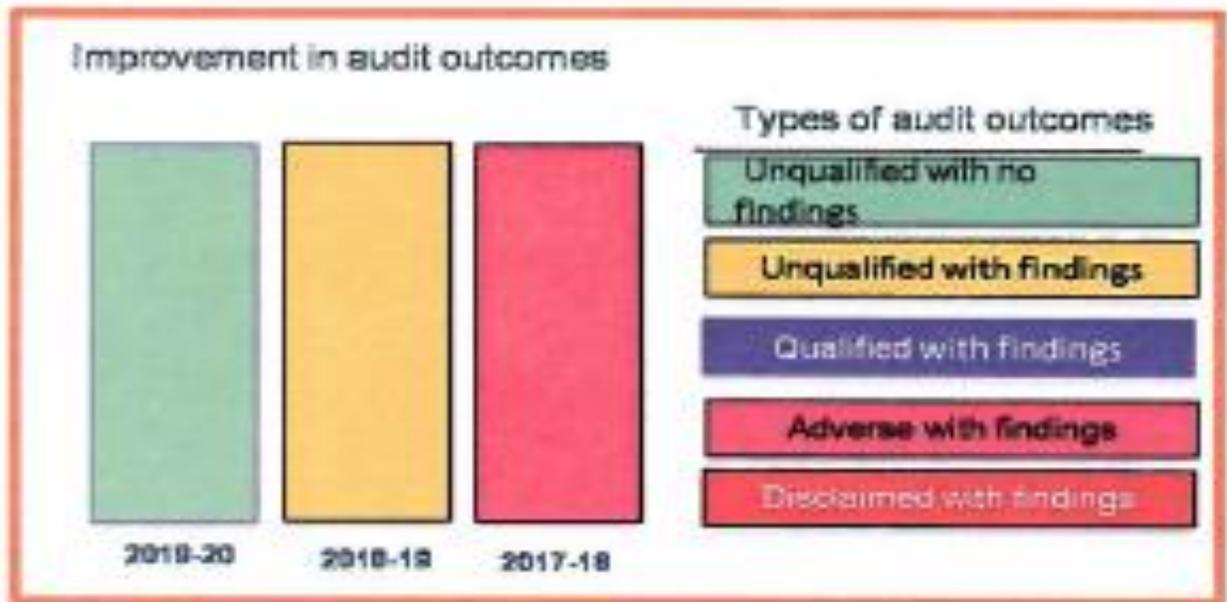


ELUNDINI MAKES HISTORY WITH FIRST EVER CLEAN AUDIT



Elundini Local Municipality Audit outcomes

Elundini Local Municipality (ELM) has surpassed all expectations and made history by receiving clean audit outcome for the first time ever on the latest Audit General's report on financial statements of the municipality as at 30 June 2020. This is a quantum leap and a far cry from the adverse findings which was worst for the municipality in 2017/2018. In 2018/2019 financial year there was an improvement where the municipality received an unqualified audit outcome.

It was all excitement when Mayor Nonkongozelo Lengs, who couldn't hide her excitement made the announcement to councillors and staff during the municipality's virtual Strategic Planning session held from 01-03 March 2021. The mayor thanked everyone who contributed to the municipality to ascend to the summit which is unprecedented. She pointed: "This is out of the hard work that you put in that we received this good news. This municipality is

a collective and there are lots of people who contributed. Maybe this is an exit strategy for the council before the upcoming elections and a form of legacy.”

The internal audit manager in his presentation of audit outcomes and control environment stressed that, it is worth mentioning this clean audit was a result of combination of hard work provided by various assurance providers {(the first line of defense (Management based assurance), the second line of defense (Risk and compliance-based assurance) and the third line of defence (Independent Assurance))} which had tremendously contributed to control environment that gave raise to audit outcomes-.

Therefore, the internal controls are in place to provide reasonable assurance regarding:

- (1) reliability of financial reporting,
- (2) compliance with applicable laws and regulations, and
- (3) effectiveness and efficiency of operations.

Audit action plans developed by management, reviewed by internal auditors for efficacy and efficiency and as well as input from audit committee to address internal control deficiencies were adequately monitored and implemented to address prior year findings as there were no material repeat findings were noted in the annual financial statements, performance information and compliance with legislation.

The assessment of the implementation of drivers of internal controls to the current year-end indicated collectively for each of the three audit dimensions under the three fundamentals of internal controls indicated that the required preventative or detective controls were in place.