

Report of the auditor-general to the Free State Provincial Legislature and the council on the Letsemeng Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Letsemeng Local Municipality set out on pages....to....., which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amount for the year that ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence that the municipality reviewed the useful lives and residual value of property, plant and equipment at each reporting date, as well as assessment impairment when indicators of impairment were present. The municipality also did not provide supporting documentation for work in progress. In addition, the municipality capitalised expenditure on projects at incorrect amounts, resulting in property, plant and equipment being overstated by R5 627 948. I was unable to confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property, plant and equipment stated as R593 524 941 (2016: R 568 867 826) in note 8 to the financial statements.
4. The municipality did not recognise land and buildings in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), GRAP 17, *Property, plant and equipment*. The municipality incorrectly recognised land and buildings that are not in its control and also did not account for all items of land and buildings in the asset register, resulting in property, plant and equipment being overstated by R194 394 117 (2016: R19 319 071). Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.

Service charges

5. I was unable to obtain sufficient appropriate audit evidence for sales of electricity included in the service charges as the municipality did not have adequate systems to account for the billing of service charges for pre-paid electricity. I was unable to confirm the service charges by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the service charges stated as

R48 932 367 (2016: R41 196 000) in note 18 to the financial statements. In addition, the municipality did not have adequate systems to account for the billing of service charges for water and electricity, which resulted in service charges being materially misstated. I was unable to determine the impact on the service charges, as it was impracticable to do so. Additionally, there was a resultant impact on the deficit for the period and on the accumulated surplus.

6. The municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Service charges relating to sewerage, sanitation and refuse removal were recognised at incorrect amounts. Consequently, both service charges and receivables from exchange transactions were overstated by R5 552 395 (2016: R2 788 377). Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.

Unauthorised expenditure

7. I was unable to obtain sufficient appropriate audit evidence for unauthorised expenditure, as sufficient information was not available for the calculation of the amount to be disclosed. I could not confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to unauthorised expenditure stated at R253 960 991 (2016: R194 260 391) in note 43 to the financial statements.

Material losses

8. The municipality did not disclose water and electricity distribution losses, as required by section 125(2)(d) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). As the municipality did not maintain adequate records of water and electricity usage, I was unable to determine the full extent of the understatement of distribution losses in the year under review and the previous year, as it was impracticable to do so.

Commitments

9. The municipality did not recognise all contractual commitments for the acquisition of property, plant and equipment, as required by GRAP 17, *Property Plant Equipment*. As the municipality did not maintain adequate accounting records of capital expenditure, I was unable to determine the full extent of the understatement of commitments in note 36 to the financial statements as it was impracticable to do so.

Payables from exchange transactions

10. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for unknown deposits included in payable from exchange transactions. The municipality did not perform regular bank reconciliations and did not provide sufficient appropriate audit evidence that the material amounts were cleared at financial year-end. I could not confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to payable from exchange transactions stated as R26 688 570 in note 13 to the financial statements.
11. Additionally, the municipality did not recognise accrued expenses in accordance with GRAP 1, *Presentation of financial statements*. The supporting register and the amount on the financial statements had material differences. Furthermore, the municipality did

not recognise all transactions meeting the definition of a liability, as the municipality did not maintain adequate records of outstanding payments for goods and services received but not yet paid at financial year-end. This resulted in payables from exchange transactions being understated by R12 491 153 in note 13 to the financial statements. Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.

General expenses

12. I was unable to obtain sufficient appropriate audit evidence for general expenses as the municipality did not maintain adequate records of expenditure transactions. In addition, the municipality did not recognise all items of general expenses in accordance with GRAP 1, *Presentation of financial statements*, resulting in general expenses being understated by R24 909 172. I was unable to confirm the general expenses by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to general expenses stated as R31 373 960 (2016: R33 827 809) in note 32 to the financial statements.

Value-added tax receivable

13. I was unable to obtain sufficient appropriate audit evidence for value-added tax (VAT) receivable due to non-submission of information in support of the adjustments made in the VAT account. In addition, the municipality did not correctly account for all the transactions attracting VAT in the accounting system due to the status of the accounting record, resulting in an overstatement of VAT receivable. I was unable to determine the full extent of the understatement. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to VAT receivable stated as R20 416 563 in note 6 to the financial statements.

Property rates

14. The municipality did not recognise property rates in accordance with GRAP 23, *Revenue from non-exchange transactions*. The municipality did not bill households in line with the approved tariffs list, which resulted in both property rates and receivables from non-exchange transactions being understated by R4 744 222 (2016: R4 729 118). Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.

Irregular expenditure

15. The municipality did not adequately disclose all instances of irregular expenditure on the financial statements, as the full extent thereof was not investigated in the year under review and the previous year. I was unable to determine the full extent of the understatement of irregular expenditure in note 41 to the financial statements as it was impracticable to do so.

Depreciation and amortisation

16. The municipality did not recognise depreciation in accordance with GRAP 17, *Property, plant and equipment*. The municipality incorrectly calculated the depreciation, resulting in

depreciation and amortisation overstated by R16 028 927. Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.

Material uncertainty relating to going concern

17. I draw attention to the matter below. My opinion is not modified in respect of this matter.

18. Note 46 to the financial statements, indicates that the municipality incurred a net loss of R3 650 212 during the year ended 30 June 2017. The municipality was struggling to pay creditors due to cash constraints. In addition, the municipality owed Eskom a long-overdue amount of R8 338 147 as at 30 June 2017. These conditions, along with other matters as set forth in note 46, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.

Emphasis of matter

19. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

20. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Material underspending of the conditional grants

21. As disclosed in note 16 to the financial statements, the municipality materially underspent the water infrastructure grant by R20 680 994 and the municipal infrastructure grant by R4 564 885 (2016: R5 246 630).

Material impairments

22. As disclosed in note 3 to the financial statements, receivables from exchange transactions were impaired by R68 922 555 (2016: R39 242 862) and, as disclosed in note 4 to the financial statements, receivables from non-exchange transactions were impaired by R18 970 924 (2016: R15 041 517).

Other matter

23. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

24. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with this act. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

25. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of GRAP and the requirements of the MFMA and Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA) 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.
26. In preparing the financial statements, the accounting officer is responsible for assessing the Letsemeng Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

27. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing (ISAs) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
28. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

Introduction and scope

29. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPA's) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
30. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
31. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting

framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2017:

KPA	Pages in the annual performance report
KPA 1: basic service delivery and infrastructure development	x – x

32. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

33. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA 1: basic service delivery and infrastructure development

Various indicators

34. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of the indicators below. This was due to a lack of proper performance management systems, processes and formal standard operating procedures or documented system descriptions that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for Managing Programme Performance Information (FMPPi). I was unable to confirm that the reported achievements of these indicators were reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements below:

Indicator	Reported achievement
TL1: % of households with access to basic level of water service standard	99,37%
TL 2: % of households with access to basic sanitation service standard	97,03%
TL 3: % of households with access to basic electricity service standard	99,36%
TL 4: % of households with access to basic refuse service standard	100,01%
TL 9: % of indigent households receiving free basic water	16,85%
TL 10: % of indigent households receiving free basic sanitation	16,85%
TL 11: % of Indigent households receiving free basic electricity	16,85%
TL 12: % of Indigent households receiving free basic Refuse	16,85%
TL 77: no. of HH in formal areas meet the minimum water service standards (Stand pipe 200m & better)	8 370
TL 78: no. of HH without access to minimum water standards	0
TL 79: no. of HH in formal areas meet the minimum sanitation service standards (VIP)	8 378
TL 80: no. of HH without access to minimum sanitation standards	695
TL 82: no. of HH in municipal supply area meet agreed electricity service standards (connected to the national grid)	8 040

TL 83: no. of HH without access to minimum electricity standards	0
TL 86: no. of HH in formal areas meet minimum refuse removal standards (at least once a week)	8 369
TL5: council: no. of households which are billed for water or have pre-paid meters as at 30 June 2016	9 814
TL6: council: no. of households which are billed for electricity or have pre-paid meters (excluding Eskom areas) at 30 June 2016	526
TL7: council: no. of households which are billed for sewerage at 30 June 2016	9 558
TL8: no. of households which are billed for refuse at 30 June 2016	9 414

35. The strategic objectives for basic services and infrastructure development, indicated below, were not reported in the annual performance report. This is not in line with the requirements of section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (Municipal Systems Act).

- Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance
- Promote a culture of participatory and good governance
- To create an efficient, effective and accountable administration
- To improve overall financial management in municipality by developing and implementing appropriate financial management policies, procedures and systems.

Other matters

36. I draw attention to the matter below.

Achievement of planned targets

37. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year and explanations provided for the underachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x; x; x of this report.

Report on audit of compliance with legislation

Introduction and scope

38. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

39. The material findings on compliance with specific matters in key legislations are as follows:

Budgets

40. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not

be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by inappropriate budgeting for capital expenditure.

Financial statements, performance and annual reports

41. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer of audit opinion.
42. The annual performance report for the year under review did not include a comparison with the previous financial year and measures taken to improve performance, as required by section 46 (1)(a)(b) and (c) of the Municipal Systems Act.
43. The annual financial statements were not submitted for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Strategic planning and performance management

44. The integrated development plan did not include the key performance indicators and targets, as required by section 26 (a),(c),(i) and (h) of the Municipal Systems Act and municipal planning and performance management regulation 2(1)(c) and 2(3).

Utilisation of conditional grants

45. The municipal infrastructure grant (MIG) and Department of Water Affairs grant (DWA) were not spent in accordance with the applicable grant framework, in contravention of section 17(1) of DoRA.
46. The municipality did not evaluate its performance in respect of programmes funded by the MIG and DWA, as required by section 12(5) of DoRA.

Consequence management

47. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
48. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulation 75(1).

Expenditure management

49. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
50. Payments and withdrawals were made from the municipality's bank account without the approval of the accounting officer, as required by section 11(1) of the MFMA.

51. An effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, was not in place, as required by section 65(2)(a) of the MFMA.
52. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified, as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by three quotations not obtained when procuring goods and services below R200 000 and with non-compliance with the application of functionality evaluations.
53. Effective steps were not taken to prevent fruitless and wasteful expenditure of R372 699, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was caused by interest paid due to late payment to suppliers.

Revenue management

54. An effective system of internal control over revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

55. An effective system of internal control over assets was not in place, as required by section 63(2)(c) of the MFMA.

Liability management

56. An effective system of internal control over liabilities was not in place, as required by section 63(2)(c) of the MFMA.

Human resource management

57. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act.

Procurement and contract management

58. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements as procurement files and quotations were not available for auditing. Similar non-compliance was also reported in the previous.
59. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and (c). Similar non-compliance was also reported in the previous year.
60. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). This non-compliance was

identified in the procurement processes for the implementation of Municipal Standard Chart of Accounts.

61. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2). Similar non-compliance was also reported in the previous year. This non-compliance was identified in the procurement processes for road project.
62. Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
63. Some of the contracts were awarded through competitive bidding processes that were not adjudicated by the bid adjudication committee.
64. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the previous year. This non-compliance was identified in the procurement processes for the sanitation project.
65. The preference point system was not applied for some of the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000). This non-compliance was identified in the procurement processes for awarding a tender to prepare financial statements.
66. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
67. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.
68. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the previous year. This non-compliance was identified in the procurement processes for the waste water treatment project.
69. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA. Similar non-compliance was also reported in the previous year.

Other information

70. The Letsemeng Local Municipality's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected KPA presented in the annual performance report that have been specifically reported in the auditor's report.

71. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
72. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
73. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

Internal control deficiencies

74. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
75. The leadership did not develop action plans and monitor their implementation to address internal control deficiencies. This was because of the slow response in addressing internal control weaknesses identified.
76. The leadership did not adequately oversee financial and performance reporting and compliance and related internal controls as it did not ensure that there were sound internal controls in the daily operations of the municipality.
77. The leadership did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. As a result there was no consequence management for employees who did not perform their duties.
78. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. This was as a result of the slow response in addressing previous year audit findings, vacancies at the finance department and the reliance on consultants to provide information without management taking ownership.
79. Management did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information. This was due to the municipality not implementing consequence management for employees not preparing and submitting the required financial and performance information, officials' lack of competencies and the high reliance on consultants.

80. The accounting officer did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively.
81. The audit committee did not promote accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation, as limited reports were provided to them by the internal audit unit.

Auditor - General

Bloemfontein

13 December 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Letsemeng Local Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other

matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.