

# Report of the auditor-general to the Free State Legislature and the council on the Mangaung Metropolitan Municipality

## Report on the audit of the consolidated financial statements

### Qualified opinion

1. I have audited the consolidated financial statements of the Mangaung Metropolitan Municipality set out on pages ... to ..., which comprise the consolidated statement of financial position as at 30 June 2018, the consolidated statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Mangaung Metropolitan Local Municipality as at 30 June 2018, and its consolidated financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of 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, 2017 (Act No. 3 of 2017) (Dora).

### Basis for qualified opinion

#### Employee benefit obligation

3. The municipality did not value the employee benefit obligation in accordance with GRAP 25, *Employee benefits*. Certain assumptions in the actuarial valuation report was incorrect and as a result, I was unable to determine the full extent of the misstatement of the employee benefit obligation in note 25 to the consolidated financial statements, as it was impracticable to do so. There was also a resultant impact on employee related expenditure, the surplus for the period and on the accumulated surplus.

#### Fines, penalties and forfeits

4. The municipality did not account for all fines revenue, as required by GRAP 23, *Revenue from non-exchange transactions*, due to an inadequate system of internal control for the accurate record keeping of fines by the municipality. I was unable to determine the full extent of the understatement of fines revenue in note 40 to the consolidated financial statements, as it was impracticable to do so. Additionally, there was a resultant impact on the surplus for the period, receivables from non-exchange transactions and accumulated surplus.

## Context for the opinion

5. 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 consolidated financial statements section of this auditor's report.
6. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. Note 62 to the consolidated financial statements indicates that certain going concern ratios such as the debtors' and creditors' days were unfavourable. As disclosed in note 18, the average repayment term of suppliers were 142 days (2017: 139 days) and included in trade payables in the same note is an amount owed to the water board of R172 291 791 (2017: R310 269 773), which was long overdue. These events or conditions, along with the matters as set forth in note 62, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

## Emphasis of matters

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

## Irregular expenditure

11. As disclosed in note 66 to the consolidated financial statements, the municipality incurred irregular expenditure of R127 208 794 (2017: R94 109 471), mainly due to non-compliance with supply chain management (SCM) requirements and conditional grant payments in contravention of Dora. In addition, the full extent of the irregular expenditure is in the process of being determined due to possible non-compliance with SCM requirements.

## Unauthorised expenditure

12. As disclosed in note 64 to the consolidated financial statements, the municipality incurred unauthorised expenditure of R874 191 987 (2017: R933 317 255) in the year under review due to overspending the approved budget.

### **Fruitless and wasteful expenditure**

13. As disclosed in note 65 to the consolidated financial statements, the municipality incurred fruitless and wasteful expenditure of R26 700 031 (2017: R14 304 932), mainly due to the overpayment of service providers and interest charges on the late payment of suppliers.

### **Material losses**

14. As disclosed in note 47 to the consolidated financial statements, material losses of R70 380 966 (2017: R676 656 978) were incurred as a result of a write-off of consumer and other trade debtors.
15. As disclosed in note 67 to the consolidated financial statements, material water distribution losses of R266 368 991 (2017: R217 478 344) were incurred. This was mainly due to technical losses, burst water pipes, leakages, faulty meters and unmetered sites.
16. As disclosed in note 67 to the consolidated financial statements, material electricity distribution losses of R137 789 865 (2017: R162 586 611) were incurred, which represents 9,30% (2017: 10,87%) of electricity purchased. This was mainly due to technical losses, errors, negligence, theft, tampering and connections which form part of illegal consumption and faulty meters.

### **Material impairments**

17. As disclosed in notes 5, 6, 7 and 8 to the consolidated financial statements, consumer and other receivables were impaired by R2 997 689 749 (2017: R2 577 534 071) as a result of uncollectable debt.

### **Underspending of conditional grants**

18. As disclosed in note 21, the municipality materially underspent the urban settlement development grant by R156 349 941 and the public transport infrastructure grant by R68 064 730.

### **Material uncertainty relating to claims against the municipality**

19. As disclosed in note 58 to the consolidated financial statements, the municipality disclosed contingent liabilities of R450 675 789 (2017: R245 157 386) which, if they realise, will have a material impact on the financial position of the municipality. These contingent liabilities include an amount of R314 224 573 (2017: R162 850 060) relating to a billing dispute between the municipality and the water board.

### **Restatement of corresponding figures**

20. As disclosed in note 58 to the consolidated financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors in the consolidated financial statements of the municipality at, and for the year ended, 30 June 2018.

### **Other matters**

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

### Unaudited disclosure notes

22. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the consolidated financial statements and, accordingly, I do not express an opinion thereon.
23. The appropriation statement set out on pages XX to XX does not form part of the consolidated financial statements and is presented as additional information. I have not audited this statement and, accordingly, I do not express an opinion on it.

### Service delivery issues

24. In 2012-13, the municipality started with the planning and establishment of the airport development (N8) node with the purpose of establishing a new township development area. Since the commencement of this project, the municipality has spent R141 876 924 on the planning and establishment costs. In the year under review, there had been limited progress as only the land survey was completed and approval for the township establishment had not yet been obtained from the Mangaung Municipal Planning Tribunal. Additionally, this project has been negatively affected due to delays by other role players involved in the approval of important documents regulating the processes of the project.
25. The municipality is part of the national process driven by the national Department of Transport to develop an integrated transport network in the metropolitan areas. The municipality has developed and approved an operational plan for phase one of the integrated public transport network that covers the period 2016 to 2020. Since commencement of the process, the municipality has spent R435 653 265 on planning, feasibility studies and the initial stages of the construction process of the project for phase one. Phase two of the project has been delayed due to a lack of resources to conduct the relevant surveys, which either had not yet started or had not been completed as at year-end.

### Intercompany transactions between Mangaung Metropolitan Municipality and Centlec

26. A disclaimer of audit opinion was issued in the auditor's reports on the separate financial statements of both the Mangaung Metropolitan Municipality (the shareholder) and Centlec (SOC) Limited (the municipal entity) for the year ended 30 June 2018. In preparing the separate financial statements, the municipality implemented the funding and debt arrangements as contained in the original sale of business and service delivery agreement, dated 15 March 2004, between the municipality and the municipal entity as well as the various subsequent amendments thereto. The municipal entity, however, implemented the new debt and funding arrangements as contained in the settlement agreement dated 28 June 2018. Due to a disagreement between the parties on which agreement is binding and the resulting impact on the accounting treatment, I was not able to express an opinion on both the municipality and municipal entity. This matter, however, did not impact the consolidated financial statements due to the elimination of the intercompany transactions.

## **Responsibilities of the accounting officer for the financial statements**

27. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with SA 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.
28. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the Mangaung Metropolitan 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 appropriate governance structure 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 consolidated financial statements**

29. My objectives are to obtain reasonable assurance about whether the consolidated 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
30. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

31. 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.
32. 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.
33. 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 2018:

Development priorities	Pages in the annual performance report
Basic services (including water, electricity, sanitation, waste management, roads and storm water)	x – x
Human settlement	x – x

34. I performed procedures to determine whether the reported performance information was properly presented and whether performance 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.

35. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

**Basic services (including water, electricity, sanitation, waste management, roads and storm water)**

**Number of water meters and fire hydrants replaced**

36. The planned target was 100% of water meters and fire hydrants replaced, but the reported achievement referred to 410 water meters installed.

**Percentage of refurbishment of water supply system: automated meter reading programme**

37. The planned indicator was percentage of refurbishment of water supply system: automated meter reading programme, but the reported achievement referred to 7 150 water meters installed.

**95% expenditure on the allocated budget excluding public connection by 30 June 2018**

38. I was unable to obtain sufficient appropriate evidence that clearly defined the predetermined source information, evidence and method of collection to be used when measuring the actual achievement of the indicator. This was due to a lack of formal standard operating procedures or documented system descriptions. I was unable to test whether the indicator was well-defined by alternative means.

**95% expenditure on the allocated budget by 30 June 2018**

39. I was unable to obtain sufficient appropriate evidence that clearly defined the predetermined source information, evidence and method of collection to be used when measuring the actual achievement of the indicator. This was due to a lack of formal standard operating procedures or documented system descriptions. I was unable to test whether the indicator was well-defined by alternative means.

**Install and complete the number of public connections applications received and paid for this financial year by 30 June 2018**

40. The achievement of target, *install and complete the number of public connections applications received and paid for this financial year by 30 June 2019*, reported in the annual performance report was 202. However, the supporting evidence provided did not agree to the reported achievement as management included invalid installations paid for in the previous year, as achievement in the current year.

#### Various indicators

41. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report of the indicators listed below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

	Indicator description	Reported achievement
Sanitation	Percentage refurbishment of sewer systems	90%
Sanitation	Percentage refurbishment of waste water treatment works	90%
Sanitation	Number of households with access to decent sanitation services	2 477
Waste management	Number of households that have access to weekly kerb-side waste removal services in formal areas	217 711
Waste management	Number of informal settlements that have access to waste removal	31
Waste management	Issuing of compliance notices regarding waste management by-laws	13
Water	Number of water meters and fire hydrants replaced	410
Water	Number of bulk water meters purchased	118
Water	Percentage of refurbishment of water supply systems: automated meter reading programme	7 150
Electricity	Complaints received regarding single fault street lights to be handled and completed within three (3) days and area faults within five (5) days of receipt of receipt	35% and 56% respectively

#### All indicators

42. A comparison between the performance of the year under review and previous year was not included in the annual performance report for all indicators relating to the basic services (including water, electricity, sanitation, waste management, roads and storm water) development priority.

#### Human settlement

##### Various indicators

43. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual report of the indicators listed below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Performance indicator	Reported achievement
Number of title deeds transferred	463
Number of title deeds issued	2 191
Number of households relocated from floodplains and servitudes	13
Number of households provided permission to occupy (PTO)	1 063

#### Various indicators

44. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Performance indicator	Reported achievement	Audited value
Number of informal settlement households upgraded to phase 2 (water and sanitation)	1 575	290
Number of households allocated affordable social / rentals housing units	11	120

#### All indicators

45. A comparison between the performance of the year under review and previous year was not included in the annual performance report for all indicators relating to the human settlement development priority.

#### Other matters

46. I draw attention to the matters below:

#### Achievement of planned targets

47. Refer to the annual performance report on pages x to x and x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 36 to 45 of this report.

#### Adjustment of material misstatements

48. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic services (including water, electricity, sanitation, waste management, roads and storm water) and human settlement. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

### Report on the audit of compliance with legislation

#### Introduction and scope

49. 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.

50. The material findings on compliance with specific matters in key legislation are as follows:

#### **Annual financial statements and annual report**

51. The separate and consolidated annual financial statements were not submitted to the auditor-general for auditing within the legislated time period (two and three months, respectively) after the end of the financial year, as required by section 126(1)(a) and 126(1)(b) of the MFMA.
52. The council failed to adopt an oversight report containing the council's comments on the annual report within the prescribed timelines, as required by section 129(1) of the MFMA.
53. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the consolidated financial statements receiving a qualified audit opinion.

#### **Expenditure management**

54. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
55. Reasonable steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 65 to the consolidated financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by the overpayment of service providers and interest charges due to the late payment of suppliers.
56. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value disclosed in note 66 is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM requirements and conditional grant payments in contravention of the Dora stipulations.
57. Reasonable steps were not taken to prevent unauthorised expenditure as disclosed in note 64 to the consolidated financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the approved budget.

#### **Procurement and contract management**

58. Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
59. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

60. Some bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) of 2017.
61. Some commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by the Preferential Procurement Regulations of 2017.
62. Some commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by preferential procurement regulation 8(5) of 2017.
63. The performance of some contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
64. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA. Similar non-compliance was also reported in the prior year.
65. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.

#### **Human resource management**

66. I was unable to obtain sufficient appropriate audit evidence that candidates appointed as senior managers submitted proof of previous employment prior to signing employment contracts, as required by municipal performance regulation 4(4)(b).
67. I was unable to obtain sufficient appropriate audit evidence to confirm if senior managers appointed had previously been dismissed for financial misconduct, and I could therefore not confirm if they were re-appointed only after the expiry of 10 years, as required by section 57A (3) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA).
68. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

#### **Consequence management**

69. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
70. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
71. Some of the unauthorised expenditure was certified by the council as irrecoverable without an investigation having been conducted to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.
72. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### Utilisation of conditional grants

73. The urban settlement development grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.
74. The public transport network grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.

### Other information

75. 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 consolidated financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report
76. 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.
77. 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 consolidated 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. I have nothing to report in this regard.

### Internal control deficiencies

78. I considered internal control relevant to my audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
79. The municipality lacked formalised standard operating procedures to manage performance reporting, including the safeguarding of information and, importantly, the effective monitoring and evaluation of reported performance information. Together with the understaffing of the organisational planning and performance management directorate, the lack of formalised processes and systems had a negative impact on the reliability of performance reporting. Management was slow to respond to issues identified and as a result did not address all the weaknesses identified and reported on in the current as well as previous financial years.
80. There were delays in the submission of bid documentation, such as declarations of interests, adverts on notice boards, broad-based black economic empowerment certificates and tax clearance certificates that were requested during the audit process. The bid documentation was only submitted after an audit communication had been issued. This was due to a lack of oversight by the responsible officials to ensure that there was adequate record keeping of procurement documentation and to ensure the availability of information when requested.

81. The slow response by management as well as a lack of consequence management for poor performance by officials resulted in repeat compliance findings as well as material audit adjustments being made to the submitted financial statements.
82. Leadership's lack of accountability for sound financial management and unwillingness to budget for non-cash items had a negative impact on the municipality's financial sustainability and resulted in overspending of the budget and unauthorised expenditure not being prevented in the current and previous financial years.

*T-Auditor-General*

Bloemfontein

24 June 2019



**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 consolidated 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 consolidated financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the consolidated 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 Mangaung Metropolitan Municipality and its subsidiary's 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 this auditor's report. However, future events or conditions may cause a municipality to cease continuing 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
  - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### **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, where applicable, related safeguards.