



MEDIA RELEASE

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Knysna Municipality takes swift action to address audit issues

The Knysna Municipality received a financially unqualified audit with recommendations for the 2016/2017 financial period.

Knysna Executive Mayor, Eleanore Bouw-Spies said, “We take cognisance of the Auditor General’s (AG) report and we are fully committed to address the issues raised by the AG. It must be remembered that Knysna suffered a tumultuous time following the devastating Knysna Fires, that ravaged the area on 7 June, 2017, stretching our limited resources to the hilt.

“Despite this, we received an unqualified financial audit, an achievement for which the AG commended us for.”

A financially unqualified audit opinion is explained by the AG as financial statements that contain no material misstatements. Unless they express a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects. In the case of Knysna it was in relation to two issues related to predetermined objectives both are expected to be addressed as part of the Operation Clean Audit Report (OPCAR) by 30 June 2018.

Bouw-Spies further expressed her gratitude to the CFO, Mbulelo Memani and his team. “I applaud and thank our CFO and his staff who worked so hard for achieving this financial outcome. Especially if we take into account the extreme pressure that this team faced when their financial year-end fell, only 3 weeks after the devastating fires, at the end of June.”

She said that steps had already been taken to address issues raised: “I have twice met with Dr Ivan Meyer, MEC for Finance in the Province to discuss solutions highlighted by the AG.”

Bouw-Spies added that she had requested the support from Dr Meyer: “Adequate procurement planning is imperative to strengthen the management of procurement, compliance with supply chain regulations, and supporting service delivery. I have asked that an experienced person be seconded to the Knysna Municipality for a period of three months, to assist us with fast tracking Procurement Processes, developing a Procurement Plan for the 2018/2019 financial year, building management awareness of compliance and the key procurement concerns raised by the Auditor-General, recommendations to strengthen the Municipality’s Supply Chain System and Contract Management.”

In closing the mayor reiterated the importance of resolving issues highlighted by the AG. "It is our top priority to resolve issues raised by the AG, especially the Contract Management issues. We will ensure that these are addressed."

ENDS

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