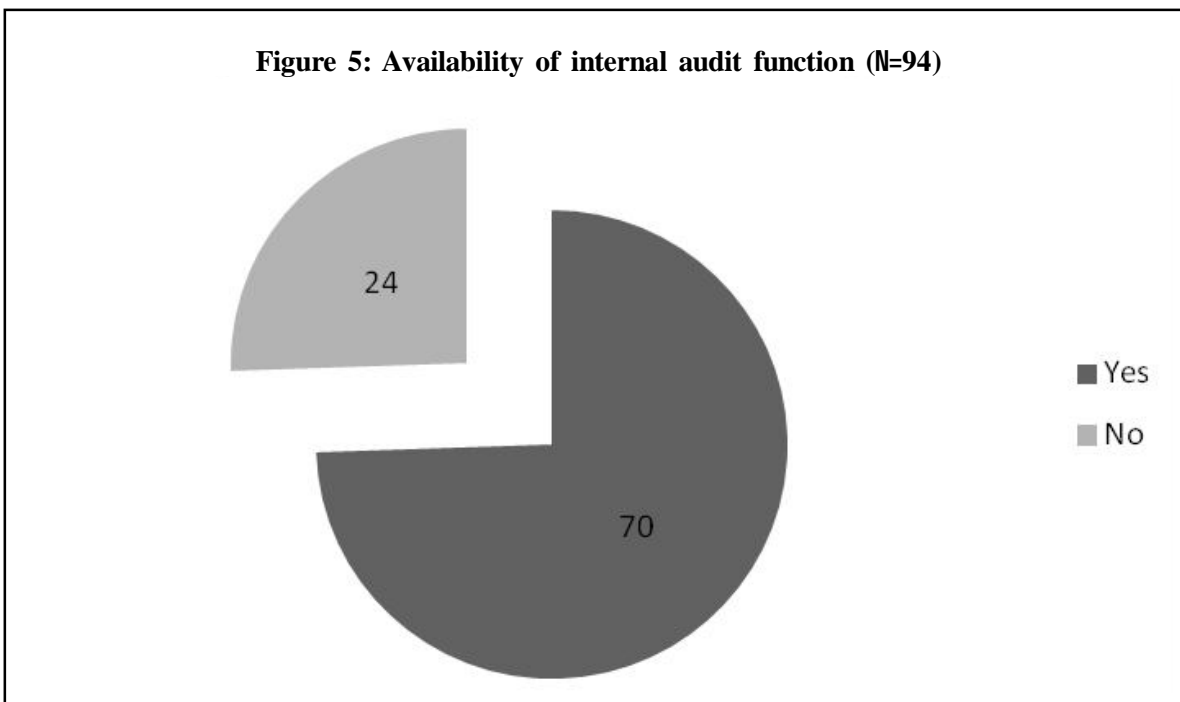
With regard to the frequency of conducting internal audit reviews as reflected in Figure 6, it was revealed that most governmental bodies (56) conducted internal audits annually as compared to 6.4 percent (6) that conducted the audits quarterly and 1.1 percent (1) monthly. However, 14.9 percent (14) indicated that internal auditing was not conducted in their organisations while the other 14.9 percent (14) scheduled internal audits as per the internal audit plan and consulting engagement when requested. However, those who conducted internal audits did indicate that the recommendations of internal auditors were not always implemented. According to the respondents, most of the issues identified by internal auditors were often raised by external auditors. In other words, these issues could have been addressed before the external auditors audited the entity. However, the respondents indicated that it was not always the case. In fact, some indicated that the internal audit division was not taken as seriously as external auditors (AGSA). This is due to the fact that unlike the external audit report, the internal audit report is not by default publicly available, for example via the governmental body's website. As such, an assumption from some respondents was that senior management knew that internal audit reports were highly unlikely to be made public.

When asked to indicate how effective internal auditors and audit units were in governmental bodies, the respondents from AGSA indicated that each internal audit function was assessed separately. In this regard, some were fulfilling their mandate while others needed to improve. The respondents further indicated that although varied from entity to entity, issues identified by internal auditors in governmental bodies were not often addressed before the external auditors from AGSA conduct the audits.

Figure 6: Frequency of conducting internal audit reviews in governmental bodies (N=94)
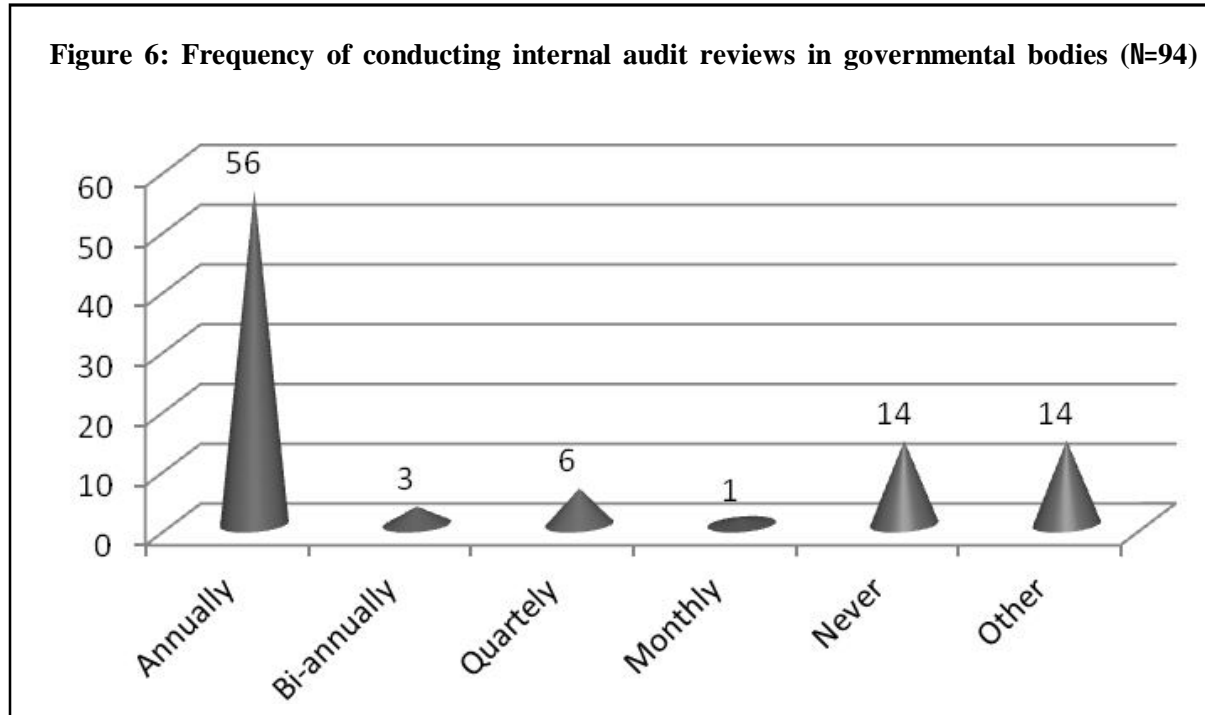
Respondents further indicated that records management and auditing did not always work in unison. The majority of respondents 72.3 percent (68) indicated that the scope of internal auditing in their organisations does not include records management. Those who indicated that records management was included in the scope of internal auditing listed the following as top five records management findings in internal auditing reviews: non-compliance with legislation, lack of information security, information loss, incomplete records, and no disaster recovery plans. With regard to external auditing, the common findings related to record-keeping in governmental bodies included the following:

• Records were not filed in a way that will allow for easy reference; hence it takes longer than necessary to retrieve.
• Records filed were not always a complete set of documents that substantiates the transactions (for example, the pack of records requested for one invoice payment contains all the invoices and quotes but the approval page is missing).

The Management of Financial Records in the Public Sector of South Africa

According to ANAO (2006), records need to be described so that people know what they are about, understand their context and purpose, and can find them easily when they need to. When asked who managed financial records in governmental bodies, 71.3 percent (67) as reflected in figure 7 indicated that the records management units did not have control of financial records. The respondents indicated that financial records were managed by the finance section. These records were transferred to central records only when they were semi-active. In this regard, that was the only time when records management has control of financial records. However, the respondent from AGSA indicated that both records management staff and the finance section assisted the auditors with records during the audit cycle in governmental bodies.

Figure 7: Control of financial records by records management units (N=94)

Eighty-one percent (77) indicated that internal and external auditors did complain that they were unable to obtain source documents within a reasonable time, resulting in disclaimer opinions. As reflected in figure 8, only 37.2 percent (35) indicated that their organisations had a formal plan to respond to audit requests. Interviews with AGSA staff members also confirmed that, in a few instances, the auditees had a formal plan to respond to audit requests for records. However, most auditees that were qualified did not have adequate action plans for issues raised in previous reports. The tendency was to prepare the full set of accounts at the end of

the year, resulting in what Ngoepe and Van der Walt (2009) call "pillar to post syndrome" due to lack of mechanism to retrieve records. One respondent even indicated that during the audit cycle, officials run around like "headless chickens" in an attempt to retrieve records requested by auditors without success. This was due to the fact that records were not managed properly in governmental bodies. In some instance, files were either incomplete or missing. It is saddening to note that records management professionals did not even get the copy of the report, as most indicated that they read about the audit results of their governmental bodies in the media.

Figure 8: Availability of formal plans to respond to audit requests (N=94)
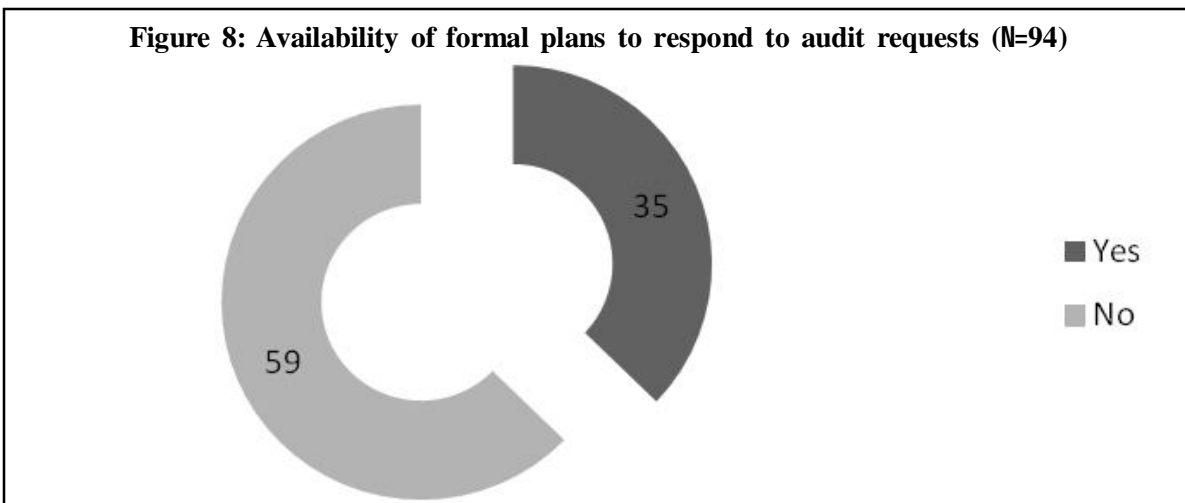
Responsibility for Preparation of Financial Statements

Financial legislation such as the Public Finance Management Act (Act No. 1 of 1999) requires accounting officers of governmental bodies to prepare financial statement for each financial year and submit these to AG for auditing within two months after the end of financial year. As reflected in figure 9, the responsibility of preparing financial statements in 49 (52.1%) governmental bodies lied with the chief financial officers and in most cases (46.8%), especially in municipalities, the compilation of financial statements was outsourced to consultants. However, only 1.1 percent (1) indicated that the responsibility lied with the head of department.

Figure 9: Responsibility for preparing financial statements (N=94)
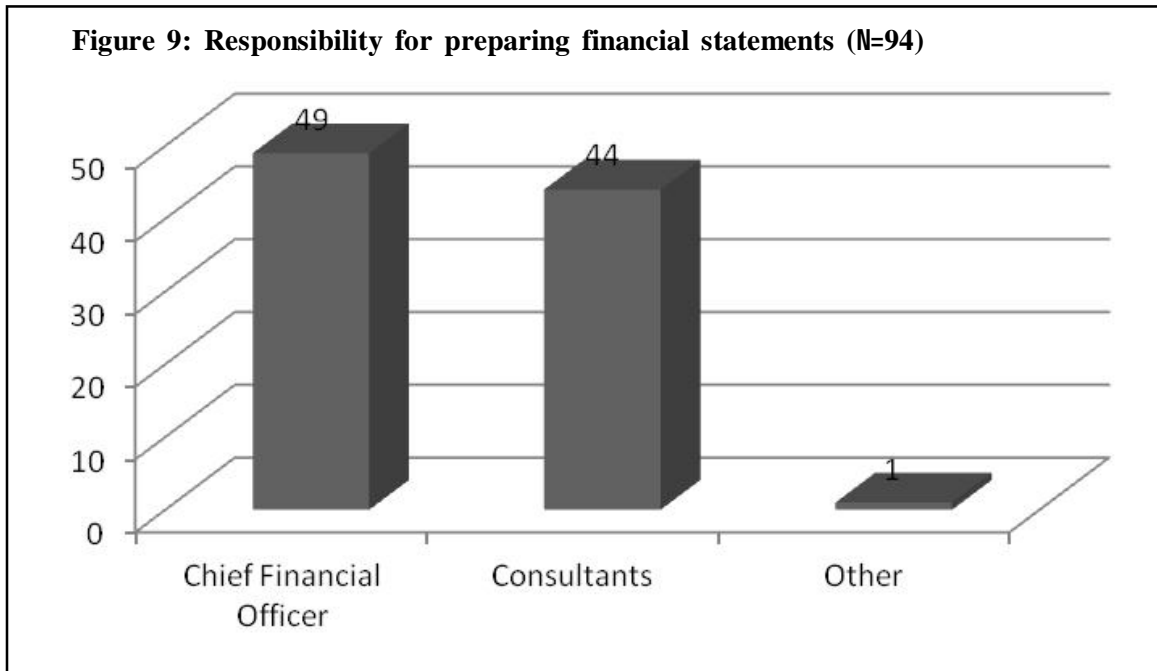
Eighty-five per cent (80) indicated that financial statements were always prepared in time. The other 15 percent (14) indicated that the financial statements were not always prepared in time due to unavailability of records. AGSA respondents also indicated that the submission of financial statements varied from entity to entity with some not submitting, others submitting late, others submitting incomplete statements, and others submitting on time. Some respondents expressed concerns that outsourcing the compilation of financial statements to consultants did not always benefit their organisations, as there were no skills transfer. As well, more money was spent on consultants in this regard. However, some respondents commended the consultants on the work done by them in compiling financial statements and even attributed the improvement of audit outcomes to the use of consultants. Either way, the use of consultants or in-house staff has pros and cons as outlined in table 3 (Katuu, 2007).

Table 3: Using consultants versus in-house staff

Consultants	In-house staff
Pros	**Cons**
Have experience	May not have experience
Have all their time allocated to the project	May not have all their time allocated to the project
Can be held totally accountable	Difficult to hold accountable
Cons	**Pros**
May not initially understand the organisational culture, vision and mission	Immediately understand the organisation culture, vision and mission
May be very expensive	Very cost-effective
May not engage in knowledge and skill transfer	Development of organisational skills and knowledge

The periods of completing an audit as indicated by the respondents ranged from one month to 10 months. According to the respondents, the duration of the period was mainly influenced by the availability of records, financial statements being submitted late and unavailability of key individuals during the audit cycle. However, there were those who indicated that auditing was not done due to non-submission of financial statements to AGSA. Taking into consideration the auditing process (planning/interim and final phase), the respondents from AGSA indicated that the cycle to complete PFMA/MFMA audits can take about five months. Mostly, according to the respondents, the duration of the audit is determined by the amount of data that have to be audited. However, late submission of financial statements and records also has a major impact.

Discussion

The results clearly indicate that governmental bodies in South Africa were characterised by negative audit results. This is evidenced by the fact that only 19 organisations out of 94 received unqualified audits during the 2009/10 financial year. Even though not the only enabler, it has been established in this study that records management was one of the contributing factors to the audit results.

The results of the study revealed that most governmental bodies (70%), especially national government departments, municipalities and statutory bodies have established internal audit units. It would seem that the establishment of internal audit functions in most governmental bodies was just for ceremonial and compliance purposes. Even though it has been discovered that most governmental bodies have established internal audit units, the public sector in South Africa continues to obtain unclean audit results. This is in part due to the fact that internal audits were not frequently conducted in governmental bodies. In the cases where internal audits were conducted, follow-ups or remedial actions to the reports were not done. An assumption is that follow-ups were not done, as internal audit reports were not made public and therefore management did not worry about such reports as members of the public would not have access to them (reports). In most governmental bodies, records management did not form part of the internal audit scope, hence many record-keeping issues were identified by external auditors at a later stage. As well, many governmental bodies did not have plans to respond to audit queries. The study found that governmental bodies were characterised by the late closing of accounts, poor internal controls, incomplete and inaccurate records that lead to unclean audit results. On contrary, in a study by Isa (2009), it was found that organisations with an internal audit division and proper records management programme always produce clean audit results. However, the setting was different as Isa's study was conducted in Europe.

On a positive note, it has been discovered that most governmental bodies in South Africa had established records management programmes. However, despite this, governmental bodies continued to receive unclean audit opinions from AGSA. This is in part due to the fact that records management

programmes were established for just compliance purpose with archival legislation. It is clear from the results that records management units in governmental bodies did not have control over financial records. These records fell beyond the scope of records management and were managed by finance sections. Records management units became involved when records were semi-active. Involvement of records management units at a later stage when records are semi-active is not good for both administrative and historical value, as records might not be arranged properly by the creating divisions. Therefore, retrieval at a later stage could be a challenge. Furthermore, records of enduring value could not be identified at an early stage. This is in opposite to the call by Duranti (2012) that records managers should position themselves at the beginning of the record life-cycle, taking the role of "designated" trusted custodian and assess the authenticity of the records and monitor them throughout their existence. This will help records management practitioners to identify the records in systems containing different kinds of information, and, if records do not exist, but should exist, collaborate with the creator in addressing the issue. As a result, when the audit cycle comes, records will be available and arranged in an orderly manner for easy retrieval. The management of financial records by finance sections cannot be considered adequate, as officials from those sections might not have records management skills or time at their disposal as they have financial work to do.

The results of the study indicate that governmental bodies, especially municipalities, relied on consultants to prepare year-end financial statements despite employing people for this purpose. Owing to this, governmental bodies incurred more costs. Lack of technical financial skills seemed to be the root cause of using consultants. In some instances, governmental bodies submitted financial statements late or not at all. This is as a result of a lack of supporting documentation when financial statements are prepared. In some instances, audits were not done due to non-submission of financial statements.

Conclusion and Recommendations

This study identified poor record-keeping as one of the contributing factors to negative audit results. While the direct and the indirect links between record-keeping and auditing were found, records management was still not being taken seriously in governmental bodies as in most cases it was not utilised to support auditing. Concentration on the financial side neglecting other areas of governance such as records management will not result in the desired result of improving audit outcomes and sustaining the outcomes. Therefore, resolving the majority of audit outcomes is not a complex issue, but requires dedicated cadres, commitment of leadership and realising that most of the challenges are basic, like the implementation of proper records management.

Records management practitioners should consider working together with other disciplines. The important putative ally for records management in this regard is internal audit. This alliance can be a surprise package of mega proportions which will put records management on a path of no return. Co-operation among relevant professions, such as records managers and archivists, accountants, auditors, and legislators, will enable common problems to be approached from different aspects. The synergy can steer records management into new and unchartered territory, as well as catapulting it into limelight in the public sector. Auditing offers records management practitioners the opportunity not to be missed to propel records management to the new heights. However, Willis (2005) chastises that seldom do other professions think to involve records professionals in planning and decisions of their activities. IRMT (1999) identifies a need to pool expertise from different professions if the problems of accountability, transparency and good governance are to be solved.

Undoubtedly, it is clear from the study that a road to successfully implementing the records management programme that will enable the auditing process is not an overnight journey. Therefore, the sooner governmental bodies start, the better as a 'journey of 1000 miles begins with one step'. It is evident that governmental bodies in South Africa still have a long road ahead towards achieving clean administration. Until such time that records management function is recognised by public officials and senior civil servants as a management issue, it will not be possible to enforce compliance with record-keeping requirements and establish the necessary culture for creating, maintaining and using records.

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[1] **List of six good practice indicators for governmental bodies to achieve clean audit results**

- A clear trail of supporting documentation (records management);
- Quality of financial statements and management information;
- Timeliness of financial statements and management information;
- Availability of key officials during audits;
- Development of, and compliance with, risk management and good internal control practices; and
- Leadership, supervision and monitoring.

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