

AUDIT ACTION PLAN 2021 / 2022 - AUDIT 2020 / 2021											
MATTERS AFFECTING THE AUDITOR'S REPORT											
Index No.	Page No.	COMAF No.	DESCRIPTION OF COMAF	SECTION	REMEDIAL ACTION	STATUS OF ACTIONS	DATE	COMMENTS			
CASH & CASH EQUIVALENTS											
1	211	73	Misstatements AFS Cash & Cash Equivalents	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
DISCLOSURES											
2	101	12	Misstatements related parties	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
3	121	26	Misstatements Comparison of Budget / Actual amounts	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
4	137	27	Misstatements disclosure of unauthorized expenditure	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
5	140	38	Misstatements disclosure of finance cost on overdue accounts	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
6	192	42	Misstatements disclosure of financial instruments	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
7	108	47	Misstatements disclosure notes of related parties	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
8	438	53	Misstatements disclosure of capital commitments	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
9	201	55	Misstatements additional MFMA disclosures	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
10	214	74	Misstatements disclosure employee related expenditure and liabilities R. Jonker	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
11	218	75	Misstatements disclosure employee related expenditure and liabilities R. Stevens	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
12	222	76	Misstatements disclosure of contingent liabilities	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
13	227	77	Misstatements disclosure of irregular expenditure	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
14	231	78	Misstatement Cash Flow statement and related notes	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
EMPLOYEE BENEFITS											
15	299	68	Limitation misstatements employee benefits testing	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
EMPLOYEE RELATED COSTS											
16	266	56	Misstatements disclosure of employee related costs	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
17	272	60	Misstatements employee appointments	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
18	276	61	Misstatements employee terminations	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
19	302	62	Misstatement employee testing	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
20	310	63	Disagreement misstatements employee testing	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
21	314	65	Misstatements disclosure of SARS finance cost and penalties	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
EXPENDITURE											
22	305	41	Misstatements bulk purchases expenditure	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
23	206	67	Misstatements disclosures of finance costs on non - current provisions	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
TAXES											
24	208	71	Misstatements value added taxes	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
UNSPENT UNCONDITIONAL GRANTS AND RECEIPTS											
25	323	79	Unspent grant not agree to disclosure notes	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
PAYABLES											
26	325	80	Payables reclassification - MSCO - incorrectly disclosed	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
PROPERTY PLANT AND EQUIPMENT											
27	81	7	Misstatements additions PPE	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
28	81	8	Fixed Asset Register not agree to AFS	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
29	87	11	Misstatements in disclosure of PPE	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
30	111	49	Misstatements re-write - off PPE	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
31	116	50	Misstatements re-impairment of PPE	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
RECEIVABLES											
32	92	30	Misstatements disclosure of receivables	CFO / AFS	Intensify reviewing processes when Draft Annual Financial Statements are received	To be done	07/03/2022				
JOURNALS											
1	143	36	Limitation of Scope	CFO	Ensure supporting documentation is sufficient and complete	To be done	07/03/2022				
GOING CONCERN											
1	327	82	Material uncertainty relating to going concern	MM / CFO	Review all journals from 01/07/2021 to date	To be done	07/03/2022				
IMPROVE general financial management and controls											
AUDIT OF PRE-DETERMINED OBJECTIVES											
1	268	34	Changes to KPI's not approved	Man (DP & PMS)	Have changes to TL KPI's approved by Council	To be done	07/03/2022				
PROCUREMENT AND CONTRACT MANAGEMENT											
1	234	14	Quotations Irregular Expenditure	Man SCM	Ensure 3 quotations - quotations R10 000/R200 000	To be done	07/03/2022				
2	247	16	Competitive Bids Irregular Expenditure	Man SCM	Ensure competitive bidding processes tender above R200 000	To be done	07/03/2022				
3	256	18	PPR Irregular Expenditure	Man SCM	Ensure advertisement periods are correct Sec 22(1)(b)(i)	To be done	07/03/2022				
				Man SCM	Ensure bidders rates and taxes not in arrears	To be done	07/03/2022				
				Man SCM	Ensure Irregular Expenditure Register reconciles with AFS	To be done	07/03/2022				
4	317	20	Contract management Irregular Expenditure	Man SCM	Ensure that Preference Points system is followed	To be done	07/03/2022				
				Man SCM	Ensure compliance with PPF Framework Act	To be done	07/03/2022				
				Man SCM	Ensure Irregular Expenditure Register reconciles with AFS	To be done	07/03/2022				
5	363	23	Contract management - Disagreement misstatement	Man SCM	Ensure payments made do not exceed contract amount	To be done	07/03/2022				
GOVERNANCE AND COMPLIANCE											
1	63	28	Performance Management Section 32 Non Compliance	MM / CFO / PMS	Ensure compliance with Section 72 MFMA 25 January	To be done	07/03/2022				
2	66	40	Planning and Budgeting Non Compliance	MM / CFO / PMS	Ensure Budget is made public timely Systems Act sec 24(2)(c)	To be done	07/03/2022				
3	62	43	Late submission of Annual Financial Statements	MM/AFCO	Ensure projections are included in SDBP	To be done	07/03/2022				
				MM / CFO	Ensure that executive summary is submitted with Adjustment Budget	To be done	07/03/2022				
				MM/AFMS	Ensure that AFS is submitted before or on 31 August every year	To be done	07/03/2022				
4	68	44	Late submission and tabling of Annual Report	MM/AFMS	Ensure that Annual Report is tabled by 31 January	To be done	07/03/2022				
5	71	45	Irregular / Unauthorized / Fruitless / Wasteful Expenditure not prevented	MM/AFMS	Ensure that the Annual Report is made public	To be done	07/03/2022				
				MM/AFMS	Ensure that MPAC considers Annual Report	To be done	07/03/2022				
				MM/AFMS	Ensure that Council adopts Oversight report	To be done	07/03/2022				
6	73	46	Payments to suppliers later than 30 days	MM / CFO	Ensure prevention of Unauthorized, Wasteful, Fruitless, Irregular Ex	To be done	07/03/2022				
7	76	48	Non-compliance PMS and SDBP	MM/AFMS	Ensure that adjustments to SDBP are approved by Council	To be done	07/03/2022				
8	78	53	Non-compliance consequence management	MM/AFMS	Ensure that effective review processes take place - PMS	To be done	07/03/2022				
				MM	Ensure that irregular, fruitless, wasteful expenditure is investigated	To be done	07/03/2022				
				MM	Ensure that consequence management takes place. Council to appoint Disciplinary Board	In progress	10/03/2021	Item to be submitted to Council - Appoint DB			
OTHER IMPORTANT MATTERS											
Index No.				Page No.	COMAF No.	DESCRIPTION OF COMAF	SECTION	REMEDIAL ACTION	STATUS OF ACTIONS	DATE	COMMENTS
DISCLOSURES											
1	438	52	Misstatements disclosure capital commitments	CFO / AFS	Intensify reviewing procedures	To be done	07/03/2022				
EMPLOYEE RELATED COSTS											
2	448	57	Misstatements disclosure prior year re-classification related costs	CFO / AFS	Intensify reviewing procedures	To be done	07/03/2022				
3	412	58	Internal control deficiency - employee related costs	DIR COR / HR	Remove terminated employees from employee system - Review system	To be done	07/03/2022				
4	414	59	Internal control deficiency - employee related costs - appointments	DIR COR / HR	Ensure appointments to be done in terms of HR policies. Approved staff establishment ?	To be done	07/03/2022				
5	417	64	Late submission and payment EMP 201	CFO / MAN EXP	Intensify reviewing procedures	To be done	07/03/2022				
6	431	66	Difference noted SAMARAS payroll reports and AFS	MM	Intensify reviewing procedures	To be done	07/03/2022				
EXPENDITURE											
7	430	9	Misstatement - Incorrect classification	CFO / MAN EXP	Ensure expenditure classifications are correct when processed	To be done	07/03/2022				
REVENUE											
8	446	72	Misstatement rental of fixed assets	CFO / MAN REV	Ensure supporting documentation (supplier invoices) are attached to payments	To be done	07/03/2022				
BORROWINGS											
9	427	6	Current / Non current portion of borrowings incorrectly disclosed	CFO / AFS	Ensure rental contracts Lr.o fixed assets are in place (Rental register?)	To be done	07/03/2022				
TAXES											
10	419	69	Late submission of VAT Returns	CFO / MAN EXP	Intensify reviewing procedures of AFS - Supporting loan confirmation/amortisation schedules in place	To be done	07/03/2022				
11	421	70	No monthly reconciliations between VAT 201 and VAT control account	CFO / MAN EXP	Ensure VAT returns are completed, reviewed and submitted timely - 25th day after month end	To be done	07/03/2022				
PROPERTY PLANT AND EQUIPMENT											
12	423	51	Duplicate numbers in asset register / new asset numbers not updated	CFO / MAN EXP	Ensure monthly reconciliations between VAT 202 & control account are performed and reviewed	To be done	07/03/2022				
JOURNALS											
13	367	37	Internal control deficiency - Review and approval of journals	CFO / MAN EXP	Review assets register/ ensure no duplication of barcodes/ensure barcodes in AR are updated	To be done	07/03/2022				
14	409	38	Internal control deficiency	CFO / MAN EXP	Ensure that all journals are reviewed and approved / Ensure that journals are correctly processed	To be done	07/03/2022				
AUDIT OF PRE-DETERMINED OBJECTIVES											
15	454	33	Accuracy Validity and Completeness	MM / MAN PMS	Ensure that journal entries (transactions) are processed to correct general ledger	To be done	07/03/2022				
16	464	35	Measures taken to improve performance	MM/ MAN PMS	Ensure water meter readings to Zoar	To be done	07/03/2022				
PROCUREMENT AND CONTRACT MANAGEMENT											
17	335	13	Quotations Non Compliance	CFO / MAN SCM	APR - Measures to include performance to be done	To be done	07/03/2022				
18	338	14	Competitive bids Non compliance	CFO / MAN SCM	Report deviations monthly to Council	To be done	07/03/2022				
19	341	15	PPR (Preferential Procurement Regulations) Internal control deficiency	CFO / MAN SCM	Ensure deviations are recorded in Deviation Register and disclosed in the AFS	To be done	07/03/2022				
20	343	21	Contract management Non compliance	CFO / MAN SCM	Comply with Section 38(1) of the MFMA (Act 14/2003) - Contracts beyond three 3 years	To be done	07/03/2022				
21	348	22	Contract management Internal control deficiency	CFO / MAN SCM	Develop controls to review preference points calculations	To be done	07/03/2022				
				CFO / MAN SCM	Ensure that all contracts are endorsed by authorized employees prior to the contract commences	To be done	07/03/2022				
				CFO / MAN SCM	Ensure that provision is made in all contracts for the termination of the contract	To be done	07/03/2022				
22	429	24	Contract management Retention fees	CFO / MAN SCM	Ensure that contract price is within the contract (tender) price	To be done	07/03/2022				
				CFO / MAN SCM	Inspect all contracts to determine the end dates of contracts/ Commence with procurement procedures	To be done	07/03/2022				
				CFO / MAN SCM	Immediately if contract is necessary for service delivery	To be done	07/03/2022				
23	350	25	Local content Internal control deficiency	CFO / MAN SCM	Without retention fees - Establish Retention Register - Disclose accurately in AFS	To be done	07/03/2022				
24	352	26	SCM Policy Non compliance	CFO / MAN SCM	Notify the DTI (Department of Trade and Industry) of successful bidders/ estimated value of contracts etc.	To be done	07/03/2022				
25	354	30	SCM Business process Internal control deficiency	CFO / MAN SCM	Ensure that the SCM policy agrees to the Municipal Supply Chain Management Regulations	To be done	07/03/2022				
26	356	31	Payments to employees / suppliers Internal control deficiency	CFO / MAN SCM	Ensure that Declarations of Interest are made and submitted by Councillors and employees	To be done	07/03/2022				
				CFO / MAN SCM	Develop an Annual Procurement Plan	To be done	07/03/2022				
				CFO / MAN SCM	Develop a contract Register - Contract amount - Expenditure to day - Commencement date- Completion date	To be done	07/03/2022				
27	358	32	Limitation of scope - Payments to employees / suppliers	CFO / MAN SCM	Ensure that payment amount agrees to approved listing	To be done	07/03/2022				
COMPLIANCE AND INTERNAL CONTROLS											
28	325	1	Internal Audit function not established	MM	Ensure that S&T Claims are approved by the Municipal Manager	To be done	07/03/2022				
29	327	2	No risk register established for financial year	MM	Ensure that supporting documentation is complete for payments to personnel and suppliers	To be done	07/03/2022				
30	329	3	Non - compliance Audit Committee	MM	Ensure that payments are made to correct bank accounts	To be done	07/03/2022				
31	333	4	MPAC not functioning optimally	MM	Establish an Internal Audit Unit	Not yet established	07/03/2022				
32	444	63	Information Systems Lack of internal controls	MM / MAN IT	Establish a Risk Register	To be done	07/03/2022				
				MM	Establish an Audit Committee - Refer MFMA Circular 65	To be done	07/03/2022				
				MM	Re-Activate MPAC	To be done	07/03/2022				
Establish IT Governance Framework											
Develop IT Strategic Plan											
Establish IT Steering Committee											
Conduct IT Risk / Control Assessment											
Provide Service Level Agreement between Municipality and Syntell (Pty) Ltd											
To be done											

To be done
In progress
Completed