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

<u>The Financial Year as at 30 June 2020</u>

<u>Concerns for citizens:</u>

7. As disclosed in Note 47, the corresponding figures as at 30 June 2019 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

8. With reference to Note 59, the municipality is a defendant in various ongoing litigation and claims. The outcomes of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

9. As disclosed in Notes 6, the municipality has provided for impairment of receivables from exchange transactions of R24.4m (2018-19: R15m)

10. As disclosed in Note 7, to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R22.9m (2018-19: R34.1m)

11. As disclosed in Note 39 to the financial statements, the municipality wrote off bad debts of R27.7m (2018-19: R18.2m)

12. As disclosed in Note 22, to the financial statements, the municipality materially underspent conditional grants received by R27.5m (2018-19: R26.1m)

34. I draw attention to the following engagements conducted by various parties which had, our could have, an impact on the matters reported in the municipalities financial statements, reported performance information, compliance with applicable legislation and other related matters.

35. Three internal investigations into allegations relating to financial misconduct, fraud or improper conduct in supply chain management, which related to the past three financial years, were ongoing at the end of the financial year.

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3. AG communicated with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

AG Annexure on Pg 6:

In addition to AG responsibility, 5 points were added to explain possible concerns as per 2019, 2018 and 2017.