

AUDIT ACTION PLAN

NO	FINANCIAL YEAR	2015/16	Greater Tshabane	Fetakgomo	Unqualified	Root Cause	AFS Action Plan Description	Start Date	Completion Date
	Municipality Name	2015/16	Greater Tshabane	Fetakgomo	Unqualified	Root Cause	AFS Action Plan Description	Start Date	Completion Date
	Audit Opinion	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Reporting Party	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Category of Finding	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Category of Finding	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
1	Misstatement in financial statement	Matters affecting the auditor's report	Actual gains/losses (Note 9 to the AFS) incorrectly stated	The Chief Financial Officer did not ensure that proper reviewing processes are in place to ensure that notes supporting the financial statements are prepared in terms of GRAP	Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.	01-Feb-17	30-Jun-17		
2	Non-compliance with regulation	Matters affecting the auditor's report	IBU-Poor contract management	The accounting officer did not implement financial management controls to ensure that payments are only made when service had been rendered and also that contracts are appropriately monitored	Strengthen project management and pay only on progress report	01-Feb-17	30-Jun-17		
3	Appropriated and surrendered funds	Matters affecting the auditor's report	Budget Statement of Comparison of Budget and Actual Amounts Incomplete	The Chief Financial Officer did not adequately review the completion of annual financial statements so as to ensure that the municipality's annual financial statements comply with the applicable accounting framework	Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.	01-Feb-17	30-Jun-17		
4	Commitments	Matters affecting the auditor's report	Committed Contracts not disclosed as commitments	Lack of proper control around contracts register to ensure it is complete, the accounting officer did not ensure that all contracts that are committed are disclosed in the AFS.	Implement contract management	01-Feb-17	30-Jun-17		
5	Commitments	Matters affecting the auditor's report	Supporting schedule of Commitments not agree to Disclosure in the AFS	The PMS unit did not ensure that the commitments schedule for capital projects agrees to supporting documents, and that the schedule is reviewed and up to date.	Compile and review the monthly reconciliations for retentions and capital projects.	01-Feb-17	30-Jun-17		
6	Contingent liabilities	Matters affecting the auditor's report	Contingent liabilities incorrectly and incompletely disclosed	The Chief financial officer did not ensure that proper controls are in place to ensure that contingent liabilities are valued correctly in the financial statements and that all contingent liabilities are evaluated and appropriately disclosed in financial statements	Implement contract management	01-Feb-17	30-Jun-17		

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NO	FINANCIAL YEAR	2015/16	Greater Tzabatsse		Fetakomo		Completion Date
	Municipality Name	Greater Tzabatsse	Qualified	Unqualified	Findings	AFS Compliance Description	Start Date
	Audit Opinion	Qualified	2015/16	Description of Finding	Root Causes		Completion Date
	Reporting Period	2015/16					
	Audit Category/ Finding	Description of Finding					
13	Heading 1 Misstatement in financial statement	Matters affecting the auditor's report	IE-Understatement of irregular expenditure	The accounting officer did not put in place adequate controls to ensure that irregular expenditure is completely disclosed in the financial statements		Complete monthly reconciliations of the irregular expenditure.	01-Feb-17 30-Jun-17
14	Heading 1 Non-compliance with regulation	Matters affecting the auditor's report	GRAP - Non compliance	The accounting officer did not adequately review the financial statements to ensure compliance with GRAP standards		Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.	01-Feb-17 30-Jun-17
15	Heading 1 Non-compliance with regulation	Matters affecting the auditor's report	Creditors - payment not made in 30 days	The accounting officer did not ensure that all invoices are paid within 30 days from the date of receipt		Develop procedure manual and tracking system.	01-Feb-17 30-Jun-17
16	Heading 2 Non-compliance with regulation	Matters affecting the auditor's report	IBU-Non-Compliance with section 32 of the municipal supply chain management regulation of 2005	Accounting officer did not ensure that the section 32 requirements were complied with before the service provider was contracted.		Develop quality assurance and compliance framework for section 32 appointments	01-Feb-17 30-Jun-17
17	Heading 2 Non-compliance with regulation	Matters affecting the auditor's report	IBU-Amendment of contract in contravention of section 116 (3) of the Municipal Financial Management Act	Inadequate oversight by the Municipality has resulted in the awarding of extension being inconsistent with Section 116 of the MFMA.		Establish the contract management section in SOIA to work together with Legal services.	01-Feb-17 30-Jun-17
18	Immovable assets Misstatement in financial statement	Matters affecting the auditor's report	Assets - Infrastructure Assets accumulated depreciation	Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls are not exercised by management Inadequate review and monitoring of compliance with applicable laws and regulations		1. Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS; 2. Quarterly assess management reporting	01-Feb-17 30-Jun-17
19	Leases Misstatement in financial statement	Matters affecting the auditor's report	Leases - Understatement of short-term portion and overstatement of long-term portion of finance lease.	The Accounting Officer did not ensure that current and non-current portions of leases are accurately disclosed.		Implement contract management system	01-Feb-17 30-Jun-17

NO	FINANCIAL YEAR	2015/16	Municipality Name	Greater Tugatae	Audit Opinion	Qualified	Audit Reporting Period	2015/16	Category of Finding	Sub-Category of Finding	Findings	Root Cause	Unqualified	AIS action plan/Description	Start Date	Completion Date
27	Receivables	Internal control deficiency	Matters affecting the auditor's report	Debtor statements not provided for audit	The accounting officer did not implement a sound records management system to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	6M	01-Feb-17	30-Jun-17	Monthly Debtors management reports							
28	Other	Misstatement in financial statement	Matters affecting the Auditors report	CMB Ex46: VAT - Differences	The Accounting officer did not keep accurate and complete financial reports.											
29	Other	Non-compliance with regulation	Matters affecting Auditors report	CMB Ex68: PAYE; SDL and UIF; Incorrect AMOUNT	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.											
30	Other	Non-compliance with regulation	Matters affecting Auditors report	CM10 Ex66: HRM - Overtime; Employees not eligible for paid overtime remuneration	Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information											
31	Other	Misstatement in financial statement	Matters affecting Auditors report	CMB Ex47: Commitments are not complete	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information											
32	Employee costs	Misstatement in financial statement	Matters affecting Auditors report	CMB Ex67: HRM - Scope limitation: Unable to audit the employee cost journal	Management did not consistently implement controls in a timely manner to ensure complete, relevant and accurate information is available to support performance reporting.											
33	Movables assets	Misstatement in financial statement	Matters affecting the Auditors report	CMB Ex36:PPE: Incorrect classification of Fixed Assets	Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information.											