

<b>FINANCIAL YEAR</b>	<b>2011/12</b>	<b>AUDIT IMPLEMENTATION PLAN</b>
<b>Municipality Name</b>	<b>Greater Tzaneen</b>	
<b>Audit Opinion</b>	<b>Disclaimer</b>	

**ANNEXURE C**

Reporting Period		Dec-12									
Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Immovable Assets	Matters affecting the auditor's report	Misstatement in the cashflow statements		Lack of proper system to be used in the compilation of financial statement. Receipt of information late from consultants dealing with asset information	Acquiring of computerised system for the compilation of financial statements	01/02/2013	30/04/2013	Norah Lion	CFO	In progress	In process of acquiring caseware software
					Completion of asset verification process in May of each year.			Norah Lion	CFO	In progress	Meeting arranged for 13 December 2012 to draw a program for 2013 Financial year audit
					Establishment of asset management unit			Masiye Mankabidi	MM	In progress	In the process of placement a person to deal with asset management processes
					Monthly updates of asset register in terms of GRAP 17			Norah Lion	CFO	Not yet started	Person to be trained to run the system by Deloitte Consulting
Other Disclosure	Matters affecting the auditor's report	Incorrect disclosures of commitments		Inadequate systems to deal with contract management	Implementation of contract management system in the legal division	01/02/2013	30/08/2013	Adv. Stephen Monyela	Acting Legal Manager	In progress	All appointed contractors are signing service level agreements
											Prenumbered contract register to be developed which will include contracts that are in progress and those that have been completed
Payments	Matters affecting the auditor's report	Supporting documentation for employees' costs not submitted to auditors		No proper record keeping (safeguarding of documents)	Implementation of prenumbered journal book			Norah Lion	CFO	In progress	Procuring a duplicate prenumbered Journal Book
					Implementation of a secured central filling in Budget and Treasury Office	01/01/2013	28/02/2013	Norah Lion	CFO	Not yet started	Identification of a centralised secured filling room in BTO
Procurement	Matters affecting the auditor's report	Bids documentation and bids reports Quality Plant Hire and Bageso Housing and Development Consultants not submitted to auditors		No proper record keeping (safeguarding of documents)	Submission of bids documents for interim audit			Leon Mashao	Acting Manager:SCM	In progress	
					Implementation of a secured central filling in Budget and Treasury Office	01/01/2013	28/02/2013	Norah Lion	CFO	Not yet started	Identification of a centralised secured filling room in BTO
Procurement	Matters affecting the auditor's report	Non disclosure interests in the bid documents by service providers		No proper system to identify people who have business interest and not disclosed	Engage with Auditor General and COGHSTA about the appropriate system	01/01/2013	30/06/2013	Masiye Mankabidi	MM	Not yet started	Procurement of the system
Procurement	Matters affecting the auditor's report	Procurement Preference point not calculated		No full implementation of the Preferential Procurement Policy Framework Act	Adoption by council of Supply Chain Management Policy which incorporates the amendment to the PPPFA	31/01/2013	31/01/2013	Masiye Mankabidi	MM	In progress	Draft policy finalised
					Adjustment to the Annual Financial Statements to disclose to awarded bids as irregular expenditure	01/02/2013	30/04/2013	Johan Biewenga	Manager:BTO	In progress	AFS are being adjusted
					Submission to council of the awarded tenders in terms of section 32 of the MFMA	01/01/2013	30/04/2013	Norah Lion	CFO	Not yet started	Not yet

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Procurement	Matters affecting the auditor's report	Expired contracts not terminated		Inadequate contracts management	Termination of all expired contracts	01/01/2013	31/03/2013	Adv. Stephen Monyela	Acting Manager:Legal		Writing letters to respective service providers whose contracts have expired
					Appointment of new service providers in terms of SCM	01/01/2013	31/01/2013	Norah Lion	CFO	In progress	Finalisation of SCM process as tenders have been advertised
					Disclosure of the expenditure in the AFS as irregular expenditure	01/02/2013	30/04/2013	Johan Biewenga	Manager:BTO	In progress	Identification and aggregation of all irregular expenditure for disclosure in the AFS
Procurement	Administrative matters	No declaration by suppliers that they are employed by the state		No proper system to identify people who in the employ of the state	Submission of a list of awarded tenders to COGHSTA/PT for verification	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	Not yet started	Compilation of the list for submission to COGHSTA of all newly awarded tenders
Procurement	Administrative matters	Awards made to supplier in the employ of the state		No proper system to identify people who in the employ of the state	Submission of a list of awarded tenders to COGHSTA/PT for verification	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	Not yet started	Compilation of the list for submission to COGHSTA of all newly awarded tenders
Procurement	Matters affecting the auditor's report	No public invitation for bids above R30 000		Advertisement of bids on the website for bids above R30 000	Advertisement of bids for values above R30 000 in the website and local newspapers	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	In progress	All tenders above R30 000 are presently being advertised and is not possible, reasons are given and approval sought from MM
Procurement	Matters affecting the auditor's report	Bid evaluation committees not complying to the SCM regulations		Bids committee not well constituted	Ensure that all members in bid committees form a quorum in terms of SCM policy	01/12/2012	30/06/2013	Leon Mashao	Acting Manager:SCM	In progress	Invitations are issued to all bid committees members and only when a quorum is formed, the meetings proceed.
Procurement	Other important matters	No training for the supply chain management practitioners		Non implementation of SCM regulations	Coordinate with Provincial Treasury for the training of SCM practitioners	01/02/2013	28/02/2013	Norah Lion	CFO	Not yet started	Arrange training with Provincial Treasury
Procurement	Other important matters	Bids entries and bids results not published in the municipal website		Non compliance to SCM regulations	All bids entries and bids results to be published on the municipal website	01/01/2013	28/02/2013	Leon Mashao	Acting Manager:SCM	In progress	Submission to IT for publication on the website

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Procurement	Administrative matters	Supply chain Management policy not reviewed regularly		Non compliance to SCM regulations	Review of SCM policy regularly	31/01/2013	31/01/2013	Norah Lion	CFO	Completed	SCM policy reviewed awaiting council approval
Procurement	Other important matters	Original Tax Clearance Certificate not submitted		Non compliance to SCM regulations	Implementation of Tender Register which also record all compulsory documentation that must be submitted with every bid	01/01/2013	28/02/2013	Leon Mashao	Acting Manager:SCM	In progress	Development of Pre-Numbered Tender Register in progress
Human Resources	Administrative matters	Audit committee charter not approved by council and financial statements not reviewed by audit committee	yes	Audit committee charter not submitted to council and minutes for the review of financial statements not submitted AG	Submit audit charter to council for approval	31/01/2013	31/01/2013	Masiye Mankabidi	Municipal Manager		
					Timeous preparation and submission of AFS to audit for review and minutes prepared for submission to AG as POE	20/08/2013	20/08/2013	Norah Lion	CFO	In progress	Year end process plan to be drafted and stick to the plan
Human Resources	Other important matters	Excessive number of leave days retained by employees from previous leave cycle	Yes	Non compliance to SALGBC Agreement (1 January 2004)	Implementation of the SALGBC Agreement	01/02/2013	30/04/2013	Tinus Visser	Manager: Human Resources	Not yet started	Discussion in the Local Labour Forum for the implementation of the agreement
Human Resources	Administrative matters	Appointment of candidates not recommended by interviewing panel	Yes	Non compliance to staff provisioning policy	Compliance to Provisioning policy of the municipality	01/12/2012	01/06/2013	Masiye Mankabidi	MM	In progress	
Human Resources	Administrative matters	Special leave taken not in excess of 3 days as per SALGBC Agreement	No	Non compliance with the SALGBC Agreement	Implementation of the SALGBC Agreement			Tinus Visser	Manager: Human Resources	Not yet started	
Human Resources					Disclosure of the expenditure in the AFS as irregular expenditure	01/12/2012	30/06/2013	Johan Biewenga	Manager:BTO	In progress	Identification and aggregation of all irregular expenditure for disclosure in the AFS
Human Resources	Administrative matters	Posted Leave days differ to the taken leave days as per leave form	No	No timeous capturing of leave days taken	Reconciliation of leave taken as per leave forms to the payday payroll system	01/12/2012	30/06/2013				

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Human Resources	Administrative matters	Employees taking leave before it is approved	Yes	Non compliance to leave administration	Leave to be taken after approval by authorised officials	01/02/2013	30/06/2013	MM and All Directors	MM and All Directors	In progress	Memorandum to be written to all employees by Human Resources addressing the issue relating to leave administration
Human Resources	Other important matters	Overtime paid to employees exceeding 30% of monthly basic salary	Yes	Non compliance to basic conditions of employment	Leave taken to be within the 30% and where there is a need, prior approval to be sought from the municipal manager	01/02/2013	30/06/2013	MM and All Directors	MM and All Directors	In progress	Memorandum to be issued to all employees and Human Resources to query all overtimes in excess of 30% without prior approval from the MM
Human Resources	Other important matters	Appointment of candidates without minimum work experience and approval by the MEC of COGHSTA	No	Non compliance to the Municipal System Act as amended and the Municipal Finance Management Act	Follow the competency levels as per MFMA regulations and the prescripts as per Municipal Systems Act as amended	01/01/2013	30/06/2013	Masiye Mankabidi	MM	In progress	All advertisement to follow the competency requirements and all appointments to be concurrently approved by the MEC of COGHSTA
Human Resources	Other important matters	Employees cost for prior year on Note 24 does not agree with statement of financial performance	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Norah Lion	CFO	Not yet started	Procurement of CaseWare software system
Other Disclosure	Matters affecting the auditor's report	Journal wrongly prepared for conditional grant for the Department of Energy	No	Journals not reviewed for accuracy	Pre-numbered journal forms to be implemented and must be authorized by delegated officials	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Prepared numbered duplicate journal form developed
Other Disclosure	Administrative matters	Accounting policies not detailed as GRAP standards	Yes	No proper disclosure of Accounting Policies as per GRAP standards	Utilisation of CaseWare Software which has a comprehensive disclosure of Accounting Policies which comply with GRAP standards	01/01/2013	30/04/2013	Johan Biewenga	Manager: Financial Services	In progress	Procurement of CaseWare software system
Other Disclosure	Other important matters	Amount as per Appendix E (Budget Vs Actual) does not agree with the amount as per statement of financial performance	No	Incorrect allocation of agency fee from the Department of Transport		01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Other Disclosure	Other important matters	No evaluation of the programmes funded by the conditional grants	Yes	Lack of monitoring on the programmes funded by the conditional grants	Evaluation of the performance of programmes funded by conditional grants to be done within two months at the end of the financial year	01/01/2013	30/06/2013	Masiye Mankabidi	Municipal Manager	Not yet started	Perform monthly monitoring of conditional grants
Predetermined Objectives	Other important matters	Unspent conditional grants not revert back to National Treasury	Yes	Non compliance with the DORA requirements	Application for rollovers and follow up with National Treasury	01/02/2013	28/02/2013	Norah Lion	CFO	In progress	Rollover for 2012 financial year applied and approval given
Predetermined Objectives	Administrative matters	Internal audit plan and internal audit charter not approved by Audit Committee	Yes	Non compliance to MFMA	Submission internal audit plan and Audit Committee charter by end of June each year for approval by the Audit Committee	01/12/2012	31/01/2013	Rodgers Shigange	Manager: Internal Audit	In progress	Conducting risk assessment by end April to allow for the development of internal audit plan and Audit Committee Charter
Other Disclosure	Matters affecting the auditor's report	Subsequent events not accounted properly in the Annual Financial Statements	No	Non compliance to GRAP 14	The disclosure of financial assistance to GTEDA as agency will be disclosed under the notes to the financial statements	01/01/2013	30/04/2013	Johan Biewenga	Manager: Finance Services	In progress	PED started with the GTEDA entity in terms of council resolution
Other Disclosure	Administrative matters	No documented process to identify contingent liabilities	No	No formal system for the identification of contingent liabilities	Monthly reporting by Corporate Services of all litigation against the municipality	01/01/2013	30/04/2013	Stephen Monyela	Acting Manager: Legal Services	In progress	Monthly and quarterly reports submitted to both council and audit committee
Other Disclosure	Matters affecting the auditor's report	Unauthorised expenditure	Yes	No proper budget control	Monthly monitoring of budget and a detailed report to be discussed in a management meeting and subsequently to council	01/01/2013	30/04/2013	Johan Biewenga	Manager: Finance Services	In progress	Monthly reports submitted to management and portfolio committees and quarterly to council

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Other Disclosure	Matters affecting the auditor's report	No adequate disclosure of Irregular expenditure	Yes	No proper system to record irregular expenditure	Register for irregular expenditure developed	01/01/2012	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Monthly reporting of irregular expenditure to management and portfolio committee and subsequently to council on a quarterly basis
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and the General Ledger	Yes	No proper reconciliation between Fixed Asset Register and General Ledger	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and the General Ledger	Yes	No proper reconciliation between General Ledger and Financial Statements	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Completed projects not added to Fixed Asset Register	Yes	No proper system to record completed projects	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Movable Assets	Administrative matters	Physical local for asset not contained in the FAR	Yes	Fixed Asset Register not updated monthly	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Amount in the valuation roll not agreeing to the amount in the Fixed Asset Register	Yes	Values as per valuation roll not used for stand values in the Fixed Asset Register	Identification of land and stands held for sale Allocation of values for land and stands held for sale as per values in the valuation roll. Reclassification of stands held for sale as inventory	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Immovable Assets	Administrative matters	Monthly reconciliation between Fixed Asset Register and General Ledger not done	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/06/2013	30/06/2013				
Immovable Assets	Matters affecting the auditor's report	Duplicated assets	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Other important matters	Journal not adequately supported	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Administrative matters	Monthly reconciliation between Fixed Asset Register and General Ledger not done	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/06/2013	30/06/2013				
Movable Assets	Matters affecting the auditor's report	Duplicated assets	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
						01/01/2013	30/04/2013				
					All duplications in the Fixed Asset Register to be investigated and corrections effected						

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Inventory	Other important matters	Inventory wrongly classified as investment property	No	Land held sale as stands not identified	Identification of land and stands held for sale			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					Classification of stands held for sale as inventory	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Relevant supporting documentation not provided for journals	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Norah Lion	CFO	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Disposed assets incorrectly reported as impairment	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledget			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					Identification of assets disposed and effect corrections in the Fixed Asset Register	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Differences for depreciation and impairments between AFS and General Ledget	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledget			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Land not included in the Fixed Asset Register	Yes	No dedicated asset management unit	Perform a deed search to identify all land registered in the name of the municipality and record them in the asset register			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
						01/01/2013	30/04/2013				
Movable Assets	Matters affecting the auditor's report	Opening balance for intangible asset not reconciling to prior year closing balance	No	No review of Annual Financial Statements	Timeous preparation and review by management and audit committee of financial statements prior to submission to the AG			Norah Lion	CFO	In progress	Procurement of Caseware Software system
						01/01/2013	30/04/2013				



Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Inventory	Administrative matters	Inventory system offline	No	No connectivity between main building and stores	Completion of the rural broadband connectivity			Thulani Thwala	Acting Director: Corporate Services	In progress	Rural Broadband project at completion stage
						01/01/2013	31/03/2013				
Inventory	Other important matters	No supporting documentation attached inventory adjustment journals	No	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Johan Biewenga	Manager: Financial Services	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation						
						01/01/2013	31/03/2013				
Inventory	Matters affecting the auditor's report	Net surplus on inventory does not agree to Annual Financial Statements	No	No reconciliation between General Ledger and stock listing	Perform physical stock account			Mokgadi Sono	Manager: Expenditure	Not yet started	Compilation of inventory procedure manual
					Reconcile stock list as per physical stock account and the general ledger						
						01/01/2013	31/03/2013				
Inventory	Matters affecting the auditor's report	Non submission of supporting documentation for inventory journals	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached	01/01/2013	31/03/2013	Mokgadi Sono	Manager: Expenditure	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation						
Inventory	Other important matters	No reconciliation performed on movement of stands	Yes	No reconciliation on stands allocated for sale	Identification of stands disposed off on credit to consumers	01/01/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	In progress	Meeting held with Deloitte to do the reclassification
					Stands inventory movement to be reconciled against inventory						
Revenue	Administrative matters	Interest earned as per investment register does not agree to the General Ledger	Yes	Working papers not balancing to the General Ledger	Splitting interest on interest received on investment and interest received on daily cash in the bank			Johan Biewenga	Manager: Financial Services	In progress	Two line items opened in the financial system
						01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress	
Revenue	Other important matters	Supporting documentation for journals on interest from the bank not submitted	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Mokgadi Sono	Manager:Expenditure	In progress	Prenumbered duplicate journal form developed	
					Review by delegated officials on completeness of the journal and supporting documentation							
						01/01/2013	30/04/2013					
Revenue	Other important matters	Accounting policies not detailed as GRAP standards	No	No proper disclosure of Accounting Policies as per GRAP standards	Utilisation of CaseWare Software which has a comprehensive disclosure of Accounting Policies which comply with GRAP standards			Johan Biewenga	Manager: Financial Services	In progress	Procurement of Caseware Software system	
						01/01/2013	30/04/2013					
Movable Assets	Matters affecting the auditor's report	Understatement of finance lease liability	No	Lack of reconciliation of reconciliation between lease contracts and lease schedules	Monthly calculation of finance lease liability to be performed			Mokgadi Sono	Manager:Expenditure	Not yet started	Identification of person to do month reconciliation of lease payments	
					Update general ledger monthly							
						01/01/2013	30/04/2013					
Movable Assets	Matters affecting the auditor's report	Understatement of finance lease liability due to incorrect present value amount used	No	Lack of reconciliation of reconciliation between lease contracts and lease schedules	Monthly calculation of finance lease liability to be performed			Mokgadi Sono	Manager:Expenditure	Not yet started	Identification of person to do month reconciliation of lease payments	
					Update general ledger monthly							
						01/01/2013	30/04/2013					
Movable Assets	Other important matters	No unique number/barcode or serial number on assets and leased assets recorded in the Fixed Asset Register	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	31/01/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum	
Movable Assets	Matters affecting the auditor's report	Assets not traced to the source document	Yes	Fixed Asset Register not complying to GRAP 17	Investigate and update the Fixed Asset Register with the source documentation			Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification	
						01/01/2013	30/04/2013					

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Movable Assets	Other important matters	Backlog depreciation incorrectly calculated	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and Annual Financial Statements due to Work in Progress	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification
Immovable Assets	Other important matters	Information relating asset disposal not provided for audit purposes	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification
Movable Assets	Other important matters	Reconciliation on the carrying amount between the beginning and end of period was not performed	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewenga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Movable Assets	Other important matters	Impairment of asset	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/06/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Movable Assets	Other important matters	No revaluation of assets	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/06/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification

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Movable Assets	Other important matters	Residual values are recorded zero for all classes of PPE with difference planned useful lives to be shorter than economic lives	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Payments	Other important matters	Payments vouchers do not make provision for segregation duties	Yes	No payment procedure manual	Drafting of procedure manual for sundry and creditors payment Develop payment vouchers that make provision for segregation of duties	01/01/2013	31/01/2013	Norah Lion	CFO	In progress	Drafting of procedure manual commenced
Payments	Other important matters	No documented financial delegations	Yes	No review of financial delegation	Development of financial delegations	01/01/2013	31/03/2013	Norah Lion	CFO	In progress	Delegations development and awaiting discussion with relevant stakeholders
Payments	Matters affecting the auditor's report	Lack of proper audit trail regarding expenditure	No	No proper capturing of information in financial system	Investigate the transaction and provide information to the auditors	01/01/2013	28/02/2013	Mokgadi Sono	Manager: Expenditure	In progress	Information has been made available
Payments	Matters affecting the auditor's report	No adequate disclosure of fruitless and wasteful expenditure - Interest paid	Yes	No proper system to record fruitless and wasteful expenditure	Opening a job for interest on late payment	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Job opened under interest paid for interest paid on late payment
Payments	Other important matters	Non submission of supporting documentation for journals within the 3 day period	Yes	No proper record keeping	Construction/identification of building to be used as archives/strongroom Centralised filing system for all financial documents Implementation of documentation register for recording for all documents requested Investigate the appointment of a filing clerk	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Old airconditions rooms identified as archives/strongrooms
Payments	Matters affecting the auditor's report	Expenses per general ledger does not agree to supporting documentation	No	Lack of understanding of the VAT Act	Submission of supporting documentation to substantiate the transactions	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Documents available for follow up audit

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress	
Payments	Other important matters	Payments made after 30 days	Yes	No tracking system for invoices received for payment	Develop a date stamp for invoices received for payments	01/01/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	Not yet started	Dated stamp developed	
					Instructions not to pay specific invoices must be done in writing and to be attached as supporting document							
Payments	Other important matters	Incorrect allocation of legal expenditure settlement amount	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	31/01/2013	Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced	
Payments	Other important matters	Incorrect disclosure of conditional grant per note 30 on the Annual Financial Statements	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced	
							Johan Biewanga	Manager: Financial Services				
Payments	Other important matters	Input VAT not claimed from payment made to vendors	Yes	Inadequate system to verify VAT registration used	Investigate the transaction and claim input VAT from SARS							
					Telephone enquiry with SARS when value is material and cannot be verified on the SARS website	01/01/2013	28/02/2013	Mokgadi Sono	Manager: Expenditure	In progress	Documents are available	
Liabilities	Matters affecting the auditor's report	Trade creditors per Trial Balance not agreeing to Creditors age analysis	No	Incomplete audit file	All notes and disclosure must be supported by supporting documentation in the audit file	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Year end plan developed	
							Mokgadi Sono	Manager: Expenditure				
Revenue	Other important matters	Creditors reconciliation not done	Yes	Lack of procedure manual	Creditors reconciliation to be done with all creditors sending the creditors statements	01/02/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	Not yet started	Creditors reconciliation form developed	

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Administrative matters	IDP does not contain financial plan and three year budget projections	Yes	Lack of financial planning	Five year budget projections to be done	01/01/2013	31/05/2013	Johan Biewanga	Manager: Financial Services	In progress	Draft financial plan compiled
Predetermined Objectives	Other important matters	General key performance indicators not included in the IDP	Yes	Inadequate oversight	Include the indicators in the IDP	01/12/2012	31/05/2013	Gerald Thwala	IDP Officer	In progress	2012/2013 indicators included in the IDP
Predetermined Objectives	Other important matters	Community not involved in the IDP preparation process	Yes	Inadequate oversight	Advertisement in both local and national newspapers, including the municipal website and notice board to be done	01/12/2012	31/05/2013	Gerald Thwala	IDP Officer	In progress	
Predetermined Objectives	Other important matters	Late submission of midyear performance report	No	Inadequate oversight	Draft midyear performance report will be submitted to COGHSTA, PT and AG and adopted report will be sent after council has approved	01/12/2012	25/01/2013	Frida Human	PMS Officer	In progress	Matter discussed with the Audit Committee
Predetermined Objectives	Other important matters	Performance information not audited by municipal internal audit unit	Yes	Lack of capacity	Internal audit unit to audit performance information Request Mopani District District to capacity the unit	01/12/2013	30/06/2013	Rodgers Shigange	Chief Internal Auditor	In progress	Matter discussed with Audit Committee during December 2012 and agreed that Mopani District to assist
Predetermined Objectives	Other important matters	Inconsistency between SDBIP and annual performance report	Yes	Inadequate oversight and review	SDBIP and Annual Performance Report to be aligned	01/12/2012	30/06/2013	Frida Human	PMS Officer	In progress	Framework received from COGHSTA
Predetermined Objectives	Other important matters	No proper system in place for collecting, collating and recording information	Yes	Inadequate record keeping	Information will be supported by source documents	01/01/2013	30/06/2013	Frida Human	PMS Officer	In progress	Instructions issued for the 2013/2014 financial year

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Other important matters	No policy and procedures in place to reporting council properties' theft and damages	Yes	No risk management unit	Establishment risk management unit Develop policies and strategies relating to risk management	01/01/2013	28/02/2013	Masiye Mankabidi	MM	In progress	Unit established and post for Manager:Risk advertised
Predetermined Objectives	Other important matters	Number of households within municipality not updated annually	Yes	Unavailability of official statistics	Update the IDP with new official statistics	01/12/2012	31/03/2013	Geral Thwala	IDP Officer	In progress	IDP update with the 2011 census information
Predetermined Objectives	Other important matters	Incomplete Indigent register	Yes	Lack of capacity	Indigent to be compiled which include rural and urban households	01/12/2013	31/05/2013	Rona Vijojoen	Manager: Revenue	In progress	Utility Management Service appointed to compile the register
Predetermined Objectives	Other important matters	Adopted IDP not submitted to the MEC of COGHSTA	No	No proper record keeping	Acknowledgement letter to be filed confirming the submission	01/12/2013	10/06/2013	Gerald Thwala	IDP Officer	In progress	Letter of submission for the 2012/2013 financial year available
Predetermined Objectives	Other important matters	No targets documented in the IDP and SDBIP	No	Absent of accurate data	IDP to be and SDBIP to be updated with the 2011 census	01/12/2013	31/03/2013	Gerald Thwala	IDP Officer	In progress	IDP update with the 2011 census information
Predetermined Objectives	Other important matters	Non submission of performance information	Yes	Lack of capacity	Internal audit unit to audit performance information	01/12/2013	30/06/2013	Rodgers Shigange	Chief Internal Auditor	In progress	Matter discussed with Audit Committee during December 2012 and agreed that Mopani District to assist
Predetermined Objectives	Other important matters	Key performance indicators not reported in the annual performance report	Yes	Non compliance with legislative requirements (Sec 46 of MSA)	Review the Annual Performance Report to be comply with legislative requirements	01/12/2012	20/08/2013	Frida Human	PMS Officer	In progress	Matter discussed in the Audit Committee
Predetermined Objectives	Other important matters	Measures to improve unachieved targets not disclosed	No	Inadequate oversight	All targets not achieved in the reporting period must identified and measures to improve put in place	01/12/2012	30/06/2013	Frida Human	PMS Officer	In progress	Report is prepared

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Other important matters	Reported results not verifiable	Yes	No proper record keeping	Implementation of proper record keeping system	01/01/2013	30/06/2013	Frida Human	PMS Officer	In progress	Internal audit to audit POE
Predetermined Objectives	Other important matters	Achieved targets not agreeing to supporting documentation	Yes	Lack of proper record keeping	Implementation of proper record keeping system	01/12/2013	30/06/2013	Michael Rabothata	Disaster Management Officer	In progress	
Receivables	Matters affecting the auditor's report	The other receivables on the Trial Balance does not agree to the Financial Statements	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Procurement of Caseware Software system
Receivables	Matters affecting the auditor's report	Non submission of information relating to the writing off of indigent debtors	No	Lack of proper record keeping	Information will be submitted to AG for follow up audit	01/12/2012	31/12/2012	Rona Viljoen	Manager: Revenue	In progress	UMS is engaged to provide the working papers used for the writing off
Receivables	Other important matters	Letter of discontinuity not issued to defaulter debtors	Yes	Ineffective credit control system	Letter to be issued to all default debtors	01/01/2013	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Receivables	Administrative matters	Assessment rates not charged on stands and some to the wrong account holders	Yes	Lack of tracking system for a transferred stands. No reconciliation of the valuation roll	Clearance certificates to checked against deeds records at year end and rates accounts transferred to the new owner Reconciliation of the valuation roll against the billing system	01/12/2012	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Receivables	Other important matters	Councillors arrear accounts	No	Non compliance to legislative requirements	stop order system will be implemented to all councillors for payment of rates and taxes	01/12/2012	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control



Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Receivables	Other important matters	Writing off of bad debts-arrear accounts	No	Ineffective credit control system	Letter to be issued to all default debtors Comprehensive report to be submitted to council for writing off of bads debts	01/12/2012	30/06/2013	Rona Vijoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Receivables	Other important matters	Bad debts written off-stands loan	No	Ineffective credit control system	Amounts to be restated and interest charged on arrear amounts Accounts to be handed over to debt collectors	01/12/2012	30/06/2013		30/06/2013	In progress	UMS appointed by the municipality to implement credit control
Receivables	Matters affecting the auditor's report	Overstatement of provision for bad debts		Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the overstatement of financial statements	01/12/2012	30/06/2013	Johan Biewanga Rona Vijoen	Manager: Financial Services Manager: Revenue	In progress	Procurement of Caseware Software system
Receivables	Matters affecting the auditor's report	Difference in the movement for provision for bad debts on the annual financial statements and notes to the annual financial statements	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the overstatement of financial statements	01/12/2012	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Receivables	Matters affecting the auditor's report	Receivable journals not submitted for audit purpose	No	No proper record keeping	Documents to be made available for follow up	01/12/2012	30/04/2013	Rona Vijoen	Manager: Revenue	In progress	Documents already submitted to the auditors
Receivables	Matters affecting the auditor's report	Information on receivable not submitted within 3 days	Yes	No proper record keeping	Documents to be made available for follow up	01/12/2012	31/12/2012	Rona Vijoen	Manager: Revenue	In progress	Documents already submitted to the auditors
Receivables	Other important matters	Bad debts written off against accumulated surplus instead of provision for bad debts	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/12/2012	30/04/2013	Rona Vijoen	Manager: Revenue	In progress	Drafting of procedure manual commenced

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Receivables	Other important matters	Interest not charged on outstanding balance	Yes	Ineffective credit control system	Investigating the affected accounts and implement interest charge	01/12/2012	31/03/2013	Rona Vijoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Other Disclosure	Other important matters	Non submission of accumulated surplus journals within the agreed 3 days	Yes	No proper record keeping	Improved audit file	01/12/2012	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Documents already submitted to AG
Other Disclosure	Matters affecting the auditor's report	Current year comparatives does not agree to prior year working papers	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the error	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Other Disclosure	Matters affecting the auditor's report	Prior period error on accumulated surplus	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the prior period error	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Other Disclosure	Matters affecting the auditor's report	Accumulated surplus-Statement of change in net assets opening balance not agreeing with prior year audited balances	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the error	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Revenue	Administrative matters	Cancellation of receipts	Yes	lack of internal control systems	Review by delegated officials on completeness and accuracy of transactions Access in the system to be in line with the IT policy (Password)	01/01/2013	31/01/2013	Rona Vijoen	Manager: Revenue	In progress	Manuals are been developed
Revenue	Other important matters	No proof of payment for rental of facilities	Yes	No proper record keeping	Development of a rental of facilities register	01/01/2013	31/01/2013	Rona Vijoen	Manager: Revenue	Not yet started	

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Revenue	Other important matters	Inadequate control over the issuing of receipt books	Yes	No proper record keeping	Development of a register for issuing of prenumbered documents	01/01/2013	31/01/2013	Norah Lion	CFO	Not yet started	
Revenue	Other important matters	Understatement of service charges	Yes	Outdated billing information	Data Cleansing						UMS appointed
					Disconnection of services	01/12/2012	30/06/2013				
Revenue	Other important matters	Incorrect electricity tariffs used	Yes	Billing cycle	Follow up discussions with the AG	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting arranged with the AG
Revenue	Other important matters	Distribution loss (electricity)	Yes	Billing cycle	Follow up discussions with the AG	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting arranged with the AG
Revenue	Other important matters	Non submission of information relating to the other income	Yes	Lack of proper record keeping	Implementation of proper record keeping system	01/01/2013	30/06/2013	Rona Vijoen	Manager: Revenue	In progress	Old airconditions rooms identified as archives/strongrooms
Revenue	Other important matters	Overstatement of agency fee	Yes	No proper system	Reconciliation of the RD 0329 report from Enatis on a monthly basis			Rona Vijoen	Manager: Revenue	In progress	Person identified to the reconciliator
					Reconciliation of agency fees on a monthly basis	01/01/2013	28/02/2013				
Revenue	Matters affecting the auditor's report	Non submission of supporting documentation- consumer deposits	Yes	No proper record keeping	Implementation of proper record keeping system	01/01/2013	28/02/2013	Rona Vijoen	Manager: Revenue	In progress	Old airconditions rooms identified as archives/strongrooms
Revenue	Administrative matters	No monthly reconciliation between deposit register and deposit control account	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions			Rona Vijoen	Manager: Revenue	In progress	Drafting of procedure manual commenced
						01/01/2013	28/02/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Revenue	Other important matters	Understatement of equitable shares	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the error	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Revenue	Other important matters	No reconciliation on grants and subsidies	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG Investigate and correct the error	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Revenue	Other important matters	No reconciliation between the valuation roll and billing system	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	Drafting of procedure manual commenced
Revenue	Administrative matters	Cut-off dates for electricity	Yes	Billing cycle	Follow up discussions with the AG	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting arranged with the AG
Revenue	Matters affecting the auditor's report	Understatement of revenue-traffic fines estimates	Yes	No proper system	Use data from the traffic fines recording system to estimate the percentage based on three year performance information	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Traffic fines recording system procured
Other Disclosure	Matters affecting the auditor's report	Payments of interest and penalties due late payment - VAT	No	No proper system to record fruitless and wasteful expenditure	Register for fruitless and wasteful expenditure	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Monthly reporting of fruitless and wasteful expenditure to management and portfolio committee and subsequently to council on a quarterly basis
Revenue	Other important matters	Loss of revenue due VAT not claimed on input VAT	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions Request the correct invoices and claim input VAT	01/01/2013	28/02/2013	Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Records	Other important matters	Supporting documentation for VAT journals not submitted within 3 days	Yes	No proper record keeping	Implementation of proper record keeping system			Mokgadi Sono	Manager:Expenditure	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	31/01/2013				
Other Disclosure	Other important matters	VAT 201 submitted to SARS not agreeing to the general ledger	Yes	Lack of review of financial transactions	Perform monthly reconciliations			Mokgadi Sono	Manager:Expenditure	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	31/01/2013				