



Camdeboo Municipality

Audit Implementation Plan in response to 2014/15 audit by AG

NO	COAF NO	EXCEPTION NO	DESCRIPTION	RECOMMENDED ACTION	RESPONSIBLE PERSON	TIMEFRAME	YES	NO	NA	COMMENTS
1	MGT REP	NA	<p>Misstatement in financial statement disclosure: Understatement of financial instruments, capital commitments, cash notes on the financial statements</p> <p>Other disclosure differences were noted that was not considered to be material but requires attention: Depreciation, accumulated surplus and doubtful debts notes</p>	<p>Perform thorough review of the financial statements and disclosure at year end to ensure that the disclosure is appropriately updated.</p> <p>Ensure that Audit committee is provided with final set of financial statements atleast 10 days before submission to AG</p> <p>Review the AFS template to confirm that the links for disclosure information is adequately linked</p> <p>Perform Interim financial statements as at 31/03/2016 to ensure that interim information is updated and prior year</p>	<p>Chief Audit Executive</p> <p>Chief Audit Executive</p> <p>Chief Audit Executive</p> <p>CFO/CA</p>	<p>10/08/2016</p> <p>20/08/2016</p> <p>31/01/2016</p> <p>15/05/2016</p>				
2	MGT REP	NA	<p>The performance of contractors was not monitored on a monthly basis, as required by section 116(2) of the MFMA. During most of the 2014/15 financial year, the contractors</p>	<p>Performance on contractors to be monitored monthly</p> <p>Verification of such monitoring performed</p>	<p>Manager: Assets and supply chain management</p>	<p>Monthly</p> <p>Monthly</p>				
3	MGT REP	NA	<p>Reasonable steps were not taken to prevent unauthorised expenditure, as required by s62(1)(d)/s95(d) of the MFMA. The unauthorised expenditure was as a result of under-budget of the following:</p> <ul style="list-style-type: none"> - Depreciation - Post retirement medical benefits - Allowance for doubtful debts 	<p>Budgets to be revisited at adjustment budget process</p> <p>The following procedures to be performed on specific items:</p> <ul style="list-style-type: none"> - Monthly depreciation to be processed - Perform the (post retirement and allowance for doubtful debts) estimate as at 31 December to determine impact on the adjustment budget 	<p>CFO/CA</p>	<p>25/01/2016</p>				
4	MGT REP	NA	<p>The municipality did not evaluate its performance in respect of programmes funded by the MIG allocation, as required by s12(5) of the DoRA. The municipality has struggled to obtain the required template for reporting such</p>	<p>Obtain template from treasury to report as required.</p> <p>Quarterly verification to confirm compliance</p>	<p>CFO/CA</p>	<p>Quarterly</p>				
5	MGT REP	NA	<p>The municipality suffered significant losses for water and electricity.</p>	<p>Determine the levels within the national norms.</p> <p>Determine methods to reduce losses of water and electricity including meter audits</p>	<p>Chief Audit Executive</p> <p>Director: Technical Services</p>	<p>31/03/2016</p>				
6	MGT REP	NA	<p>Measurability of performance indicators included performance targets that were not specific, time-bound, well defined and verifiable</p> <p>The reliability of reported performance information could not be confirmed for some performance targets as those were not measurable</p>	<p>Review the SDBIP to ensure that performance targets are specific, time-bound, well-defined and verifiable. Consider the recent review by AG of the 2015/16 SDBIP.</p> <p><u>Refer next line item for verification</u></p>	<p>Performance management officer</p>	<p>10/12/2015</p>				
7	MGT REP	NA	<p>The AG identified material misstatements in the annual performance report submitted for auditing on the reported performance information of Infrastructure Development which was subsequently corrected</p>	<p>Quarterly verification of targets set quarterly to confirm the accuracy of information.</p> <p>Year end verification on reported output in the draft annual performance report before submission to AG. Portfolio of evidence to have reconciliations to agree the supporting documentation to the reported output</p>	<p>Performance management officer</p>	<p>Quarterly</p> <p>20/08/2016</p>				

8	COAF 6	12	General key performance indicators not established	Include general indicators as recommended by the AG and in terms of the legislation	Performance management officer	10/12/2015				
9	COAF 13	19	The municipality assessed its performance by 25 January during the first half of the financial year, however did not take into account the past year's annual report, and progress on resolving items identified in the annual report.	Ensure that the report is tabled by the 25th January 2016, and include progress on targets not met in the previous financial year.	Performance management officer	25/01/2016				
10	COAF 18	35	Risks and deficiencies were noted on system processes for performance management	Detail system descriptions to be developed for each kpi in the SDBIP, so that all internal controls can be identified and monitored.	Performance management officer	Quarterly				
11	COAF 23	39	Non-compliance with s46(1)(c) of the MSA - The municipality must prepare for each financial year a performance report reflecting measures taken to improve performance (especially where targets have not been achieved) It should be noted that the finding arose as a result of the targets being in budgetary terms and as a result, the plan of action was not considered relevant to meet the requirements of the MSA	All monetary targets has been excluded in the 2015/2016 SDBIP. Ensure that detailed reasons are provided where targets are not met and a plan of action that will be monitored and reported on.	Performance management officer	Quarterly				
12	COAF 24	24	Assets were included on the asset register without unique asset identifiers (bar codes) Improvements to buildings were incorrectly classified to infrastructure category on Note 7 of the financial statements.	Ensure that fixed asset register is updated frequently to have updated register by year end that is compliant with the requirements of GRAP and the asset management policies and unnecessary misclassifications are prevented. Compile detailed assets work plan for monthly and quarterly reviews to ensure that frequent updates are performed	Manager: Assets and supply chain management	Monthly 20/11/2015				
13	COAF 34	23	An error occurred with the classification of rental expenses between rental and maintenance in the general expenditure disclosure	Ensure that the maintenance and rental amounts per the TB are correctly classified in the notes to the financial statements as part of interim and annual financial statements	CFO/CA	30/04/2016 31/07/2016				
14	COAF 17&21		Findings were noted related to human resources: -Overtime worked greater than 30% of basic salary -Overtime worked not authorized in advance -Total overtime worked not in accordance with regulations and allowances policy -Early retirement notice less than three months -Terminations register not updated accordingly -Overtime paid to employees not in line with regulations -Vacancy rate is higher when compared to prior year -Resignation period less than the required 30 days period -MFMA Compliance: Municipal manager, CFO and Technical services director minimum competency areas	Implement internal controls to prevent the reoccurrence of these findings in the new financial year Follow up review to be performed to ensure compliance	Assistant manager: Human Resources Chief Audit Executive	10/12/2015 31/05/2016				

15	COAF 33	63	Findings were noted with regards to budgetary compliance matters: -Non-compliance with sections 15, 87(8) and 100(a) of the MFMA -Non-compliance with section 70(1) of the MFMA -Non-compliance with section 71(1) of the MFMA -Non-compliance with sections 52(d) of the MFMA -Non-compliance with section 71(2)(a) and 87(12) of the MFMA	Ensure compliance with the requirements of the MFMA by compiling compliance register and confirm deadlines with the responsible person	Chief Audit Executive	20/11/2015 Monthly				
16	COAF 9&10		Adjustment budget not made public and not submitted to PT and NT within the timeframe in terms of the legislation	Ensure that the adjustment budget is submitted to PT and NT (electronic and hard copy) and is made public within 10 working days after approval by council	CFO/CA	11/02/2016				