

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE MBHASHE LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

Introduction

1. I was engaged to audit the accompanying financial statements of the Mbhashe Local Municipality (municipality) which comprise the statement of financial position as at 30 June 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Basis of accounting

4. The municipality's policy is to prepare financial statements in accordance with Generally Recognised Accounting Practice (GRAP). In terms of *Government Notice 522 of 2007*, issued in *Government Gazette No. 30013 of 29 June 2007*, low capacity municipalities are required to prepare and submit their financial statements using the same basis of accounting applied in the 2005-06 financial year (being IMFO). Paragraph 4(2)(b) further requires that a low capacity municipality must have consulted with the relevant treasury before 31 July of the year concerned and have agreed with that treasury on the basis of presentation of the financial statements. The municipality is unable to provide proof that this process of consultation and agreement was followed and therefore the basis of preparation of the financial statements of the municipality is inappropriate. Due to the nature and the extent of the matters referred to in the paragraphs below, we were not able to determine the effect of the use of the incorrect basis of preparation on the financial statements.


Revenue

5. I was unable to verify that all revenue earned from property rates, service charges and other income was accounted for in the financial statements of the municipality, or whether the revenue that was disclosed was accounted for at the correct amounts, as management was unable to provide monthly billing or receipt schedules. Furthermore, supporting documentation and calculations for revenue journals were not submitted for audit purposes.
6. The lack of accounting records and supporting documentation at the municipality resulted in an inability to perform alternative audit procedures. Consequently, I was unable to verify revenue amounting to R4,4 million, as disclosed in notes 11, 12 and 20 to the annual financial statements.

Government grants and subsidies

7. Equitable share totalling R41,0 million is disclosed in note 15 to the annual financial statements. In terms of the DoRA, an amount of R47,9 million should have been received during the year. Management was unable to provide explanations for the shortfall of R7 million or a reconciliation between the two amounts.
8. Also reported in note 15 to the annual financial statements is conditional grant revenue of R16,0 million. GRAP 23 - *Revenue from Non-exchange Transactions* requires that the conditions attached to the grant be met in full prior to the grant being recognised as revenue. Management could not provide documentation supporting that the conditions of these grants had been met, and I was therefore unable to determine the amount of conditional grants that should have been recorded as revenue. Furthermore, also as a result of this limitation, I was unable to verify whether the unspent portion of conditional grants totalling R4,9 million as disclosed in note 10 to the annual financial statements was correctly accounted for.
9. I was unable to verify the remaining portion of grants and subsidies totalling R9,5 million reported in note 15 to the annual financial statements, being grants received from sources other than the DoRA, due to the fact that management was unable to provide supporting information on the transactions comprising these amounts.
10. The significance of the above placed a limitation on the scope of audit work which could be performed and there were no alternate procedures I could perform to obtain additional assurance. Consequently, I was unable to verify revenue from conditional and other grants totalling R25.5 million.

Employee-related costs

11. In terms of section 62(1)(b) of the MFMA, the accounting officer should ensure that full and proper records of the financial affairs of the entity are kept. However, adequate control was not exercised over employee costs during the year under review. The payroll system records did not agree to the amounts recorded in the financial statements. There was no evidence that the monthly payroll was subject to proper review and authorisation by management. In addition, I was unable to verify a significant number of employee and councillor salaries against employment contracts or appointment letters. Various deficiencies were detected with regard to leave records and attendance registers.  [Risk register - Financial Statement Level](#)
12. The above represented a limitation of scope on the audit work that could be performed and I was unable to perform alternative audit procedures. Consequently,

I was unable, to determine whether employee costs amounting to R29.6 million as disclosed in the statement of financial performance was correct.

Repairs and maintenance and General expenditure

13. Repairs and maintenance and General expenditure was overstated by an amount of R815 448 due to errors made in the recording of expenses in the accounting records, as the amounts recorded did not agree to the related invoices. Furthermore, management was unable to provide supporting documentation for expenditure transactions to the amount of R1.6 million.
14. In addition, repairs and maintenance and general expenditure totalling R19 million was identified that met the recognition criteria of GRAP 17 – *Property, Plant and Equipment* and therefore should have been recorded as assets.
15. Consequently, repairs and maintenance and general expenditure as reported in the statement of financial performance was overstated by R22.0 million.

Accumulated surplus

16. I was unable to verify the correction of prior period errors to the amounts of R11.3 million and R5.6 million as disclosed in the statement of changes in net assets and in note 28 to the annual financial statements, as supporting documentation was not submitted for audit purposes.
17. As a result of the limitations and errors referred to in paragraphs 10, 15 and 16 above, and as a result of the disclaimer of the audit opinion in the prior year, I was unable, even after the consideration of alternate procedures, to verify whether the accumulated surplus of R61.9 million was correct.

Reserves

18. Management was not able to provide documentation supporting the government grant reserve totalling R9.7 million as disclosed in the statement of changes in net assets. Consequently I was unable, even after the consideration of alternate procedures, to verify that the reserve was correctly accounted for.

Trade and other payables

19. From the inspection of transactions after the year-end, expenses amounting to R3.6 million were identified that related to the year under review but were not accounted for in the annual financial statements. Consequently, the trade creditors balance of R3.1 million as disclosed in note 7 to the financial statements was understated by R3.6 million and expenditure was understated by the same amount. I was therefore unable to determine whether all amounts payable to creditors were disclosed in the annual financial statements.
20. I was unable to verify, even after the consideration of alternate procedures, payments received in advance totalling R1.1 million as disclosed in note 7 to the annual financial statements, as management could not provide supporting documentation for this amount.

Provisions

21. The provision for leave of R1.5 million disclosed in note 9 to the annual financial statements was based on the leave records of the municipality, which were found to be inaccurate, as reported in paragraph 11 above. As a result of this, I was unable to determine whether all amounts were included in the provision.
22. In addition, the reported provisions consisting of the above leave provision and provision for bonuses totalling R540 752 did not meet the recognition criteria of a provision in terms GRAP 19 - *Provisions, Contingent Liabilities and Contingent Assets*, as there was no uncertainty in establishing the amount. The amounts should have been reported as part of trade and other payables. Consequently, provisions were overstated by R2.0 million.
23. The municipality, which operates landfill sites, has an obligation in terms of section 28 of the National Environment Management Act, 1998 (Act No. 107 of 1998) to restore such sites. The municipality did not assess the remaining useful life of landfill sites. Detailed records of the capacity of landfill sites were not maintained by the municipality's engineers. Consequently, a provision for the rehabilitation of landfill sites was not raised in the financial statements. Due to the specialist nature of such a provision and lack of appropriate records, I was unable to determine the extent of the misstatement.

Value-added tax

24. VAT due from the South African Revenue Service (SARS) of R1.7 million was disclosed in note 8 to the financial statements. This balance had not been reconciled to the VAT 201 returns submitted to SARS, and no documentation was available to support the balances. The municipality's records did not permit the application of alternative audit procedures. Consequently, I was unable to determine whether the VAT balance of R1.7 million as disclosed in note 8 to the financial statements was correct.


Property, plant and equipment

25. The municipality did not have a fixed asset register or a listing of all its assets. As a result, management was unable to provide any information regarding the existence, location and state of its assets, and I was unable to perform any audit procedures to establish whether the assets, which amounted to R51.2 million, existed, whether the assets had been recorded at the correct amounts both at date of purchase and subsequently, whether wear and tear was correctly taken into account, and whether all the assets that had been purchased were recorded in the accounting records of the municipality.
26. The comparative amount as disclosed in the current statement of financial position was R53.2 million whilst in the prior year financial statements this amount was disclosed as R63.9 million. Management could not provide an explanation for the R10.7 million difference between these two amounts.

Trade and other receivables

27. The municipality changed the accounting system used to record debtors during the year under review. Management was unable to provide records to support the debtors' balances transferred to the new system amounting to R6.5 million.
28. In addition, the total of the list of debtor balances according to the debtors system did not agree to the financial statements and management was unable to provide any explanation regarding the difference between these two amounts. Furthermore, numerous instances of under-billing and under-banking were identified during the audit.
29. Due to the matters referred to in the preceding paragraphs, I was unable, even through the performance of alternative procedures, to determine the extent to which these matters impacted on the balance of R126 156 disclosed in note 2 to the financial statements, and whether all debtors of the municipality had been recorded in the accounting records.

Cash and cash equivalents and bank overdraft

30. The bank overdraft of R1.4 million disclosed on the statement of financial position did not agree to the bank statement for this account which indicated a favourable bank balance of R3.0 million at year-end. No bank reconciliation was performed to reconcile and explain the difference of R4.4 million.
31. A First National Bank account reflecting a balance of R635 645 at 30 June 2009 was included in the cash and cash equivalents balance of R1.4 million in the annual financial statements. This bank account was closed during the 2006-07 financial year. Management were unable to provide an explanation as to why this amount was still included in the financial statements of the municipality and whether the cash as presented did in fact still exist.  [Risk register - Financial Statement Level](#)
32. The municipality's records did not permit the application of alternative audit procedures. Consequently, I was unable to satisfy myself as to whether the cash and cash equivalents balance of R1.4 million and the bank overdraft of R1.4 million as disclosed in note 1 to the financial statements were correct.
33. The comparative amounts of cash and investment balances as disclosed in the cash flow statement of R37.9 million did not agree to the comparative figures of cash and investment balances as disclosed in the statement of financial position of R29.6 million. Management could not provide an explanation for the difference, and no alternative procedures could be performed.

Irregular expenditure

34. The MFMA defines irregular expenditure as expenditure incurred by a municipality which is in contravention of a requirement of the MFMA or of the supply chain management policy of the municipality. Section 125(2)(d) of the MFMA requires disclosure of any material irregular expenditures that occurred during the financial year and whether any of these are recoverable.
35. Irregular expenditure amounting to R44.4 million was identified through the performance of various audit procedures. The expenditure identified was irregular


due mainly to non-compliance with delegations and supply chain management regulations. Further irregular expenditure was identified that resulted from management's failure to provide any supporting evidence for all tender-related transactions. It was not possible, due to the absence of any tender-related supporting documentation, to determine the details of the tenders awarded or expended on in the current year, nor the duration of current tenders, and therefore the extent of the municipality's commitments could also not be determined, nor was I able to assess whether any related party transactions occurred.

36. The municipality did not disclose the amounts as required by section 125(2)(d) of the MFMA in the annual financial statements.

Comparatives

37. In my previous audit report dated 30 November 2008, I was unable to express an audit opinion on the financial statements of the municipality for the year ended 30 June 2008. The qualification matters have not been adequately resolved and my audit report is modified regarding the corresponding figures.

Disclaimer of opinion

38. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.  [Risk register - Financial Statement Lev](#)

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Non-compliance with the Municipal Finance Management Act

39. Section 45(2): The municipality operated with a bank overdraft during the year without an authorising resolution from the municipal council and mayor.
40. Section 52(d): The mayor did not, within thirty days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.
41. Section 62(1)(b): The municipality did not implement a policy on indigent consumers.
42. Section 64(2): The municipality did not collect a material amount of its revenue and raised a provision for doubtful debts which amounted to 99.8% of its debtors.
43. Section 65(2)(e): Forty-one purchase invoices to the value of R5.3 million were not paid within thirty days.

44. Section 81: The CFO did not perform duties as required by this section of the MFMA.
45. Section 124(1)(b): Councillors' arrear consumer accounts were not disclosed in the financial statements.
46. Supply Chain Management Regulation 2(1): The municipality had not properly implemented its Supply Chain Management policy.
47. Supply Chain Management Regulation 23(c): The municipality did not have a contract register in place to record all bids received.

Non-compliance with the Municipal Systems Act

48. The members of council had not disclosed their direct and indirect business interests as required by section 54 of the MSA read with paragraph 5(a) and (b) of schedule 1, code of conduct for councillors, of the same act.
49. Section 95(i): the municipality did not provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

Non-compliance with the Unemployment Insurance Fund Contributions Act

50. Unemployment Insurance Fund contributions for employees were calculated at 0.95% instead of 1%. Unemployment Insurance Fund contributions were not deducted from councillors' salaries. This is contrary to the Unemployment Insurance Fund Contributions Act, 2002 (Act No. 4 of 2002).

Non-compliance with the VAT Act

51. VAT was not levied on the rental of the municipality's facilities, which was in contravention of the VAT Act.
52. Input VAT was claimed from SARS on thirteen purchase invoices from suppliers that were not registered VAT vendors.
53. Input VAT was claimed from SARS on one hundred and four purchase invoices without the municipality's VAT registration number printed on them.

Governance framework

54. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

55. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root

causes that gave rise to the deficiencies in the system of internal control, which led to the disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for disclaimer of opinion	CE	RA	CA	IC	M
4	Basis of accounting	7	5			
5 to 6	Revenue – property rates and service charges	5	3			
7 to 10	Government grants and subsidies	5		3		
11 to 12	Employee-related costs	5	3	3		
13 to 15	Expenditure	5	5			
16 to 17	Accumulated surplus	5		4		
18	Reserves	5				
19 to 20	Trade and other payables	5				
21 to 23	Provisions	5		3		
24	VAT	5		3		
25 to 26	Property, plant and equipment	7		3		
27 to 29	Trade and other receivables	5		3		
30 to 33	Cash and cash equivalents and bank overdraft	5		3		
34 to 36	Irregular expenditure	5	5			

56. The accounting office failed to exercise oversight responsibility over financial reporting and internal control. Management structures and processes were disrupted during political instability in council.

57. The accounting officer did not perform a risk assessment. As a result, there was no identification and assessment of financial reporting risks, and no responses could be planned or implemented thereto.

58. The manual controls designed to achieve management's internal control objectives were not adequately designed, documented, implemented or monitored so as to be effective or reliable.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5

Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Basis for disclaimer of opinion					
Basis of accounting	X	X			
Revenue	X	X			
Government grant and subsidies	X		X		
Employee-related costs	X	X	X		
Expenditure	X	X	X		
Accumulated surplus	X				
Reserves	X				
Trade and other payables	X				
Provisions	X		X		
VAT	X		X		
Property, plant and equipment	X		X		
Trade and other receivables	X		X		
Cash and cash equivalents and bank overdraft	X		X		
Irregular expenditure	X	X			
Fruitless and wasteful expenditure	X	X			
Related parties	X	X			

Other key governance requirements

59. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		✓
Quality of financial statements and related management information			
2	The financial statements were not subject to any material amendments resulting from the audit.		✓
3	The annual report was submitted for consideration prior to the tabling of the auditor's report.		✓
Timeliness of financial statements and management information			
4	The annual financial statements were submitted for auditing as per the legislated deadlines (section 126 of the MFMA).	✓	
Availability of key officials during audit			
5	Key officials were available throughout the audit process.		✓
Development of and compliance with risk management, effective internal control and governance practices			
6	Audit committee		
	· The municipality had an audit committee in operation throughout the financial year.		✓
	· The audit committee operates in accordance with approved, written terms of reference.	✓	
	· The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		✓
7	Internal audit		
	· The municipality had an internal audit function in operation throughout the financial year.		✓
	· The internal audit function operates in terms of an approved internal audit plan.		✓
	· The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		✓
8	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		✓
9	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		✓
10	The information systems were appropriate to facilitate the preparation of the financial statements.		✓
11	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i)/95(c)(i) of the MFMA.		✓

12	Delegations of responsibility are in place, as set out in section 79/106 of the MFMA.		✓
Follow-up of audit findings			
13	The prior year audit findings have been substantially addressed.		✓
14	SCOPA resolutions have been substantially implemented.		✓
Issues relating to the reporting of performance information			
15	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		✓
16	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		✓
17	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68/87 of the MFMA).		✓
18	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.		✓

60. The municipality experienced significant operational disruptions due to political instability in the council which resulted in key management's unavailability and lack of audit readiness. This further impacted on key governance responsibilities, including the development of and compliance with risk management, compliance with laws and regulations, effective internal control, defined roles and responsibilities and governance practices, which had substantially not been implemented by the acting accounting officer, as reflected in the table above.

61. The financial reporting section had inadequate capacity, skills and competencies. The organisational structure did not support and promote a proper system of recording, monitoring and supervision of controls to ensure that the information disclosed in the financial statements was accurate, valid and complete. Key staff members were not available during the audit, which led to significant delays in and unsatisfactory quality of responses by management to audit queries.

62. The audit committee did not function throughout the year. Members were only appointed five months before year-end. Consequently, the effect of the committee's oversight role within the municipality was not yet evident at the date of this report.

63. The internal audit did not function for the full year under review. In addition, no internal audit reports had been completed by the date of this report.

64. The municipality's information systems were inadequate to manage the financial data for an organisation this size. The general ledger accounting system had insufficient programme controls, version controls and physical access controls, and insufficient manual controls were present to compensate for this.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

65. I was engaged to audit the performance information.

The accounting officer's responsibility for the performance information

66. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

67. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

68. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The audit procedures selected depend on the auditor's judgement.

69. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (Performance information)

Non-compliance with regulatory requirements

No reporting on performance information

70. The municipality has not reported performance against predetermined objectives as required by section 121(3)(c) of the MFMA.

Existence and functioning of a performance audit committee

71. The municipality did not appoint and budget for a performance audit committee, neither was another audit committee utilised as the performance audit committee.

Internal auditing of performance measurements

72. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.

Lack of adoption or implementation of a performance management system

73. The municipality did not adopt a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required in terms of regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.

No mid-year budget and performance assessments

74. The accounting officer of the municipality did not (by 25 January) assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan, as required by section 72 of the MFMA.

APPRECIATION

75. The assistance rendered by the staff of the Mbhashe Local Municipality during the audit is sincerely appreciated.

Auditor-General

East London

30 November 2009



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence