

			Procedures are submitted to Auditor General with supporting documents for audit. However, internal audit would partly agree with the fact that there was no follow up made and the comments on the report.			
	Internal Control: Policies not in place (EX: 134)	Management does not see the urgency to prioritise policies and procedures to ensure proper governance	Not for Internal Audit. Please look @ Final Management Report as I only have Audit Report.		Internal Audit	
	Internal audit - No documented approval of adhoc audits (EX: 17)	A lack of oversight by the audit committee Non-adherence to the internal audit charter	(1) Disagreed with the finding: The matter was communicated to the Chairperson of the Audit Committee on: 08 April 2015 @ 09:20 AM via the e-mail. The chairperson received and read the request for approval on 08 April 2015 @ 10:03 AM. Internal Audit has submitted the proof of those e-mails to auditor general on: 03 September 2015 for audit. The previous Accounting Officer has indicated that AU Mining informed him that they want to purchase equipment with that money therefore; the matter is urgently needed to be resolved. Auditor General should take into account that any delay on the construction	There is no specific completion date. Scope of internal Audit differs from one of external audit.	Internal Audit	No adhoc requests were made to date

			<p>of the water pipe line that is constructed by AJ Mining could have caused the life of the citizens through holding back the service delivery. Through enquiries it was confirmed that the funds were re-imbursed to AJ Mining in terms of section 11(1)(f) of Municipal Finance Management Act No.56 of 2003 which states:</p> <p>“Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality’s bank accounts, and may do so only to refund money incorrectly paid into a bank account”</p> <p>Based on above, internal audit had no option but to assess the transaction so that risk does not go undetected. The matter was beyond approval of the review as the substance of the transaction was significant and the supplier needed cash flow to complete the water pipe line so that the community can get clean water as required by the constitution of the Republic of South Africa Act No.106 of 1996.</p> <p>(2) Disagreed with the finding:</p>			
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		<p>The review was an extension of exception 02 that was raised by Auditor General. Internal Audit had to provide assurance to the Accounting Officer. The review is classified as adhoc because the matter was already raised by AGSA and internal had to provide further assurance on the subject matter. SAB&T has also conducted its own review as well. Section 165 (2)(iii) states that internal audit must advise the accounting officer on accounting procedures and practices. Therefore, due to the substance of the transaction, the MFMA Act takes precedence over the internal audit plan.</p> <p>(3) Disagree with the finding:</p> <p>The review was classified as part of the adhoc reviews due to the following:</p> <p>Internal Audit did not sample and physically tested the inventory transactions that could be out of the scope of the approved audit plan. Internal Audit has only observed the yearend inventory count. It was an initiative to observe how the municipality performs its own yearend inventory count. A report was drawn based on the observation and procedure checklist made by internal audit so that deficiencies</p>			
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			can be communicated to appropriate level of management.				Resolved.
	Internal audit: Adhoc projects of internal audit not pre-approved by the audit committee (EX.25)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit	Resolved.	Resolved.	Internal Audit		Resolved.
	Internal Control : Lack of a centralised filing system for administrative matters (EX.45)	The management of the Municipality did not timeously address the challenge on the lack of a filing system.	Not for Internal Audit. Please look @ Final Management Report as I only have Audit Report.		Internal Audit		
PREDE TERMIN ED OBJEC TIVES	AOPO: Planned performance target not reported (EX.127)	The municipality did not have performance management system and standard operating procedures that could have assisted municipality in preparing APR during the year.	Draft Procedure Manual for managing Performance Management System is in place and will be adopted by Council before the end of the financial year	Jun-16	PMS		This is currently in progress as Directors are reporting on the planned targets as per the SDBIP 2015/2016 f/y each quarter
	AOPO: Deficiencies identified in the annual report (EX.23)	The cause of the above is due to lack of management oversight to ensure that draft annual report submitted for audit purposes is accurate	Draft audited annual report has been submitted to AG for audit purposes during 2014/2015 audit, comments of the AG were received and addressed . The Annual Report has been audited	Apr-16	PMS		Draft Audited Annual Report 2014/2015 financial year will be tabled before Council

		and correct	by the AG and was tabled before Council on the 22 January 2016.			on the 22nd January 2016. On the 18th January the Draft Audited Annual report was submitted to AG for perusal before Council adopt it. Comments were received and addressed and the Final document will be submitted to Council for approval during March 2016
	AOPO: Annual Report and quarterly performance reports not received for request 2 of 2015 (EX.3)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	Annual Report 2014/2015 has been developed and submitted to the AG for audit purposes during August and November 2015. It was also submitted again to the AG during January 2016 for perusal and quality check. Quarterly performance reports are compiled for 2015/2016 financial year	Jun-16	PMS	Annual Report has been submitted to AG during November 2015 for audit. It was submitted again to the AG during January 2016 for perusal ensuring compliance with reported information. This shall be submitted again to the AG after

							tabling to Council by January 2016 and submitted for final by March 2016. Quarterly reports are developed and submitted to Council for approval
	AOPQ: PMS not in place (Ex.30)(CoA no.30) (EX.30)	A lack of oversight and monitoring on development, implementation and the monitoring of the performance information system.	The municipality have an approved PMS Framework and Policy adopted by Council during July 2015. PMS Policy is currently reviewed.	Jun-16	PMS		There is a Council approved PMS Framework and policy that is being implemented and the review of the PMS Policy is under progress
	AOPQ: Performance targets not measurable (EX.33)	The municipality did not have a proper performance management system in place.	Targets in the SDBIP were set using the SMART Principle as per the National Treasury Framework for Managing Performance Information and has been reviewed during January 2016 as part of Mid term assessment	Feb-16	PMS		This is in progress as the municipality is improving in terms of applying its SMART principle. Targets were also reviewed

							during January 2016 in order to comply with the SMART principle
	AOPQ: Deficiencies identified on SDBIP, IDP and Budget (EX.38)	The cause of the above is due to lack of oversight by management to ensure that SDBIP, IDP and budget are properly reviewed in order to ensure that they are aligned.	Alignment of the IDP, SDBIP and Budget has been done during 2015/2016 financial year.	Mar-16	PMS		During the development of the SDBIP, alignment was made with the IDP and Budget, this is also in progress as alignment must also be done continuously with the budget
	OPO: Predetermined objective documentation requested was not submitted (EX.53)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	Predetermined objectives are part of the IDP and are aligned with the SDBIP	Feb-16	PMS		Predetermined objectives in the SDBIP are aligned with the IDP 2015/2016 financial year
	AOPQ: Differences between IDP priorities/objectives with SDBIP and APR (EX.83)	Lack of review by management to ensure that the APR are aligned to the IDP and SDBIP	IDP priorities/objectives are aligned with the SDBIP 2015/2016 f/y and will be aligned with the Annual Performance Report for 2015/2016 f/y	Jun-16	PMS		IDP priorities/objectives are aligned with the SDBIP 2015/2016 and at the end of the

							financial year they will be aligned with the Annual Performance Report
	AOPO: No consistency between planned indicators and reported performance indicators (EX.92)	Management did not have proper performance management system in place that could have assisted them in reporting on agreed strategic objectives and planned performance indicators.	Planned indicators have been set in the SDBIP 2015/2016 and reported indicators are as per the set indicators in the SDBIP	Jun-16	PMS		There is consistency on the reported indicators and the planned indicators
	AOPO: Planned and reported performance target not done as per SMART criteria (EX.96)	The performance management system was not structured and formal during the financial year.	Planned targets have been set using the SMART criteria as per National Framework for managing Performance information and reported performance target is aligned to the planned target.	Jun-16	PMS		This is currently in progress as planned and reported targets are done using SMART criteria
	AOPO: Performance indicators are not measurable or well defined (EX.98)	Management did not have a proper performance management system in place that could assist them in preparing measurable performance indicators	Performance indicators are developed using the SMART criteria as per the National Treasury Framework for Managing Performance Information. Performance indicators are measurable and well defined	Feb-16	PMS		This is currently in progress as the municipality is improving in terms of applying SMART criteria to its indicators. Performance indicators are

							measurable
	AOPQ: Indicator not mandate of the municipality (EX.118)	The review of the SDBIP did not detect these matters.	All indicators are mandate of the municipality	Oct-15	PMS	Indicators that are not mandate of the municipality are not part of the SDBIP 2015/2016 fy	
	AOPQ: Risk assessment report and the approval and submission of the SDBIP not submitted (EX.26)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	Reviewed SDBIP 2015/2016 has been submitted to Mayor for approval and then submitted to Provincial Treasury and Cogta	Nov-15	PMS	Reviewed SDBIP was submitted to Provincial Treasury and Cogta during October 2015	
	AOPQ: No approved operating procedures for measuring performance (EX.27)	A result of a lack of oversight from management to implement and develop procedures and policies on the reporting and monitoring of predetermined objectives	Draft Procedure Manual for PMS is in place and will be adopted by Council before the end of the financial year	Jun-16	PMS	Standard operating procedures for managing performance is currently not developed	
	AOPQ: Deficiencies identified in the mid-year performance assessment (EX.28)	Management did not review the mid-year performance assessment after it was compiled by the consultant to ensure it is accurate and	Mid-Year Performance assessment is developed in-house and is complying with the section 72 of the MFMA act	Jan-16	PMS	Deficiencies identified in the mid-year assessment report have	

		correct before submission.				been corrected in the 2015/2016 mid year report
	AOPQ: No monthly projections on SDBIP (EX.29)	Management did not monitor the work of the consultants to ensure that the requirements in terms of the laws and regulations are adhered to	Monthly projections of revenue and expenditure by source are part of the SDBIP 2015/2016	Nov-15	PMS	Monthly projections are part of the SDBIP 2015/2016 f/y
	AOPQ: Adjustment Budget not submitted within prescribed period (EX.46)	There were no monitoring controls to ensure that the relevant laws and regulations are complied with	Adjustment budget will be submitted within 10 working after adoption.	5-Feb-16	PMS	The adjustment budget is awaiting adoption by the council which will take place on 22 January 2016.
	AOPQ: SDBIP submitted to Treasury not within prescribed times (EX.47)	Due to lack of oversight by management to ensure that appropriate documents are submitted in time to the relevant Treasury.	Reviewed SDBIP was submitted as per the prescribed time period	Feb-16	PMS	Reviewed SDBIP will be submitted at the prescribed time period
	AOPQ: Road, water and sanitation infrastructure: Priority list is not approved (EX.70)	Management did not prioritised the matters relating to road, water and sanitation infrastructure. The position for director technical was also not filled and the person was	Maintenance plans for different categories of assets are currently being developed.	31-Mar-16	Infrastructure and Technical services	In Progress