

**iLembe District Municipality
Audit Action Plan**

**AS AT 30 JUNE 2017
2016/17**

No.	Audit Finding	Rating	Unit	Internal Control Deficiency	Action	Assigned To	Date of Action	Action to Date	% Complete
1	Suppliers not paid within 30 days		Expenditure Management	The technical unit and creditors unit did not implement controls over daily and monthly processing and reconciliation of transactions to ensure that suppliers are paid within 30 days, to ensure compliance with the MFMA.	Amount owing to suppliers should be monitored on a regular basis to enable the municipality to pay in timely manner, thereby avoid paying interest and penalties that can be avoided.	Mr T Shezi, Manager Expenditure	1-Nov-17	Achieved	50%
2	Municipality did not prevent unauthorised expenditure		Expenditure Management	The Accounting Officer did not adequately review and monitor compliance with the MFMA and SCM regulation for procurement of goods and services.	The Accounting Officer must ensure that the good budgetary processes are implemented goods and services procured have been budget for and they are in line with the procurement plan.	Mr T Shezi, Manager Expenditure	11/10/2017		
3	Municipality did not prevent irregular, fruitless and wasteful expenditure.		Expenditure Management	Management did not review and monitor compliance with the MFMA and SCM regulation for procurement of goods and services.	Management should review and monitor compliance with the MFMA and ensure that reasonable steps are in place to prevent unauthorised and fruitless and wasteful expenditure.	Mr T Shezi, Manager Expenditure	11/10/2017		
4	APO-Number of households not updated		PMS	The Accounting Officer has not implemented proper controls, through the PMS unit and internal audit, to ensure that the actual achievements reported in the annual performance report are supported by valid.	Proper co-ordination should exist between the executive directors, PME unit and internal audit to ensure that the actual achievements reported in the annual performance report are supported by valid.	Mrs K Pillay, Manager PMS	6-Nov-17	Achieved	100%
5	Municipality did business with employees of the states		SCM	The Accounting Officer and SCM management did not ensure adequate review and monitoring of compliance with the SCM regulation and not do business with the suppliers with directors that are employees of the state.	Management must adequately review the declaration by the suppliers to ensure compliance with the SCM regulations and follow up with newly identified suppliers.	Mr N Xulu, Manager SCM	2/10/2017	Achieved.	100%
6	APO-submission of the IDP to MEC of CoGTA was not within 10 days		Planning and IDP	Financial and performance management inadequate review and monitoring of compliance with MSA	The Accounting Officer and the planning unit must ensure that the copy of the approved IDP is submitted to the MEC of local government with 10 days after approval by the council.	Mr L Mncube, Manager Planning and IDP	27/10/2017	Achieved	50%
7	Vacant post within the Information and Communication Technology function		ICT	The municipality was not able to the new staff to fill vacant ICT position due to budget constraints.	Vacant ICT posts should be evaluated, critical positions prioritised to be filled and the required budget made available. These posts should thereafter be advertised, individuals shortlisted, interviewed and suitable candidate hired. Roles and responsibilities of ICT personnel should be designed to ensure appropriate segregation of duties with succession planning to implemented to allow for skills transfer to other staff members.	Mr G Tywabi, Manager ICT	30/06/2018		

8	Role of Information Security Officer not delegated to any individual within the municipality	ICT	Management was not able to delegate the role of Information Security Officer to any staff member due to the ICT Security position being vacant.	Management should ensure that the roles and responsibilities of an Information Security Officer are formally assigned to a dedicated staff member. The selected individual should be aware of the delegation and key performance indicators included in their performance assessment criteria.	Mr G Tywabi, Manager ICT	30/06/2018		
9	ICT Usage and Security Policy did not provide guidance on some required user account management activities.	ICT	The ICT Usage and Security Policy was designed to contain only high level statements on the intentions of the municipality. Detailed user account management activities were therefore not included in the document.	The ICT usage and security policy should be enhanced to include all required user account management activities will be developed.	Mr G Tywabi, Manager ICT	31/03/2018		
10	Logon violation reports not reviewed for the utilities system	ICT	Logon violation reports were not received from the utilities system service provider. This prevented the required reviews from being performed.	Management should engage with the Utilities system service provider to ensure that logon violation reports are made available to the municipality. Failed logon attempts should thereafter be reviewed on a periodic basis. Evidence of reviews performed and subsequent actions taken should be included in the document.	Mr G Tywabi, Manager ICT	31/03/2018		
11	Backup procedures documented in the ICT Usage and Security Policy do not contain sufficient information	ICT	The ICT Usage and Security Policy was designed to contain only high level statements on the intentions of the municipality. Detailed backup procedures were therefore not included in the document.	The ICT Usage and Policy should be enhanced to include information on all required backup procedures that are to be performed at the municipality.	Mr G Tywabi, Manager ICT	31/03/2017		
12	Business Continuity Plan not tested	Enterprise Risk Management	Management did not have sufficient time in the 2016-17 financial year to test the BCP as it was only approved on 30 May 2017.	Management should ensure that BCP testing is periodically performed. The results of the testing performed should be used to enhance and improve the BCP	Mrs T Mpetsheni, Enterprise Risk Manager	31/03/2017	Achieved.	100%
13	Evidence not maintained for backups performed of the Utility system	ICT	Backups reports were not received from the Utility system service provider. This prevented the required monitoring from being performed.	Management should liaise with the service provider responsible for backing up the Utilities system to ensure that backup status reports are regularly provided to the municipality.	Mr G Tywabi, Manager ICT	2/11/2017	Done	
14	Evidence not maintained for backups replicated to the off-site server for the Windows Active Directory and VIP system	ICT	The contract with the service provider who provides replication services expired during the financial year which meant that the required backup evidence could not be retrieved from the offsite server.	Management must ensure that adequate processes are in place to renew critical contracts with service providers before they expire. Regular monitoring of replicated backups with supporting documentation being maintained should be performed.	Mr G Tywabi, Manager ICT	2/11/2017	Achieved	100%
15	Restoration testing of backups was not performed for the Windows Active Directory and VIP system	ICT	Restoration testing was performed on a sample basis which meant that some systems were not covered when the testing was performed.	Restoration testing was limited to a selected system. Going forward, all systems will be included in restoration testing performed.	Mr G Tywabi, Manager ICT	31/03/2018		

83%