

AUDIT ACTION PLAN FINANCIAL YEAR 2018-2019



NO.	Component	Issue no.	Finding	Priority	Responsible person	Status
1	Employee costs	1	Employee related costs - Performance management system non-compliance (CAF01) (EV) - (ISS.1)	Medium	Abram	In progress
2	Revenue	2	Revenue (Planning) - Customer account not charged on basic water (CAF02) (EV) - (ISS.2)	High	Lerato	In progress
3	Revenue	3	Revenue (Planning) - Water billing estimated for a long period (CAF03) (EV) - (ISS.3)	High	Lerato	In progress
4	General IT controls	4	Information Systems - ICT policies not approved (CAF04) (EV) - (ISS.4)	High	IT	In progress
5	Cash and cash equivalents	6	Cash and cash equivalents (Planning) - Non-compliance with SCM policy (CAF06) (EV) - (ISS.6)	High	Thembi/Maria	In progress
6	Predetermined objectives	7	AoPO - Municipal budget not aligned to the performance area and development objectives (CAF07) (EV) - (ISS.7)	Medium	AOPA	In progress

7	Payable	8	Payables (Planning) - Creditors reconciliations have not been prepared by the Municipality (CAF08) (EV) - (ISS.8)	High	Zine/Barney	In progress
8	Inventory	10	Inventory (Planning) - Inventory management policy not in place (CAF10) (EV) - (ISS.10)	High	Christinah/CCG	In progress
9	Predetermined objectives	11	AoPO - Performance management system not aligned to the IDP (CAF11) (EV) - (ISS.11)	High	AOPA	In progress
10	Predetermined objectives	12	AoPO - Performance Management System internal control deficiencies (CAF12) (EV) - (ISS.12)	High	AOPA	In progress
11	Procurement and Contract Management (to confirm for removal)	13	Procurement - Audit Action Plan not developed (CAF13) (EV) - (ISS.13)	High	Leonard	In progress
12	Predetermined objectives	14	AoPO - Quartely report not presented to council and not submitted to GOCTA (CAF14) (EV) - (ISS.14)	High	AOPA	In progress
13	Predetermined objectives	15	AoPO - Performance management system not reviewed (CAF15) (EV) - (ISS.15)	High	AOPA	In progress
14	Predetermined objectives	18	AoPO - Budget not made public within the prescribed period and public not consulted (CAF18) (EV) - (ISS.18)	High	AOPA	In progress
15	Revenue	19	Revenue (Traffic fines) - Completeness of traffic fines (CAF19) (EV) - (ISS.19)	Low	Lerato	In progress
16	Control environment	22	Control environment - Control deficiencies noted with the internal audit section (CAF22) (EV) - (ISS.22)	High		In progress
17	Investment property	23	Investment Property (Planning) - No official business processes (CAF23) (EV) - (ISS.23)	High	EMS	In progress
18	Cash and cash equivalents	24	Cash and cash equivalents (Planning) - Short-term deposits decisions not documented (CAF24) (EV) - (ISS.24)	High	Thembi/Maria	In progress
19	Predetermined objectives	26	AoPO - Inconsistencies identified with IDP 2018/19 and SDBIP 2018/19 (CAF26) (EV) - (ISS.26)	High	AOPA	In progress

20	Procurement and Contract Management (to confirm for removal)	27	Procurement - Use of consultants (CAF27) (EV) - (ISS.27)	High	Leonard	In progress
21	Predetermined objectives	28	AoPO - Differences between the section 21A of MSA published SBDIP and a SDBIP submitted on 3 September 2019 (CAF28) (EV) - (ISS.28)	High	AOPA	In progress
22	Operating expenditure	29	Expenditure (Planning) - Inadequate IT controls over the preparation and approval of the requisition (CAF29) (EV) - (ISS.29)	High	Zine/Barney	In progress
23	Control environment	30	Control environment - Audit Committee: Non Compliance with MFMA (CAF30) (EV) - (ISS.30)	High		In progress
24	Control environment	32	Control environment - Organogram has not been approved by council (CAF32) (EV) - (ISS.32)	Low		In progress
25	Procurement and Contract Management (to confirm for removal)	33	Procurement - No approved written delegates of powers (CAF33) (EV) - (ISS.33)	High	Leonard	In progress
26	General IT controls	34	Information Systems - IT Governance Framework developed and implemented with the exclusion of being approved (CAF34) (EV) - (ISS.34)	High	IT	In progress
27	General IT controls	35	Information Systems - IT Security Management (CAF35) (EV) - (ISS.35)	High	IT	In progress
28	General IT controls	36	Information Systems - IT User Access Management (CAF36) (EV) - (ISS.36)	High	IT	In progress
29	General IT controls	38	Information Systems - IT Continuity and Backup Management (CAF38) (EV) - (ISS.38)	High	IT	In progress
30	General IT controls	39	Information Systems - Policies of the municipality not approved and website not maintained (CAF39) (EV) - (ISS.39)	High	IT	In progress
31	Control environment	43	Control environment - Chairperson and member appointments not confirmed (CAF43) - (ISS.43)	Medium		In progress

32	Revenue	45	Revenue (Service charges) - Differences between AFS and billing reports (Limitation of scope) (CAF45) (EV) - (ISS.45)	High	Lerato	In progress
33	Taxes	46	VAT - Prepaid electricity sales not considered for output VAT and included on the VAT 201 return resulting in material misstatement (CAF46) (EV) - (ISS.46)	High	Max prof	In progress
34	Operating expenditure	48	Expenditure (Planning) - No goods received note completed for bulk purchases (CAF48) (EV) - (ISS.48)	High	Zine/Barney	In progress
35	Revenue	49	Revenue (Planning) - Inconsistencies between Tariff Policy and Tariff List (CAF49) (EV) - (ISS.49)	High	Lerato	In progress
36	Revenue	51	Revenue (Planning) - Difference between amount banked and SYNTCELL sales report not accounted for in the general ledger (CAF51) (EV) - (ISS.51)	High	Lerato	In progress
37	Taxes	52	VAT - Service of VAT consultant not in terms of the service level agreement signed resulting in Irregular Expenditure (CAF52) (EV) - (ISS.52)	Medium	Max prof	In progress
38	Taxes	53	VAT - Limitation of scope on direct deposit transactions resulting in a material misstatement (CAF53) (EV) - (ISS.53)	High	Max prof	In progress
39	Revenue	55	Revenue (Property rates) - Billing Reports Summary does not agree with TB/GL resulting in material misstatement (CAF55) (EV) - (ISS.55)	High	Lerato	In progress
40	Compliance	56	Irregular expenditure - Transactions do not relate to irregular expenditure (CAF56) (EV) - (ISS.56)	High	Tooi	In progress
41	Compliance	57	Compliance (Grants) - Balance of R55mil is not cash backed, cash and cash equivalents amounts to R3 703 777 (CAF57) (EV) - (ISS.57)	Medium	Tooi	In progress

42	Sector	58	Sector - Information in respect of Road Infrastructure and Key Projects not submitted for audit purposes (CAF58) - (ISS.58)	High	EMS/Tooi	In progress
43	Payable	60	Payables - Misallocation against the opening balance of trade payables (CAF60) - (ISS.60)	High	Zine/Barney	In progress
44	Control environment	61	Control environment - Terms of reference for council committees (CAF61) (EV) - (ISS.61)	High		In progress
45	Control environment	62	Control environment - Municipal Public Accounts Committee not functional during the year (CAF62) (EV) - (ISS.62)	High		In progress
46	Revenue	63	Revenue (Grants) - EPWP security personnel payment (CAF63) - (ISS.63)	Low	Lerato	In progress
47	Control environment	67	Control environment - Audit committee not reviewing adequacy of finance skills and experience (CAF67) - (ISS.67)	Medium		In progress
48	Taxes	70	VAT - Journals shortcomings (CAF70) - (ISS.70)	High	Max prof	In progress
49	Revenue	71	Revenue (Grants) - Misstatement of MIG Conditional Grants (CAF71) (EV) - (ISS.71)	High	Lerato	In progress
50	Compliance	72	Expenditure (General expenses: Security - Compliance) - Payments not made within 30 days (CAF72) (EV) - (ISS.72)	High	Tooi	In progress
51	Compliance	73	Compliance (Consequence management) - Lack of investigations performed for UIF (CAF73) (EV) - (ISS.73)	Medium		In progress
52	Fruitless and wasteful expenditure	74	Fruitless and wasteful expenditure - Complete and accurate register not submitted for audit purposes (CAF74) (EV) - (ISS.74)	High	EMS/Tooi	In progress
53	Revenue	75	Revenue (Service charges) - Sale of conventional electricity incorrectly mapped and disclosed as Interest on Debtors (CAF75) - (ISS.75)	High	Lerato	In progress
54	Revenue	77	Revenue (Service charges) - Sale of prepaid electricity: Input VAT incorrectly recorded as sales of prepaid electricity (CAF77) (EV) - (ISS.77)	High	Lerato	In progress

55	Operating expenditure	79	Expenditure (Professional and consulting fees) - Municipality incorrectly claimed VAT (CAF79) (EV) - (ISS.79)	High	Zine/Barney	In progress
56	Operating expenditure	80	Expenditure (Professional and consulting fees) - Transactions are recorded in the incorrect accounting period (CAF80) (EV) - (ISS.80)	High	Zine/Barney	In progress
57	Operating expenditure	81	Expenditure (Professional and consulting fees) - Possible irregular expenditure (CAF81) (EV) - (ISS.81)	High	Zine/Barney	In progress
58	Operating expenditure	83	Expenditure (Professional and consulting fees) - Incorrect classification (CAF83) (EV) - (ISS.83)	High	Zine/Barney	In progress
59	Compliance	84	Compliance - Expenditure (Professional and consulting fees) - Payments not made within 30 days (CAF84) (EV) - (ISS.84)	Medium	Tooi	In progress
60	Operating expenditure	85	Compliance (Other MFMA) - Differences noted on audit fees disclosed resulting in a material misstatement (CAF85) (EV) - (ISS.85)	High	EMS	In progress
61	Property, plant and equipment	88	PPE (Other) - Support not provided for additions (CAF88) - (ISS.88)	High	EMS	In progress
62	Operating expenditure	91	Expenditure (General expenses) - Supporting documentation not obtained (CAF91) (EV) - (ISS.91)	High	Zine/Barney	In progress
63	Revenue	93	Revenue (Grants) - Equitable Share Withheld in Settlement of WSIG (CAF93) (EV) - (ISS.93)	High	Lerato	In progress
64	Taxes	97	VAT - Reasonability test not working out, material differences identified (CAF97) (EV) - (ISS.97)	High	Max prof	In progress
65	Irregular expenditure	98	Irregular expenditure - Complete and accurate irregular expenditure register not submitted (CAF98) (EV) - (ISS.98)	High	EMS/Tooi	In progress
66	Irregular expenditure	99	Irregular expenditure - Amounts disclosed materially understated (CAF99) (EV) - (ISS.99)	High	EMS/Tooi	In progress

67	Financial statements	100	Financial statements - Limitation of scope issues exist on prior year audit report matters resulting in material misstatements (CAF100) - (ISS.100)	High	EMS	In progress
68	Inventory	102	Inventory - Management override of internal controls (CAF102) (EV) - (ISS.102)	High	Christinah/CCG	In progress
69	Inventory	103	Inventory - Limitation of scope: inventory count roll-forward (CAF103) (EV) - (ISS.103)	High	Christinah/CCG	In progress
70	Inventory	104	Inventory - Valuation and accuracy (CAF104) (EV) - (ISS.104)	High	Christinah/CCG	In progress
71	Investment property	106	Investment property - Limitation of scope on the valuation, properties not traced to valuation roll (CAF106) (EV) - (ISS.106)	High	EMS	In progress
72	Operating expenditure	107	Expenditure (General expenses: Security) - Difference noted between general ledger and invoice amount (CAF107) (EV) - (ISS.107)	High	Leonard	In progress
73	Provisions	109	Provisions - Illegal dumping sites identified and therefore provision not complete (CAF109) - (ISS.109)	High	EMS	In progress
74	Revenue	110	Revenue (Property rates) - Billing for the unknown account (CAF110) - (ISS.110)	High	Lerato	In progress
75	Compliance	113	Compliance - Unauthorised, irregular and fruitless and wasteful expenditure not prevented (CAF113) (EV) - (ISS.113)	Medium	Tooi	In progress
76	Revenue	116	Revenue (Service charges) - Discount on various accounts all recorded under electricity (CAF116) (EV) - (ISS.116)	High	Lerato	In progress
77	Operating expenditure	118	Expenditure (Repairs and maintenance) - Limitation of scope in addition to emergency purchases not justified and declaration not obtained from supplier resulting in irregular expenditure identified (CAF118) (EV) - (ISS.118)	High	Zine/Barney	In progress
78	Compliance	119	Compliance (Expenditure Management) - Supplier payments not made within 30 days (CAF119) (EV) - (ISS.119)	Medium	Tooi	In progress

79	Operating expenditure	120	Expenditure (Repairs and maintenance) - Inventory and other expenses incorrectly recorded in account resulting in material misstatement (CAF120) - (ISS.120)	High	Zine/Barney	In progress
80	Compliance	121	Expenditure (Repairs and maintenance) - Supporting documentation not obtained for repairs of suction truck resulting in misstatement (CAF121) (EV) - (ISS.121)	Medium	Zine/Barney	In progress
81	Operating expenditure	125	Expenditure (General expenses) - Possible irregular expenditure arising from the Syntell agreement (CAF125) (EV) - (ISS.125)	High	Zine/Barney	In progress
82	Compliance	126	Compliance (Expenditure Management) - Supplier invoices not paid not within 30 days (CAF126) (EV) - (ISS.126)	Medium	Tooi	In progress
83	Operating expenditure	128	Expenditure (Professional and consulting fees) - Paid from incorrect vote impacting savings or overspendings on the Vote (CAF128) (EV) - (ISS.128)	High	Zine/Barney	In progress
84	Procurement and Contract Management (to confirm for removal)	129	Procurement - Local content considerations not documented (CAF129) (EV) - (ISS.129)	Medium	Leonard	In progress
85	Procurement and Contract Management (to confirm for removal)	130	Procurement - Matters noted on deviations > R200 000, payments made resulting in irregular expenditure (CAF130) (EV) - (ISS.130)	Medium	Leonard	In progress
86	Procurement and Contract Management (to confirm for removal)	131	Procurement - Awards from written price quotations - limitation of scope and deviations from SCM policy identified (CAF131) - (ISS.131)	Medium	Leonard	In progress
87	Procurement and Contract Management (to confirm for removal)	132	Procurement - Advertisement of bids (CAF132) (EV) - (ISS.132)	Medium	Leonard	In progress
88	Procurement and Contract Management (to confirm for removal)	133	Procurement - Completeness of irregular expenditure in AFS not confirmed as Bid Adjudication Committee not aligned to SCM policy resulting in Irregular Expenditure (CAF133) (EV) - (ISS.133)	High	Leonard	In progress

89	Procurement and Contract Management (to confirm for removal)	134	Procurement - Bid evaluation minutes not submitted (CAF134) (EV) - (ISS.134)	Medium	Leonard	In progress
90	Procurement and Contract Management (to confirm for removal)	135	Procurement - Tax matters of bidders not in order, awards made causing irregular expenditure (CAF135) (EV) - (ISS.135)	Medium	Leonard	In progress
91	Procurement and Contract Management (to confirm for removal)	136	Procurement - Incorrect application of the PPPPF regulations resulting in irregular expenditure (CAF136)(EV) - (ISS.136)	Medium	Leonard	In progress
92	Procurement and Contract Management (to confirm for removal)	138	Procurement - Contract awarded to Bigen Africa not submitted for audit (CAF138) (EV) - (ISS.138)	Medium	Leonard	In progress
93	Procurement and Contract Management (to confirm for removal)	140	Procurement - No information submitted for audit for the upgrading of sub-station in Koffiefontein (CAF140) - (ISS.140)	Medium	Leonard	In progress
94	Procurement and Contract Management (to confirm for removal)	142	Procurement - No process in place to monitor project - Jacobsdal, Luckhoff and Oppermansgronde: Water treatment plant (CAF142) (EV) - (ISS.142)	Medium	Leonard	In progress
95	Revenue	143	Revenue (Property rates) - Property Rates Income - Consumer not billed for May and June 2019 (CAF143) (EV) - (ISS.143)	High	Lerato	In progress
96	Payable	145	Payables - Not all unpaid accounts at year end included, amount disclosed materially misstated (CAF145) (EV) - (ISS.145)	High	Zine/Barney	In progress
97	Revenue	146	Revenue (Property rates) - Presentation of Property rates not in line with GRAP 23.115 - showing separately major classes of taxes (CAF 146) - (ISS.146)	High	Lerato	In progress
98	Property, plant and equipment	149	PPE - Ownership and valuation of Leased assets - cellular telephones not substantiated resulting in limitation of scope issues (CAF149) - (ISS.149)	High	EMS	In progress
99	Receivables	150	Receivables (Non-exchange) - Property Rates Debtors not found on the valuation roll,	High	Thembi/Maria	In progress

			ownership therefore not confirmed (CAF150)(EV) - (ISS.150)			
100	Investment property	157	Investment property - Definition of investment property not met, iGRAP 18 not applied (CAF157) (EV) - (ISS.157)	High	EMS	In progress
101	Commitments	158	Commitments - Amount disclosed materially misstated arising from limitations of scope issues and disagreements (CAF158) (EV) - (ISS.158)	High	EMS	In progress
102	Revenue	159	Revenue (Service charges) - Incorrect rates used in billing the sewerage and sanitation charges (CAF159) (EV) - (ISS.159)	High	Lerato	In progress
103	Operating expenditure	160	Expenses (Bulk Purchases) - Reconciliation of Eskom service charges does not agree to the GL and AFS (CAF160) - (ISS.160)	High	EMS	In progress
104	Revenue	161	Revenue (Service charges) - Customer account / property not traced to the valuation roll (CAF161) (EV) - (ISS.161)	High	Lerato	In progress
105	Employee costs	162	Employee related costs - Overtime not approved in line with policy resulting in misstatements of irregular expenditure (CAF162) (EV) - (ISS.162)	High	Abram	In progress
106	Revenue	163	Revenue (Interest received) - Limitation on the calculation of interest on outstanding debtors (CAF163) - (ISS.163)	High	Lerato	In progress
107	Operating expenditure	165	Expenditure (General expenses: Security) - VAT incorrectly claimed on invalid tax invoices resulting in VAT misstated (CAF165) (EV) - (ISS.165)	High	Zine/Barney	In progress
108	Operating expenditure	166	Expenditure (General expenses: Security) - 3 quotations not obtained, deviation letter not on file, resulting in irregular expenditure (CAF166) (EV) - (ISS.166)	High	Leonard	In progress

109	Operating expenditure	167	Expenditure - Services rendered before year end not recorded in correct financial year, trade payables materially misstated (CAF167) - (ISS.167)	High	Zine/Barney	In progress
110	Financial statements	168	Prior period errors - Lack of supporting documentation, no documentation presented to clear these issues of PY (CAF168) - (ISS.168)	High	EMS	In progress
111	Employee costs	169	Employee related costs - Annual increase calculations and implementation not subjected to audit by internal audit with employee files containing limited information (CAF169) (EV) - (ISS.169)	High	Abram	In progress
112	Compliance	170	Compliance - 2017/18 Annual report not tabled by Council (CAF170) (EV) - (ISS.170)	Medium	Tooi	In progress
113	Payable	172	Payables - Prior year unresolved matters, no documentation presented to clear these issues of PY (CAF172) - (ISS.172)	High	Zine/Barney	In progress
114	Operating expenditure	173	Expenditure - Unresolved prior year findings, no documentation presented to clear these issues of PY (CAF173) - (ISS.173)	High	Zine/Barney	In progress
115	Payable	174	Payables - Material misstatements and limitations on trade payables (CAF174) (EV) - (ISS.174)	High	Zine/Barney	In progress
116	Receivables	177	Receivables - Provision for impairment not aligned with the policy (CAF177) (EV) - (ISS.177)	High	Thembi/Maria	In progress
117	Payable	178	Payables - Material differences and limitations Identified on Eskom, Oranje-Riet, Kalkfontein and Sedibeng Water information (CAF178) (EV) - (ISS.178)	High	Zine/Barney	In progress
118	Revenue	180	Revenue (Service charges) - Customer not billed for refuse removal services (CAF 180) (EV) - (ISS.180)	High	Lerato	In progress
119	Procurement and Contract Management (to confirm for removal)	182	Procurement - Use of consultants unsustainable and other matters associated (CAF182) - (ISS.182)	High	Leonard	In progress

120	Procurement and Contract Management (to confirm for removal)	183	Procurement - No updated contract register, gift register and Interest concerns raised previously not addressed (CAF183) - (ISS.183)	High	Leonard	In progress
121	Revenue	184	Revenue (Service charges) - Water Customer accounts were not billed (CAF184) - (ISS.184)	High	Lerato	In progress
122	Receivables	188	Receivables (Exchange transactions) - Prior Year unresolved matter (CAF188) - (ISS.188)	High	Thembi/Maria	In progress
123	Employee costs	189	Employee related costs - Employee related matters (CAF189) (EV) - (ISS.189)	Low	Abram	In progress
124	Employee costs	190	Employee related costs - Differences identified in PAYE, SDL and UIF (CAF 190) (EV) - (ISS.190)	Low	Abram	In progress
125	Revenue	191	Revenue - Distribution losses (CAF191) (EV) - (ISS.191)	High	Lerato	In progress
126	Receivables	193	Receivables (Exchange and non-exchange) - Valuation of the impairment allowance (CAF193) - (ISS.193)	High	Thembi/Maria	In progress
127	Revenue	195	Revenue (Service charges: Prepaid electricity) - Reports from Syntell system cannot be relied on (CAF195) - (ISS.195)	High	Lerato	In progress
128	Revenue	198	Revenue (Other) - Misclassification in Other revenue (CAF 198) - (ISS.198)	High	Lerato	In progress
129	Operating expenditure	199	Expenditure (Bulk Purchases) - Accuracy of consumption of bulk purchases not determined (CAF199) - (ISS.199)	High	Zine/Barney	In progress
130	Revenue	200	Revenue (Service charges) - Customer accounts not billed for conventional electricity (CAF200) - (ISS.200)	High	Lerato	In progress
131	Revenue	202	Revenue (Property rates) - Errors in the valuation roll (CAF 202) (EV) - (ISS.202)	Low	Lerato	In progress
132	Payable	203	Payables - Differences noted on leave pay accrual (CAF 203) (EV) - (ISS.203)	High	Zine/Barney	In progress
133	Receivables	204	Receivables (Exchange) - Indigent debt write off as per council resolution (CAF 204) (EV) - (ISS.204)	High	Thembi/Maria	In progress

134	Revenue	205	Revenue (Service charges) - Accuracy of the customer accounts billing for conventional electricity (CAF205) (EV) - (ISS.205)	High	Lerato	In progress
135	Revenue	207	Revenue (Service charges) - Accuracy of the customer accounts billing for conventional water (CAF207) - (ISS.207)	High	Lerato	In progress
136	Revenue	213	Revenue (Service charges) - Discrepancies between the NERSA approved tariffs and Council approved tariffs (CAF213) (EV) - (ISS.213)	High	Lerato	In progress
137	Receivables	214	Receivables - No proof of income supplied by the applicants/registered indigents (CAF214) (EV) - (ISS.214)	High	Thembi/Maria	In progress
138	Sector	215	Sector (Water and sanitation) - Service level agreement with Sedibeng Water expired, no valid agreement in place (CAF 215) - (ISS.215)	High	Tooi	In progress
139	Sector	216	Sector (Water and sanitation) - Poor contract management and spending not aligned to progress on site (CAF 216) - (ISS.216)	High	Tooi	In progress