

Report of the auditor-general to the Free State Legislature and the council on Letsemeng Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Letsemeng Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Letsemeng Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 10 of 2020 (Dora).

Basis for qualified opinion

Receivables from exchange transactions

3. The municipality did not recognise and classify receivables from exchange transactions in accordance with GRAP 104, *Financial instruments* as the total interest on outstanding debtors was incorrectly recognised under receivables from exchange transactions line item and not split between receivables from exchange transactions and receivables from non-exchange transactions. I was unable to determine the full extent of the misstatement on receivables from exchanges transactions and receivables from non-exchange transactions as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence that receivables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R76 962 481 (2020: R60 942 871) in note 5 in the financial statements.

Irregular expenditure

4. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements, which were not disclosed. In addition, the prior period correction made by management, stated in note 44 to the financial statements, was recorded at incorrect amounts and it included duplicate transactions. I was unable to determine the full extent of the misstatement of irregular

expenditure as it was impracticable to do so. I was also unable to obtain sufficient appropriate audit evidence for the breakdown of the irregular expenditure transactions incurred due to the status of the accounting records. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to irregular expenditure stated at R504 835 371 (2020: R502 749 903) in note 47 to the financial statements.

Service charges

5. The municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*, as consumers were not billed for the services they received. In addition, unreconciled differences were identified between the revenue billing system and the accounting records. I was unable to determine the full extent of the understatement of service charges stated at R50 614 190 (2020: R49 589 282) in note 20 to the financial statements and receivables from exchange transactions stated at R76 962 481 (2020: R60 942 871) in note 5 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and the accumulated surplus.

Property, plant and equipment

6. The municipality did not recognise work in progress relating to infrastructure assets in accordance with GRAP 17, *Property, plant and equipment*. Infrastructure assets available for use was incorrectly classified as work in progress and was not accounted for in the correct financial year, resulting in an overstatement of the work in progress balance by R23 430 364 as stated under the reconciliation of work in progress in note 9 to the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm additions to work in progress referred to in the reconciliation of the work in progress sub-note, due to the status of accounting records. I was unable to confirm the infrastructure assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets work in progress stated at R35 972 910 and consequently infrastructure stated at R602 494 770 stated in note 9 to the financial statements.

Context for the opinion

7. 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.
8. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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.
9. 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

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.
11. Note 55 to the financial statements indicates that the municipality incurred a net loss of R10 735 465 during the year ended 30 June 2021 and, as of that date, the municipality's current liabilities exceeded its current assets by R72 189 947. In addition, the municipality owed Eskom R86 576 571 (2020: R54 512 777) and the water boards R12 426 881 (2020: R8 090 549) as at 30 June 2021, both of which were long overdue. These events or conditions, along with other matters as set forth in note 55, 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

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

Unauthorised expenditure

13. As disclosed in note 49 to the financial statements, the municipality incurred unauthorised expenditure of R177 058 547 (2020: R91 986 310), due to overspending of the budget.

Fruitless and wasteful expenditure

14. As disclosed in note 48 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R3 536 734, due to some infrastructure projects written-off where value for money was not received.

Underspending of conditional grants

15. As disclosed in notes 17 and 26 to the financial statements, the municipality materially underspent the municipal infrastructure grant by R3 234 319.

Restatement of corresponding figures

16. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Contingencies

17. With reference to note 52 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.

Material losses

18. As disclosed in note 50 to the financial statements, material water distribution losses of R3 158 304 (78%) ((2020: R4 296 573) (82%)) and electricity distribution losses of R11 180 470 (38%) ((2020: R11 718 554) (42%)) were incurred by the municipality, mainly due to

inherent resistance of conductors, transformers and other electrical equipment, tampering of meters, incorrect ratio used on bulk meters, faulty meters and illegal connections.

19. As disclosed in note 38 to the financial statements, material losses of assets amounting to R11 299 625 were incurred by the municipality mainly due to theft, write-offs and assets that could not be located in the field.

Material impairment

20. As disclosed in note 31 to the financial statements, property, plant and equipment was impaired by R8 198 288 (2020: R13 232 331).

Other matter

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

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 financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
24. In preparing the financial statements, the accounting officer is responsible for assessing the 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 financial statements

25. 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 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 financial statements.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

27. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area (KPA) presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
28. I was engaged to evaluate 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 KPA presented in the municipality's annual performance report for the year ended 30 June 2021:

KPA	Pages in the annual performance report
KPA 1 – basic service delivery and infrastructure development	x – x

29. The material findings on the usefulness and reliability of the performance information of the selected development KPA are as follows:

KPA 1 – basic service delivery and infrastructure development

TL 1 - 100 percentage of complete new 4.2 MI conventional WTW at Jacobsdal by 2020-21 financial year

30. The achievement of 10% was reported against target 10% in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 100%.

TL 16 – 100 completion of the refurbishment of water treatment works filters at Koffiefontein by 31 March 2021

31. The planned indicator and target were 100%, but the reported achievement referred to was project not complete. In addition, I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined method of calculation or the related systems and processes were established to ensure consistent measurement and reliable reporting of the actual achievement of this indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means.
32. I was unable to obtain sufficient appropriate audit evidence for the achievement and the related measures taken to improve performance as reported in the annual performance report for the indicator. Limitations were placed on the scope of my work, as the actual level of achievement for the year was not quantified. I was unable to confirm the reported achievement and the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement and the reported measures taken to improve performance.

TL 19 – % completion of the refurbishment of water treatment works at Koffiefontein by 2020-21 financial year

33. The indicator was initially approved in the service delivery and budget implementation plan, but were not included and reported on in the annual performance report. In addition, I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined method of calculation or the related systems and processes were established to ensure consistent measurement and reliable reporting of the actual achievement of this indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the indicator listed below. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments was required to the indicator.

Various indicators

34. The indicators listed below were approved in the initial service delivery and budget implementation plan (SDBIP) but were not included and reported on in the annual performance report. As a result, I was unable to obtain sufficient appropriate audit evidence for the achievement of planned and reported indicators listed below in the annual performance report, due to a lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator descriptions	Planned targets	Reported achievements
TL 16 – (water quality) - No. of water samples submitted to an accredited laboratory for testing by 30 June 2021	24 reports	Not reported in the APR
TL 17 – (Green drop status) – No. of water samples submitted to an accredited laboratory for testing by 30 June 2021	24 reports	Not reported in the APR

Various indicators

35. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicator is well defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievements reported in the annual performance report of the listed indicators.

Indicator descriptions	Planned targets	Reported achievements
TL 3 – Installation of 750 domestic water meters at Dithlake, Sonwabile, Diamandhoogte, (MIS: 321576) by 30 September 2020.	750	750

TL 5 – Installation of 681 domestic water meters at Jacobsdal and Ratanang by 30 September 2020.	681	681
TL 11 - 100 percentage of construction of new pipeline from boreholes 14 and 15 at Petrusburg to reservoir at Bolokanang by 30 June 2021.	100%	95%

Various indicators

36. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions for the indicators listed below. This was due to insufficient measurement definitions and processes. As a result, I was unable to obtain sufficient appropriate audit evidence. I was unable to confirm the verifiability of the indicator and the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements.

Indicator descriptions	Planned targets	Reported achievements
TL 4 – installation of 1 bulk water meter at Koffiefontein by 31 March 2021	1	1
TL 6 – installation of 2 bulk water meters at Ratanang by 30 June 2021	2	2
TL 7 – installation of 250 domestic water meters at Relebohile by 30 September 2020	250	250
TL 8 – installation of 1 bulk water meter at Luckhoff by 30 June 2021	1	1
TL 9 – installation of 150 domestic water meters at Bolokanang by 30 September 2020	150	150
TL 10 – installation of 8 bulk water meters at Petrusburg (5) and Bolokanang (3) by 30 June 2021	8	8

Other matters

37. I draw attention to the matters below.

Achievement of planned targets

38. Refer to the annual performance report on pages ... to ... 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 paragraph 30 to 36 of this report.

Introduction and scope

39. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
40. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

41. 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, current liabilities, revenue, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

42. Reasonable steps were not taken to prevent irregular expenditure amounting to R2 085 468 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the irregular expenditure was caused due to competitive bidding processes not followed.
43. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R177 058 547, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by non-cash items that were not adequately budgeted for.
44. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R 3 536 734, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA due to infrastructure projects written off.
45. Payments were made from the municipality's bank accounts without the approval of the chief financial officer, as required by section 11(1) of the MFMA.
46. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval of funds, as required by section 65(2)(a) of the MFMA.

Consequence management

47. 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.

48. Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
49. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Utilisation of conditional grants

50. The municipal infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Dora.

Revenue management

51. An adequate management, accounting and information system that accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
52. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Strategic planning and performance management

53. The performance management system and related controls were not maintained and implemented to ensure sufficient appropriate audit evidence; which ensures that systems and processes established enable consistent measurement and reliable reporting of processes, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

54. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured using price quotations as required by SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
55. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
56. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
57. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000, as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000.
58. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
59. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original

invitation for bidding and quotations, as required by the 2017 preferential procurement regulation 5(1) and 5(3).

60. Invitation to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
61. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM regulation 5. A similar limitation was also reported in the prior year.
62. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year.
63. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year.

Other information

64. 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 and those KPA presented in the annual performance report that has been specifically reported in this auditor's report.
65. 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 on it.
66. 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 KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
67. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

68. 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion,

the findings on the annual performance report and the findings on compliance with legislation included in this report.

69. Leadership did not monitor and enforce the implementation of the corrective measures included in the audit action plan and prevent the re-occurrence of qualifications reported in the audit report. These measures were to address the weaknesses of the finance and supply chain directorates in procurement and contract management and the prevention of irregular, fruitless and wasteful, unauthorised expenditure and performance information
70. Key officials and supporting staff lacked the necessary commitment to implement and monitor internal controls over the daily and monthly processing of transactions, resulting in the audit findings reported in this audit report.
71. There was no consequence management at the municipality and officials were not held accountable for irregular, unauthorised, and fruitless and wasteful expenditure incurred in the current and previous financial years.
72. Slow corrective measures by management to address the drivers of non-compliance with laws and regulations. As a result, material instances of non-compliance that could have been prevented were repeated by the municipality.
73. Ineffective monitoring and supervision over financial and performance reporting resulted in material misstatements in the financial statements and annual performance report. The municipality continued to rely on consultants to resolve the prior year's audit findings; however, internal controls within the municipality did not improve as repeat findings were reported in the current year.

Material irregularities

74. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit. The material irregularity identified is as follows:

Eskom not paid within 30 days

75. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R3 711 420 being incurred for the period 1 April 2019 to 31 March 2020. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay Eskom.
76. The accounting officer was notified of the material irregularity on 25 February 2021 and was invited to make written submission on the actions taken, and that will be taken, to address this matter. The accounting officer has responded as follows:
 - A payment agreement was entered into on 30 October 2020 with Eskom relating to the Luckhoff account. A payment plan could not yet be agreed with Eskom for the remaining

towns as the outstanding balance due was subject to legal proceedings between Eskom and the municipality in the Supreme Court of Appeal.

- The municipality has undertaken projects to replace all faulty electricity and water meters as part of their revenue enhancement strategy. Contractors for these projects were appointed on 8 July 2020 for the electricity meters, 21 February 2020 for the water meters and the projects are in progress.
- The accounting officer submitted a report on fruitless and wasteful expenditure incurred to the municipal public accounts committee (MPAC) for investigation on 30 July 2021. This matter will be dealt with in the next MPAC meeting.

77. I will follow up on the investigation and implementation of the planned actions during my next audit.

Auditor-General
Bloemfontein

30 November 2021



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 KPA[s] 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 this 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 relating to events or conditions that may cast significant doubt on the ability of the Letsemeng Local Municipality 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 my 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 operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.