

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE  
COUNCIL ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE  
INFORMATION OF THE METSIMAHOLO LOCAL MUNICIPALITY FOR THE YEAR ENDED  
30 JUNE 2009**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I was engaged to audit the accompanying group financial statements of the Metsimaholo Local Municipality which comprise the consolidated statement of financial position as at 30 June 2009, the consolidated statement of financial performance, the consolidated statement of changes in net assets and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages xx to xx.

**The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Statements of Generally Recognised Accounting Practices (Statements of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) 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.

**The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for disclaimer of opinion**

**Property, plant and equipment**

4. As a result of the audit matters detailed below, I was unable to obtain adequate audit evidence as to the existence, valuation and completeness of and rights and obligations relating to property, plant and equipment amounting to R302 673 809, as disclosed in the statement of financial position for the current financial year and R309 761 867 for the previous financial year, and the related detailed disclosure in note 8 to the financial statements.
  - I was unable to verify the physical existence of property, plant and equipment amounting to R11 166 711 (including R3 524 443 pertaining to legacy issues). The corresponding figure in the prior year audit report amounted to R13 263 861. I was unable to perform alternative audit procedures to confirm the existence and valuation of these transactions.

- I was unable to satisfy myself regarding the valuation and completeness of property, plant and equipment as assets could not be traced from the physical location to the asset register.
- Contrary to the Standards of Generally Recognised Accounting Practice (GRAP), GRAP 17 the residual value and the useful life of an asset were not reviewed in the prior financial years, resulting in assets being written down to a nominal value. Consequently, I was not able to verify the valuation of the municipality's property, plant and equipment.
- Infrastructure assets of R223 482 187 as disclosed in note 8 to the financial statements have not been recognised in accordance with the component approach, as required by the Standards of Generally Recognised Accounting Practice (GRAP), GRAP 17: *Property, plant and equipment*. The municipality did not identify significant components to be depreciated separately and consequently the valuation of property, plant and equipment, the accumulated depreciation balance, as well as depreciation written off, could not be verified.

#### **Inventories**

5. I was unable to verify the completeness and valuation of water, as disclosed in note 2 to the annual financial statements. I was unable to perform alternative audit procedures to confirm the completeness and valuation of water.

#### **Trade and other receivables**

6. As a result of the audit matters below, I was unable to obtain adequate audit evidence as to the existence, valuation and completeness of and rights and obligations relating to trade and other receivables amounting to R73 216 516, as disclosed in the statement of financial performance for the current financial year and R58 886 236 for the previous financial year.
  - A difference of R12 239 870 was identified between the debtors age analysis and the balance presented in the statement of financial position and disclosed in note 3 to the financial statements. The corresponding figure in the prior year audit report amounted to R13 752 510. Furthermore, the additional information disclosed in note 3 for ageing, customer classification and ageing of impaired receivables did not reconcile with the services receivable summary disclosed in the same note to the financial statements. I was unable to perform alternative audit procedures. Consequently, I was unable to obtain sufficient supporting documentation to confirm the existence and valuation of and the rights and obligations relating to trade and other receivables.
  - For the year ended 30 June 2008, current consumer debtors amounting to R97 767 164 were included in service receivables as per note 3 to the financial statements. On average the municipality levied property rates and service charges of R25 263 217 on a monthly basis. Consequently, I was unable to assess the fair representation of the consumer debtor ageing.
  - Certain consumer debtors have entered into an agreement with the municipality to repay their accounts in periods exceeding 12 months. These debtors were not classified as long-term debtors, resulting in the understatement of long-term debtors and the overstatement of the trade and other receivables included in the statement of financial position. I was unable to determine the misstatement accurately due to the classification error.

### Non-current provisions

7. As a result of the audit matters below, the municipality has omitted the disclosure of non-current provisions in the financial statements for the year ended 30 June 2009.
- The municipality did not provide for the rehabilitation of landfill sites, as required by section 28(1) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and in accordance with the Standard of Generally Accepted Municipal Accounting Practice, GAMAP 9 *Provisions, contingent liabilities and contingent assets* (GAMAP 19).
  - The municipality did not provide for a medical aid fund and other employee liabilities, which constitutes a departure from the South African Statement of Generally Accepted Accounting Practice, IAS 19: *Employee benefits*.

In the absence of actuarial valuations, I was unable to verify the valuation of these liabilities at reporting date and could consequently not quantify the misstatement.

### Trade and other payables

8. As a result of the audit matters detailed below, I was unable to verify the existence, valuation and completeness of and rights and obligations relating to trade and other payables amounting to R99 484 998, as disclosed in the statement of financial position for the current financial year and R89 190 214 for the previous financial year and the related detailed disclosure in note 12 to the financial statements.
- Direct bank deposits amounting to R6 109 930 included in the trade and other payables balance were not allocated to the correct account. The corresponding figure in the prior year audit report amounted to R21 084 113. I was unable to verify the existence and valuation of these unallocated deposits.
  - I was unable to satisfy myself as to the completeness (cut-off) and valuation of trade and other payables and the related expenses.

### Revenue

9. As a result of the audit findings detailed below, I was unable to verify the occurrence, completeness and accuracy of revenue amounting to R361 730 731, as presented in the statement of financial performance for the current and previous financial year. The corresponding figure in the prior year audit report amounted to R384 955 953.
- I was unable to verify the completeness and accuracy of revenue from property rates amounting to R65 199 753 for the current financial year and R56 917 298 for the previous financial year as per note 18 to the financial statements, as 5 679 (2008: 5 577) properties in the municipal area were identified from which no service charges are being recovered.
  - Sufficient supporting documentation could not be obtained for service charges levied of R206 020 116 for the current financial year and R215 292 559 for the previous financial year. The municipality's records did not allow the performance of alternative audit procedures. I could consequently not obtain adequate audit evidence as to the completeness, accuracy and occurrence of these service charges.
  - I was unable to verify the completeness, accuracy and occurrence of the direct income transactions as sufficient supporting documentations could not be obtained for direct income amounting to R12 973 627.

- Differences were identified between the actual meter readings and the meter readings as per the municipality's accounting system on which levies were charged for the year under review. I was unable to calculate the amount of service charges for water and the service charges for electricity. Consumer receivables were therefore overstated by an unknown amount.
- For the year ended 30 June 2008, the municipality recorded water sales amounting to R117 021 478 as per note 19 to the financial statements. The water sales according to the system amounted to R122 071 904. Sufficient supporting documentation for the difference of R4 340 962 could not be obtained. Consequently, assurance regarding completeness, cut-off and accuracy of water sales could not be obtained.
- For the year ended 30 June 2008, the municipality recorded electricity sales amounting to R73 402 144 as per note 19 to the financial statements. The electricity sales according to the system amounted to R78 165 426. Sufficient supporting documentation for the difference of R4 763 282 could not be obtained. Consequently, assurance regarding the completeness, cut-off and accuracy of electricity sales could not be obtained.

#### **Expenditure**

10. Bad debt expenditure is overstated by input tax estimated at R16 463 054 for the current financial year and R21 667 825 for the previous year, as the provision for bad debts was incorrectly made to include the input tax.

#### **Contingent liabilities**

11. I was unable to verify the completeness of contingent liabilities as no confirmation could be obtained from the attorneys.

#### **Commitments**

12. For the year ended 30 June 2008, my review of management controls and procedures to record outstanding commitments indicated that there were insufficient procedures in place to ensure that all the municipality's capital commitments have been identified and disclosed in note 31 to the financial statements.

#### **Irregular expenditure**

13. Contrary to the municipality's *Supply Chain Management Policy*, the necessary procurement documentation could not be provided to substantiate expenditure amounting to R29 180 455 for the current financial year and R2 373 941 for the previous financial year.
14. No service level agreements could be obtained for payments amounting to R2 186 052.

#### **Cash flow statement**

15. I was unable to obtain adequate audit evidence that the cash flow statement and related notes for the current and prior financial years were fairly stated, due to the material effect of scope limitations and identified misstatements mentioned in this report.

#### **Disclaimer of opinion**

16. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

### **Emphasis of matters**

Without further qualifying my opinion, I draw attention to the following matters on which I do not express a disclaimer of opinion:

#### **Going concern**

17. Note 45 to the financial statements indicates that the municipality experienced cash flow problems as a result of not being able to collect outstanding debtors. This resulted in trade payables not being paid on time.

#### **Unauthorised and fruitless and wasteful expenditure**

18. As disclosed in note 36 to the financial statements:

- fruitless and wasteful expenditure amounting to R876 652 was incurred as a result of creditors not being paid within 30 days (R1 337) and salaries being paid to suspended employees (R875 316).

#### **Restatement of corresponding figures**

19. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2008 have been restated as a result of an error discovered during 2009 in the financial statements of the Metsimaholo Local Municipality at, and for the year ended, 30 June 2008.

#### **Other matters**

I draw attention to the following matters that relate to my responsibility in the audit of the financial statements:

#### **Non-compliance with applicable legislation**

##### **Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)**

20. Section 65(2)(e) of the MFMA requires that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement. Contrary to this requirement, outstanding accounts were not paid within the prescribed time frame.
21. Consolidated reports of all withdrawals made in terms of subsections (1)(b) to (j) were not submitted to the Auditor-General as required by section 11(4) of the MFMA.
22. The budget was not submitted to the council at the end of each quarter, as required by section 52(d) of the MFMA.
23. Section 32(4) of the MFMA requires that the accounting officer promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality. Contrary to the above, the required reports were not issued by the municipality during the year under review although instances of irregular and fruitless and wasteful expenditure were identified and disclosed in the financial statements.
24. The management of the Metsimaholo Local Municipality did not investigate identified instances of unauthorised, irregular and fruitless and wasteful expenditure, as required by section 32(2) of the MFMA.
25. No evidence could be obtained that the municipality had submitted to the National Treasury the required report for each contract valued above R100 000, as required by circular 34 of the MFMA.

26. No oversight report has been prepared or adopted in respect of the 2008 annual report, as required by section 129 of the MFMA.
27. The requirements of section 33(1) and (2) in respect of the contracts entered into which relate to financial obligations beyond one year were not adhered to.
28. The shortfalls and overspending in respect of the budget were not reported in writing to the council, as required by section 70(1) of the MFMA.
29. A number of reconciliations were not performed at month-end as required by section 65(2)(i), which resulted in a number of weaknesses identified.
30. The MEC for finance was not informed of the fact that all annual performance contracts had not been signed, as required by section 53(2) of the MFMA.

**Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA)**

31. No performance contracts could be obtained for the municipal manager or any other manager directly accountable to the municipal manager, as required by section 57 of the MSA.
32. Section 67(d) of the MSA requires that appropriate systems be developed to monitor, measure and evaluate the performance of staff. Although the performance of management is monitored, the performance of other employees was not monitored and evaluated.
33. Full declarations of financial interests were not made, as required by schedule 1, paragraph 7(1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

**Supply Chain Management Regulations (GNR 868 of 30 May 2005) (SCM Regulations)**

34. The deviation from the official procurement policies in certain instances were not recorded at the next council meeting, as required by regulation 36(2) of the SCM Regulations.

**Governance framework**

35. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

**Internal control deficiencies**

36. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for disclaimer of opinion	CE	RA	CA	IC	M
4	Property, plant and equipment	5	4	4	2, 3	1
5	Inventories	5	2		2	1
6	Trade and other receivables	5, 6	2	3, 5	3	3
7	Non-current provisions		2	3, 4, 5		1
8	Trade and other payables	6	2	3		3

9	Revenue	5, 6	2	3, 5	2	3
10	Expenditure	5, 6	2	3, 5	2	3
11	Contingent liabilities	5	2	3, 4		
12	Commitments	5		3, 4		3
13	Irregular expenditure	5		3, 4		3
14	Cash flow statement	5		3		3

**Overall reflections on the governance framework based on internal control deficiencies**

37. The lack of dedicated resources resulted in the fixed asset register not being updated to ensure that all assets are verifiable.
38. The lack of a sufficient system of debt collection resulted in a significant amount of debtors to be impaired. A system error further resulted in the agree analysis not agreeing to the general ledger accounts.
39. Inadequate information supplied to the municipality resulted in the suspense accounts not being cleared on a regular/monthly basis.
40. Due to a number of constraints in the municipality's meter reading and capturing system, the completeness of income could not be verified.
41. The lack of a SCM review process resulted in a number of procurements which did not follow the Supply Chain Management Regulations. The municipality does not have systems in place to identify non-compliance.

<b>Legend</b>	
<b>CE = Control environment</b>	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
<b>RA = Risk assessment</b>	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5

<b>CA – Control activities</b>	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
<b>IC – Information and communication</b>	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
<b>M – Monitoring</b>	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

#### Key governance responsibilities

42. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Yes	No
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	X	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		X
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	X	



<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.		X
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	X	
<b>Development of and compliance with risk management, effective internal control and governance practices</b>			
6.	<b>Audit committee</b>		
	The municipality had an audit committee in operation throughout the financial year.	X	
	The audit committee operates in accordance with approved, written terms of reference.	X	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	X	
7.	<b>Internal audit</b>		
	The municipality had an internal audit function in operation throughout the financial year.	X	
	The internal audit function operates in terms of an approved internal audit plan.	X	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	X	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		X
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		X
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	X	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c)(i) of the MFMA.		X
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	X	
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed.	X	
14.	SCOPA resolutions have been substantially implemented.	X	
<b>Issues relating to the reporting of performance information</b>			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		X
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		X
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the municipality against its mandate.	X	

	predetermined objectives, outputs, indicators and targets as per section 68 of the MFMA.		
18.	There is a functioning performance management system in place.	X	

**Overall reflections on the governance framework based on other key governance requirements**

43. Due to unforeseen circumstances, the entity opted to outsource the compilation of the annual financial statements. This resulted in the reporting process starting late and ultimately the late submission of the financial statements.
44. The municipality did not have a risk management committee in place during the year under review. Furthermore, no risk assessment was conducted and a risk management strategy, which includes a fraud prevention plan, has not been documented. These key governance deficiencies can be ascribed to the fact that management did not take adequate responsibility to drive the process of establishing key governance structures.
45. Management did not adequately address the risk of non-compliance with laws and regulations. This key governance deficiencies can be ascribed to the fact that management did not take adequate responsibility to drive the process of complying with the applicable laws and regulations.
46. The prior year audit findings have been substantially addressed, but not fully resolved.
47. The municipality has not developed and implemented an effective performance measurement system to ensure the accuracy and completeness of the performance information. This is attributable to the lack of dedicated resources in respect of performance management and inadequate training and development of relevant staff to ensure that they are knowledgeable concerning the requirements and deliverables regarding performance information.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Report of performance information**

48. I have reviewed the performance information as set out on pages xx to xx.

**The accounting officer's responsibility for the performance information**

49. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

**The Auditor-General's responsibility**

50. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
51. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
52. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

### **Audit findings (performance information)**

#### **Non-compliance with regulatory requirements**

##### **No quarterly reporting on performance information**

53. No quarterly reports on progress made in achieving measurable objectives and targets were prepared by the Metsimaholo Local Municipality to facilitate effective performance monitoring, evaluation and corrective action.

##### **Existence and functioning of a performance audit committee**

54. The Metsimaholo Local Municipality appointed a performance audit committee on the 31 March 2009, as required by regulation 14(2) of the Municipal Planning and Performance Management Regulations, 2001.

##### **Internal auditing of performance measurements**

55. The Metsimaholo Local Municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.

##### **Usefulness and reliability of reported performance information**

56. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its strategic plan, annual performance plan and integrated development plan:

- **Consistency:** Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, annual performance plan and integrated development plan?
- **Relevance:** Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate? Is this specific and measurable, and is the time period or deadline for delivery specified?
- **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

##### **Inconsistently reported performance information**

57. The Metsimaholo Local Municipality has not reported on its performance with regard to its objectives as per the approved strategic plan, due to changes to the objectives from the approved integrated development plan. No evidence could be provided that these changes had been approved. Summary of differences found:

<b>Development priorities and objectives per IDP</b>	<b>Target per IDP</b>	<b>Target per SDBIP and annual report</b>
<b>Water provision &amp; sanitation:</b>		
Reduced unaccounted for water	10%	20%
Install new water connections	3200	3120
Eradication of bucket system (informal areas)	100	0
Complete outfall sewer	6.5km	12km
<b>Roads and storm water drainage/channels:</b>		
Construction of new storm water culvert	100%	0%

Upgrading and maintenance of storm water system	100%	80%
Electricity provision:		
Electrified residential stands	3000	1000
Sport, recreation and community facilities:		
Community halls upgraded	3	0
Refuse removal:		
Refuse points serviced	3500	5000
Housing:		
Number of approved stands allocated	3150	0
Cemeteries:		
Upgraded cemeteries	1	0

**Reported performance information not reliable**

**Differences in reported achievements**

58. The reported actual achievement of targets differed from the adequate evidence/source documentation. Summary of examples found:

Development priorities and objectives per IDP	Development priorities and objectives per annual performance report	Prior year actual per prior year annual report	Prior year actual per current year's annual report	Target per IDP 2008/2009	Target per current year annual report	Actual per budget statement of June source	Actual reported as per the current annual report	Difference
Reduced unaccounted for water	KI billed & purchased	10%	38,6%	10%	20%	22,34%	15%	7,34%
Not in IDP	Kwh billed & purchased	10%	6,4%	Not in IDP	6%	4,75%	6%	1,25%

**APPRECIATION**

59. The assistance rendered by the staff of the Metsimaholo Local Municipality during the audit is sincerely appreciated.

*Auditor-General*

Bloemfontein

16 April 2010



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*