

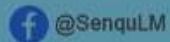


SENQU

MUNICIPALITY

PRESENTATION BY: KENNITH FOURIE
SUBJECT: JOURNEY TO A SUSTAINABLE CLEAN AUDIT
DATE: 10 JUNE 2026

www.senqu.gov.za



19 Murray Street | Lady Grey | 9755
051 603 1301 | info@senqu.gov.za

Presentation Main Themes



Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Senqu Local Municipality

[Report on the audit of the financial statements](#)

Opinion

1. I have audited the financial statements of Senqu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, 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, the financial statements present fairly, in all material respects, the financial position of Senqu Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2025 (DoRA).

Positioning administration for clean governance.

Lessons learned from running a clean administration

Role of leadership in supporting administration to achieve clean administration

SECTION 1



**POSITIONING ADMINISTRATION
FOR CLEAN GOVERNANCE.**

1



WHAT DOES A CLEAN AUDIT ENTAIL ?

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Senqu Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Senqu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, 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, the financial statements present fairly, in all material respects, the financial position of Senqu Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2025 (DoRA).



THE ROADMAP TO A CLEAN AUDIT

11 KEY AREAS • ONE OUTCOME • PUBLIC CONFIDENCE

OUR GUIDING PRINCIPLES

- ETHICAL LEADERSHIP**
Tone at the top drives culture
- ACCOUNTABILITY**
Everyone is responsible
- STRONG CONTROLS**
Prevent, detect and correct
- TRANSPARENCY**
Open, complete and reliable information
- CONTINUOUS IMPROVEMENT**
Learning today for a better tomorrow

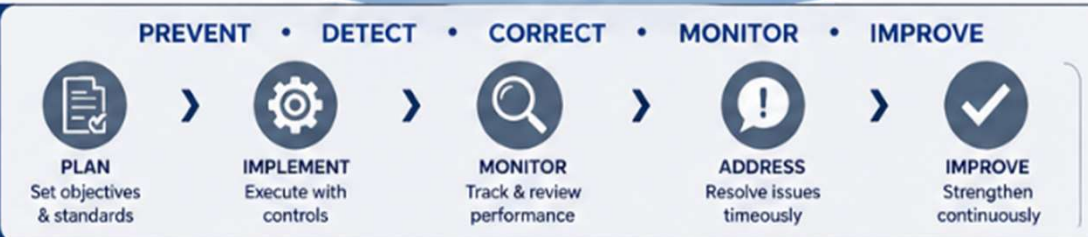


THE IMPACT OF A CLEAN AUDIT

- PUBLIC CONFIDENCE**
Trust through financial integrity
- BETTER SERVICE DELIVERY**
Resources used effectively
- IMPROVED FINANCIAL SUSTAINABILITY**
Strengthened financial position
- ENHANCED REPUTATION**
Recognition for good governance
- POSITIVE COMMUNITY OUTCOMES**
Better quality of life for our communities

OUR COMMITMENT

WE COMMIT TO EXCELLENCE IN FINANCIAL MANAGEMENT AND ACCOUNTABILITY



TOGETHER WE BUILD A MUNICIPALITY THAT DELIVERS, SERVES AND INSPIRES.

CLEAN AUDIT. STRONG FUTURE.

THE ROADMAP TO A CLEAN AUDIT

11 KEY AREAS • ONE OUTCOME • PUBLIC CONFIDENCE

GUIDING PRINCIPLES	AFS / AUDIT PREP	STRATEGY	STRATEGY COMPONENTS	ACCOU NT	TIME	REVIE W
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Guiding Principles - STRATEGY COMPONENTS, LEGISLATION, POLICIES, STD PROCEDURES AND SUPPORTING CONTROLS, RECORD KEEPING AND DOCUMENT MANAGEMENT</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Annual Financial Statements Prep Plan and Preparation Audit File - Audit Evidence</p>	Strategic Budgeting	Ratio Analysis Guidelines	Who	When	Reports & Corrective Action
			Core Functions vs Non-Core Function			
			Setting of Minimum Service Standards			
			Utilising GIS (Geographic Information System) Software for equitable service delivery			
			Setting or Transparent, Cost Reflective Tariffs			
			Alternative Financing Strategies			
			Public Private Partnerships			
		Revenue Enhancement Strategy	Data Cleansing			
			Billing			
			Credit Control and Debt collection			
			Indigent Management			
			Communication Strategy			
			Active External Revenue Sources Identification / External Partnerships			
		Strategic Procurement Framework	Spending Analysis			
			Strategic Sourcing Initiative			
			Types of Strategic Sourcing			
			Market Analysis and Procurement Planning			
			CONCLUSION, REVIEW and OVERSIGHT			
		Contract Management	Listing of key deliverables			
			Assignment of Responsibility to Contract Manager			
Performance Reporting against set targets and timeframes						
Close Out Reporting and Procurement Initiation						

INTERNAL CONTROL ENVIRONMENT

STRATEGIES TO IMPLEMENT ROADMAP

1

• **STRATEGY COMPONENTS**

- *Underlying Principles Clearly Identified and Documented*

2

• **LEGISLATION**

- *Legislative Mandate Clearly Identified, Documented and Implemented*

3

• **POLICIES**

- *Policies Developed / Reviewed in line with Underlying Principles and Legislative Mandate*

4

• **STD PROCEDURES AND SUPPORTING CONTROLS**

- *Develop / Review Related SOP's to ensure Policy Implementation within Controlled Environment*

5

• **STATUARY REPORTING AFS PREPARATION & AUDIT EVIDENCE**

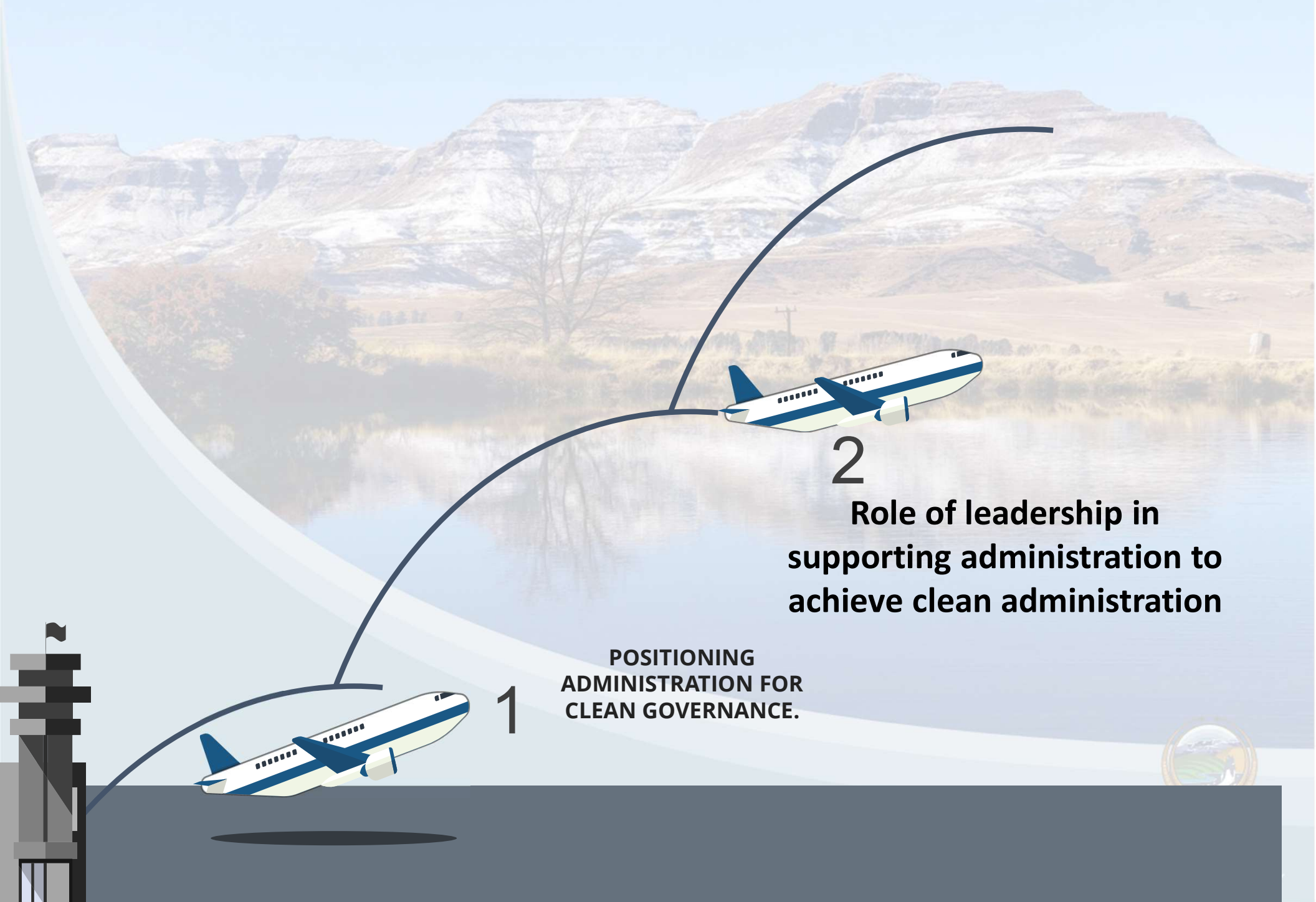
- *Link Statuary Reporting Audit Evidence / AFS Supporting Evidence to SOP's to ensure proper monitoring, implementation and accounting for related SOP's*

6

• **RECORD KEEPING AND DOCUMENT MANAGEMENT**

- *Record of decision available at all times with document safekeeping*

Section 2



1

**POSITIONING
ADMINISTRATION FOR
CLEAN GOVERNANCE.**

2

**Role of leadership in
supporting administration to
achieve clean administration**



“

The two most important things
in any company that does not appear
in its balance sheet,
is its reputation and its people”



REPUTATION



PEOPLE



FOUNDATION

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Senqu Local Municipality

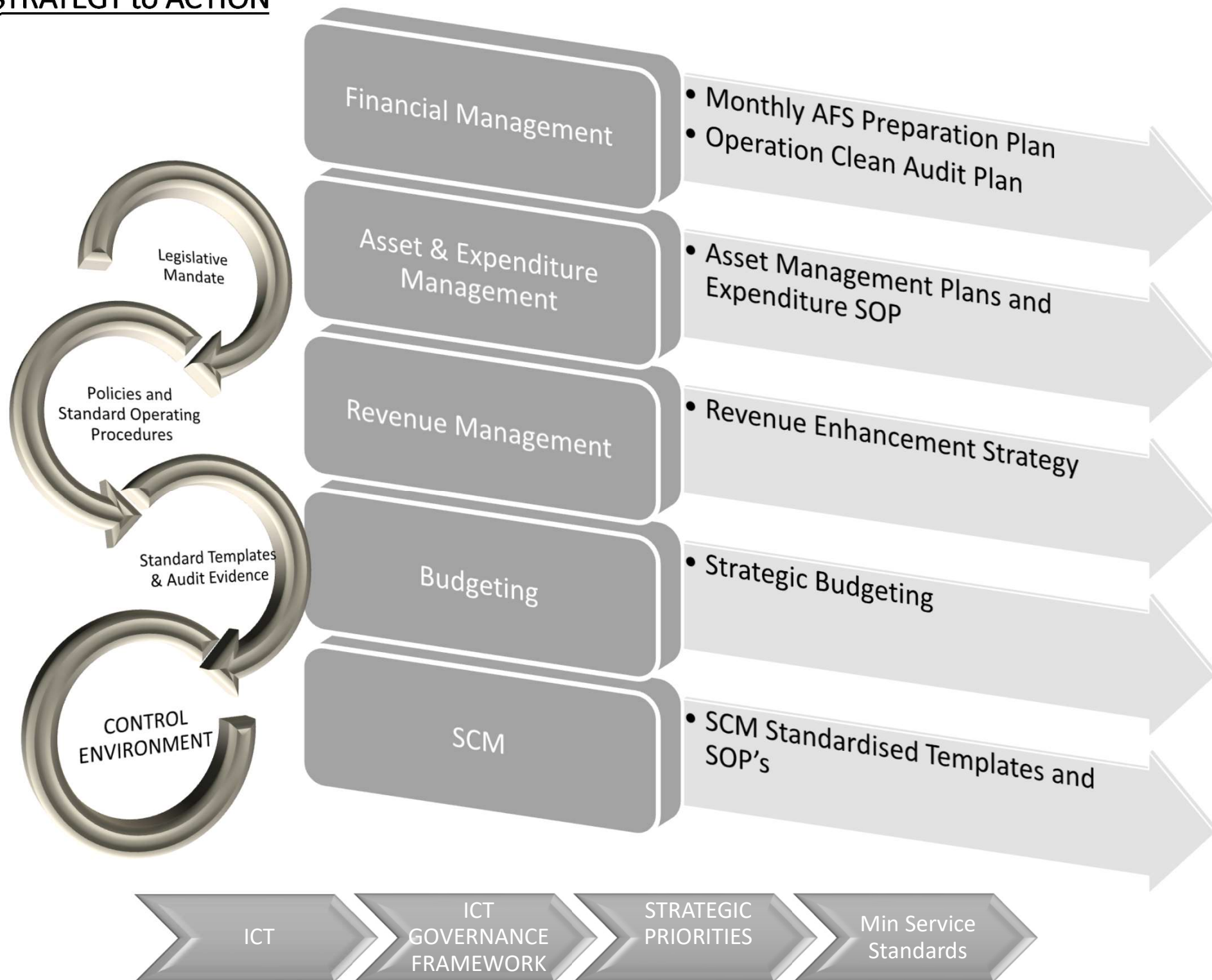
Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Senqu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, 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, the financial statements present fairly, in all material respects, the financial position of Senqu Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2025 (DoRA).

Is the organisation geared towards a common mission ?
Do they Understand what a “Clean Audit Implies”

STRATEGY to ACTION



STRATEGY to ACTION

No	Item	Detail
1	Cash and Cash Equivalents	
		Finalise Bank Reconciliation
		Copy of Bank statements for audit file
		Update Investment Register
		Scanned copies of Investment Statements

SENQU LOCAL MUNICIPALITY



SENQU
MUNICIPALITY

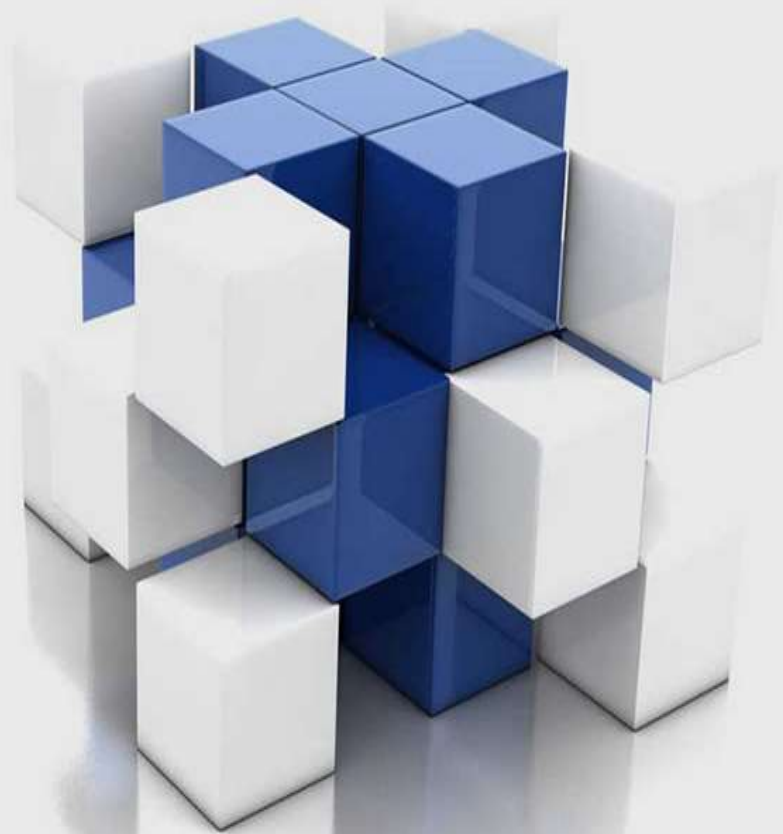
FINANCIAL STATEMENTS

31 DECEMBER 2025

UNAUDITED

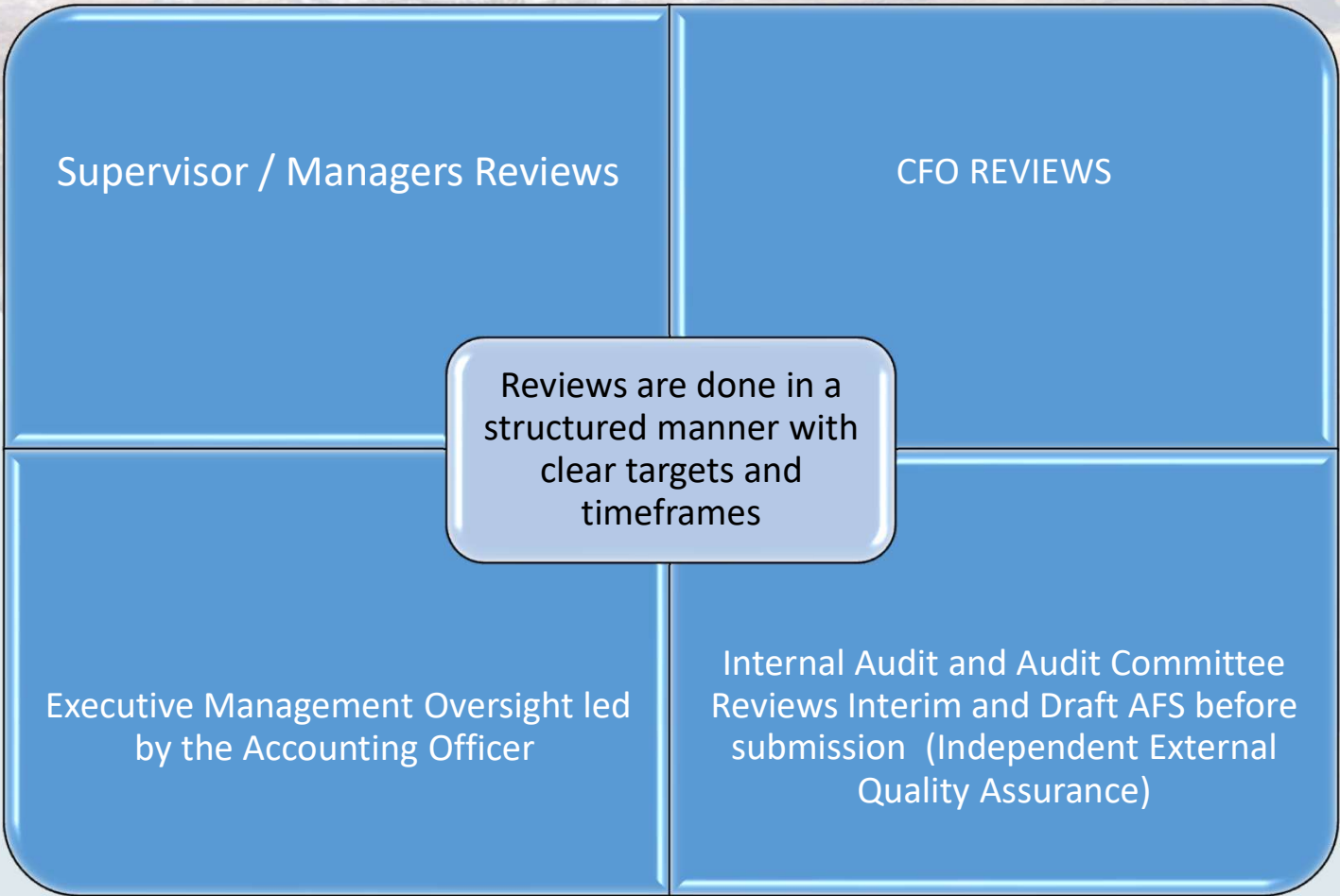
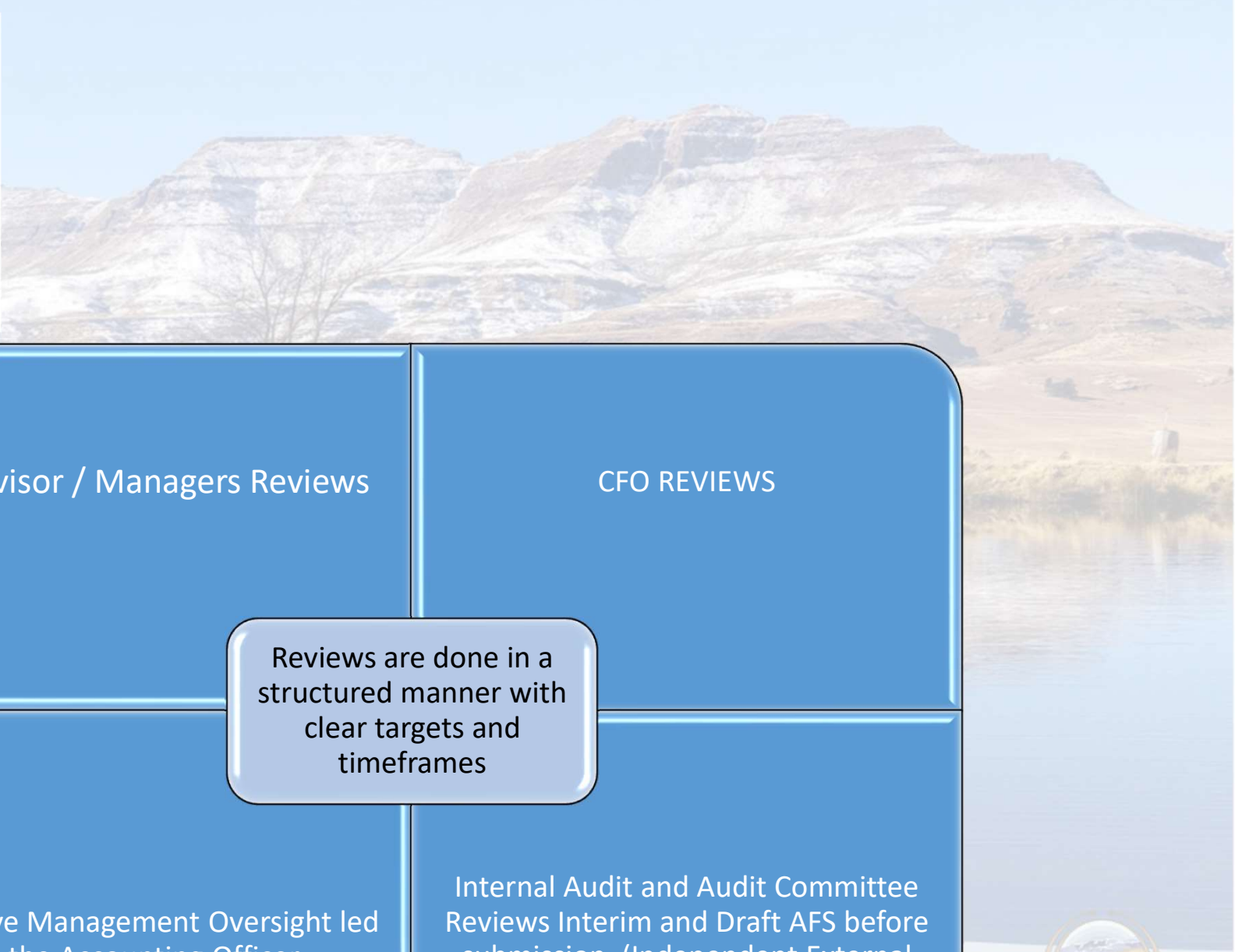
Checked M07	Checked M08	Checked M09	Checked M10
Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
Yes	Yes	Yes	No
Yes	Yes	Yes	Yes





AFS REVIEWAL

AFS REVIEWAL



STRATEGY to ACTION

SCM STRATEGY - STANDARD OPERATING PROCEDRES

PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 001_Bid Committee Appointment letters V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 002_Declaration of interest_confidentiality and due diligence_V1_25_26.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 003_Tender_initiation_form_V1_25_26.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 004 G_S bid template V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 005 Civil Works Bid Template V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 006 PSP bid template V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 007_BSC Checklist V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 008_BSC Minutes V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 009 APPROVAL OF FINAL SPECIFICATIONS PRIOR TO ADVERTISING OF TENDER V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 010_Tender Advert Template V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 011 APPROVAL OF TENDER ADVERTISEMENT V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 014_BEC Checklist V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 015_BEC Minutes V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 016_Delegated authority Checklist V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 017_BAC Minutes V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 018_Letters of Award_sucessful V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 019_Letters of Award_unsuccessful V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 020_Letters of appointment V1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 021_Letter_preferred_bidderV1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\BCS 022 Bid File IndexV1_25_26 FY.pdf
PDF	C:\Users\fouriek\Documents\5_20 SCM\SCM SOP's\Senqu Bid Committee SOP_V1_25_26 FY.pdf



SUPPORTING DOCUMENTATION

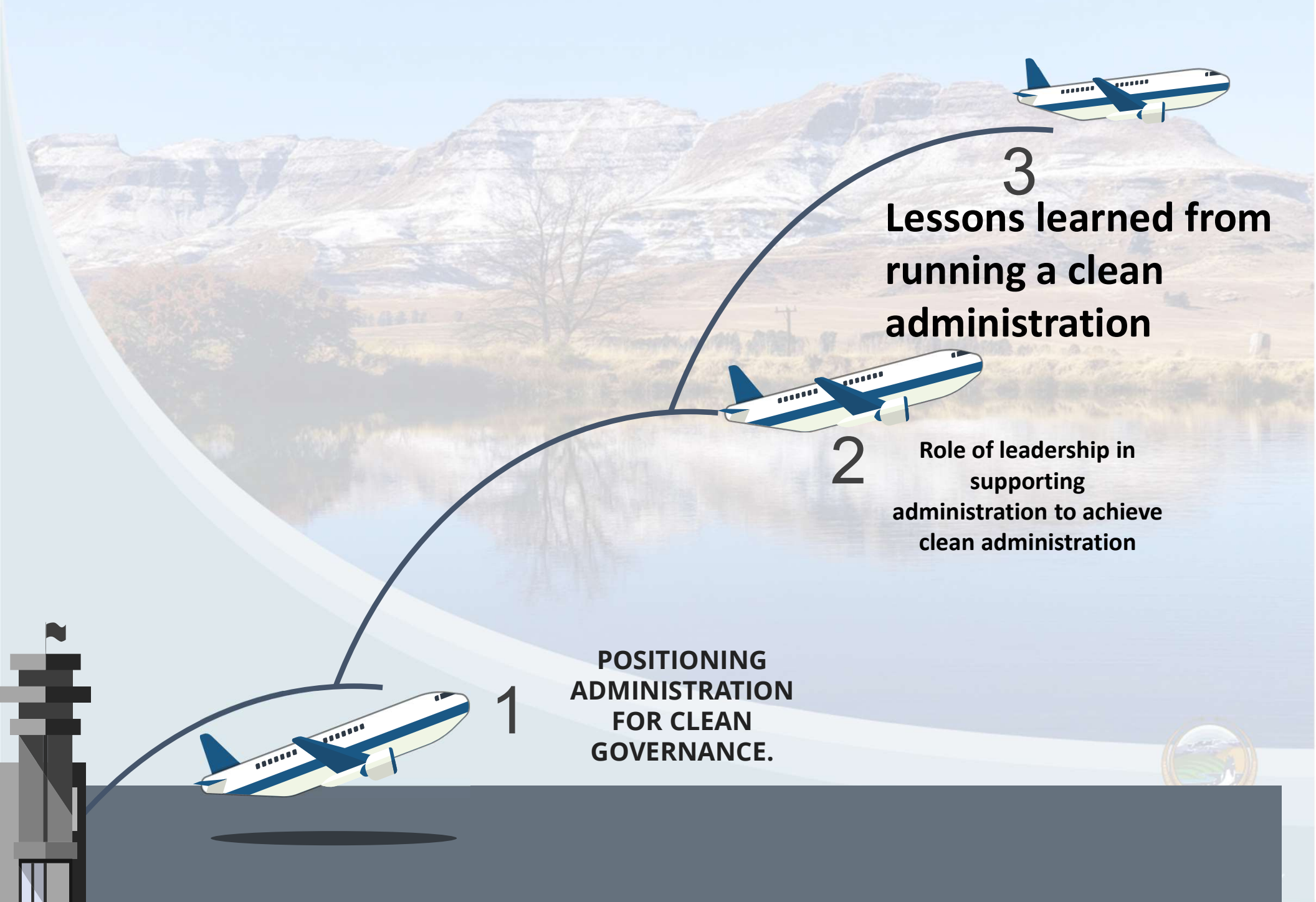
Proper record keeping reduces Limitation of SCOPE Risk significantly

Forms Basis to Compile Supporting Schedules

Forms Basis of Audit File to be submitted with AFS



CLOSURE



1

**POSITIONING
ADMINISTRATION
FOR CLEAN
GOVERNANCE.**

2

**Role of leadership in
supporting
administration to achieve
clean administration**

3

**Lessons learned from
running a clean
administration**





LESSONS LEARNED

ON OUR JOURNEY TO A CLEAN AUDIT MUNICIPALITY

RESPONSIBLE FINANCES • STRONG GOVERNANCE • SUSTAINABLE SERVICES

“ Strong today.
Sustainable tomorrow.”



THE IMPACT OF OUR JOURNEY

- PUBLIC CONFIDENCE**
Trust through integrity and accountability.
- BETTER SERVICE DELIVERY**
Efficient use of resources improves services for all.
- FINANCIAL SUSTAINABILITY**
Strong financial management ensures long-term stability.
- ENHANCED REPUTATION**
A well-governed municipality earns respect and recognition.
- POSITIVE COMMUNITY OUTCOMES**
Better quality of life and opportunities for everyone.

OUR FOUNDATION FOR SUCCESS



GOVERNANCE
Strong oversight and accountability structures.



PEOPLE
Skilled, ethical and committed workforce.



PROCESSES
Efficient, documented and well-controlled processes.



DATA & TECHNOLOGY
Reliable information and smart systems enable informed decisions.



PARTNERSHIPS
Working together with stakeholders for a common purpose.



A CLEAN AUDIT IS NOT A DESTINATION, IT IS A RESULT OF DISCIPLINE, COMMITMENT AND DOING WHAT IS RIGHT – EVERY DAY.

RESPONSIBLE FINANCES = SUSTAINABLE SERVICES = BETTER LIVES

FINANCE DEPARTMENT VISION

RESPONSIBLE FINANCES FOR SUSTAINABLE SERVICES





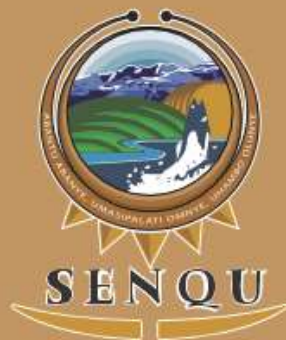
Thank You

SENQU'S VISION

"A Leading Rural Municipality with a viable and modern Economy"

SENQU'S MISSION

In pursuit of its vision, Senqu Municipality will create conditions for decent living of its citizens by consistently providing high quality services, ensuring equal access, developing, and maintaining sustainable infrastructure and encouraging innovation to support rural and local economic growth while protecting the environment.



MUNICIPALITY

Senqu Municipality Contact Details

Main Office
19 Murray Street
P/Bag x 03
Lady Grey
9755
Tel: 051 603 1301
Fax: 051 603 0445

Sterkspruit Office
79 Main Street
P/Bag x5058
Sterkspruit
9762
Tel: 051 603 1409
Fax: 051 611 0042

Barkly East Office
Cnt Molteno & De Villiers Street
P/Bag X15
Barkly East
9786
Tel: 051 603 1401
Fax: 045 971 0350

info@senqu.gov.za | www.senqu.gov.za

Traffic Office Tel: 045 971 0089/0132