PRESENTATION TO JOINT PORTFOLIO COMMITTEE

29 JULY 2026

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1. 2024/2025 CRITICAL AUDIT FINDINGS

- Payables from exchange transactions
- Receivables from exchange transactions
- Revenue from exchange transactions
- Vat Receivable
- Property Rates
- Employee related costs
- Going concern
- Performance Management

2. 2024/2025 ROOT CAUSES OF AUDIT FINDINGS

- Opening balances without supporting schedules
- General ledger, trial balance and supporting schedules not agreeing.
- Audit opinion 2024/2025 – Qualified

3. 2024/2025 REMIDIAL ACTIONS

- Opening balances from previous years were investigated and supporting schedules are being compiled for the previous years

- General ledger, trial balance and supporting schedules agrees for the 2025/26 financial year.

- Audit file is being compiled for the 2025/26 financial year.

3. 2024/2025 REMIDIAL ACTIONS

- Audit file for the previous years audit findings both Management Report as well as the Audit report matters.

- Interim Annual Financial Statements for 9 months ending March 2026 were compiled to ensure TB/GL and supporting schedule agrees.

- 151 Audit findings of which 81 were addressed

4. MATERIAL IRREGULARITIES

Description	Financial Year	Status
The Kopanong Local Municipality (“the municipality”) did not pay employee’s pension fund	2024/25, Issued 16 July 2025	SALA payment arrangement in place to mitigate outstanding and current. Payment plans are adhered to.
Pollution Of Water Resource NotPrevented –Gariep Dam Wastewater Treatment Works	2023/2024	95% of the MI is Resolved, the Municipality also appointed 3 Process Controllers for the operation&maintenance of the plant.

5.UIF&W

- In the 2024/25 financial year the Mpac recommended to council for a write off an amount of R1 212 000 000 of the UIF&W as disclosed in the Annual Financial Statements for 2024/25.

43. Unauthorised expenditure

Opening balance as previously reported	881 099 546	709 070 455
Add: Unauthorised expenditure - current	8 765 423	172 029 091
Less: amount written off by council	(709 070 455)	-
Closing balance	**180 794 514**	**881 099 546**

44. Fruitless and wasteful expenditure

Opening balance as previously reported	581 558 091	486 266 079
Add: Fruitless and wasteful expenditure identified - current	78 329 631	95 292 012
Less: Amount written-off - current	(503 783 829)	-
Closing balance	**156 103 893**	**581 558 091**

45. Irregular expenditure

Opening balance as previously reported	332 247 718	334 740 607
Add: Irregular expenditure - current	6 725 317	6 037 880
Less: Amount written-off - current	-	(8 530 769)
Closing balance	**338 973 035**	**332 247 718**

6. 2025/2026 AFS READINESS

- Appointed consultants in December 20025 to prepare interim Financial Statements.
- Currently the interim AFS were completed for 9 months ending March 2026. The draft AFS for 2025/26 should be completed by 31 July 2026.
- Established Audit Steering Committee in January 2026, and its meeting on Thursdays

6. 2025/2026 AFS READINESS

- The municipality is currently resolving prior year audit matters raised by AG as well as investigating the opening balances to avoid recurrence of audit findings.
- Credible Audit file compiled to address Audit trail and supporting documents.
- Meeting is set for the 07 August 2026 to discuss issues raised in the 2024/25 financial year audit.

6. 2025/2026 AFS READINESS..cont..

ACTION	TIMELINE
1. 9 months interim AFS	24-Apr-26
2. 1st draft AFS	31-Jul-26
3. 2nd draft AFS	14-Aug-26
4. Final draft AFS	21-Aug-26
5. Submission final AFS	31-Aug-26

5. CHALLENGES

- Lack of Human Capital.
- Huge historical debt of creditors eg. Pension fund
- High unemployment rate and lack of economic activities resulting in poor revenue base

THANKS…!!!

DITEBOHO…!!!

DANKIE…!!!

ASANTE…!!!