

International Federation of Workers' Association Education NPC

Community House
41 Salt River Road
Cape Town
7945

23 February 2024

Dear Sir(s)/Madam(s),

1. Laws and regulations

We did not identify or suspect any instance of non-compliance with any laws or regulations during our engagement.

2. Significant findings from our engagement

No significant findings or matters were identified during our engagement.

3. Auditors' independence

The audit team remained independent from the client throughout the entire audit.

4. Related parties

No significant matters were identified in connection with the client's related parties.

5. Going concern

No events or conditions were identified that may cast a doubt on the going concern assumption.

6. Deficiencies in internal control

It should be noted that the purpose of our engagement was to express an opinion on the financial statements. Our procedures included consideration of internal controls relevant to the preparation 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 internal controls. The matters being reported in this letter and the accompanying report are limited to those deficiencies that we have identified during our engagement and that we have concluded are of sufficient importance to merit being reported to you.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to be reported, or concluded that some of the reported deficiencies need not, in fact, have been reported.

This report is provided for your use and for the purposes outlined above only and may not be suitable for other purposes.

Yours faithfully

A Nel
C2M CHARTERED ACCOUNTANTS INC

**REPORT TO MANAGEMENT AND THOSE CHARGED
WITH GOVERNANCE**

**INTERNATIONAL FEDERATION OF WORKERS'
ASSOCIATION EDUCATION NPC**

31 DECEMBER 2023

1	Nature of the finding	Implication of the finding	Recommendation
	Reserve account	Changes to Property, Plant and Equipment, was not accounted for Income Statement as needed. Changes were made directly to the Reserve Account.	We recommend that the depreciation, disposals and other changes to Property, Plant and Equipment which will affect the Income Statement, be accounted for in the accounting records Income Statement accordingly.
<p>Management comment:</p> <p>Noted. In the cases of new equipment being funded, the payment is both expensed and capitalised. This ensures the expense is claimed against the funder whilst safeguarding the asset. In future, the expense will be reversed ahead of the audit.</p>			

2	Nature of the finding	Implication of the finding	Recommendation
	Recoveries not recorded in separate accounts in the accounting records.	Not recording transactions in the appropriate accounts in the accounting records, increases the risk of material misstatements.	We recommend that all recoveries be recorded in separate accounts before the audit commences.
<p>Management comment:</p> <p>Noted and agreed.</p>			

I hereby acknowledge receipt of the management report and furthermore confirm that I have read and understand the contents thereof.

I am aware that reoccurrence of matters identified may lead to increased time spent during the audit and will take the necessary steps to limit such instances.

Michael Hands

 Michael Hands

12 March 2024

 Date