

**REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE  
AND THE COUNCIL ON JOHANNESBURG CITY PARKS (ASSOCIATION INCORPORATED  
UNDER SECTION 21)**

**REPORT ON THE ANNUAL FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of Johannesburg City Parks, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, and the accounting officer's report, as set out on pages xx to xx.

**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 Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), section 126(3) of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Johannesburg City Parks ( Association incorporated under section 21) as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Account Practice and the requirements of the MFMA.

#### **Unaudited supplementary schedules**

8. The supplementary information set out on page 65 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

9. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages ... to ... and material non-compliance with laws and regulations applicable to the Municipal Entity.

### **Predetermined objectives**

#### **Usefulness of Information**

10. The reported performance information was deficient in respect of the following criteria
- **Measurability:** The reported performance indicators are not well defined; the watering of trees has no specific targets, measurable and time-bound.

#### **Reliability of Information**

11. The reported performance information was deficient in respect of the following criteria:
- **Accuracy:** Data relating to reported actual performance on EPWP has not been appropriately recorded

### **Compliance with laws and regulation**

#### **Annual financial statements, performance and annual reports**

12. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the Municipal Finance Management Act. Material misstatements of property, plant and equipment, liabilities, expenditure and disclosure items identified by the auditors were subsequently corrected.

## **INTERNAL CONTROL**

13. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in

the basis for the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

#### **Financial and performance management**

14. Compliance with applicable laws and regulations was not monitored.

#### **OTHER REPORT**

##### **Investigations**

15. There is an investigation relating to allegations of fraud in supply chain management levelled against certain current and former Johannesburg City Parks employees.

*Auditor General*  
Johannesburg

30 November 2011



AUDITOR - GENERAL  
SOUTH AFRICA

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