

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Ngqushwa Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ngqushwa local municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ngqushwa Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Context for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

7. As disclosed in note 46 to the financial statements, irregular expenditure amounting to R12,3 million (2015-16: R23,1 million) has been incurred in the current year due to the supply chain management (SCM) processes not being followed.

Restatement of corresponding figures

8. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during the period 30 June 2017 in the financial statements of the municipality at, and for the year ended, 30 June 2016.

Additional matter

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of GRAP and the requirements of the MFMA and DoRA 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Ngqushwa Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for

selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the 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.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priorities	Pages in the annual performance report
KPA 2 – Basic services and infrastructure	x – x
KPA 4 – Local economic development	x – x

17. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings in respect of the usefulness of the selected development priorities are as follows:

KPA 2 – Basic services and infrastructure

Usefulness

Reported indicators not consistent with planned indicators

19. The following reported indicators differ to the approved indicators as this is not in line with the requirements of section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000):

Reported indicator	Planned indicator
Number of electrified municipality buildings to be maintained	Number of Municipal buildings to be maintained
Number of electrified community halls to be maintained	Number of community halls to be maintained
Number of electrified households in Ngqushwa Municipal area	Number of Electrified households in rural areas
Number of km's gravel road constructed	Number of km's surfaced

Reported indicator	Planned indicator
Number of km's gravel road constructed	Rehabilitation of Bingqala Internal streets
Completion of construction of Ntsinekana community hall	% Completion of construction of Ntsinekana community hall
Completion of construction of Rhode community hall	% Completion of construction of Rhode community hall
Completion of construction of Bell community hall	% completion of construction of Bell community hall
Number of community halls connected.	Number of community halls electrified or connected
Completion of EPWP funds	% Completion of EPWP funds for 2016/17 FY
Number of meetings arranged between NLM and DRPW	Number of meetings held between NLM and DRPW.

Reported targets not consistent with planned targets

20. The following reported targets differ to the approved targets as this is not in line with the requirements of section 41(c) of the MSA:

Reported targets	Planned targets	Indicator
Maintenance of 470 street lights as follows: 1) 120 Street lights to be maintained in Mkanyeni. 2) 130 Street lights to be maintained in Mpekweni 3) 70 Street lights maintained in Prudhoe and 30 in Wesley 4)150 Street lights to be maintained in Mgababa	Maintenance of 470 street lights	Number of street lights maintained in all villages
Quarterly Repairs and Maintenance of the following 6 Municipal buildings by 30 June 2017. 1)Main building 2)Technical Services Department 3) Ncumisa Kondlo indoor sport centre 4)Traffic Department 5) Hamburg offices 6)Corporate Services	Maintenance of 6 Municipal buildings	Number of Municipal buildings to be maintained
Maintenance of the following 20 Community halls by 30 June 2017 : 1)Nier 2) Feni 3)Qamnyana 4)Mqwashini 5)Mankone	Maintenance of 20 Community halls	Number of community halls to be maintained

Reported targets	Planned targets	Indicator
6)Benton 7) Madliki 8)Machibi 9)Dlova 10)Qawukeni 11)Tyeni 12)Gobozana 13)Durban 14)Zondeka 15) Mphekweni 16) Cisira 17) Mgababa 18) Hamburg 19) Prudhoe 20) Ngqwele		
Repairs and Maintenance of 200 Street lights by 30 June 2017 in the following areas: 1)130 street lights in Peddie town 2) 70 in Hamburg	Maintenance of 130 street lights in Peddie town and 70 in Hamburg	Number of street lights to be maintained in urban areas
Repairs and Maintenance of 22 high masts in the following areas by 30 June 2017: 1)3 In Peddie extension, 2)5 in New Rest, 3)2 Ethembeni location, 4)3 in German village, 5)7 in Durban village 6)1 in Hamburg 7) 1 Glenmore.	Maintenance 22 high masts	Number of high masts lights to be maintained
Electrification of 264 households in the following rural areas by 30 June 2017 : Mkhanyeni 20 Cisira 50 Nwrest 105 German Village 11 Lower Gwalana 11 Wesley 30 Lewis 15 Lower Mgwalana 11 Qugqwala 11	Electrification of 264 households in rural areas	Number of Electrified households in rural areas
Completion of electrification of Jubisa community hall by 30 June 2017	100% completion of Jubisa community hall	Refurbishment of Jubisa community hall
Electrification of the following 8 community halls by 30 June 2017 : Baltein Bhongweni Mkhanyeni Nier Celetyuma Runnlets	Electrification of 8 community halls	Number of community halls electrified or connected

Reported targets	Planned targets	Indicator
Ndwayana Ndlambe		
Maintenance of 145km gravelled road by 30 June 2017 5.4 km Lewis 5.4 km Lovers twist 7.1 km Benton 11.5 Nobumba 4 km Dube 3 km Ngxakaxha 10.9 km Ntloko 12 km Qeto 18 km Mxwashu 6.7 km Peddie Town 12 km Zalara 5.8 km Bingqala 6.7 km Tyhata 4.8 km Qawukeni 11.5 km Nobumba 10.9 km Ntloko 4.1 km German Village 3km Power 4.1 km Dam Dam 3 km Mahlubini 3 km Mathambekeni	Maintenance of 145km gravelled road	Number of km's of existing gravel roads maintained (Dry blading)
Pot-hole patching of 1200 square meters in Peddie town, Hamburg and Bira to complete by 30 June 2017 300 Square meters of pothole patching in Peddie Town 300 Square meters of pothole patching in Hamburg 210 Square meters of pothole patching in Bira 390 Square meters of pothole patching in Bira and Peddie	Pot-hole patching of 1200 square meters in Peddie town, Hamburg and Bira to complete in 16/17 FY	Number of Square meters of pothole patching in urban areas (Surfaced roads)
Re-gravelling of 4 km in Municipal area and cleaning of 120 m open drains. 1km Emthombe 1km Power Location 1km Mgababa Location 1km Hamburg	Re-gravelling of 4 km in Municipal area and cleaning of 120 m open drains.	Number of km's re-gravelled. No of meters of storm water drains cleaned.
Update MANCO resolution registers on quarterly basis	100% implementation of MANCO resolutions	% Implementation of MANCO resolutions
Prepare 4 Quarterly reports on the Implementation of the fleet management policy by 30 June 2017	Prepare 4 Quarterly reports on the Implementation of the fleet management policy and procedures talking to repairs and maintenance.	Number of reports on the Implementation of Fleet management policy and procedures talking to repairs and maintenance.

Targets not specific

21. The following targets were not specific in clearly identifying the nature and required level of performance as required by the Framework for managing programme performance information FMPPi:

- Maintenance of 470 street lights
- Maintenance of 6 Municipal buildings
- Maintenance of 20 Community halls
- Maintenance of 22 high masts
- Electrification of 264 households in rural areas
- Electrification of 8 community halls
- Maintenance of 145km gravelled road
- Pot-hole patching of 1200 square meters in Peddie town, Hamburg and Bira to complete in 16/17 FY
- Re-gravelling of 4 km in Municipal area and cleaning of 120 m open drains.

Targets not time-bound

22. The following targets did not specify the period or deadline for delivery, as required by the FMPPi:

- Maintenance of 470 street lights
- Maintenance of 6 Municipal buildings
- Maintenance of 20 Community halls
- Maintenance of 130 street lights in Peddie town and 70 in Hamburg
- Maintenance of 22 high masts
- Electrification of 264 households in rural areas
- Construction of 7km gravel road in Prudoe
- Construction of 5km gravel road in Tyhatha
- Construction of 8km internal street in Tuku C
- 1.8 km of road surfaced and Construction of 1km Stormwater in Peddie town
- 4 km of Access road constructed in Ngxakaxha
- Construction of 5km gravel road in Mabaleni Internal streets
- Completion of construction of 4km of Bingqala Internal streets
- 100 % completion of Qhaga community hall
- 100% completion of Jubisa community hall
- Construction of 1 Ntsinekana community hall
- Construction of 1 Rhode community hall
- Construction of 1 Bell community hall
- Maintenance of 145km gravelled road
- Re-gravelling of 4 km in Municipal area and cleaning of 120 m open drains.
- 100% implementation of MANCO resolutions

KPA 4 – Local economic development

Reported indicators not consistent with planned indicators

23. The following reported indicators differ to the approved indicators as this is not in line with the requirements of section 41(c) of the MSA.

Reported indicator	Planned indicator
Number of local contractors assisted through subcontracting and training.	Development of the implementation plan for the Local Contractors development Programme.
Application for renewal of landfill site permit from Department of Economic Development and Environmental Affairs and Tourism and procurement of appropriate machinery for refuse collection	Application for renewal of landfill site permit from DEDEAT
Number of safety and security plans developed.	Developed safety and security plan submitted to council
Implementation of Spatial Planning and Land Use Management Act (SPLUMA), Spatial Development Framework and SPLUMA bylaws	Hamburg Development Initiative
Number of submitted and adjudicated building plans	Adjudication of submitted building plans
Establishment of Community Safety Forum	Development of Ngqushwa safety and security plan

Reported targets not consistent with planned targets

24. The following reported targets differ to the approved targets as this is not in line with the requirements of section 41(c) of the MSA:

Reported targets	Planned targets	Indicator
Development of one (1) implementation plan for the Local Contractor's development programme.	4 Quarterly reports on Development of the implementation plan for the Local Contractors development programme	Development of the implementation plan for the Local Contractors development Programme.
The collection of 6000 tons of waste within the jurisdiction of Ngqushwa Local Municipality by 30 June 2017	4 Quarterly reports on waste data collection	Number of Waste data collected

Reported targets	Planned targets	Indicator
To receive an approved renewed landfill site permit from Department of Economic Development, Environmental Affairs and Tourism by 30 June 2017	Submission of application to DEDEAT for renewal of landfill site for Peddie town	Application for renewal of landfill site permit from DEDEAT
Repairs and Maintenance to be conducted on 15 vandalised RDP houses and six (6) Municipal Buildings by 30 June 2017	Repairs to 15 vandalised RDP houses and maintenance of 6 Municipal Buildings	Number of repaired vandalised RDP houses Maintenance of Municipal Buildings
Two (2) livestock farmers to be supported with infrastructure/production inputs by 30 June 2017.	3 Co-ops/farms supported	Number of farmers/co-ops supported
Seven (7) irrigation schemes to be supported with production inputs by 30 June 2017	Revitalization of 7 Ngqushwa irrigation schemes	Number of irrigation schemes supported
Two (2) Cooperatives to be supported with Agro processing machinery by 30 June 2017	Provision of 2 processing equipment	Number of Co-ops supported with Agro-processing machinery
One (1) roadblock to be conducted by the Ngqushwa local Municipality Traffic Department by 30 June 2017	Four (4) roadblocks to be conducted and one quarterly awareness/workshop to be conducted	Number of road blocks and workshops/awarenesses to be conducted
Maintenance of the Uhambo loxolo hiking trail and the Mqwashu heritage site by 30 June 2017	2 heritage site maintained	Number of heritage sites maintained

Reported targets	Planned targets	Indicator
Preparation and submission of one (1) Agriculture Sector Plan for council approval by 30 June 2017.	Submission of final LED strategy to Council for adoption	Developed Agricultural sector plan submitted to council for approval
The development and submission of one (1) safety and security plan to council for approval by 30 June 2017.	Development of Safety and Security plan	Developed safety and security plan submitted to council
The approval by council of one (1) Spatial Development Framework by 30 June 2017.	Submission of final Hamburg Development framework to Council	Hamburg Development Initiative
The submission of one (1) Environmental Management Plan to Council for adoption and conducting three (3) workshops on environmental management by 30 June 2017	1. Submission of the Environmental management plan, 2. conduct two environmental workshops and awareness 3.Planting of 20 trees	Quarterly reports on the implementation of Environmental management plan
The approval by Council of one (1) feasibility study by 30 June 2017	Submission of feasibility study for Peddie landfill site to Council	Feasibility study for the relocation of landfill site submitted to council
The approval by Council of one (1) feasibility study on the establishment of new cemeteries by 30 June 2017	Submission of feasibility study for new cemetery site to Council	Feasibility study for Establishment of a new cemetery site submitted to council
The submission of four (4) reports on coastal maintenance to the Head of Department by 30 June 2017	4 quarterly reports on maintenance of open spaces ,municipal grounds and amenities	quarterly reports on maintenance plan

Reported targets	Planned targets	Indicator
Collection of 5000 housing needs forms by 31 March 2017. Data capturing of 1200 housing needs forms into the Housing subsidy electronic system by 30 June 2017	Quarterly report on data collection and capturing of 5000 Housing Needs FOR 2016/17	Number of housing needs collected and captured in the housing needs register.
Four (4) reports submitted to the Head of Department relating to buildings plans prepared by the property owners within the jurisdiction of Ngqushwa Local Municipality by 30 June 2017	Number of building plans submitted for Adjudication	Adjudication of submitted building plans
Two (2) reports on a Community Safety Forums held to be submitted to the Head of Department by 30 June 2017	2 Community Safety Forum meetings held	Development of Ngqushwa safety and security plan
Distribution of 250 visitor's brochures to tourism & hospitality establishments by 30 June 2017	Printed visitors guide in place	Visitors brochure developed
Preparation and submission of one (1) Tourism Sector Plan for Council approval by 30 June 2017	Development of Tourism sector plan and submission to Council	Developed Tourism sector Plan

Targets not specific

25. The following targets were not specific in clearly identifying the nature and required level of performance as required by the FMPPI:

- Revitalisation of 7 Ngqushwa irrigation schemes
- Supporting 2 identified Community tourism projects
- 2 heritage site maintained
- Number of building plans submitted for Adjudication

Targets not time-bound

26. The following targets did not specify the period or deadline for delivery, as required by the FMPPI:

- Submission of application to DEDEAT for renewal of landfill site for Peddie town
- Repairs to 15 vandalised RDP houses and maintenance of 6 Municipal Buildings
- 3 Co-ops/farms supported
- Mechanisation of 500 hector of land for maize production and supporting 3 citrus farmers.
- Revitalization of 7 Ngqushwa irrigation schemes
- Provision of 2 processing equipment
- Four (4) roadblocks to be conducted and one quarterly awareness/workshop to be conducted
- Supporting 2 identified Community tourism projects
- 2 heritage site maintained
- 2 tourism trade shows attended
- Submission of final LED strategy to Council for adoption
- Development of Safety and Security plan
- Submission of final Hamburg Development framework to Council
- 1. Submission of the Environmental management plan,
2. conduct two environmental workshops and awareness
3.Planting of 20 trees
- Submission of feasibility study for Peddie landfill site to Council
- Submission of feasibility study for new cemetery site to Council
- Number of building plans submitted for Adjudication
- Installation 2 Signages
- 1 Land Survey conducted
- 2 Community Safety Forum meetings held
- Hosting Hamburg Beach festival end of Dec 2016 and Christmas lights
- Printed visitors guide in place
- Development of Tourism sector plan and submission to Council
- 100% MANCO resolutions implemented

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraphs 19 to 26 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2: basic services and infrastructure and KPA 4: local economic development. As management subsequently corrected the misstatements, I did not raise any material findings on the reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

31. The material findings on compliance with specific matters in key legislations are as follows:

Annual report and annual financial statements

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.

33. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

34. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

35. Effective steps were not taken to prevent irregular expenditure amounting to R12,3 million, as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure related to non-compliance with the SCM Regulations.

36. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R261 542, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Procurement and contract management

37. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Strategic planning and budgeting

38. A performance management system was not adopted as required by section 38(a) of the MSA and municipal planning and performance management regulation 8.

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected development priorities presented in the annual performance report that have been specifically reported on in the auditor's report.

40. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

41. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

42. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. No material inconsistencies were identified in the other information.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for unqualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

- Although leadership has set the correct tone in the municipality it has not been fully effective due to the number of issues that are being addressed in financial reporting, predetermined objectives and compliance with legislation.
- Management has not effectively implemented daily and monthly controls as designed for the municipality's business processes, resulting in significant misstatements not being detected or corrected in the financial statements, internal control deficiencies noted relating to the annual performance report and non-compliance with legislation.

- The municipality has a functional internal audit and audit committee, however, the internal control weaknesses identified by external and internal auditors have not been adequately addressed by management.

Auditor General

East London

30 November 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ngqushwa Local Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate 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 here applicable, related safeguards.