

<u>Activity</u>	<u>Class of Transaction</u>	<u>Type of Activity</u>
Statement of Position		
Cash and cash equivalents & Bank overdraft		
	Section Title	
Obtain Reconciliation of Operating Bank and Other Account at Merger date	Cash and cash equivalents & Bank overdraft	Information Gathering
Review reconciliation of Operating and Other Bank Account - Obtain Supporting Documents	Cash and cash equivalents & Bank overdraft	Review / Reconciliation
Report findings if any to the Steering Committee	Cash and cash equivalents & Bank overdraft	Oversight
Ensure balance correctly taken on in the new financial system	Cash and cash equivalents & Bank overdraft	Review / Reconciliation
Prepare a Lead Schedule and sign off	Cash and cash equivalents & Bank overdraft	Finalisation
Trade and other receivables from exchange and Non-Exchange transactions		
	Section Title	
Obtain Masterfile and all system information	Trade and other receivables from exchange transactions	Information Gathering
Undertake a clean up of the Masterfile information (incl. database cleaning)	Trade and other receivables from exchange transactions	Information Gathering
Obtain the Age analysis as at Merger Date (all Reports agreeing to the AFS)	Trade and other receivables from exchange transactions	Information Gathering
Obtain the Impairment calculation as at Merger Date	Trade and other receivables from exchange transactions	Information Gathering
Review reconciliation of between the Age Analysis and Ledger - Obtain Supporting Documents	Trade and other receivables from exchange transactions	Review / Reconciliation
Report findings if any to the Steering Committee	Trade and other receivables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Cash and cash equivalents & Bank overdraft	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other receivables from exchange transactions	Finalisation
Other receivables		
	Section Title	
Obtain a schedule of other receivables	Other receivables from non-exchange transactions	Information Gathering
Obtain a supporting documents for receivables	Other receivables from non-exchange transactions	Information Gathering
Review reconciliation of between the Schedule and Ledger - Obtain Supporting Documents	Other receivables from non-exchange transactions	Review / Reconciliation
Report findings if any to the Steering Committee	Other receivables from non-exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Other receivables from non-exchange transactions	Review / Reconciliation

<u>Activity</u>	<u>Class of Transaction</u>	<u>Type of Activity</u>
Admin	Soft Issues	Finalisation
Inventories		
Section Title		
Obtain the Stock Count list	Inventories	Information Gathering
Obtain the Costed Stock sheets	Inventories	Information Gathering
Review Inventory and agree to the ledger - Obtain Supporting Documents	Inventories	Accounting Adjustments
Report findings if any to the Steering Committee	Inventories	Oversight
Ensure balance correctly taken on in the new financial system	Inventories	Review / Reconciliation
Prepare a Lead Schedule and sign off	Inventories	Finalisation
Investments		
Section Title		
Obtain a copy of all the investment reconciliations	Investments	Information Gathering
Review reconciliation of Investment Accounts - Investigate any reconciling items (should be none)	Investments	Review / Reconciliation
Report findings if any to the Steering Committee	Investments	Oversight
Ensure balance correctly taken on in the new financial system	Investments	Review / Reconciliation
Prepare a Lead Schedule and sign off	Investments	Finalisation
VAT Control		
Section Title		
Obtain a copy of all the VAT 201 returns	VAT Control	Information Gathering
Summarise the VAT 201's	VAT Control	Review / Reconciliation
Review the Reconciliation of the VAT due / refundable @ Merger date to the general ledger / TB, investigate variances	VAT Control	Working Paper finalisation
Report findings if any to the Steering Committee	VAT Control	Oversight
Ensure balance correctly taken on in the new financial system	VAT Control	Review / Reconciliation
Prepare a Lead Schedule and sign off	VAT Control	Finalisation
VAT Provision		
Section Title		
Obtain a copy of the system report detailing the VAT portion of Trade Receivables at year end	VAT Provision	Information Gathering
Obtain a copy of the system report detailing the VAT portion of Trade Payables at year end	VAT Provision	Information Gathering
Re-perform the VAT Provision Calculation for Trade Receivables (output)	VAT Provision	Review / Reconciliation
Re-perform the VAT Provision Calculation for Trade Payables (input)	VAT Provision	Review / Reconciliation
Agree the above VAT Provision for Input and Outputs to the system generated calculation	VAT Provision	Review / Reconciliation
Report findings if any to the Steering Committee	VAT Provision	Oversight
Ensure balance correctly taken on in the new financial system	VAT Provision	Review / Reconciliation
Prepare a Lead Schedule and sign off	VAT Provision	Finalisation
Property, plant and equipment		
Section Title		

<u>Activity</u>	<u>Class of Transaction</u>	<u>Type of Activity</u>
Obtain final complete all fixed asset register	Property, plant and equipment	Information Gathering
Establish which system will be used for assets	Property, plant and equipment	Information Gathering
Enquire is any completeness issues, implement process to address	Property, plant and equipment	Information Gathering
Review the accuracy of the closing carrying amount	Property, plant and equipment	Review / Reconciliation
Obtain all Supporting Documentation including GIS	Property, plant and equipment	Information Gathering
Report findings if any to the Steering Committee	Property, plant and equipment	Oversight
Ensure balance correctly taken on in the new financial system	Property, plant and equipment	Review / Reconciliation
Prepare a Lead Schedule and sign off	Property, plant and equipment	Finalisation
Intangible assets	Section Title	
Obtain final complete register	Intangible assets	Information Gathering
Establish which system will be used for assets	Intangible assets	Information Gathering
Enquire is any completeness issues, implement process to address	Intangible assets	Information Gathering
Review the accuracy of the closing carrying amount	Intangible assets	Review / Reconciliation
Obtain all Supporting Documentation	Intangible assets	Information Gathering
Report findings if any to the Steering Committee	Intangible assets	Oversight
Ensure balance correctly taken on in the new financial system	Intangible assets	Review / Reconciliation
Prepare a Lead Schedule and sign off	Intangible assets	Finalisation
Investment property	Section Title	
Obtain final complete register	Investment property	Information Gathering
Establish which system will be used for assets	Investment property	Information Gathering
Enquire is any completeness issues, implement process to address	Investment property	Information Gathering
Review the accuracy of the closing carrying amount	Investment property	Review / Reconciliation
Obtain all Supporting Documentation, including Deeds information	Investment property	Information Gathering
Report findings if any to the Steering Committee	Investment property	Oversight
Ensure balance correctly taken on in the new financial system	Investment property	Review / Reconciliation
Prepare a Lead Schedule and sign off	Investment property	Finalisation
Trade and other payables from exchange transactions: Suppliers	Section Title	
Obtain the Creditors Age Analysis reports as at Merger	Trade and other payables from exchange transactions	Information Gathering
Agree all creditors on the Age Analysis to suppliers statements / invoices / SCM Documentation	Trade and other payables from exchange transactions	Review / Reconciliation

<u>Activity</u>	<u>Class of Transaction</u>	<u>Type of Activity</u>
Obtain E-Natis information and financial reconciliations	Trade and other payables from exchange transactions	Information Gathering
Report findings if any to the Steering Committee	Trade and other payables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Trade and other payables from exchange transactions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other payables from exchange transactions	Finalisation
Trade and other payables from exchange transactions: Salaries Control & 3rd Party		
Section Title		
Obtain the Salaries and Wages Control Reconciliation at Merger Date	Trade and other payables from exchange transactions	Information Gathering
Review reconciliation - Obtain Supporting Documents	Trade and other payables from exchange transactions	Information Gathering
Report findings if any to the Steering Committee	Trade and other payables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Trade and other payables from exchange transactions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other payables from exchange transactions	Finalisation
Trade and other payables from exchange transactions: Suspense		
Section Title		
Obtain a schedule / reconciliation of the suspense accounts	Trade and other payables from exchange transactions	Information Gathering
Review reconciliation - Obtain Supporting Documents	Trade and other payables from exchange transactions	Information Gathering
Report findings if any to the Steering Committee	Trade and other payables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Trade and other payables from exchange transactions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other payables from exchange transactions	Finalisation
Trade and other payables from exchange transactions: Prepaid Income		
Section Title		
Obtain a schedule of Prepaid Electricity received in advance	Trade and other payables from exchange transactions	Information Gathering
Recalculate the Prepaid Electricity received in advance. Check and document the assumptions used.	Trade and other payables from exchange transactions	Review / Reconciliation
Review reconciliation - Obtain Supporting Documents	Trade and other payables from exchange transactions	Review / Reconciliation

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Report findings if any to the Steering Committee	Trade and other payables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Trade and other payables from exchange transactions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other payables from exchange transactions	Finalisation
Trade and other payables from exchange transactions: Leave Accrual		
Section Title		
Obtain the list of staff leave accruals at Merger Date	Trade and other payables from exchange transactions	Information Gathering
Obtain all supporting documentation (HR file, leave forms, attendance registers)	Trade and other payables from exchange transactions	Information Gathering
Review the calculation for staff leave accruals (Reasonableness and Policy)	Trade and other payables from exchange transactions	Review / Reconciliation
Establish completeness and accuracy by send individual leave day confirmation letter to all active former Ikwezi official	Trade and other payables from exchange transactions	Information Gathering
Report findings if any to the Steering Committee	Trade and other payables from exchange transactions	Oversight
Ensure balance correctly taken on in the new financial system	Trade and other payables from exchange transactions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Trade and other payables from exchange transactions	Finalisation
Consumer deposits		
Section Title		
Obtain the schedule at Merger Date	Consumer deposits	Information Gathering
Obtain all supporting documentation	Consumer deposits	Information Gathering
Refer to Data Cleaning Process	Consumer deposits	Review / Reconciliation
Report findings if any to the Steering Committee	Consumer deposits	Oversight
Ensure balance correctly taken on in the new financial system	Consumer deposits	Review / Reconciliation
Prepare a Lead Schedule and sign off	Consumer deposits	Finalisation
Provisions		
Section Title		
Obtain the schedule at Merger Date	Current provisions	Information Gathering
Obtain all supporting documentation	Current provisions	Information Gathering
Review the accuracy of the closing carrying amount	Current provisions	Review / Reconciliation
Report findings if any to the Steering Committee	Current provisions	Oversight
Ensure balance correctly taken on in the new financial system	Current provisions	Review / Reconciliation
Prepare a Lead Schedule and sign off	Current provisions	Finalisation

<u>Activity</u>	<u>Class of Transaction</u>	<u>Type of Activity</u>
Non-current unspent conditional grants and receipts		
Section Title		
Obtain the schedule at Merger Date	Non-current unspent conditional grants and receipts	Information Gathering
Obtain all supporting documentation	Non-current unspent conditional grants and receipts	Information Gathering
Review the accuracy of the closing carrying amount	Non-current unspent conditional grants and receipts	Review / Reconciliation
Report findings if any to the Steering Committee	Non-current unspent conditional grants and receipts	Oversight
Ensure balance correctly taken on in the new financial system	Non-current unspent conditional grants and receipts	Review / Reconciliation
Prepare a Lead Schedule and sign off	Non-current unspent conditional grants and receipts	Finalisation
Non-current borrowings		
Section Title		
Obtain the schedule at Merger Date	Non-current borrowings	Information Gathering
Obtain all supporting documentation	Non-current borrowings	Information Gathering
Review the accuracy of the closing carrying amount	Non-current borrowings	Review / Reconciliation
Report findings if any to the Steering Committee	Non-current borrowings	Oversight
Ensure balance correctly taken on in the new financial system	Non-current borrowings	Review / Reconciliation
Prepare a Lead Schedule and sign off	Non-current borrowings	Finalisation
Defined benefit plan		
Section Title		
Enquire if the municipality has a defined benefit plan	Defined benefit plan	Information Gathering
Obtain Actuarial information	Defined benefit plan	Information Gathering
Review information and ensure correction information was utilised for the report	Defined benefit plan	Review / Reconciliation
Report findings if any to the Steering Committee	Defined benefit plan	Oversight
Ensure balance correctly taken on in the new financial system	Defined benefit plan	Review / Reconciliation
Prepare a Lead Schedule and sign off	Defined benefit plan	Finalisation
Accumulated surplus / (deficit)		
Section Title		
Agree to the Final AFS at Merger Date	Accumulated surplus / (deficit)	Review / Reconciliation
Report findings if any to the Steering Committee	Accumulated surplus / (deficit)	Oversight
Ensure balance correctly taken on in the new financial system	Accumulated surplus / (deficit)	Review / Reconciliation
Prepare a Lead Schedule and sign off	Accumulated surplus / (deficit)	Finalisation
Soft Issues		
Unauthorised expenditure - Schedule and Supporting Documents	Soft Issues	Compliance - MFMA

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Fruitless and wasteful expenditure - Schedule and Supporting Documents	Soft Issues	Compliance - MFMA
Irregular expenditure - Schedule and Supporting Documents	Soft Issues	Compliance - MFMA
SCM reporting as required	Soft Issues	Compliance - MFMA
Monthly, Quarterly, Half-yearly reporting as per MFMA	Soft Issues	Compliance - MFMA
Review and approval of all Budget Policies	Soft Issues	Compliance - MFMA
Approval of Adjustment Budget	Soft Issues	Compliance - MFMA
Approval of 2017/2018 MTREF Budget	Soft Issues	Compliance - MFMA
Approval of 2017/2018 MTREF IDP	Soft Issues	Compliance - MFMA
Completion of 2017/2017 SDBIP	Soft Issues	Compliance - MFMA
Appointment of Audit Committee and 4 meetings held	Soft Issues	Compliance - MFMA
Internal audit - reports to be submitted for planned activities	Soft Issues	Oversight
Submission of monthly Back to Basics report to DCOG, backed with accurate support	Soft Issues	Oversight
Approved policy for Road Infrastructure	Soft Issues	Operational
Approved policy for Water and Sanitation Infrastructure maintenance	Soft Issues	Operational
Approved water infrastructure maintenance plan to be in place	Soft Issues	Operational
Ensure completion of all projects within target date	Soft Issues	Oversight
Capital Commitments - Schedule and Supporting Documents	Soft Issues	Budgeting
List all Operating Leases (Revenue and Expenditure)	Soft Issues	Budgeting
Review Billing Tariffs	Soft Issues	Budgeting
Distribution Losses - Obtain Water Distribution Loss Calculation and Supporting Documentation	Soft Issues	Operational
Distribution Losses - Obtain Electricity Distribution Loss Calculation and Supporting Documentation	Soft Issues	Operational
Ensure Controls at Satellite offices have been implemented (Banking, HR, postage, Service Delivery & IT Issues)	Soft Issues	Operational
Transfer of Operating Licences (Landfill, vehicles etc.)	Soft Issues	Operational
Change names and signatories on all banking accounts	Soft Issues	Operational
Stationary Changes	Soft Issues	Operational
Ensure all Invoices reflect new entity name and VAT number	Soft Issues	Operational
Obtain a list of legal representatives	Soft Issues	Legal
Ratification of Legal Agreements	Soft Issues	Legal

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Obtain a list of Contingent Liabilities and Assets. (Obtain confirmation from Legal advisor)	Soft Issues	Legal
Alignment of Accounting Policies	Soft Issues	Accounting
Management of Merger Process (Financial and Non Financial)	Soft Issues	Oversight
Report findings if any to the Steering Committee	Soft Issues	Oversight
NERSA D forms	Soft Issues	Operational
NERSA tariff approval forms	Soft Issues	Operational
Payment of Creditors within 30 days	Soft Issues	Operational
Appointment of disciplinary board	Soft Issues	Oversight
Apply for roll-over of all unspent conditional grants	Soft Issues	Operational
SCM: Ensure Central Supplier Data Base usage had been implemented	Compliance	Oversight
Finalisation and approval of all HR policies	Compliance	Operational
Finalisation and approval of HR Plan and Code of Conduct	Internal Control	Operational
All overtime worked to be approved in advance	Internal Control	Operational
Overtime hours not in compliance with labour legislation	Compliance	Operational
Leave must be approved before it is taken	Internal Control	Operational
Ensure correct reporting of municipal houses rented to employees	Compliance	Operational
Organogram - Create, fund and roll out	Soft Issues	Oversight