

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The Auditor General has historically qualified the institution within the areas of infrastructure assets, investment properties and irregular expenditure. In 2012/13, BCMM prepared and implemented an audit improvement plan, in an effort to obtain an improved audit opinion. Furthermore, South African Cities Network was approached to assist management in improving the financial information surrounding Municipal properties, including investment properties, as well as certain infrastructure assets. It is envisaged that this assistance would yield significant benefits in relation to the opinion expressed by the Auditor General in the previous year.

T 6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/2012

### 6.1 AUDITOR GENERAL REPORTS 2011/2012 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: 2011/2012	
Audit Report Status*:	Qualified
Non-Compliance Issues	Remedial Action Taken
Infrastructure Assets	SACN assisting in Roads componentization & valuation
Investment Properties	SACN undertook MPAR exercise
Irregular Expenditure	SCM producing regular information
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	

T 6.1.1



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## COMMENTS ON AUDITOR-GENERAL'S OPINION 2012/2013:

**Delete Directive note once comment is completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on 2012/2013 if it provides useful context.

T 6.2.4

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5