

## ANNEXURE B: 2021/22 AUDIT ACTION PLAN

<b>FINANCIAL YEAR</b>				<b>2021/22</b>									
<b>60</b>				<b>VHEMBE DISTRICT MUNICIPALITY</b>									
<b>Audit Opinion</b>				<b>Qualified</b>									
<b>Reporting Period</b>				<b>3rd QUARTER - 2022/2023 FINANCIAL YEAR</b>									
<b>CO MA F NO.</b>	<b>Fin din g No.</b>	<b>Audit Findings</b>	<b>Category of Finding</b>	<b>Description of Finding</b>	<b>Findi ng Statu s</b>	<b>Root Cause</b>	<b>Action Plan Description</b>	<b>Start Date</b>	<b>Comple tion Date</b>	<b>Depart ment</b>	<b>Section</b>	<b>Depart ment &amp; Positio n</b>	<b>Progr ess</b>
26	1	Commitments	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Operational Commitment : Prior Period Error Adjustment.	Recurring	There was no appointment letter.	Management issued appointment letter.	01-Nov-23	30 June 2023	Budget & Treasury	SCM	Technical Services PMU section and Budget and Treasury SCM	In progress
36	2	Commitments	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Closing amount Commitment differences.	New	No clear process flow No monthly update of the register. No review of the contract register. No commitment/C	Management will re-visit the whole population to ensure that all project are included on the	01/01/2023 (Process flow) June 2023 implementation	30 June 2023	Technical Services	PMU	Manager PMU	In progress

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						onsequence management	commitment register. Clear process flow which include monthly update of the register, monthly review, consequence management.						
49	3	Commitments	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Capital Commitments-Prior Period Error Adjustment.	Recurring	No clear process flow No monthly update of the register. No review of the contract register.	Management will re-visit the whole population to ensure that all project are	01/01/2023 (Process flow) June 2023	30 June 2023	Technical Services	PMU	Manager PMU & Accountant PMU	In progress

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						No commitment/C onsequence management	included on the commitme nt register. Clear process flow which include monthly update of the register, monthly review, consequen se managemen t.	implime ntation					

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12	4	Predeter mined Objectiv es	Misstatements in Annual Performance/ Matters Affecting the Auditor's Report	Non- Submission of information RFI-37	New	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. Poor record keeping or filing.	The requested informatio n will be submitted for audit purposes by the affected departmen t through PMS office. To revisit and revise the indicators on SDBIP to meet the smart principles. Scanning documents instead of manual	31/01/2 023 July 2023	30/06/2 023 June 2024	MM's Office	PMS	Genera l Manag er: Technic al, Comm unity service s and Econo mic develo pment	In progr ess

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							filling. Improved filling manageme nt system.						
24	5	Predeter mined Objectiv es	Misstatements in Financial Statements/M atters Affecting the Auditor's Report	Differences identified between the reported performance information as per the APR and the POE.	Recur ring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. Poor record keeping or filing.	The requested informatio n will be submitted for audit purposes by the affected departmen t through PMS office. To revisit and revise the indicators	28-Feb- 23	30 June 2023	MM's Office	PMS	Manag er: PMS	In progr ess

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							on SDBIP to meet the smart principles. Scanning documents instead of manual filling. Improved filling management system.						
82	6	Predetermined Objectives	Misstatements in annual performance/ Matters Affecting the Auditor's Report	Usefulness indicator	New	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record	Municipality will continue to implement PMS regulations. To revisit and revise the indicators on SDBIP to	2022/2023 FY	2022/2023 FY	MM's Office	PMS	Technical services	In progress

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						keeping or filing.	meet the smart principles.						
80	7	Predetermined Objectives	Misstatements in Annual Performance/ Matters Affecting the Auditor's Report	Procurement and Installation of Bulk meters and water level indicator	Recurring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	Scanning documents instead of manual filling. To revisit and revise the indicators on SDBIP to meet the smart principles.	2022/2023 FY	2022/2023 FY	MM's Office	PMS	Manager operation and maintenance	In progress

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76	8	Predeter mined Objectiv es	Misstatements in Annual Performance/ Matters Affecting the Auditor's Report	AoPO - Limitation - Outstanding job cards for the maintenance and repairs of water schemes.	Recu rring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	The municipalit y will continue to internal process and procedures on the implement ation of operation and maintenan ce. What actions will be taken: The Chief Artisan will be engaged on the process of handling all reported	2022/20 23 FY	2022/20 23 FY	MM's Office	PMS	Manag er operati on and mainte nance	In progr ess



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							case supported by a corresponding signed job card. To revisit and revise the indicators on SDBIP to meet the smart principles. Scanning documents instead of manual filling.						

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78	9	Predeter mined Objectiv es	Misstatements in annual performance/ Other important matters	AoPO - 100% water repairs and maintenance of water schemes (Validity and completeness of water schemes)	Recu rring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	The municipalit y will ensure systems place and processes are utilized fully to ensure that reported performanc e informatio n per APR is valid and accurate and supported by reliable. To revisit and revise the indicators	2022/20 23 FY	2022/20 23 FY	MM's Office & Techni cal Service s	PMS & PMU	Manag er operati on and mainte nance	In progr ess

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							on SDBIP to meet the smart principles. Scanning documents instead of manual filling.						
64	10	Predetermined Objectives	Misstatements in Annual Performance/ Matters Affecting the Auditor's Report	AOPO- Usefulness- measurability (Targets)	New	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	Technical department ensure that performance indicators have clear definition so that data will be collected consistently and is easy to understand	2023/01/20	28-Feb-23	MM's Office & Technical Services	PMS & PMU	General managers	In progress

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							and use. Progress report was submitted for projects with COMAF 12 Management Action Indicators will be revised during SDBIP amendment. To revisit and revise the indicators on SDBIP to meet the smart principles.						

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							Scanning documents instead of manual filling.						
65	11	Predetermined Objectives	Misstatements in Annual Performance/ Matters Affecting the Auditor's Report	AOPO- Usefulness-measurability (Targets)	New	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	Municipality will perform a review of all indicators and targets and ensure that baselines are identified for each	2023/01/20	28-Feb-23	MM's Office & Technical Services	PMS & PMU	The PMS and the PMU department	In progress

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							indicator and target Responsible person Management. To revisit and revise the indicators on SDBIP to meet the smart principles. Scanning documents instead of manual filling.						
54	12	Predetermined Objectives	Misstatements in Financial Statements/Matters Affecting the	AOPO- (Consistency of indicators and targets)	Recurring	Late submission of information resulting with no review, and	Follow the performance management	2023/01/20	30 June 2023	MM's Office & Technical	PMS & PMU	Manager: PMS & GM: Technical	In progress

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			Auditor's Report			no due diligence by officials.	framework and			Service s		Service s	
83	13	Predetermined Objectives	Matters affecting annual performance/ Matters affecting the auditor's report	99% compliance with SANS 241	New	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	Municipality will continue to submit test results and implement corrective measures where it is necessary. To revisit and revise the indicators on SDBIP to meet the smart principles.	2022/2023 FY	2022/2023 FY	MM's Office	PMS	Manager: Water Quality Manager	In progress

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21	14	Procurement and Contract Management	Non-Compliance with Legislation/Matters Affecting the Auditor's Report	SCM- Contract performance not monitored on monthly basis.	Recurring	Lack of project management. No tool or check list to address completeness of the reported contracts	Further action to be taken is that the contract will be cancelled after a new one has been advertised and appointed. Prepare a check list to identify progress and completeness of all projects.	01 January 2023	15-Nov-22	Budget & Treasury	SCM	Manager: SCM	In progress



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21	15	Procurement and Contract Management	Non-Compliance with Legislation/Matters Affecting the Auditor's Report	SCM- Contract performance measures not implemented .	Recurring	Late update of contract registers. No tool or check list to address completeness of the reported contracts	Further action to be taken is that the contract will be cancelled after a new one has been advertised and appointed. Prepare a check list to identify progress and completeness of all projects.	01 January 2023	30 June 2023	Budget & Treasury	SCM	Manager: SCM	In progress

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33	16	Procurement and Contract Management	Non-Compliance with Legislation/Matters Affecting the Auditor's Report	SCM-Services not procured through competitive bid.	New	Different interpretations	Management will engage AG, about the different interpretations and application.	2022/2023 FY	2022/2023 FY	Corporate Services & Budget & Treasury	SCM & Auxiliary Services	Manager: SCM & Manager: Fleet Management	In progress
41	17	Procurement and Contract Management	Non-Compliance with Legislation/Matters Affecting the Auditor's Report	SCM-The requirement for Local content was not added on the bid documents/invitations.	New	Management did not use the list from the DTI website to verify local contents.	Management will ensure that they fully comply with SCM Regulations and prescripts and disclosed them on the irregular expenditure register	01-Dec-22	30 June 2023	Budget & Treasury	SCM	Manager SCM	In progress

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							including those that might have not disclosed. e.g. Management will also review local content before appointments of service providers.						
84	18	Receivables	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Differences between Receivables from exchange from AFS and supporting schedules	Recurring	Late review of AFS and oversight	Municipality will review the schedules and GL/TB in time together with any	2022/2023 FY	2022/2023 FY	Budget & Treasury	Revenue & Credit Control	Manager: Revenue Management & Manag	In progress

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							adjustment thereof before AFS are submitted to auditors.					er: Credit Control	
29	19	Receivables	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Differences between the AFS and the supporting TB/GL.	New	Late review of AFS.	Management will ensure that there is correct classification and review accordingly.	17-Nov-22	30 June 2023	Budget & Treasury	Budget & Reporting	Manager: Budget and Financial Reporting	In progress
44	20	Revenue	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Revenue from Exchange Transactions-Completeness.	New	Not having enough staff members in the revenue unit and late review of the billing reports.	Management will create a new mSCOA segments in relation to indigent	28-Feb-23	30 June 2023	Budget & Treasury	Revenue	Manager: Budget and Financial Reporting	In progress

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<b>CO MA F NO.</b>	<b>Fin din g No.</b>	<b>Audit Findings</b>	<b>Category of Finding</b>	<b>Description of Finding</b>	<b>Findi ng Statu s</b>	<b>Root Cause</b>	<b>Action Plan Description</b>	<b>Start Date</b>	<b>Comple tion Date</b>	<b>Depart ment</b>	<b>Section</b>	<b>Depart ment &amp; Positio n</b>	<b>Progr ess</b>
							verification and will in future classify accommodation expenses accordingly .						
81	21	Revenue	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Revenue from exchange transactions - Service charge (Accuracy)	Recurring	Late review of AFS and oversight	Management will review the schedules in time and review any adjustment that related to each adjustment .	2022/2023 FY	2022/2023 FY	Budget & Treasury	Revenue	Manager: Revenue Management	In progress

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9	22	Revenue	Misstatements in Financial Statements/Matters Affecting the Auditor's Report	Revenue from exchange transaction-cut off.	New	Data collected not captured on the system in time. Lack of review that caused by shortage of staff in revenue.	Revisiting the entire population and considering cut-off in order to determine which consumption relates to 2021/2022 (for current year revenue. Review all captured system on the system. Monitor the monthly recons.	01 July 2022	30 June 2023	Budget & Treasury	Revenue	Manager: Revenue Management	In progress

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5	23	General IT Controls	Misstatements in Financial Statements/Ot her Important Matters	Physical access controls to ensure protection against unauthorised access to facilities and equipment were not functioning.	New	The municipality does not have the system to verify people who are in the service of the state.	Registering of laptops on asset register book for checking during accessing the municipal facility.Proc urement of scanning machine and metal detector by the end of 2022/2023 financial year.	14-Oct- 22	30 June 2023	Corpor ate Service & MM's Office	ICT & Risk Manag ement	Manag er: ICT & Manag er: Risk Manag ement	In progr ess

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68	24	Cash and Cash Equivalents	Misstatements in Financial Statements/Other Important Matters	Reconciling items not cleared timeously.	Recurring	Reconciling items which do not meet reconciling items and supporting documents not provided in time to clear reconciling items.	Management will re-look at the internal control. Bank reconciling items will be cleared monthly.	2022/2023 FY	2022/2023 FY	Budget & Treasury	Budget & Reporting	Manager: Budget and Financial Reporting	In progress
27	25	Commitments	Misstatements in Financial Statements/Other Important Matters	Awarded Active Contracts not included in the Commitment Register.	Recurring	No clear process flow No monthly update of the register. No review of the contract register. No commitment/Consequence management	Management will re-visit the whole population to ensure that all project are included on the commitment register. Clear	01/01/2023 (Process flow) June 2023 implementation	27/01/2023 Process 30/06/2023 implem tation	Budget & Treasury	SCM	Technical Services PMU section and Budget and Treasury SCM	In progress



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							process flow which include monthly update of the register, monthly review, consequence management.						
4	26	Internal Control	Administrative Matters	The external quality assurance reviews/assessment was not conducted for internal audit function.	New	Internal audit project files until 2017/2018 financial year were not filed.	Implementation of internal quality assurance improvement programme, appointment of	01/07/2022 01/07/2023 01/07/2024	30/06/2023 31/12/2024 30/06/2025	MM's Office	Internal Audit	Manager: Internal Audit	In progress

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							external Internal audit accredited consultants and preparatio ns for the 2024/2025 (5) year External assessment s.						
5	27	General IT Controls	Other Important Matters	Internal Control Deficiency: ICT Access.	New	E-mails and application memos were utilised instead of standardised access control application forms.	New standardies access control application form will be developed.	2023/01 /20	30-Dec- 22	Corpor ate Service s	ICT	Manag er: IT	In progr ess
85	28	Consum er deposit	Misstatements in Financial Statements/Ot	Consumer deposit	Recur ring	Late review of AFS and oversight	Manageme nt will review the	2022/20 23 FY	2022/20 23 FY	Budget &	Revenu e	Manag er: Revenu	In progr ess

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			her Important Matters				schedules in time and review any adjustment that related to each adjustment .			Treasu ry		e Manag ement	
74	29	Inventor y	Misstatements in Financial Statements/Ot her Important Matters	Water Inventory valuation, Classification and prior error.	New	Lack of actual reading in time and officils dedicated to water inventroy. And illigal connections.	Managem ent gave responsibili ties to water officuals from the current year, will train them and guide on which infiomation to use and have a clear	2022/20 23 FY	2022/20 23 FY	Techni cal Service s	Water Deman d	Manag er Budget and Financi al Reporti ng	In progr ess

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							process plan.						
42	30	Operati ng Expendit ure	Misstatements in Financial Statements/Ot her Important Matters	Expenditure- Contracted Services- Legal Cost misclassificat ion.	New	Budget not expanded further in the MunSoft.	Managem ent will create a new mSCOA segments in relation to indigent verification and will in future classify accommod ation expenses accordingly .During the Budget	28-Feb- 22	30 June 2023	Budget & Treasu ry	Expend iture	Manag er: Budget and Financi al Reporti ng	In progr ess

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							adjustment period.						
45	31	Operati ng Expendit ure	Misstatements in Financial Statements/Ot her Important Matters	Expenditure- Contracted Services- Personnel and Labour misclassificat ion.	New	Incorrect segmanet due to budgeting.	Managem ent will ensure in future that segment will reflect the mSCOA compliant as suggested by AGSA.	28-Feb- 23	30 June 2023	Budget & Treasu ry	Expend iture	Manag er: Budget and Financi al Reporti ng	In progr ess
53	32	Operati ng Expendit ure	Non- Compliance with Legislation/Ad ministrative Matters	Expenditure- Contracted Services-Cut Off.	Recu rring	Expenditures considered for payment without verifying from the accrual listing.	Managem ent will consider accrual listing before considering	2022/20 23 FY	2022/20 23 FY	Budget & Treasu ry	Expend iture	Manag er Expend iture.	In progr ess

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							expensiture s for payments to avoid the situations. Manageme nt will engage the officials when developing action plan and correct from 2023 financial year going forward.						
58	33	Operati ng Expendit ure	Non- Compliance with Legislation/Ad ministrative Matters	Payment not made within 30 days.	Recu rring	No invoice register in place to trace number of days outstanding and also	Manageme nt will re- consider the internal controls to maximise	2022/20 23 FY	2022/20 23 FY	Budget & Treasu ry	Expend iture	Manag er Expend iture.	In progr ess

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						budget constrain.	the efficiency.						
66	34	Payable - Retentio n	Misstatements in Financial Statements/Ot her Important Matters	Differences in the closing balance of retentions withheld	Recur ring	Lack of Internal controls for the reconciliation between Technical Services and Finance - Expenditure Departments	Retention internal controls to be reviewed to incorporate adequate continous Reconscilat ion processes between Technical services and Finance Departmen ts.	2022/20 23 FY	2022/20 23 FY	Techni cal Service s & Budget & Treasu ry	PMU & Expend iture	Manag erL PMU & Manag er: Expend iture	In progr ess

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66	35	Payable - Retention	Misstatements in Financial Statements/Other Important Matters	Payables from exchange - Retentions misstated	Recurring	Typing error as the retention listing is outside system.	Management requires no action	2022/2023 FY	2022/2023 FY	Technical Services & Budget & Treasury	PMU & Expenditure	Manager L PMU & Manager: Expenditure	In progress
8	36	Predetermined Objectives	Misstatements in Annual Performance/Other Important Matters	AOPO- Development engineering service contribution calculated indicator.	New	None prioritization of the services by technical services. Negligence.	Going to all applications of new developments subsequent to 2019/2020 and perform the services by technical services.	31 December 2022	30 June 2023	MM's Office	PMS	Manager Water services Planning Revenue Manager	In progress



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79	37	Predeter mined Objectiv es	Misstatements in annual performance/ Other important matters	AoPO (ICD) Old bulk Meters and gauges calibrated	Recur ring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record keeping or filing.	To revisit and revise the indicators on SDBIP to meet the smart principles.	2023/01 /20	30 June 2023	MM's Office & Techni cal Service s	PMS	Manag er: PMS & GM: Technic al Service s	In progr ess
77	38	Predeter mined Objectiv es	Misstatements in annual performance/ Other important matters	AoPO - ICD - Validity of the Job cards for the repairs and maintenance of water schemes (Unresolved cases)	Recur ring	Setting the target which are not achievable due to not meeting SMART principles in SDBIP. On Indicator discriptor Poor record	The Chief Artisan will be engaged on the process of handling all reporte d case supported by a correspond	2022/20 23 FY	2022/20 23 FY	MM's Office	PMS	Manag er operati on and mainte nance	In progr ess

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						keeping or filing.	ing signed job card. To revisit and revise the indicators on SDBIP to meet the smart principles. Scanning documents instead of manual filling.						
6	39	Procurement and Contract Management	Non-Compliance with Legislation/Other important Matters	SCM Non-disclosure of interest in the state not identified by Municipality.	Recurring	No system to identify interest. Lack of permanent agenda items. Dishonesty amongst employees and	Municipality wrote a letter to all service provider affected, some have responded, and others	01 January 2023	On going	Budget & Treasury	SCM	Manager SCM	In progress

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						service provider.	did not respond, below are the responses from the service providers as identified by AGSA. Management will update the irregular expenditure. Lack of disclosure will result in disqualification and will be						

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							clearly stated on the adverts. To clearly state in SLA that failure to disclose interest will result in termination of service.						
20	40	Procurement and Contract Management	Other Important Matters	Penalties not invoked for delayed construction projects	Recurring	Oversight poor Contract management	Management will have consolidated list of all delayed projects and implement the penalties. Monthly	01 January 2023	On going	Technical Services	PMU	Manager: PMU	In progress

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							report will be provided.						
20	41	Procurement and Contract Management	Other Important Matters	SCM-ICD- Municipality entered in open-ended contract.	Recurring	Adopted contract before introduction of That the commencement date of the Local Government: Municipal Finance Management Act No. 56 of 2003	The action taken was that after realizing that the contract is open ended, we negotiated a new contract with the bank which has a cancellation clause (paragraph) – See the attached contract	01 January 2023	On going	Corporate Services	Auxillary Services	Manager: Fleet and Facilities Management	In progress

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23	42	Procurement and Contract Management	Non-Compliance with Legislation/Matters Affecting the Auditor's Report	SCM-Proposed amendments not tabled to council.	Recurring	No financial implication and amendments was within the three years period.	Management will ensure that all amended contract during 2022 2023 financial year will be submitted to council before implementation.	01-Jan-23	30 June 2023	Budget & Treasury	SCM	Manager SCM and All General Manager	In progress

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<b>CO MA F NO.</b>	<b>Fin din g No.</b>	<b>Audit Findings</b>	<b>Category of Finding</b>	<b>Description of Finding</b>	<b>Findi ng Statu s</b>	<b>Root Cause</b>	<b>Action Plan Description</b>	<b>Start Date</b>	<b>Comple tion Date</b>	<b>Depart ment</b>	<b>Section</b>	<b>Depart ment &amp; Positio n</b>	<b>Progr ess</b>
52	43	Procurement and Contract Management	Other Important Matters	Over claim on reinforcement.	Recurring	lack of capacity in contract management and no consequence management. Lack of project management. No standing items on the agenda/minutes of <b>KEY</b> Deliverables such as gurantee, letter of good standing, insurance.	Intensive project planning process to be conducted especially during design and documentation of the project. This will assist us in arriving at reasonable project quantities and cost estimate. Internal process to approve the extra	2023/01/20	09-Jan-23	Budget & Treasury	SCM	PMU Manager	In progress

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							quantities to be put in place and effected before any additional quantities are executed. Improved project management and going back to basics.						



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52	44	Procurement and Contract Management	Other Important Matters	Delays and invalid extensions.	Recurring	Oversight in relation to application of GCC, e.g. official notice of incidents resultsing in delays withing prescribed period.	Contractors will be informed beforehand about the implications of failing to put a notice within 28 days of the incident.  Revisiting of GCC to officialising implimentations, 28 days extension.  Remind contractors (Stakehold	Jan-23	30-Jun-23	Budget & Treasury	SCM	PMU Manager	In progress

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							er) about compliance of legislative requirements e.g. GCC.						

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52	45	Procurement and Contract Management	Other Important Matters	No approvals for new items.	Recurring	Reliance on one piece of legislation and not considering the other, e.g. MFMA vs GCC. No process of adding new items such as adjudication, pricing, and approval.	We will ensure that all new items go through all procedures before, in line with GCC 2015 Clause 6.3 If, at any time before the issue of the Certificate of Completion, the Employer's Agent shall require any variation of the form, quality or	Jan-23	27-Jan-23	Budget & Treasury	SCM	PMU Manager	In progress

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<b>Reporting Period</b>				<b>3rd QUARTER - 2022/2023 FINANCIAL YEAR</b>									
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							quantity of the works, or any part thereof that may be necessary, or for any reason appropriate, he shall have power to order the Contractor to do any of the following:6. 3.1.5 Carry out additional work of any kind necessary						

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							for the completion of the works.2.3.2 No such variation shall be made by the Contractor without a written order by the Employer`s Agent in which it is stated to be a "Variation Order". However, the municipalit						

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							<p>y will follow the internal process to such requested items or additional works before certificate of completion .</p> <p>To have the process of adding new items such as adjudication, pricing, and approval.(</p>						

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							guidance on Manual)						

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52	46	Procurement and Contract Management	Other Important Matters	Over payment on P&Gs.	New	An oversight, which did not include revising BOQ or we did have revised BOQ.	Attaching all relevant/official documents especially when there is amendments. E.g attaching revised BOQ on additional funding.	2023/01/20	30-Jun-23	Budget & Treasury	SCM	PMU Manager	In progress
52	47	Procurement and Contract Management	Other Important Matters	Possible irregular.	New	lack of capacity in contract management and no consequence management	Proper allocation of additional funds to be effected in line with the original	2023/01/20	09-Jan-23	Budget & Treasury	SCM	PMU Manager	In progress



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							BOQ to avoid overpayments.						
52	48	Procurement and Contract Management	Other Important Matters	Delays and invalid extensions of time.	Recurring	Reliance on one piece of legislation and not considering the other, e.g. MFMA vs GCC.	Diligent assessment of the Extension of Time claims to be carried and also updating of the notices in line with the GCC Guidelines.	2023/01/20	09-Jan-23	Budget & Treasury	SCM	PMU Manager	In progress
52	49	Procurement and Contract Management	Other Important Matters	Items claimed for work not done on site.	New	Incorrect application of "material on site"	Correct application of GCC , e.g Material on site.( Use of 80% of material	2023/01/20	30-Jun-23	Budget & Treasury	SCM	PMU Manager	In progress

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							delivered - with attached delivery note).						
52	50	Procurement and Contract Management	Other Important Matters	Prior year finding.	New	This was due to no collective engagement and understanding of the impact.	no remedial action detailed by management to demonstrate that similar findings will not recur and also how the findings will be rectified.	2022/2023 FY	2022/2023 FY	Budget & Treasury	CFO	CFO & Manager: Budget & Reporting	In progress
69	51	Procurement and	Non-Compliance with	Award made to supplier who are not	Recurring	Only Tax clearance submitted for	Irregular Expenditure register	2023/01/20	25-Nov-22	Budget &	SCM	Manager SCM	In progress

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		Contract Management	Legislation/Other Important Matters	Tax Compliant.		bid or quotations was considered, no further verification was performed during the day of appointment/.	will be updated and reported on AFS and tax compliance matters will be considered even on the date of appointment.			Treasury			
70	52	Receivables	Non-compliance with legislation/Other important Matters	Non-submission of information (RFI 86)	Recurring	RFI not circulated to the relevant officials in time.	The information for RFI 86 was subsequently submitted to AGSA.	2023/01/20	14-Nov-22	Budget & Treasury	Revenue	Manager: Revenue Management	In progress

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44	53	Revenue	Misstatements in Financial Statements/Other Important Matters	Revenue from Exchange Transactions- Internal Control Deficiency.	New	Not having enough staff members in the revenue unit and late review of the billing reports.	We will capacitate the Revenue section and ensure all recommendations are implemented.	28-Feb-23	30 June 2023	Budget & Treasury	Revenue	Revenue Manager	In progress
72	54	Budget	Misstatements in financial statements/Matters Affecting the Auditor's Report	Differences identified between General ledger and AFS (Government grants and subsidies)	Recurring	EPWP segment expenditures utilised in Payroll in the general ledger.	Management to rectify the misalignment during 2022/2023 Budget adjustment.	2022/2023 FY	2022/2023 FY	Budget & Treasury	Revenue	Manager Budget and Financial Reporting	In progress
60	55	Taxes	Non-Compliance with Legislation/Other	Late VAT return submission.	New	Lack of internal control including a clear	Management proposes to adjust the	2023/01/20	17-Nov-22	Budget & Treasury	Expenditure	Manager Budget and Financial	In progress

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			her important Matters			delegation of responsibilities.	disclosure note 36.					al Reporti ng	
60	56	Taxes	Misstatements in Financial Statements/Ot her Important Matters	VAT Receivables.	New	Lack of internal control including a clear delegation of responsibilities.	Managem ent will re- consider the internal controls to maximise the efficiency.	2023/01 /20	30 June 2023	Budget & Treasu ry	Expend iture	Manag er: Expend iture	In progr ess
18	57	General IT Controls	Administrative Matters	Quality of data contained on Munsoft and Payday is not in good standards.	New	No review of information captured in the system. No follow up on the errors identofied.	Managem ent to ensure that all informatio n is captured on the financial system. Informatio n will be reviewed	01 July 2023	30 June 2023	Corpor ate Service s	ICT	Manag er: SCM and HR	In progr ess

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							on random basis and ensure that all informat captured.						
1	58	Internal Control	Administrative Matters	Whistleblowing Platform and Fraud Hotline not functional.	Recurring	Delay in the appointment of service provider for hotline after contract ended.	Appointment of Fraud and Ethics Hotline.	01 October 2022	31-Dec-22	MM's Office	Risk Management	Manager: Risk Management	Completed
48	59	Irregular Expenditure and Consequence Management	Administrative Matters	Irregular Expenditure.	New	AGSA was not provided with investigation report in time.	Management will ensure that they comply to information submission timelines.	2023/01/20	30 June 2023	Budget & Treasury	SCM	Manager: SCM	In progress