



23	Balance disclosed in the annual financial statements does not appear to balance per the trial balance and general ledger as of 30 June 2021	Budget and Compliance	Management did not adequately review the annual financial statements before authorizing them for audit.	Management should review the debits and credits supporting each entry to ensure the audit trail is complete. Management should also ensure the annual financial statements are accurate.	Manager: Budget and Compliance: N Kamal	01-Dec-21	The finding is noted. An amount of R212 070.00 relates to the remaining provisions in the coblock not on the bank which needs to be reconciling items between bank and coblock.	Management response is noted, however the coblock to be provided to the auditors regarding the remaining payments has still not been provided to them.	Completed	0%
24	Annual budget variance does not align with the amounts in per supporting documents for the trade payables	Budget and Compliance	Management did not adequately review the annual financial statements before authorizing them for audit.	Management should ensure the debits and credits supporting each entry to ensure the audit trail is complete. Management should also ensure the annual financial statements are accurate.	Manager: Budget and Compliance: N Kamal	01-Dec-21	The finding is noted. An amount of R43 542 274.77 will be disclosed in the AFS as at 30 June 2021. The amount of R43 542 274.77 will be disclosed in the AFS as at 30 June 2021. The amount of R43 542 274.77 will be disclosed in the AFS as at 30 June 2021.	Management response is noted, however the coblock to be provided to the auditors regarding the remaining payments has still not been provided to them.	Completed	0%
25	Information arising from the 2021 NER testing	SCM	Management did not ensure compliance to the daily and monthly reconciliations are not adequately performed to ensure the supporting documents and systems are correct. SCM	Management should ensure that all correct information is taken into account when performing the daily and monthly reconciliations to ensure compliance with SCM.	Manager: SCM: N Kamal	01-Dec-21	The finding is noted. Management will ensure that the correct values are used for the NER reconciliations.	The acknowledgment manager's response/Planing can be received.	Completed	0%
26	Annual financial statements do not align with GRAP 19	Budget and Compliance	Management did not ensure compliance to the annual financial statements to ensure that all items are included in accordance with the relevant legislation.	Management should ensure that the items are included in the annual financial statements to ensure compliance with GRAP 19.	Manager: Budget and Compliance: N Kamal	01-Dec-21	The finding is noted.	Reconciliations were made to AFS.	Completed	0%
27	Expenditure incorrectly classified	Manager Expenditure	Management did not ensure that the expenditure is correctly classified.	Management should ensure that the expenditure is correctly classified.	Manager Expenditure: I Shab	25-Nov-21	The audit finding pertaining to the following is noted: The identified income classification will be corrected as part of audit adjustments. Management will ensure that the correct values are used for the daily and monthly processing of expenditure transactions.	Management's response is noted and these remain as a misstatement.	Completed	0%
28	Classification of Grant received from SETA	Manager Expenditure	Management did not ensure that the grant is correctly classified.	Management should ensure that the grant is correctly classified.	Manager Expenditure: I Shab	16-Nov-21	The audit finding is noted but not agreed to based on the information provided below. Although LESSETA is not a Mandatory/Discretionary grant in the LESSETA Policy Document, it however does not satisfy the requirements of a grant (in the true sense of a grant). For example, LESSETA funds are not granted in a lump sum. • These funds are claimed from LESSETA and one of the quality criteria that the party claiming must have contributed towards the Skills Development Levy (SDL). This therefore makes LESSETA a grant to the Municipality and this gives rise to an exchange of a service. As a result, the Municipality therefore becomes eligible to claim a certain portion from the pool of funds contributed by various entities (including the Municipality itself). Hence the classification of the grant as a grant.	Management response is noted however the RERD grant was not a similar process and was not accounted for in the grant, why in this case treated differently and there is an exchange of services, and therefore should be treated as a grant.	Completed	0%
29	Contact register does not appear to be maintained	SCM	Management did not ensure that the contact register is maintained.	Management should ensure that the contact register is maintained.	Manager SCM: Ngaliso	25-Nov-21	The discrepancy is due to the absence of the correct management of the contact register. This item is currently being reviewed by Maseko and once it is fully finalized, it will ensure that the values in the contact register and commitment schedule for FY21. This contact management, which is currently being reviewed by Maseko, will ensure that the values are correct.	Management's response is noted. A follow up will be done to the 2021 contact register. However, this remains as a audit finding and will be reported in the management report. The management will ensure that the commitment schedule is maintained.	Completed	0%
30	Revenue from exchange transactions: PA used for waste management	Revenue	Management did not ensure that the revenue is correctly classified.	Management should ensure that the revenue is correctly classified.	Manager Revenue: Maseko/Carole	25-Nov-21	The finding is noted. Management will ensure that the revenue is correctly classified.	Management's response is noted. The revenue from exchange transactions is not used for waste management.	Completed	0%
31	Revenue from exchange transactions: PA used for waste management	Revenue	Management did not ensure that the revenue is correctly classified.	Management should ensure that the revenue is correctly classified.	Manager Revenue: Maseko/Carole	25-Nov-21	The finding is noted. Management will ensure that the revenue is correctly classified.	Management's response is noted. The revenue from exchange transactions is not used for waste management.	Completed	0%
32	Indisputable underlying issues of stock in the security guard	SCM	This results in a high-risk impact over the security guard.	Management should ensure that the security guard is maintained.	Manager SCM: Ngaliso	25-Nov-21	The stock register being referred to was cancelled due to the discrepancy in the stock register. This item is currently being reviewed by Maseko and once it is fully finalized, it will ensure that the values in the stock register and commitment schedule for FY21. This stock register, which is currently being reviewed by Maseko, will ensure that the values are correct.	Management's response is noted. However, this remains as a audit finding and will be reported in the management report.	Completed	0%
33	Information arising from the Municipality's year end stock count	SCM	It is evident that there are year end inventory counts for the Municipality. This will result in a year amount of inventory always being within above the financial period, which may impact the municipality operating a financial year in the current period.	Management should ensure that the inventory counts are maintained.	Manager SCM: Ngaliso	09-Dec-21	The finding is noted and the Municipality is currently trying to address these inventory counts. There is a plan of action in place to address the inventory counts. This will ensure that the values in the inventory counts are correct.	Management's response is noted however there are no clear evidence of the inventory counts. This will be reported in the management report.	Completed	0%
34	Balance disclosed in the annual financial statements for June 2021 did not appear to balance per the trial balance and general ledger as of 30 June 2021	Budget and Compliance	Management did not adequately review the annual financial statements before authorizing them for audit.	Management should review the debits and credits supporting each entry to ensure the audit trail is complete. Management should also ensure the annual financial statements are accurate.	Manager: Budget and Compliance: N Kamal	01-Dec-21	The finding is noted, however when balancing the consolidated AFS for 2021 (Other credit balance was R27 839 402) which is not in the AFS. The amount of R27 839 402 will be disclosed in the AFS as at 30 June 2021. The amount of R27 839 402 will be disclosed in the AFS as at 30 June 2021. The amount of R27 839 402 will be disclosed in the AFS as at 30 June 2021.	Management's response is noted however the coblock to be provided to the auditors regarding the remaining payments has still not been provided to them.	Completed	0%
35	Anti-Fraud: Limitation of scope Consultant Facilities	Corporate Services	Management did not ensure that the anti-fraud measures are maintained.	Management should ensure that the anti-fraud measures are maintained.	Manager: Anti-Fraud: Maseko	01-Nov-21	The finding is noted. Management will ensure that the anti-fraud measures are maintained.	Management's response is noted. Management will ensure that the anti-fraud measures are maintained.	Completed	0%
36	No maintenance policy for water and sanitation infrastructure	Technical Services	Management did not ensure that the maintenance policy is maintained.	Management should ensure that the maintenance policy is maintained.	Manager: Technical: Maseko	28-Dec-21	Management agrees to this finding.	The response received by management is noted. Management will ensure that the maintenance policy is maintained.	Completed	0%
37	No Environmental Implementation Management Plan	Technical Services	The municipality does not have an environmental management plan.	Management should ensure that the environmental management plan is maintained.	Manager: Technical: Maseko	28-Dec-21	Management agrees to this finding.	The response received by management is noted. Management will ensure that the environmental management plan is maintained.	Completed	0%
38	Customer Complaints Call Centre	Technical Services	A proper system is not in place to monitor the customer complaints call centre.	Management should ensure that the customer complaints call centre is maintained.	Manager: Technical: Maseko	28-Dec-21	The finding is noted. Management will ensure that the customer complaints call centre is maintained.	The response received by management is noted. Management will ensure that the customer complaints call centre is maintained.	Completed	0%
39	Objective Standard Paper identified from the inspection	Technical Services	Objective Standard Paper identified from the inspection.	Management should ensure that the objective standard paper is maintained.	Manager: Technical: Maseko	28-Dec-21	The finding is noted. Management will ensure that the objective standard paper is maintained.	The response received by management is noted. Management will ensure that the objective standard paper is maintained.	Completed	0%
40	Delays and planned service delivery commitments not achieved	Technical Services	The municipality did not ensure that the service delivery commitments are maintained.	Management should ensure that the service delivery commitments are maintained.	Manager: Technical: Maseko	28-Dec-21	We disagree with this finding, we have always engaged with Eskom professionally and in time but cannot be held liable for this as the municipality is not a power producer. Management will ensure that the service delivery commitments are maintained.	Management's response is noted. The response received by management is noted. Management will ensure that the service delivery commitments are maintained.	Completed	0%
41	Measurement Phase 4B deficiencies	Technical Services	Measurement Phase 4B deficiencies.	Management should ensure that the measurement phase 4B deficiencies are maintained.	Manager: Technical: Maseko	28-Dec-21	Dispute, the project has reached its practical completion and can proceed to its final stage.	Management's response is noted. Management will ensure that the measurement phase 4B deficiencies are maintained.	Completed	0%
42	Reported achievement to not consistent with the planned and reported indicator and target	PMIS	Management did not ensure that the reported achievement is maintained.	Management should ensure that the reported achievement is maintained.	Manager: PMIS: Katal	24-Nov-21	Nothing noted. AFS Updated.	Management's response is noted. Management will ensure that the reported achievement is maintained.	Completed	0%
43	Performance indicators and targets not reported consistently with planned and reported	PMIS	Management did not ensure that the performance indicators and targets are maintained.	Management should ensure that the performance indicators and targets are maintained.	Manager: PMIS: Katal	01-Nov-21	Nothing noted. AFS Updated.	Management's response is noted. Management will ensure that the performance indicators and targets are maintained.	Completed	0%
44	Revenue adjustment reported for passing households' connected with low level water supply	Internal Audit	Management did not ensure that the revenue adjustment is maintained.	Management should ensure that the revenue adjustment is maintained.	Manager: Internal Audit: Maseko	01-Nov-21	The finding is noted. Management will ensure that the revenue adjustment is maintained.	Management's response is noted. Management will ensure that the revenue adjustment is maintained.	Completed	0%
45	Revenue not paid within 30 days of the invoice	Expenditure Management	Management did not ensure that the revenue is paid within 30 days of the invoice.	Management should ensure that the revenue is paid within 30 days of the invoice.	Manager Expenditure: I Shab	01-Nov-21	Management will ensure that the revenue is paid within 30 days of the invoice.	Management's response is noted. Management will ensure that the revenue is paid within 30 days of the invoice.	Completed	0%
46	Payments made to supplier inconsistent with SCM regulations	SCM	Management did not ensure that the payments are made in accordance with SCM regulations.	Management should ensure that the payments are made in accordance with SCM regulations.	Manager SCM: Ngaliso	01-Nov-21	Management will ensure that the payments are made in accordance with SCM regulations.	Management's response is noted. Management will ensure that the payments are made in accordance with SCM regulations.	Completed	0%

44	Inspection operations register submitted for audit	SCM	Management did not ensure complete register for audit purposes was maintained during the period and submitted for audit.	Management should ensure the operations register is updated on a regular basis for temporary and financial efficiency purposes.	Manager SCM Nigam	06-Nov-21	The above submission is included in the RFP (Request for Proposal) which is under process. The RFP is currently in the process of being finalized. The RFP is currently in the process of being finalized. The RFP is currently in the process of being finalized.	Management's response is noted. The RFP process is currently in progress. The RFP is currently in the process of being finalized. The RFP is currently in the process of being finalized.	0%
45	SCM Policy not in line with SCM regulations	SCM	Management did not ensure the SCM policy is in line with the requirements of the SCM regulations.	Management should ensure the SCM policy is updated on a regular basis for temporary and financial efficiency purposes.	Manager SCM Nigam	06-Nov-21	The SCM policy includes the requirements for bid and contract award process. The policy is currently in the process of being finalized. The policy is currently in the process of being finalized.	Management's response is noted. The updated SCM policy is in line with SCM regulations. It will be further updated in the management report.	0%
46	The total payments made under the contract exceeded original contract price	SCM	Management did not ensure compliance with the MFMA requirements for the extension of contracts.	Management should forward the communication to the Council and the management for all contracts that were awarded during the period. Management must ensure that the MFMA and the SCM regulations for processing payments in terms of the contract value.	Manager SCM Nigam	06-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. All contracts relating to Vendorium and the variation order for SMC are provided for audit.	0%
47	The deviation for the SCM process is not included in the deviation register, not reported to council and not included in the AFS.	SCM	Management did not ensure compliance with the SCM regulations.	Management should ensure that in compliance with the SCM regulations and when the SCM process cannot be followed for the reasons provided in the policy, the deviation should be included in the deviation register, reported to Council in the next meeting and disclosed in the AFS.	Manager SCM Nigam	06-Nov-21	This deviation was processed through National Treasury's (NT) transaction system and should not appear in the deviation register.	Management's response is noted. The procurement process for SMC as COVID-19 PPE. The deviation was not a deviation process and should not appear in the deviation register. However, management has also indicated that they have deviated from the SCM process by not following the bid process. As a result, the deviation should be included in the deviation register, reported to council and disclosed in the AFS.	0%
48	Supplier to service of state	SCM	The accounting officer and SCM management did not ensure adequate review and monitoring of compliance with the SCM regulations to ensure business is not conducted with the supplier who has been declared as an irregular contractor.	Management must adequately review the declaration by the supplier to ensure compliance with the SCM regulations and follow up with newly identified suppliers.	Manager SCM Nigam	2021-11-06	Note: In the meeting - SCN - EDUCATION - ZN Maghano R230700 - The Municipality does not have a proper use of the SCM process in the area of the state, as well as the MFMA requirements. The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. Vendorium and the variation order for SMC are provided for audit.	0%
49	Irregular expenditure was not prevented	Expenditure Management	Management did not ensure compliance with the MFMA and SCM regulations for procurement of goods and services.	Management should ensure and monitor compliance with the MFMA and ensure that irregularities are not placed to prevent irregular expenditure.	Manager Expenditure	14-Dec-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The procurement process for SMC as COVID-19 PPE. The deviation was not a deviation process and should not appear in the deviation register. However, management has also indicated that they have deviated from the SCM process by not following the bid process. As a result, the deviation should be included in the deviation register, reported to council and disclosed in the AFS.	0%
50	No disclosure in the AFS for awards with interest family and other	SCM	The accounting officer and SCM management did not ensure adequate review and monitoring of compliance with the SCM regulations.	Management must adequately review the declaration by the supplier and ensure that irregularities are not placed to prevent irregular expenditure.	Manager SCM Nigam	17-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
51	Contract Register not complete	SCM	Management did not ensure complete register for audit purposes was maintained during the period and submitted for audit.	Management should ensure the operations register is updated on a regular basis for temporary and financial efficiency purposes.	Manager SCM Nigam	25-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
52	Expenditure payments related to COVID-19 did not follow the appropriate authorization process	SCM	Management did not ensure that the expenditure management process is followed allowing for approval and authorization by all appropriate personnel prior to payment of COVID-19 related expenditure.	Management should ensure that all levels of authorization is obtained prior to payment related to service providers.	Manager SCM Nigam	29-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
53	Supplier to service of state	SCM	The accounting officer and SCM management did not ensure adequate review and monitoring of compliance with the SCM regulations to ensure business is not conducted with the supplier who has been declared as an irregular contractor.	Management must adequately review the declaration by the supplier and ensure that irregularities are not placed to prevent irregular expenditure.	Manager SCM Nigam	17-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
54	Contract Register not complete	SCM	Management did not ensure complete register for audit purposes was maintained during the period and submitted for audit.	Management should ensure the operations register is updated on a regular basis for temporary and financial efficiency purposes.	Manager SCM Nigam	06-Dec-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
55	Expenditure payments related to COVID-19 did not follow the appropriate authorization process	SCM	Management did not ensure that the expenditure management process is followed allowing for approval and authorization by all appropriate personnel prior to payment of COVID-19 related expenditure.	Management should ensure that all levels of authorization is obtained prior to payment related to service providers.	Manager SCM Nigam	29-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
56	Supplier to service of state	SCM	The accounting officer and SCM management did not ensure adequate review and monitoring of compliance with the SCM regulations to ensure business is not conducted with the supplier who has been declared as an irregular contractor.	Management must adequately review the declaration by the supplier and ensure that irregularities are not placed to prevent irregular expenditure.	Manager SCM Nigam	17-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
57	Local Content requirement declaration forms not complete	SCM	The municipality did not ensure compliance with all the requirements relating to procurement in the current year.	The accounting officer should ensure compliance with the MFMA and SCM regulations for procurement of goods and services.	Manager SCM Nigam	17-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%
58	Procurement of goods/services was irregular for the points calculation	SCM	Management did not ensure that SCM regulations are adequately followed and implemented in order to avoid non-compliance.	The municipality must adequately do an analysis of the appropriate evaluation process to be implemented for the procurement of goods and services to ensure that the appropriate process is followed as prescribed by the Treasury Regulations.	Manager SCM Nigam	17-Nov-21	The MFMA requirements for the extension of contracts are currently in the process of being finalized. The MFMA requirements for the extension of contracts are currently in the process of being finalized.	Management's response is noted. The MFMA and SCM regulations for processing payments in terms of the contract value.	0%





71	Continued efforts to complete internal and external communications, including the development of the RCT Usage and Security Policies	R.T	The municipality had not ensured that leading practices relating to user access management were being followed in the RCT Usage and Security Policies when it was being updated.	The R.T Manager should ensure compliance with the RCT Usage and Security Policies is updated to include all required leading practices relating to user access management. Unmentioned issues and frequency of reviews should be established based on the municipality's operations and security requirements in the RCT Usage and Security Policies. The policy should therefore be approved and implemented to the relevant stakeholders for implementation and monitoring.	Manager T.Yvonne	07-Dec-21	Management agrees to the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The RCT usage and Security Policy will be updated as per the recommendations	0%
72	Implement user access management for the Windows Active Directory, Microsoft and Outlook system	R.T	Non-compliance with the user access management requirements of the RCT Usage and Security Policies was noted as management did not ensure that actions and documentation were adequately and timely completed.	The R.T Manager should ensure compliance with the user access management requirements stipulated in the RCT Usage and Security Policies. All user access, identified individuals and passwords must be supported by adequately completed documentation and timely performed. The duplicate user accounts identified should be investigated and remedial actions taken to ensure that each individual is assigned a single unique user name.	Manager T.Yvonne	07-Dec-21	Management agrees to the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The remedial action will be implemented as per the recommendations	0%
73	Implement documentation requirements for the review of user access rights and system administration activities performed for the Microsoft and SAGE VBP systems	R.T	Non-compliance with the Monitoring of user access management stipulated in the RCT Usage and Security Policies was noted as departmental managers were not required to sign off as evidence of approval of user access rights. Furthermore, the design of the user access rights and system administration activity documentation completed, when reviews were performed was inadequate as specific information relating to the review was not required to be recorded.	The R.T Manager should ensure compliance with the review of user access and system administration activities management stipulated in the RCT Usage and Security Policies. The forms utilized for review of user access rights and system administration activities should be updated to include the following information: " Name of review performed " Detail the system generated logs reviewed " Type of access category " A summary of the highlights of the review taken to resolve issues identified with users of all affected/flagged data the review was conducted.	Manager T.Yvonne	07-Dec-21	management notes the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The review process will be updated to include the actions stipulated in recommendations	0%
74	Ensure Recovery Plan has not been tested for the Windows Active Directory and the SAGE VBP system	R.T	The municipality was in the process of updating its IT infrastructure recovery plan, which included in delays in meeting the licenses needed to perform DRP testing on the Windows Active Directory and SAGE VBP	The Manager RCT should ensure that the IT infrastructure recovery plan is completed and the license needed to perform DRP testing is secured. DRP testing should be periodically performed to ensure that employees are aware of their responsibilities and all IT systems can be recovered within the expected recovery point and time objective defined in the DRP.	Manager T.Yvonne	07-Dec-21	management notes the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The DRP testing will be performed as part of the ongoing IT infrastructure upgrade project	0%
75	The RCT Usage and Security Policies needs some backup management process controls	R.T	The municipality had not ensured that leading practices relating to backup management were being followed in the RCT Usage and Security Policies when it was being updated.	The R.T Manager should ensure that the RCT Usage and Security Policies is updated to include all required leading practices relating to backup management and all IT systems can be recovered within the expected recovery point and time objective defined in the DRP.	Manager T.Yvonne	07-Dec-21	management notes the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The remedial action will be implemented as per recommendations	0%
76	Backlog relating to the Windows Active Directory, Microsoft and SAGE VBP systems have not been transferred to an office location	R.T	The WAN Area Network (WAN) infrastructure to the remote office usage site when the backlog will be formal in the process of being reported to the relevant stakeholders. Furthermore, the onsite and office requirements for backup have not been defined in the RCT Usage and Security Policies.	The R.T Manager should ensure that the update of the WAN infrastructure at the remote office usage site is completed. Backlog should be identified to be transferred to a regular basis to the use for the end users. DRP testing should be periodically performed to ensure that employees are aware of their responsibilities and all IT systems can be recovered within the expected recovery point and time objective defined in the DRP.	Manager T.Yvonne	07-Dec-21	management notes the finding	Management response is noted. The progress made by the municipality in implementing the agreed upon action to address the finding will be followed up in the next audit review cycle	The actions required to be part of the ongoing project for the update of the WAN infrastructure will be achieved as per project completion	0%
77	APS high-level review and control mechanism	Budget and Compliance	The management did not take all reasonable steps to ensure that the proposed APS are accurate and complete.	Management should implement proper controls to ensure that the proposed APS financial statements adhere to the relevant standards.	Manager Budget and Compliance N.Kamali	21-Nov-21	The findings are noted as Other Income will be reviewed accordingly.	Management's response is noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The updated APS was provided	100%
78	Annual financial review in the APS did not cover the amount disclosed on the BWP APS	Finance	Management did not implement proper review in a timely manner to ensure that the APS are accurate and complete.	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	The review conducted by BWP in the financial statements for the year ended 30 June 2021 was not included in the APS for the year ended 30 June 2021.	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The APS was updated to include the BWP APS for the year ended 30 June 2021	100%
79	Annual financial review in the APS did not cover the amount disclosed on the BWP APS	Finance	Management did not implement proper review in a timely manner to ensure that the APS are accurate and complete.	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	This was not included based on how the CRSP standard was interpreted by the entity in the understanding was that it applies to services, of which the Entity does not directly provide services and administrative and financial in nature. All its correlation with other entities who had not disclosed this and it was not stated in a finding. Even Finance was consulted but did not come back with a clear answer. However, because AG issued that the same review statement must be included by Annual Reporting, this	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The APS was updated to include the BWP APS for the year ended 30 June 2021	100%
80	Accurate disclosure of amounts on the APS	Finance	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	The cash generated from operations balance on the condition was correct as per the municipality's final audit report for the year ended 30 June 2021. This was subsequently corrected.	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The APS was updated to include the BWP APS for the year ended 30 June 2021	100%
81	Clear financial statements in the APS	Finance	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	It was noted that the agreement between the Entity and Phashele Energy that proposed a settlement amount which was not accepted by the Entity until the agreement of the legal team, Phashele Energy then proposed a settlement amount which was not accepted by the Entity until the agreement of the legal team. However, on 18 November 2021, this was subsequently included in the APS Capital Commitments. This was initially not included in the APS as all our contracts contain a settlement clause, however as the VBP project is a joint venture, this	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The APS was updated to include the BWP APS for the year ended 30 June 2021	100%
82	SMART target for the performance indicator in the APS	SMART	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	CEO Mhambane	30-Nov-21	Management to review the updated SMART to ensure that all targets meet the SMART principle.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	0%
83	SMART target for the performance indicator in the APS	SMART	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	CEO Mhambane	30-Nov-21	Management to review the updated SMART to ensure that all targets meet the SMART principle.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	0%
84	SMART target for the performance indicator in the APS	SMART	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	Management did not prepare an accurate annual performance report which contains accurate data to identify the required level of performance for the appropriate review of the annual performance report.	CEO Mhambane	30-Nov-21	Management to review the updated SMART to ensure that all targets meet the SMART principle.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	Management is in the process of finalizing the adjustment budget and SMART for approval by Board.	0%
85	Management did not provide financials for the APS	Finance	Management did not adequately review and ensure compliance with the applicable MFSA requirements to ensure that financials are accurate and complete.	The APS were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	Financial and Working Expenses (FWE) data to SARS to report on the interest and penalties incurred in 2021 period, which was a correction of what was previously submitted due to system issues at the time of submission. -60% Cash loan to SARS - 20% Approved by SARS Board to write-off - 40% Impairment Expenses - The Impairment Expenses amounting to R11 601 640.00 (2020) and R2 400 070.15 (2021) was noted by the Board. The Board agreed that the final report on the Annual Investigation will guide the treatment of the Impairment Expenses. This report was concluded and tabled on the Board on 18 Nov 2021. A resolution by the Board in the context of the complete compliance with the MFSA requirements was concluded on the same day.	A letter to SARS is being drafted per CFO's review and agreement.	A letter to SARS is being drafted per CFO's review and agreement.	0%
86	Payments due to creditors not settled	Finance	Management did not ensure that all payments to suppliers are settled within the agreed period of time.	The suppliers are not paid if there are outstanding queries on their side. i.e. work not completed.	CEO Mhambane	30-Nov-21	The suppliers are not paid if there are outstanding queries on their side, i.e. work not completed.	No further actions	No further actions	100%
87	Reconciliation from DMS has not been reviewed and included in the provision for doubtful debts	Finance	Management did not properly review and ensure that the reconciliation from DMS has not been reviewed and included in the provision for doubtful debts.	The reconciliation from DMS has not been reviewed and included in the provision for doubtful debts.	CEO Mhambane	30-Nov-21	A letter to DMS regarding provision of outstanding amount of R20000000 was issued on 18 November 2021.	A letter to DMS is being drafted to DMS.	A letter to DMS is being drafted to DMS.	0%
88	SCM Department Manager provision for major part of the year	Finance	The SCM Department Manager provision for major part of the year.	The SCM Department Manager provision for major part of the year.	CEO Mhambane	30-Nov-21	To update the SCM department by filing the year-end returns.	The provision of the SCM Officer has been filed on a contract basis.	The provision of the SCM Officer has been filed on a contract basis.	0%
89	The VAT reconciliations in the APS does not agree with SARS returns	Finance	Management did not properly review and ensure that the monthly VAT reconciliations and ensure that the VAT reconciliations are complete. The financial statements were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	Management did not properly review and ensure that the monthly VAT reconciliations and ensure that the VAT reconciliations are complete. The financial statements were not adequately reviewed in a timely manner to ensure that the information is accurate and complete.	CEO Mhambane	30-Nov-21	Engage with a Tax Practitioner to update a system of VAT for prior periods - 50% Reconcile the SARS balance to the Entity balance - 50%	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	The findings are noted and accepted. The updated APS was provided and improved to include all the corrections made. Water bills for expenses for each group.	0%
90	Financials legal requirements not followed in the APS	Finance	Management did not ensure that the financials legal requirements are followed in the APS.	Management did not ensure that the financials legal requirements are followed in the APS.	CEO Mhambane	30-Nov-21	Finalize legal review of Phashele Energy transactions	Management is currently finalizing the legal opinion for the Phashele Energy matter.	Management is currently finalizing the legal opinion for the Phashele Energy matter.	0%

EDM Average Percentage	12%
E Average Percentage	35%
Total Average Percentage	15%