



AIM

To seek approval from the Principal for the use of a service provider to assist the college in preparing for the audit in 2024.

BACKGROUND

The audit opinion has remained on a qualification from 2016 up to the current audit of the 2022 Financial Statements. The qualification areas from 2016 have been assets, inventory, creditors, most recently expenditure, and the cash flow. The qualification on expenditure, creditors and cash flow was cleared on the 2022 audit, however in order to ensure that this qualification does not recur we still require assistance.

The finance team has to be heavily involved in the audit whilst performing the demanding day-to-day operations, which include ensuring that internal controls are effective.

The finance section requires a service provider to assist in the compilation of the following:

- Compilation of Grap compliant Annual Financial Statements
- Compilation of third quarter AFS
- Review of balances on a month to month basis until the end of the audit
- Agreeing the 2022 Case Ware TB with the comparative balances on the 2023 ITS TB
- Assistance with the preparation of the working paper file.
- Correction of the creditors listing and creditors reconciliation of 2022 and 2023
- Reviewing and ensuring the correctness of the accrual listing and the creditors listing
- Correction of account balances
- 100% review of all payment packs and ensuring completeness, accuracy and cut off of documents and that the finding on supporting documents not attached to prove occurrence does not recur for the third consecutive year, ensuring that payments are adequately supported
- Assist in the reconciliation of other liability accounts i.e. (Seta, unspent grants etc.)
- Preparation of lead schedules with the required supporting documents
- Ensuring that the AFS agree with the ledger and trial balance
- Assisting in the calculation of the provision for doubtful debts
- Ensuring that the Debtors balances agrees with the ledger and final AFS and is supported, including reconciliation of the balances
- Ensure that all the college revenue is appropriately accounted for and is accurately presented in the AFS
- Transfer of skills to the college officials
- Provide support in respect of any AGSA audit queries.

Administration Centre	Mthatha Campus	Libode Campus	Mngazi Campus	Mapuzi Campus	Zimbane Campus	Ntabozuko Campus	Ngcobo Campus
R61 Queenstown Road Cicira Village Mthatha, 5099 Tel: 047 505 1000	R61 Queenstown Road Cicira Village Mthatha, 5099 Tel: 047 505 1000	R61 Port St Johns Road Libode, 5160 Tel: 047 555 7941	R61 Paj Road Mgwenyana A/A Libode, 5160 Tel: 047 555 7944	Coffey Bay Road Coffey Bay Mqanduli, 5060 Tel: 047 575 9044	Zimbane A/A Mthatha, 5099 Tel: 047 050 4490	C/O Madwaleni Gusi A/A Elliotdale, 5070 Tel: 047 577 8904	Queenstown Road Idutywa Junction Ngcobo, 5050 Tel: 047 548 0103

- Assist in AFS adjustments
- Assisting with clearing of prior year errors
- Overall cleanup of the AFS
- Assistance with reviewing of SCM documents and compiling where there are none of the following registers in preparation for the audit:
 - Tender register
 - Commitments register
 - Contracts register (the college has had findings of using service providers with expired contracts.)
- Assistance with responding to queries from the AG

It is pivotal that the finance section attains external expertise that will assist in obtaining a clean report; once that happens the section can perform all the audit readiness functions independently.

Management is also of the opinion that the college has learnt from previous experiences and is aware of the financial implications. The section has been hard at work preparing for the audit; however, it takes one material misstatement to qualify the AFS, hence the need for technical expertise to flag potential fail-safes.



The service provider will be for the financial period under audit up to the end of the audit, which will be end of June 2023.

Staff level	Quantity	Rates Estimates	Hours (Each)	Total cost
Partner/Director/Senior Manager	1		36	
Manager	1		30	
Assistant Managers	1		340	
3 rd Year Clerk equivalent (in terms of SAICA assessment criteria)	4		720	
Sub Total				
VAT				
Total cost				