

		only acting in that position during the financial year.					
EMPLOYEE RELATED COSTS	Employee costs - Annual leave accumulation not in line with main collective agreement (EX.100)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with	Check on a monthly basis from July 2015 whether payday system have allocated annual leave days correctly to each employee	30-Apr-16	Human Resources	In Progress	
	Employee costs: Journals in employee costs not complete and correct (EX.110)	Lack of proper and effective review by management to ensure that the recording of employee cost expenditure are recorded correctly and can be substantiated with supporting evidence is not in place	All journals to be authorised and reviewed to ensure the correct amounts are being entered into the system.	Monthly	Finance	Partially complete	
	Employee cost: Lack of internal control on attendance registers (EX.119)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit	All completed attendance registers of the entire institution must be submitted on a monthly basis before the 7 th of each month to the Manager Corporate Services: HR Manager Corporate Services: HR to ensure that attendance registers has been checked with leave records by submitting it to HR Officer (Leave Administration) to check all attendance registers against leave records. Any differences depicted must be reported to the HR Manager for investigation by the HR Officer (Leave Administration)	Apr-16	Human Resources	In Progress	

			HR Admin Officer to deal with all attendance registers from July 2015 till March 2016 by end April 2016.			
	Employee costs - Payday system information do not agree with employee files and (EX.120)	Management did not develop and monitor sufficient controls to ensure system data is complete, accurate and kept up to date	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance Human Resources	None
	Employee costs - Supporting documentation for entertainment allowances not submitted (EX.121)	The officials of the municipality could not supply the auditors with the supporting documentation of the sundry allowances due to a lack of knowledge.	Management to supply and maintain support documentation for Entertainment Allowance and correct the line item on Pastel.	29-Feb-16	Finance	Complete
	Employee costs – Non-compliance of travelling allowance policy (EX.122)	Management did not implement controls to ensure compliance with the applicable travel allowance policies	Management to review and amend amend the policies to ensure that all different elements are covered in the policy.	31-May-16	Finance Human Resources	Partially completed.
	Employee costs - Discrepancies identified regarding acting allowances (EX.123)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Management to ensure that all employees acting are authorised to do so and in accordance with the SALGBC Conditions of services regulations.	Ongoing	Finance Human Resources	Completed.

	Employee cost: Leave not processed on system (EX. 124)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Matters referred to in the finding must be investigated and corrected. HR Manager to manage, coordinate and supervise this process	Jan-16	Human Resources	In Progress
	Employee cost: No leave forms obtained not on the employee files (EX. 125)	Result in employees taking unauthorised leave and having leave days overstated in the provision for leave.	The matters referred to in the finding must be investigated and corrected: HR Manager to manage, coordinate and supervise the process.	Jan-16	Human Resources	In Progress
	Employee cost: Non-compliance on paid time off (EX. 130)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	Overtime policy must be drafted and approved. Once approved it must be workshopped with employees, supervisors and managers	Jan-16	Human Resources	In Progress
	Employee costs: Salary scales (EX. 131)	Lack of proper and effective monitoring by management to ensure that the salary scales adopted are implemented. The above may result in all related employee costs being over/under stated due to incorrect salary scales being used.	Management to investigate the salary scales of all the employees (especially the identified on the exception), to ensure that all salaries agree to the salary scales which were approved by council.	31-May-16	Finance Human Resources	None

	Employee costs: Authorisation of deducting from employee salaries (EX.132)	Lack of internal controls for proper record keeping ensuring that applicable employee's supporting documentation is filed.	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance	None
	Employee costs - Annual leave taken not recorded (EX.133)	Late approval of leave and unauthorised leave taken by employees cause leave days to go into a credit. Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit. Management failed to ensure that an leave policy is developed and implemented. Leave forms are not handed over to the responsible persons timeously.	The matters reported in the finding must be investigated and corrective measures taken: HR Manager to manage, coordinate and supervise this process.	Jan-16	Human Resources	In Progress
	Employee costs - Internal control of changes to master file (EX.143)	Lack of delegation to review of supporting schedules and reports by senior officials and the lack of mid-management in the finance section	Management and PayDay to develop and implement controls regarding internal control deficiencies identified and ensure that the changes to the master file be reviewed by a senior official on a monthly basis and that those	31-Mar-16	Finance	Partially complete

			reports be properly kept.				
	Employee costs - Acting positions of senior managers (EX.144)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Management to ensure that all employees acting are authorised to do so and in accordance with the SALGBC Conditions of service's regulations.	Ongoing	Finance Human Resources		
	Employee cost: Remuneration for councillors that exceed the upper limit (EX.149)	Management failing to implement and carry out controls to ensure the compliance of the relevant laws and legislation.	Management to implement controls to ensure that upper limits are reviewed and approved accordingly, to ensure that upper limits do not exceeded and that councillors receive annual remuneration in accordance with the applicable Government Gazette. Conduct investigations on overpayments and recover any, where applicable.	3/31/2016	Finance		Partially completed
	Employee cost - High vacancy rate and vacant critical posts (EX.15)	Budgetary constraints Positions included in the organisational structure which are not needed	The current organogram must be revised and approve by Council. After approval all critical positions need to be identified and reported to management	31-Mar-16	Human Resource		
	Employee costs - Upper limits of Municipal manager and managers directly accountable to the Municipal manager (EX.153)	Lack of proper and effective monitoring by management and council to ensure that laws and regulations are complied with.	Review the salaries of the Municipal Manager and the managers directly accountable to the Municipal Manager, to ensure that they are limited to the total annual packages as set in the relevant government gazettes or	31-Mar-16	Finance Human Resources		None

			legislation.			In Progress
	Employee costs – Non-compliance relating to job description and screening (EX.174)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	The process of developing and signing of job descriptions need to be finalised as speedily as possible. The process and procedure of screening candidates before employment is confirmed need to be developed, documented and approved. Evidence of compliance with such approved procedure needs to be available for audit purposes	15-Feb-16	Human Resource:	In Progress
	Employee costs - Accumulated leave in excess of 48 days (EX.60)	Insufficient funds of the municipality to be able to pay excess leave. It is also caused by operational requirements by the above mentioned staff members that prevents leave to be taken	This finding needs to be investigated and corrective measures to deal with the situation needs to be developed. A system where employees receive written notices at least 3 months in advance of when the period to take their respective leaves expire needs to be developed. We might engage with Payday to see if such function cannot be added to the Payday leave system. HR Manager to manage, coordinate and supervise this process	31-Mar-16	Human Resource:	In Progress

			Tuesday 08				
	Employee Costs - Data reflected on the system does not agree to the personnel files (EX.62)	Management did not develop and monitor sufficient controls to ensure system data is complete, accurate and kept up to date.	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance Human Resources	None	
	Employee costs - Late submission of EMP201's (EX.78)	Management has failed to implement internal control policies as recommended	Ensure that EMP201 are submitted and paid before the 7th of each month. In cases where this is not possible, signed arrangement must be made and documented.	Monthly	Finance	Partially	
	Employee costs: Non-compliance of overtime limits (EX.85)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	An overtime policy to control overtime need to be developed. After developing a draft it need to be workshopped with all stakeholders before it is submitted to Management for approval.	31-Jan-16	Human Resource	In Progress	
	Employee costs - Minimum requirement of annual leave not taken (EX.99)	Operational requirements by the Municipality.	A detailed list must be developed of all employees who did not take their leave in accordance with the stipulations contained in chapter 3 of the main collective agreement during the previous leave cycle. HR must then develop a plan and put measures in place to ensure compliance of the stipulations contained in chapter 3.	29-Feb-16	Human Resource	In Progress	

			Furthermore a proper administrative system must be developed to inform employees three month in advance of when the last date is on which they are compelled to take leave.				
IMMOVABLE ASSETS	PPE: Work in progress (WIP) projects not show any or small movement for the year under review (EX.151)	Management did not consider whether work in progress item must be impaired..	These projects can only be completed once funding is available.	Ongoing	Finance	These projects can only be completed once funding is available.	
	PPE: Prior year misstatements - Sizes of water pipes as per asset register differs with sizes as per technicians (EX.50)		This audit finding has been resolved.	Completed	Finance	This audit finding has been resolved.	
	PPE: Pipe sizes as per the asset register not the same as per technician knowledge of the network (EX.164)	The technicians (municipal officials) were not involved in the assets verification conducted by consultants responsible for compiling and updating the assets register.	This audit finding has been resolved.	Completed	Finance	This audit finding has been resolved.	
	PPE: Infrastructure list for road signs and solid waste with no identification (EX.65)	These types of assets consist of numerous items that are scattered over the municipality. The assets are in areas where there is a lot of human activity around, therefore the barcodes or unique asset numbers can be easily removed by the public	Fixed assets register is currently being updated to include as much details as possible .	31-Mar-16	Finance	Fixed assets register is currently being updated to include as much details as possible .	

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its

<p>plans. Outcomes are "what we wish to achieve";</p>	<p>Outputs The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.</p>	<p>Performance Indicator Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)</p>	<p>Performance Information Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</p>	<p>Performance Standards: The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.</p>	<p>Performance Targets: The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.</p>	<p>Service Delivery Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.</p>	<p>Vote: One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</p>
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