

Mossel Bay Municipality Audit Outcomes from 2008 to 2021 – Auditor-General Western Cape

The Financial Year as at 30 June 2011

Concerns for citizens:

9. With reference to the statement of comparison of budget and actual amounts the municipality has materially underspent on its capital budget amounting to R26,6 million (10.27%). As a consequent, the municipality has not fully achieved the service delivery objectives.
10. As disclosed in Note 52 to the financial statements, contractual claims iro court cases currently in dispute (mediation), the maximum foreseeable liability is estimated at R7 170 350.
11. As disclosed in Note 39, the corresponding figures for 3 June 2010 have been restated as a result of the error discovered during the 2010-11 financial year in financial statements year ending 30 June 2010.
16. Reported performance information was deficient iro:
 - * Consistency wrt IDP
 - * Measurability – indicators are not well defined and/or verifiable
17. The following audit findings relate to above criteria:
 - * Reported performance against indicators is not consistent with IDP,
 - * For selected objectives, 52% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently.
18. The reported performance information was deficient iro the following criteria:
 - * Validity – reported performance did not occur and does not pertain to the entity.
 - * Accuracy – the amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
19. The following audit findings relate to the above criteria:
 - * For the selected objectives, 29% of the reported indicators were not accurate based on the source information or evidence provided,
 - * For the selected objectives the validity and accuracy of 35% of the reported indicators could not be established as sufficient appropriate audit evidence and/or relevant source documentation could not be provided. There were not acceptable, alternative audit procedures that could be performed to obtain the required assurance as to the validity and accuracy of the reported performance against predetermined objectives.
20. The annual report does not include targets set for performances in the previous financial year not does it include/reflect measures taken to improve performance as per Sec 46 of MSA 2000.
21. Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per SCM GNR868 of 30 May 2005 Reg 13[c]

22. The Accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets as per Sec 63(2)[c] of MFMA
24. Action plans to address internal control deficiencies identified on predetermined objectives in the prior year were not adequately implemented and monitored to address control deficiencies, which resulted in recurring findings in the current period.
25. The deficiencies were not analysed and appropriate follow up actions were not taken to ensure that external audit findings relating to predetermined objectives raised were appropriately addressed.
26. A framework for managing and reporting performance against targets was not adequately implemented to enable information to be collected and reported consistently.
27. A system of internal control of assets was not effective and as a result thereof significant shortcomings wrt the asset register were identified. This was due to the discipline of regular maintenance of the asset register not being performed by the finance unit.
28. the review and monitoring process to identify non compliance in the procurement of goods and services between R200 and R30 000 was not adequate due to controls not being in place to monitor that officials responsible for approval of quotations performed their duties as required by the SCM policy by not obtaining necessary supplier declarations.