<u>Mossel Bay Municipality Audit Outcomes from 2008 to 2021 – Auditor-General Western Cape</u>

<u>The Financial Year as at 30 June 2019</u>

<u>Concerns for citizens:</u>

7. As disclosed in Note 46, the corresponding figures as at 30 June 2018 have been restated as a result of a completeness exercise performed by management on assets, in the financial statements of the municipality at, and for the year ended, 30 June 2019.

8. As disclosed in Notes 6 and 7, the municipality has provided for impairment of receivables from exchange transactions amounting to R15 045 263 (2017-18: R12 238 706) and receivables from non-exchange transactions amounting to R34 078 937 (2017-18: R41 827 860, respectively.

9. With reference to Note 58, the municipality is at risk regarding possible liability claims relating to contractual disputes from third parties. The amounts and ultimate outcomes in this regard were uncertain at year end and no provision for any liability that may result has been made in the financial statements.

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of strategic objective 1 – create an inclusive, responsive and healthy environment conducive to living and sustainable growth. <u>As management subsequently corrected the misstatement</u>, I did not raise any material finding on the reliability of the reported performance information.

26. The annual financial statements were not submitted to the auditor general for auditing within two months after the end of the financial year, as required by Sec (1)(a) of the MFMA.

27. Sufficient appropriate audit evidence could not be obtained that tender requirements for contracts above R30m included a condition for mandatory subcontracting to advance designated groups, as required by the 2017 preferential procurement Reg 9(1).

AG Annexure on Pg 6:

In addition to AG responsibility, 5 points were added to explain possible concerns as per 2018 and 2017.

17. I performed procedures to raise findings but not to gather evidence to express assurance.

18. I have not evaluated the completeness and appropriateness of the performance indicators included in planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.