

MMM AUDIT ACTION PLAN

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 4	Office of the City Manager	MR other important matter	Planning - Limitation of scope- Investigations reports/ Operational risk register 2016/17	Administrative issue	Compliance	GM: Strategic	Compilation of the Operational Risk Register is currently underway by the Anti -Fraud department all departments have been engaged regarding current and potential risks that they face.	60%
AC 5	Corporate services	MR other important matter	A reconciliation between Payday and Solar system from 01 July 2017 to current was not submitted or the one submitted still had reconciling items.	Administrative issue	Employee cost	GM: Human Resources	More regular reconciliations will be done as soon as the current Human Resources challenges in Payroll are addressed. The is currently a vacancy and Payday has been engaged to provide training as soon as the vacancy is filled.	0%
AC 13	Social services	MR other important matter	Revenue - Fines - Information systems	Administrative issue	Fines	GM: Traffic	The Traffic Department is in process of finalising the contract with the service provider for a fully functional electronic contravention system.	85%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 16	Finance	MR other important matter	Planning - Supplier not paid within 30 days	Financial/Legislative issue	Payables	GM: Expenditure	<p>An effective cash flow system is in place to ensure that payments are made within 30 days as prescribed by the Act. The practice is being reviewed and monitored by the CFO and City Manager on a daily basis. Total compliance to the stipulation is always not possible despite the Finance Department being in receipt of the invoices due to:</p> <ul style="list-style-type: none"> - Insufficient funds being available on the budget; - Non – compliant tax invoice details; - Delays in the submission of invoices by the respective user departments. - Account or service disputes between the user department and the service provider and - Cash flow constraints. <p>An evaluation of compliance cannot just be made on the basis of the calendar dates, without taking any of the above mentioned factors into account.</p>	100%
AC 17	Corporate services	MR other important matter	Employee reconciliations not performed	Administrative issue	Employee cost	GM: Human Resources	<p>More regular reconciliations will be done as soon as the current Human Resources challenges in Payroll are addressed. The is currently a vacancy and Payday has been engaged to provide training as soon as the vacancy is filled.</p>	0%
AC 19	Office of the City Manager	MR other important matter	Budget and IDP indicators 2. In regards to the IDP objective on (Fleet management and Support) management agrees with finding, and will put corrective measures and include the IDP Objective accordingly.	IDP	IDP	GM: IDP	<p>The corrective action will be done during the adjustment budget of 2018/19 for inclusion on the revised SDBIP</p>	100% complete by 01 March 2019

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 21	Office of the City Manager	MR other important matter	Disciplinary board. Management is in the process of initiating a Council item for the approval of the establishment of the disciplinary board in line with the stipulations of the regulations. This item will first be tabled at EMT meeting, then MAYCO and finally Council.	Administrative issue	Reporting	GM: Strategic	Council approved establishment of Disciplinary Board, awaiting nomination of outstanding member from Provincial Treasury.	85%
AC 22	Social services	MR other important matter	Traffic fines (Prior year) The AG could get the court dates as requested by the auditee as we had no other detail available. No information was submitted for (1) completeness and (2) sequence testing thus will thus remains as the completeness of fine books could not be confirmed	Administrative issue	Fines	GM: Traffic	The Contravention system has a built in book module that will regulate the issuing and returning of fine books/cases. This will ensure that all returned books and cases are captured and this will address the completeness and sequential testing. The Issuing Clerk will verify that all cases in the returned books are submitted before any new books can be issued.	85%
AC 24	Office of the City Manager	MR other important matter	Inadequate performance management. Management should develop detailed policies and standard operating procedures that will guide the proper functioning of performance management within the municipality. Standard operating procedures should be developed for all objectives and performance indicators included in the SDBIP.	Performance	Reporting	GM: IDP	The office has started with the introduction on mechanism to correct the imperfections identified by the AG on both the IDP and SDBIP	100% compliant in the 2019/20 FY
AC 26	Corporate services	MR other important matter	Status of record review- Financial management(Iss.33) This can be evidenced by the following: > Monthly payroll reconciliations were not performed, and > Fixed asset registers not being regularly updated with major movements (i.e. additions/disposals).	Administrative issue	Reporting	GM: Assets & GM: Human Resources	Implementation of the SAM Project module Monthly reconciliation of the WIP register with transactions processed on the financial system On-going follow-up on stage of completion On-going capitalisation of completed projects and update of FAR	100%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 27	Office of the City Manager	MR other important matter	Status of record review-General procedures (Iss.36) Inspection of the Medium Term Strategic Framework (MTSF) Outcome 9 as at 30 March 2017, confirmed that Mangaung Metro Municipality (MMM) had no action in place and the position of the chief risk office was still vacant.	Administrative issue	Reporting	GM: Strategic	As part of the IDP Review 2019-20, MMM IDP will ensure alignment of IDP objectives and National Strategic imperatives. CRO position is filled.	80%
AC 28	Office of the City Manager	MR other important matter	Status of record review-Compliance management (Iss.38) Lack of effective oversight in ensuring that investigations are made regarding Irregular fruitless and unauthorised expenditure within the required timeframe.	Administrative issue	Reporting	GM: Strategic	Service provider has been appointed to assist with investigation of irregular expenditure.	60%
AC 29	Office of the City Manager	MR other important matter	Status of record review-Resource management(Iss.39) There is an increase in the vacancy rate on key management positions compared to the prior year. The following key positions are still vacant: (1) Head Naledi Administrative Unit, (2)Head PMU, (3) Head Strategic Prog&Serv Del Regulating and the (4) Chief Financial Officer.	Administrative issue	Reporting	GM: Strategic	All critical position will be filled subject to budget provision. Interviews and competency assessments for CFO held.	70%
AC 31	Office of the City Manager	MR other important matter	Status of record review-Performance management(Iss.37) Reports not tabled in council at the legislated times. • Section 71 • Section 52 reports • SCM reports • The draft annual report	Administrative issue	Reporting	GM: COMMITTEE SERVICES	A unit of Performance Management, Evaluation and Monitoring to be established under the IDP Sub-directorate.	60%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 32	Finance	MR other important matter	Planning- Internal control deficiency on assets(Iss.40) No evidence could be obtained that monthly/regular reconciliations between the FAR and general ledger were made during the year under review.	Administrative issue	Assets	GM: Assets	Implementation of the SAM Project module Monthly reconciliation of the WIP register with transactions processed on the financial system On-going follow-up on stage of completion On-going capitalisation of completed projects and update of FAR	10%
AC 33	Corporate services	MR other important matter	Succession plan not in place(Iss 29) There is no succession plan in place for the filling of positions which, by virtue of their specialist nature, or their importance within the organisations are key to the organisation's effectiveness.	Administrative issue	Reporting	GM: Human Resources	A succession policy for all critical and specialist positions to be created in consultation with the EMT.	0%
AC 34	Office of the City Manager	Non-compliance - Audit Report	Planning Performance management system (Iss 31) There is a lack of a performance management system for employees below senior management and that the performance of such personnel are not regularly assessed to ensure that corrective action is taken where employees are not aligned to the organisational goals.	Administrative issue	Performance	GM: IDP	Development of IPMS Policy Framework and SOP by June 2019	20%
AC 35	Social services	MR other important matter	Revenue - discrepancies. Amount on fines not agree with register and some of the fines could not be traced to the excel register.	Administrative issue	Fines	GM: Traffic	The Traffic Department is in process of finalising the contract with the service provider for a fully functional electronic contravention system. The system has got a preloaded traffic fine books with amounts and charges. This will ensure that the correct amount is charged.	85%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 36	Office of the City Manager	MR other important matter	AOPO: Inconsistencies between the IDP and SDBIP (AC 36)	Administrative issue	Performance	GM: IDP	This is incorrect as raised by the AG. The inconsistencies between the IDP and SDBIP on non financial matters will remain due to the new introduction of the Circular 88 from National Treasury and this was done and introduced together with DPME, DCoG, STATS SA, SACN, SALGA and Auditor-General that expresses the new reporting reforms (i.e. the IDP will have the OUTCOME indicator and the SDBIP the OUTPUT indicators and as the City we have to comply with the Circular).	Hold a meeting with the AG for clarity and way forward on their audit plan before the audit process for 2018/19
AC 39	Social services	AR Qualification	AC No 39- Revenue Fines. fine was traced to the Traffic Fine Charge Book excel spreadsheet, and it was noted that the fine amount as per the original traffic fine does not agree to the standard fine amount as per the Traffic Fine Charge Book. Some of the Section 341 traffic fines, it was confirmed that the fines did not have fine amounts written on	Administrative issue	Fines	GM: Traffic	contravention system. has preloaded traffic fine books with amounts and charges. This will ensure that the correct amount is charged.	85%
AC 40	Fleet and Waste	MR other important matter	AC 40- AOPO- Fleet and waste Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Administrative issue	Performance	GM: Fleet and waste	The Manager: Public Cleansing will compile a detailed report for all clean-up campaign undertaken and submitted to the GM: Solid Waste. The report will include the pictures taken during the clean-up campaigns. Furthermore, these pictures will be labelled to indicated the areas where these campaigns took place, and also give a picture of before and after the campaign status. This will resolve the calculation issue.	100% Immediately

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 42	Corporate services	MR internal control	AC No 42 - Emp Payments made to position not on the approved organisational structure. During the performance of our risk assessment it was identified that no reconciliation between the Organisational structure and the Staff establishment was made.	Administrative issue	Employee cost	GM: Human Resources	Work-study Division will be advised to keep a record/log of all approved amendments to the organogram and to ensure that Employment Division is advised accordingly in order to reconcile with the Staff Establishment.	0%
AC 53	Finance	AR Disclaimer	CENTLEC: Material difference in intercompany loan and the loan agreements. The accounting treatment between Mangaung and Centlec differ substantially and the matter involves a lot of components in the AFS.	AFS	Receivables	CFO	Implementation of Council resolution relating to due diligence report and submission in the next Council meeting.	0%
AC 54	Corporate services	MR other important matter	Network Security (ISA). Issues within the Information systems environment	IT	IT	CTO	Antivirus has been upgraded and licence renewed. Also the firewall upgraded and licence renew. SCCM has been installed. All Governance matters & Policies are in DRAFT and will be subject to the review of the Panel and appointment. The ISA Server (Internet Security and Acceleration Server) updates on a regular basis.	0%
AC 55	Engineering	MR other important matter	(Issued) AoPO - Basic services (sanitation misstatement) (AC 55) Suitable indicators need to be specified to measure performance in relation to inputs, activities, outputs, outcomes and impacts.	IDP	Performance	GM: Water and Sanitation	Suitable indicators are clearly stated so as to measure performance in relation to inputs, activities, outputs, outcomes and impacts this is currently in place for the 2018/19 Financial year	0%
AC 56	Finance	MR other important matter	AFS not reviewed by AC	AFS	Compliance	GM: Accounting and Reporting	Audit committee have scheduled meetings approved by Council, this includes a meeting to review the AFS before submission to AG. Deadlines for submission of information to include in the AFS will be monitored and non-compliance will be reported on a timely basis to	10%

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							CFO to communicate to Other HOD's and City manager.	
AC 60	Corporate services	MR - Non compliance	Job Descriptions. The cause could be that job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA	Administrative issue	Compliance	GM: Human Resources	All job descriptions were updated and reviewed 2016/17 and in the custody of Job Evaluation Division. Employment Division will be advised to request job descriptions for the recruitment and placement purposes.	0%
AC 61	Office of the City Manager	MR - Non compliance	Performance evaluation of senior managers. Management should also appoint panels for evaluating the annual performance of senior Managers	Administrative issue	Compliance	GM: Strategic	Appointment of evaluation panels for evaluation of senior managers	40%
AC 62	Corporate services	MR - Non compliance	Appointment of senior managers. The screening of short-listed candidates should be done as prescribed by regulation 14. The HR policy should be updated to ensure compliance with laws and regulations.	Administrative issue	Compliance	GM: Human Resources	The office of the City Manager will be advised accordingly as they are responsible for all recruitment processes pertaining to Senior Managers.	0%
AC 63	Office of the City Manager	AR Qualification	Human Settlements - With reference to the listed legislation, management should include the prior year actual performance in their annual report for comparison purposes. The draft annual report submitted does not specifically include the prior year actual performance. The baseline included as referred to by management is not regarded as sufficient in order to compare the	IDP	IDP	GM: IDP	All the information as contained in the baseline was for prior year performance. Further management will strengthen its oversight on the review of the report.	100% compliant in the 2018/19 APR

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			current year's performance with that in the prior year.					
AC 65	Engineering	MR other important matter	PPE (Additions). Additions to municipal roads constructed by the Department of Police, Roads and Transport may not be accounted for by the municipality	Administrative issue	Assets	HOD: Engineering	The CFO of the Provincial Department should prepare asset transfer certificate	0%
AC 66	Finance	AR Qualification	Procurement Process Not Fair for the Macufe contract	Administrative issue	SCM	GM: supply chain	Management revised its procurement processes and procedure by revising its procurement plan time lines from six (6) to eight (8) months to allow the process to unfold and accommodate space for any delays in finalising such processes.	50%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 68	Finance	MR - Non compliance	Suppliers not paid within 30 days. Management agrees with the 22 transactions and the other items on the finding are resolved. Therefore the non compliance will be reported as an audit report matter	Administrative issue	Compliance	GM: Expenditure	An effective cash flow system is in place to ensure that payments are made within 30 days as prescribed by the Act. The practice is being reviewed and monitored by the CFO and City Manager on a daily basis. Total compliance to the stipulation is always not possible despite the Finance Department being in receipt of the invoices due to: <ul style="list-style-type: none"> - Insufficient funds being available on the budget; - Non – compliant tax invoice details; - Delays in the submission of invoices by the respective user departments. - Account or service disputes between the user department and the service provider and- - Cash flow constraints. An evaluation of compliance cannot just be made on the basis of the calendar dates, without taking any of the above mentioned factors into account. 	100%
AC 69	Fleet and Waste	AR Qualification	Basic Services: Waste misstatement. due to the lack of a properly maintained register, it could not be confirmed that the compliance notices were issued to the transgressors within 48 hours as required by legislation	IDP	IDP	GM: Fleet and waste	Compliance Notices issued: <ul style="list-style-type: none"> -To maintain a formal register of the reported non-compliance with the by-law cases (date non-compliance was reported); -Management will develop a duplicate Compliance Notices Books; -A register would reflect the date transgressor received the signed notice. 	90% Immediately (the duplicate compliance notice book still outstanding)
AC 63	Human Settlements	AR Qualification	AoPO - Human Settlements (Reported differences)	IDP	IDP	HOD Human settlements	IDP Unit has ensures that all indicators are aligned to the performance of the housing department such that there are no reported differences between the IPD and the performance indicator or measure.	0%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 71	Finance	MR - Non compliance	Councillors' accounts in arrears. Management should implement adequate internal controls measures to ensure: - compliance with the Municipal Systems Act and - establish a process to recover outstanding amounts from the councillors	Administrative issue	Compliance	GM: Revenue	- A process has already been put into place whereby outstanding arrears of accounts are being deducted from their salaries	100%
AC 72	Engineering	AR Emphasis of matter	Revenue-Service Charges. Bulk water losses % loss above the norm	Administrative issue	Compliance	GM: Water and Sanitation	Proposed Action: MMM concluded a 10yr WCWDM strategy that will reduce the NRW to be within the accepted target range. Funded is an issue, Key projects have already been identified for implementation using the secured funds. Coupled with that MMM will also be prioritising their budget for maintenance on addressing NRW.	Task completed: WCWDM strategy 100% completed : WCWDM implementation ongoing
AC 74	Engineering	AR Qualification	AC No 74 of 2018 - AoPO - Basic services (roads and storm water misstatement) This will result in the achievements on the actual approved key performance indicators and targets not being measurable accurately, which could ultimately result in the municipality's overall goals and objectives not being achieved	IDP	IDP	GM: Roads and storm water	Reviewing of SDBIP targets to correlate with the DP	30%
AC 85	Office of the City Manager	MR other important matter	Limitation Of Scope AG requested Reports submitted by the accounting officer to the Mayor, MEC for Local government and the Auditor-General with regards to unauthorised, irregular, fruitless and wasteful expenditure.	Administrative issue	Compliance	City Manager	Completed reports will be submitted to the relevant authorities.	30%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 88	Human Settlements	AR Qualification	AoPO - Human Settlements - Households upgraded to phase	IDP	IDP	HOD Human settlements	The directorate will use the practical completion certificate which will reflect the number of ervens connected. In addition, erf numbers of properties connected will be attached which will later be used to verify the Happy Letters and the site permit issued.	20%
AC 90	Finance	AR Qualification	Employee Benefit Obligation	AFS	Employee cost	GM: Accounting and Reporting	Payroll management to incorporate detailed report with the Salary detail, so as to ensure completeness of information and supporting provided for accurate computations of Employee Benefit obligation.	30%
AC 91	Engineering	AR Qualification	Basic Services: Water misstatement - Incorrect performance indicators and figures used for performance information	IDP	IDP	GM: Water and Sanitation	Reviewing of SDBIP targets to correlate with the DP	30%
AC 100	Fleet and Waste	AR Qualification	Incomplete register submitted - Fleet and waste have Manual Handwritten registers and auditors do not want to place reliance on these registers.	IDP	IDP	GM: Fleet and waste	There are daily waste collection schedule in each region. A Waste Collection Performance Template have been developed and it is signed by Waste Collection Supervisor/ Driver, verified by the Inspector and the Managers approved the accuracy of the information provided.	100% Immediately
AC 103	Social services	AR Qualification	Difference between fine register and charge book	AFS	Fines	GM: Traffic	The fine register was not linked to charge book when it was developed. The service provider for contravention system has been appointed and the contravention system is preloaded with traffic fine books with amounts and charges. This will ensure that the fine register and charge book information is the same	85%
AC 104	Social services	AR Qualification	REC: Overstatement of other receivables from non-exchange (Fines) - Cutt off fines of the previous year were included in the current years AFS	AFS	Fines	GM: Traffic	The Traffic Department is in process of finalising the contract with the service provider for a fully functional electronic contravention system. The cut off issue will be addressed by the system as all dates will be properly	85%

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							reflected on the system for cut of issues.	
AC 105	Finance	MR internal control	Internal Accounts: Consumer receivables from non-exchange no proof of PTO's or agreements with government entities could be provided in order to confirm that these are properties given to government by the municipality via lease agreements	AFS	Revenue	GM: Revenue	- Management/Council to consider write off of these accounts and correction of the AFS - As an alternative, these accounts needs to be included under the impairment provision at year-end	40%
AC 108	Fleet and Waste	MR other important matter	Expenditure Overstated - Fleet	AFS	Expenditure	GM: Fleet and waste	All invoices received from the service providers will be reviewed to verify whether the date reflected in the invoice reconcile with the MMM waste collection and manual register prepared internally. Furthermore, there will be a template developed, where the service provider will have to sign to acknowledge/ accept the allocated work and also to sign off once he has completed the work allocated.	100% Immediately
AC 109	Corporate services	MR Non-compliance	Related Parties - Councillors disclosure not within 60 days after their election. Non-compliance with section 7 of schedule 1 and section 5A of schedule 2 of the Municipal Systems Act		Compliance	City Manager	Register of councillors will be updated at a frequent basis.	80%
AC 116	Fleet and Waste	MR other important matter	Fleet and waste - Occurrence of transactions not confirmed A finding has been raised regarding the cut-off.	AFS	Expenditure	GM: Fleet and waste	There are daily waste collection schedule in each region. A Waste Collection Performance Template have been developed and it is signed by Waste Collection Supervisor/ Driver, verified by the Inspector and the Managers approved the accuracy of the information provided.	Immediately

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AC 119	Social services	MR other important matter	REC Internal control deficiency on receivables from non-exchange transactions (Fines) with regards to revenue collection. Although the responsibility of payment lies with the offender, follow-up processes should be in place to ensure that the offenders' are aware of the repercussion of non-payment of fines	AFS	Fines	GM: Traffic	The Traffic Department can only act on non-payment of traffic fines when a ticket is at the stage of a warrant of arrest issued by the Court. Regular roadblocks are conducted and members of the public are arrested for non-payments. Follow up notices or reminder are build in the system.	95%
AC 129	Finance	MR Non-compliance	PCM - Deviations not submitted to council in the required timeframes	Administrative issue	Compliance	GM: supply chain	Management suggest that the action plan to be referred to the office of the City manager as it relates to the failure by the Accounting Officer to submit deviations / reports to Council which also relates AC 31.	20%
AC 132	Social services	AR Qualification	Revenue - Fines - Completeness - a sample of issued traffic fines was selected from the traffic fine books and could not trace the fines to the registers used to prepare the AFS. We are of the opinion that the non-recording of the traffic fines is due to the municipality not having a system in place.	Administrative issue	Fines	GM: Traffic	The Traffic Department has appointed a service provider to provide system and awaiting service provider to sign draft contract.	95%
AC 135	Office of the City Manager	AR Emphasis of matter	PCM - Bid Adjudication Committee was not composed in terms of the Municipal SCM Regulations	Administrative issue	SCM	City Manager	Rectification of the composition of the BAC. This will also be referred to national treasury for assistance and guidance	20%
AC 139	Finance	MR internal control	PCM - Non-compliance identified during audit of BID 388	Administrative issue	SCM	GM: Supply Chain	Management improved internal controls by amending compliance check list and included tax compliance status requirement through Centralised suppliers database (CSD) as one of the compliance requirement.	100%
AC 143	Human Settlements	AR Qualification	AoPO - Human Settlements - Households relocated from floodplains and servitudes	IDP	IDP	GM: Housing	Not in the 2018/19 SDBIP	0%

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AC 149	Finance	MR internal control	PCM - Inconsistent application for the allocation of BBBEE points	Administrative issue	SCM	GM: supply chain	Management clarified requirements for BBBEE Code of good practice and guide on the implementation of PPPFA regulations and all Preferential points system will be allocated and verified in line with BBBEE code of good practice by the Manager: Demand and Acquisition management and approved by the General Manager: SCM.	100%
AC 150	Corporate services	MR Non-compliance	High vacancy rate	Administrative issue	Employee cost	GM: Human Resources	Organisational Structure will be reviewed and right-sized in line with MMM service delivery model. Critical vacancies will be identified and funded in accordance with current Financial Recovery Plan.	40%
AC 157	Human Settlements	MR internal control	AoPO - Human Settlements - Completeness of Title deeds transferred could not be confirmed	IDP	IDP	GM: Housing	Not in the 2018/19 SDBIP	0%
AC 158	Human Settlements	MR internal control	AoPO - Human Settlements Households allocated affordable rental social housing. Tenants with earnings above R7500, benefitted from rental / social housing and did not pay market related rentals as per the Council resolution109H	IDP	IDP	GM: Housing	Not in the 2018/19 SDBIP	0%
AC 159	Finance	MR Non-compliance	Employees with interest in suppliers	Administrative issue	SCM	GM: supply chain	Management revised its procurement processes and procedure and included declaration of interest form (MBD 4) as a requirement for all procurement of goods, works and services and such will be reviewed by a delegated SCM Practitioner.	100%
AC 161	Finance	MR internal control	Consumer Deposits - new connections were not charged the correct amount for deposits.	Administrative issue	Revenue	GM: Revenue	- This was an incorrect interpretation by the AG. All deposits were correctly and accurately charged in terms of process manuals	100%

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AC 162	Finance	MR internal control	Revenue -Service charges - Disconnection notice that are sent to the consumer it was confirmed that the communication does not provide the following: (i) time of the disconnection and (ii) the place in which the consumer can challenge the disconnection process.	Administrative issue	Revenue	GM: Revenue	- This again an incorrect AC raised by the AG. All the information as contained in the disconnection notice does indeed appear on the notices and therefore an incorrect AC.	100%
AC 163	Finance	AR Emphasis of matter	Unspent Conditional Grants - Insufficient funds to repay unspent grants	Financial/Legislative issue	Expenditure	GM: Expenditure	Improve debt collection measures by enforcing credit control and debt collection policy to repayment of encroachment in unconditional grants. Ring fencing of conditional grants in separate bank accounts	30%
AC 168	Finance	MR internal control	PPE - Internal control discrepancies - assets with duplicate bar codes and/serial numbers were identified on the following registers:	Administrative issue	Assets	GM:Assets	Movable assets will be transferred to the SAM system Data exported will be reviewed Data will be validated during the 2018/2019 verification process	40%
AC 169	Finance	MR internal control	PPE - Immovable assets - Existence - Assets with no locations	Administrative issue	Assets	GM:Assets	Water Meter Register will be reviewed and adjusted. Billing section to confirm that all installations claimed by a contractor are linked to a valid account number	30%
AC 170	Finance	MR internal control	PPE - Water meters (Opening balance differences)	Administrative issue	Assets	GM:Assets	Water Meter Register will be reviewed. Depreciation journals will be processed to adjust the opening balance Value of materials transferred from capital spares will be added to amounts capitalised during 2017/2018 Meter sizes will again be verified on a sample basis	10%
AC 171	Finance	MR internal control	PPE - Incorrect cost of additions water meters	Administrative issue	Assets	GM:Assets	Water Meter Register will be reviewed. Depreciation journals will be processed to adjust the opening balance Value of materials transferred from capital spares will be added to amounts capitalised during 2017/2018 Meter sizes will again be verified on a sample basis	10%

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AC 172	Finance	MR internal control	PPE - Water meters - Revaluation incorrectly calculated	Administrative issue	Assets	GM:Assets	Water Meter Register will be reviewed. Depreciation journals will be processed to adjust the opening balance Value of materials transferred from capital spares will be added to amounts capitalised during 2017/2018 Meter sizes will again be verified on a sample basis	10%
AC 175	Corporate services	MR other important matter	Mangaung Metro - IT Inadequate backup procedures	Administrative issue	IT	CTO	Backup Policy not being approved has been noted as an Audit Query. A DRAFT has been completed and will serve at the next ICT Steering Committee for approval and implementation. All Governance matters & Policies are in DRAFT and will be subject to the review of the Panel and appointment.	0%
AC 176	Finance	MR other important matter	Movable assets - Broken Items identified through asset verification. Regular conditional assessments not being performed to identify possible indicators for impairment	Administrative issue	Assets	GM:Assets	Movable assets will be transferred to the SAM system Data exported will be reviewed Data will be validated during the 2018/2019 verification process	40%
AC 177	Finance	MR internal control	Immovable assets - Water meters - Difference between water meter registers	Administrative issue	Assets	GM:Assets	Water Meter Register will be reviewed and adjusted.	10%
AC 180	Finance	AR Emphasis of matter	Irregular Expenditure Incomplete (Conditional grants not used for its intended purpose)	Administrative issue	Expenditure	GM: Expenditure	Improve debt collection measures by enforcing credit control and debt collection policy to repayment of encroachment in unconditional grants. Ring fencing of conditional grants in separate bank accounts	30%
AC 185	Corporate services	MR Non-compliance	Employee Related Cost - Overtime - Non-compliance with the Basic Conditions of Employment Act	Administrative issue	Employee cost	GM: Human Resources	EMT to be engaged in regards to the payment of overtime contrary to the BCEA	0%
AC 188	Social services	AR Qualification	Communication of Findings Discrepancies identified within the fine system	Administrative issue	Fines	GM: Traffic	The Traffic Department did not have a system at the time of audit review however a service provider has been appointed for provision of a fully functional electronic contravention system.	95%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 189	Corporate services	MR internal control	Employee Related Cost - Salary not recovered of seconded employee	Administrative issue	Employee cost	GM: Human Resources	Directorates will be advised to follow due processes if employees have to be seconded. The municipality will ensure that the policy so effective and applied across the municipality.	0%
AC 193	Fleet and Waste	MR internal control	Inventory - No evidence of review of work done	Administrative issue	Employee cost	GM: Fleet and waste	All transactions processed by the Fuel Station Clerk should be reviewed by the senior official, in this case it is the Acting Manager: Diverse Workshop Support Division (DWSD)	100% Immediately
AC 194	Finance	MR internal control	PPE - Conditional assessments not performed	Administrative issue	Assets	GM:Assets	Condition assessments will commence during the 2018/2019 financial year	5%
AC 200	Social services	AR Qualification	Revenue - Fines - Prior year follow-up (AC 47 49 65). During the testing of fines, we identified that fines were in some instances captured in the fines register on the reduced amount and others on the original amount as per the actual fine	Administrative issue	Fines	GM: Traffic	The Traffic Department is in process of finalising the contract with the service provider appointed for a fully functional electronic contravention system. The contravention system will ensure that when a representation is done the changed amount will be captured and immediately updated on the system the member of the public will only pay the changed amount. This document will be filed for audit purposes.	95%
AC 201	Social services	AR Qualification	Revenue - Fines - Sequence testing. The section 341, 56 general and 56 speed fine registers are not complete as all book numbers for fines were not included in the register.	Administrative issue	Fines	GM: Traffic	The Traffic Department is in process of finalising the contract with the service provider for a fully functional electronic contravention system. The contravention system is having a book module that will regulate the issuing and returning of books.	95%
AC 205	Office of the City Manager	MR other important matter	UJIFW - Unauthorised fruitless wasteful and Irregular expenditure not investigated	Administrative issue	Disclosure	City Manager	Investigations are underway for irregular expenditure.	60%
AC 206	Finance	MR other important matter	PPE - Conditional assessments not performed water meters	Administrative issue	Assets	GM:Assets	The Water meter register will be updated to reflect the condition as calculated	10%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 209	Finance and Social services	MR internal control	Services were provided although there was no approved contract extension	Administrative issue	Irregular	CFO & HOD: Social Services	MFMA Section 116 will be followed before contract extensions. Relevant SCM process will be implemented on time to ensure that new contracts are entered into before expiry dates. No further extensions will be allowed without following provisions of the MFMA.	50%
AC 210	Finance	MR internal control	Payables- Internal control deficiencies (Payments received in advance Municipality shall- Deposits/credits that are not claimed for a period exceeding three years will be written off and may not be claimed after the write-off.	Administrative issue	Revenue	GM: Revenue	- The letter has already been sent to council for approval in January 2019 and write off process will commence thereafter	50%
AC 216	Finance	MR internal control	PPE - Land and buildings - Differences between asset register and valuation roll	Administrative issue	Assets	GM:Assets	The Valutors will be requested to submit a supplementary valuation roll to updated the Valuation roll with the values previously determined by them	10%
AC 217	Finance	MR internal control	PPE - Differences identified on work in progress	Administrative issue	Assets	GM:Assets	The WIP register will be corrected. Closing balances were NOT affected Balances will be transferred to the SAM Project system	10%
AC 218	Office of the City Manager	MR internal control	Other Reports (Investigations)	Administrative issue	Disclosure	City Manager	Register of Investigations to be updated frequently.	50%
AC 219	Finance	MR internal control	Revenue- process	Administrative issue	Fines	GM: Revenue	Management will nevertheless still review the access rights and ensure that only the proper and relevant people make use of these functions.	100%
AC 223	Corporate services	MR other important matter	Payable Salary control account not cleared on a monthly basis -salary reconciliation	Administrative issue	Employee cost	GM: Human Resources	More regular reconciliations will be done as soon as the current Human Resources challenges in Payroll are addressed.	0%

AC No	Directorate	Impact	Finding	Component	Classification	Responsible Position	Proposed action	% Completed
AC 226	Engineering	MR other important matter	Roads maintenance plan for routine maintenance and renewal for the roads infrastructure was not developed.	Administrative issue	Compliance	GM: Roads and storm water	development of roads asset management system.	5 % (The Service Provider of Asset Management is Appointed)