

ANNEXURE C

AUDIT ACTION PLAN

FINANCIAL YEAR		2019/20										
Municipality Name		Greater Giyani Municipality										
Audit Opinion		Unqualified audit opinion										
Reporting Period												
Finding No.	Audit Findings	Category of Finding	Commat Number	Description of Finding	Finding is new or recurring	Action Plan Description	Start Date	Completion Date	Person Responsible	Action owner	Progress	Narrative to Progress
1	Commat 10: Suppliers in the service of the state	SCM Procurement and Contract Management	COMMAF 10	Suppliers in the service of the state. Contrary to the above, the following service providers were in service of the state at the time the award was granted	Recurring	1. Include the transaction in the irregular expenditure register and be referred to MPAC for investigation and recommendation. Notify National Treasury to add defaulted suppliers on the database of restricted suppliers for wrongful declaration of MBD 4 form. Supply Chain Practitioners and all Bid Committee Members need to be trained on the roles and responsibilities. 2. MOU with the municipalities who owns the system(for verification purpose)	01-May-21	30-May-21	CFO	Maluleke GP	In progress	This transaction was added on the list of irregular expenditure for 2019/20
2	Commat 11: Incomplete declaration of interest	SCM Procurement and Contract Management	COMMAF-11	Incomplete declaration of interest. Contrary to the above stipulations, it was noted that the officials did not declare Business partner relationships with the service providers	Recurring	1. Include the transaction in the irregular expenditure register and be referred to council for investigation and recommendation. 2. Declaration of interest should be signed by all employees 3. Declaration of interest should be signed by all service providers	01-May-21 01-May-21	30-May-21 30-May-21	CFO	Maluleke GP	Done	This transaction was added on the list of irregular expenditure for 2019/20

3	Comat 07: Amount of cash and cash equivalents as per AFS does not agree to the cashbook balance: R201 680	Cash and Cash Equivalents	Comat 07	Contrary to the stipulation, we noted during the audit that the amount for cash and cash equivalents as at 30 June 2020 does not agree with the amount as per cash book. This is mainly due to the suspense account that was not cleared off at year end. The table below has details:	New	Clearing of all suspense accounts on a monthly basis, all other uncleared balances to be investigated and cleared.	01-Apr-21	30-Jun-21	CFO	Muhari N		HR Strategy developed and will be submitted to Council for approval with other policies.
4	Comat 02: No approved human resource plan in place	Compliance	Comat 02	During the audit, we noted that the municipality does not have an approved human resource plan in place which could impact in the daily operations of the municipality. Non-compliance with Section 52(1)(b) of the MFMA.	New	Development of HR Strategy for submission to Council for approval.	01-Apr-21	30-May-21	CFO	Muhari N	In progress	
5	Comat 01: Strategic planning and budgeting - Late submission of the adopted Integrated Development Plan (IDP) to the MEC of COGHSTA.	Other matter - Compliance	Comat 01	Contrary to the stipulation, we noted that the Municipality's adopted IDP was not submitted to the MEC of local government within the stipulated period of time resulting in non-compliance with the act.	Recurring	Development and implementation of adopted IDP and process plan.	01-May-21	30-Jun-21	Director Planning	Mabunda SL	CFO	
6	Comat 03: Internal audit function not reviewed externally	Governance	Comat 03	We noted that the internal audit unit of the municipality has not been externally reviewed by any third party, for the past 10 years. The internal audit, in performing their internal audit work, may not follow the standards set by the Institute of the Internal Auditors. This matter was brought to the attention of management in the prior year but continues to recur.	Recurring	Perform periodic reviews in preparations for the external assessments. Budgeting for the External Assessor/reviewer Procurement process of the service provider by 01 May 2021. External assessments to be performed by 30 June 2021.	01-May-21	30-June-21	Municipal Manager	Kwasa G	In progress	Periodic reviews were conducted during the first quarter of 2020/2021 financial year as preparations for the external assessments. Budget for the External Assessor/reviewer set aside. Draft specification developed and submitted to MM on the 08th March 2021
7	Comat 16: Differences identified during audit of property, plant equipment - Work in progress	Immovable Assets	Comat 16	Non-compliance with Section 165(2)(b) of the MFMA and Standard 132 of the of the MFMA and Standard 132 of the MFMA. During the audit of property, plant and equipment - work in progress, we identified the differences that have resulted in an understated misstatement in the property, plant and equipment - work in progress of R 119	New finding	A proper review will be conducted on a monthly basis on supplier's invoices and verification of vat registration to ensure the correct treatment of vat and also to identify any discrepancies between data captured in the system and the invoice. Inventory to be captured before issued out allocation of 3G to resolve network problem.	01-Apr-21	Ongoing	CFO	Nkuna F	Resolved	A journal was prepared to correct the error. The error was subsequently corrected during adjustment
8	Comat 23: Inventory issued during the year was only recorded at year end	Inventory	COMAF 23	During the audit of inventory, it was noted that the requisition forms and the inventory issue notes were recorded on the same date in the general ledger instead of the date when the inventory was issued	New		01/05/2021	30/06/2021	CFO	Majuleke GP	In progress	One 3g has been allocated to assist with the network problem

9	Comaf 20: Difference between the GL amount and the invoice amount due to Vat calculation error (Vat amount was charged on exempt and zero	Expenditure - general ledger amount different to invoice amount	COMAF 20	During the audit, we noted that the municipality understated the expenditure as a result of incorrect VAT calculation as on the payment voucher, VAT was calculated on non-taxable supplies - difference of R16,032	New	Thorough reviews of purchase order before approval by SCM Manager and supplier invoice before approval of payment	01/05/2021	31/05/2021	CFO	Shivambu J	Resolved	A journal was prepared to correct the error. The error was corrected during adjustment
14	Comaf 05: Local content winning bidders not submitted to DTI	SCM, Procurement and Contract Management	COMAF 05	There is no process in place to ensure that bid documents relating to local content of the winning bidder are submitted to the DTI	New	Submission of monthly reports in compliance of circular 14	01/05/2021	30/06/2021	CFO	Malieke GP	In progress	The following document was sent to DTI after award 1. appointment letters 2. MBD 6.2 for the following tenders: Supply and delivery of uniform and protective clothing and supply and delivery of office furniture
15	Comaf 25: Points not awarded for BBBEE	SCM, Procurement and Contract Management	COMAF 25	During the audit, it was noted that the point awarded for BBBEE is not according to the BBBEE status of the bidder.	New	Bid Evaluation Committee must allocate point according to the BBBEE status of all bidders. Bid adjudication committee must also verify if the allocation made by the BEC is correct.	01/05/2021	30/06/2021	CFO	Malieke GP	In progress	
16	Comaf 21: Employee related costs. Employee benefit obligation expenses understated	Employee costs	COMAF 21	During the audit of employee benefit obligation, we noted the following difference between the amount disclosed on the AFS (Statement of financial position) and disclosure note - A difference of R104,773	Recurring	Quality review of AFS by Management and Audit committee	01/05/2021	31/08/2021	CFO	Shivambu J	Resolved	A journal was prepared to correct the error. The error was subsequently corrected during adjustment

17	Comaf 14: Differences between the amount disclosed and the auditors' recalculations (Revenue)	Revenue: License and permits	Comaf 14	Contrary to the stipulation, we noted the following differences between the amount disclosed in the note to the financial statements and the amount a per auditors' recalculations.	New	Perform monthly reconciliations.	01-Apr-21	30-Jun-21	Director Community Services	Baloyi KR		
18	Comaf 17: Property Rates – Differences between the property rates in the GL and the auditors' recalculated rates. Projected misstatements R3 995 126	Revenue: Property Rates	Comaf 17	Contrary to the stipulation, we noted the below mentioned differences between the property rates disclosed in the GL and the auditors' recalculated rates.	New	1. A monthly reconciliation between the billing system, valuation roll, and deed dump should be performed to ensure accuracy and completeness of property rates. 2. Second review of the journal process on the system	01-May-21	30-June-21	CFO	Muhlari N		
19		Traffic fines	Comaf 30	During the audit, we noted that the reported achievement in the annual performance report for the below mentioned indicators did not agree to the supporting evidence provided (PoE) for audit purposes resulting in misstatements. (Number of warrant of arrest)	New	Monthly reconciliations of warrant of arrest issued	01-May-21	30-Jun-21	Director Community Services	Baloyi KR		
20	Number of warrant arrest issued	Refuse removal	Comaf 19	Number of households with access to refuse removal: evidence submitted for support of 5 184 households did not agree to the billing report	New	Review of billing report on a monthly basis.	01-May-21	30-Jun-21	Director Community services	Somanje NJ		
21	Indicator number of people to be appointed through EPWP Social Program	EPWP	Comaf 30	During the audit, we noted that the reported achievement in the annual performance report for the below mentioned indicators did not agree to the supporting evidence provided (PoE) for audit purposes resulting in misstatements. (Number of people to be	New	Perform Audit on the EPWP Audit	01-May-21	30-Jun-21	Director Technical Services	Mabunda AZ		