

EXTERNAL AUDIT RECOVERY PLAN FOR 2022 2023 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 26 - AFS High-level review differences identified	Differences between AFS amounts and Irregular expenditure register were identified and casting and cross casting difference on the note 33 remuneration of councillors	This is due to inaccurate review of financial information by accounting officials.	<p>Management should review the AFS and the audit file prior submission to AGSA</p> <p>Management to ensure that the write off of the irregular amounts disclosed on the AFS agrees to the support/council items/minutes</p> <p>Management to perform a reconciliation of the remuneration of councillors</p>	Manager SCM, Manager AFS and payroll	Monthly with effect from 2023/01/31	Reviewed annual financial statements and supporting file
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 60- SCM- Phahameng (Bultfontein) rehabilitation of existing sports facility - Non compliance & irregular expenditure identified	<p>1.The minutes of the bid specifications committee were not submitted by management</p> <p>2.The BEC had incorrectly eliminated a bidder (Trompie Pty Ltd) on the basis of being non-responsive on the required documents and therefore could not be advanced for evaluation of functionality, and subsequent evaluation on PPPF</p> <p>3. Based on the audit work performed on the price and BBBEE points, using the 80/20 preferential score, it was confirmed that the losing bidder (Trompie Pty Ltd) scored the highest score and the winning bidder was ranked 2nd, with a score of 100% and 85.64% respectively</p>	Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal and SCM to ensure that supporting information be provided for all SCM processes to confirm the transparency of all awards made	<p>Management to comply with the laws and regulations</p> <p>Management should keep a file of Bid specification minutes and attendance registers</p> <p>The municipality should utilise the pink program provided by national treasury as a guidance to ensure that compliance criteria are being followed.</p>	Manager SCM/SCM Practitioner	Monthly with effect from 2023/01/31	Bid committee minutes and attendance registers
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 80- SCM-Suppliers not registered for VAT	<p>There are suppliers who were identified by CAATS data to not be registered VAT vendors, whilst Tswelopele Local Municipality made payments of more than R1 million in the current financial year to these suppliers</p> <p>The reason for this internal control finding is to be proactive. Emphasis is placed more and more on government to assist to ensure that suppliers comply with legislation. This could still however have an impact on the municipality in future, therefore it is recommended that the municipality contact these suppliers and indicate that they must investigate the matter and register for VAT</p>	This is due to municipality not having adequate internal controls in place to ensure that their suppliers are registered for VAT	SCM to ensure that suppliers are informed about the VAT act which requires suppliers to be registered for VAT, should they have revenue exceeding R1M. (When registering quotations consider just having informative information)	Manager SCM/SCM Practitioner	Monthly with effect from 2023/01/31	Emails sent to suppliers

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 93- SCM Competitive bidding- Supply and delivery of 4 new tractors- Non-compliance identified & irregular expenditure	The winning bidder, Mothebe Wheels did not attach a municipal clearance certificate or a services account statement which indicates that the recommended bidder is not in arrears with municipal rates and taxes and municipal service charges. The recommended bidder was not eliminated on the basis of being non-responsive to the above mentioned required document even though it was not attached and was advanced for functionality evaluation, calculation of PPPF, on a 80/20 basis and subsequently awarded the contract. Furthermore, the following information was not submitted for audit: • BSC minutes and interest declarations • BEC interest declarations • BAC interest declarations	This was caused by lack of oversight by the Bid Evaluation Committee and the Bid Adjudication Committee to ensure that due diligence was followed in the evaluation of the tender.	The bid evaluation committee should ensure that all qualifying bidders have submitted all the required documents	Bid evaluation committee and Bid Adjudication Committee	Monthly with effect from 2023/01/31	Bid Committees minutes
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 96- SCM contract management- reasons for variations or extensions not documented and approved	No approved variation or extension has been submitted for audit on Unathi Civils (Contractor) and Tsela Tsweu Consulting (Project engineer) for project running over planned completion of 05 March 2021. Contract: Construction of toilet structures in Phahameng ext 7 & 8 The reasons for overspending on the water chemicals contract (Mega Water Chem) have not been documented, approved by the accounting officer nor tabled in council of the municipality	Lack of adequate documentation maintained to support the compliance activities of the municipality	Management should ensure that all contract extensions are properly reviewed and approved by relevant officials. Where necessary penalties should be imposed as per the contract.	Director Technical Services and Manager SCM	Monthly with effect from 2023/01/31	Approved variation/contract extensions
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 110- SCM Competitive Bids- Upgrading of bulk water supply phase 3 Bultfontein - Non compliance and irregular expenditure	Based on the audit work performed on the upgrading of bulk water supply phase 3, Contract A it was identified that the winning bidder, MLK Engineering Consultants (Pty) Ltd did not attach the insurance cover letter, which was a required document.	This was caused by lack of oversight by the Bid Evaluation Committee and the Bid Adjudication Committee to ensure that due diligence was followed in the evaluation of the tender	Bid evaluation committee should ensure that all the preferred bidders have submitted all the required documents.	CFO and Manager SCM	Monthly with effect from 2023/01/31	Tender documents for all procurement above R200 000
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 112- General expenditure - SCM regulations not adhered to	During the auditing of general expenditure, it was noted that expenditure that was incurred for monthly services from Telkom and Procon without obtaining either 3 quotations or entering into a contract with the suppliers as required by SCM regulations. Through enquiry with management, it was further noted that the municipality does not have a contract with the 2 suppliers.	The cause of the above is lack of oversight by management in ensuring that all laws and regulations are adhered to.	Management should ensure that for procurement less than R200 000 three formal quotations are obtained. For procurement over R200 000, competitive procurement processes should be followed and SLAs should be signed and filed accordingly.	CFO and Manager SCM	Monthly with effect from 2023/01/31	Signed SLA

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 118- SCM competitive bids - upgrading of bulk water supply phase 3 bultfontein - Non compliance and possible financial loss	Contract identity - SCM/TSW/11A/RBIG/2020 - Upgrading of Bulk Water Supply Phase 3 - Contract A - Bultfontein. Based on the audit work performed on the upgrading of bulk water phase 3 contract A , the following issues were identified:	This was caused by lack of oversight by the Bid Evaluation Committee and the Bid Adjudication Committee to ensure that due diligence was followed in the evaluation of the tender and that all the documentation that was taken into account for the evaluation of the contract were attached to the BEC report.	Performance of service providers should be monitored and non-performance should be communicated with the service provider and documented for utilisation in future evaluations.	Director Technical Services, CFO and Manager SCM	Monthly with effect from 2023/01/31	Updated Irregular Expenditure
		(A) The BEC had eliminated Wanga Power Projects CC, The BEC did not attach the correspondence where the said bidder was informed that the municipality was unsatisfied with the work performed on the RBIG Phase 1 project. Therefore, we were unable to obtain sufficient and appropriate audit evidence to confirm that the BEC had grounds of disqualification. (B)The BEC did not evaluate the bidder for functionality and PPPF based on the considerations of (a) above. (C)The BEC did not provide reasons for the acceptance of the winning bidder's tender price which could also impose high risk of non-completion.	The Bid Evaluation Committee and the Bid Adjudication committee did not ensure that the evaluation of the tender was in line with the requirements as per the tender document, in order to promote transparency and fairness.	Management should investigate the non-compliance identified and update the irregular expenditure register and financial statements as appropriate	Director Technical Services, CFO and Manager SCM	Monthly with effect from 2023/01/31	Updated Irregular Expenditure
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 123- SCM competitive bids- refurbishment of sewer pump station- Phahameng - Non compliance and irregular expenditure identified	Based on the audit work carried out on the refurbishment of the sewer pump station in Phahameng, it was identified that NSM Professional Services, a majority shareholder of the Joint Venture, NSM Professional Services JV Tamane Civils did not attend the compulsory briefing session. The contract for the refurbishment of the sewer station in Phahameng was subsequently awarded to NSM Professional Services JV Tamane Civils. The bidder, NSM Professional services should have been disqualified from participating in the tender on the basis of non-attendance of the compulsory briefing session	This was caused by lack of oversight by the Bid Evaluation Committee and the Bid Adjudication Committee to ensure that due diligence was followed in the evaluation of the tender.	The Bid evaluation committee should include as part of the compliance criteria the attendance of the compulsory briefing session.	Director Technical Services, CFO and Manager SCM	Monthly with effect from 2023/01/31	Attendance register for briefing sessions, tender closing register and bid evaluation committee report
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 125- SCM Quotations - Declaration of interest not provided	The MBD4 declaration of interest forms were not attached for the suppliers listed below. Thus, the auditor is not able to verify the supplier's interest in relation to the Municipality: Chemkor Chemical Supplies (Pty) Ltd Media 24 Lillies Sales and Services PayDay Software Systems (Pty) Ltd Siyakhula Bitumen & Asphalt The Specialists	Lack of an effective internal control to ensure that all declarations of interest are obtained and maintained with procurement documents	Management should ensure that the all suppliers have submitted the MBD4 declaration of interest forms. The municipality should procure the system to verify the declaration of interest.	Manager SCM and SCM Practitioner Chief Financial Officer and Acting Municipal Manager	Monthly with effect from 2023/01/31	Evaluation form of all the population for 2022-2023
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 126- SCM Quotations- demand forms not attached to payment vouchers	The demand forms were not attached for the suppliers listed below. Thus the auditor is not able to verify the description or specification: Chemkor Chemical Supplies (Pty) Ltd Kalosi Trading & Projects Actorm (Pty) Ltd	These matters resulted due to internal controls not being adequately established and implemented by management	Management should review and improve the record management system to ensure that documents are filled properly (demand forms are attached for all orders).	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Evaluation form of all the population for 2022-2023

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 127- SCM Quotations- Awards to suppliers where tax matters were not declared by SARS to be in order	Suppliers CSD reports were not submitted. Therefore supplier registration on the CSD and tax compliance could not be confirmed: Chemkor Chemical Supplies (Pty) Ltd Lillies Sales and Services Mutisi Lazer Tech	These matters resulted due to internal controls not being adequately established and implemented by management.	SCM to ensure that all CSD reports are attached to all payment vouchers.	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Evaluation form of all the population for 2022-2023
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 128- SCM Quotations- deviations not reported to council	The following deviations were not reported to council: EFT No Name Exp EF005956 Media 24 R43 387,20 EF005216 The Specialists R8 872,50 EF006338 PayDay R19 194,00	These matters resulted due to internal controls not being adequately established and implemented by management.	SCM to ensure that a list of all deviations are presented to council on a monthly basis.	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Compliance register
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 129-SCM Deviations- declaration of interest not provided	The MBD4 declaration of interest forms were not attached for the suppliers listed below. Could not confirm that the following suppliers were not in service of the state or any member of their family/ stakeholder: Vetrivier Boeredienste 6410 Diesel for Bultfontein and Hoopstad 313 460,00 MT98 Projects Pty Ltd 6005 Repair leaking left side blade lift cylinder 292 900,00 Vetrivier Boeredienste 6326 Repairs on Bultfontein Grader 193 230,00	Lack of an effective internal control to ensure that all declarations of interest are obtained and maintained with procurement documents.	Management should ensure that the all suppliers have submitted the MBD4 declaration of interest forms. The municipality should procure the system to verify the declaration of interest.	Manager SCM and SCM Practitioner Chief Financial Officer and Acting Municipal Manager	Monthly with effect from 2023/01/31	Evaluation of Payment vouchers (document control)
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 130- SCM uneconomical use of resources	The following concern was identified for the repair work done on a miniature transformer by MT98 projects whereby there was uneconomical use of resources as the prices charged by this supplier were significantly more than those charged by another supplier for performing the same scope of work. The total award to MT98 amounted to R292 900.	These matters resulted due to internal controls not being adequately established and implemented by management	Management should follow proper procurement processes to appoint a panel of service providers for supply, delivery and maintenance of water and electricity infrastructure.	CFO and Manager SCM	Monthly with effect from 2023/01/31	Payment vouchers
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 131- SCM Deviations - reasons for procurement being considered an emergency not reasonable and justifiable	The reasons for procurement being undertaken in the case of an emergency were not considered reasonable or justifiable	These matters resulted due to internal controls not being adequately established and implemented by management	Management should develop a standard template for deviation motivations and utilise pink programme to guide in validating motivations.	CFO and Manager SCM	Monthly with effect from 2023/01/31	Deviation register
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 132-SCM Deviations - awards to suppliers where tax matters were not declared by SARS to be in order	During the testing of SCM deviations, we could not confirm that Vetrivier Boeredienste's tax matters were declared to be in order by the South African Revenue Services due to them not being provided	These matters resulted due to internal controls not being adequately established and implemented by management.	SCM to ensure that the suppliers are tax compliant and provide supporting documentation CSD/tax clearance	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Evaluation of payment vouchers (document control)
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF133-SCM Quotation- deviations and cessions approved not reasonable and justifiable	Reasons for procurement being considered an emergency not reasonable and justifiable. Deed of Cession and Authority letter were approved for suppliers not meeting SCM requirements.	These matters resulted due to internal controls not being adequately established and implemented by management	Management will ensure that cessions will only be approved with registered financial service providers.	Manger SCM and SCM practitioner	Monthly with effect from 2023/01/31	Approved cessions

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
SCM	CoAF 134- Commitments - differences between the contracted amounts per Service level agreement and commitments register	Based on the audit work performed on commitments, differences were identified between the contracted amounts per Service Level Agreements and the contracted amounts as per the commitments register	This is due to inadequate review of financial records to ensure accuracy of recorded information.	Management should perform monthly reconciliations between the contracted amount as per the SLA and commitment register.	Director Technical Services, CFO and Manager SCM	Monthly with effect from 2023/01/31	Monthly recons
SCM	CoAF 135- Commitments- difference between 2020-21 register & prior year figure of the 2021-22 register	Based on the audit work performed on commitments, differences were identified between the 2020/2021 commitments register and the prior year figure of the 2021/2022 commitments register	The matter occurred due to internal controls not being adequately established and implemented by management	Management should review the AFS and the audit file prior submission to AGSA	CFO and Manager SCM	31-Aug-23	Management review report/notes
GOVERNANCE	CoAF 138- Related parties- completeness of disclosure	Upon inspection of note 47 Related parties it was noted that not all related party relationships were disclosed, as no disclosures were made in respect of relationships between the municipality and councillors It was further noted that not all related parties' transactions were disclosed, as the R amount of transactions relating to municipal services rendered by the municipality to key management personnel and councillors were not included in note 47. Note 47 also does not make reference to the respective note numbers in the financial statements where other transactions and balances in respect of these related party relationships were disclosed.	This may be due to management not being able to properly identify related party transactions.	Management should review the AFS and the audit file prior submission to AGSA	CFO, Manager AFS and Manager SCM	31-Aug-23	Reviewed annual financial statements and supporting file
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 139- SCM local content - Non compliance to PPR 2017 8(2)	Procurement items were identified where local content requirements were applicable but were not applied by the municipality:	Management did not in all instances ensure compliance to laws and regulations.	Management should develop a policy for local content/review SCM policy to include local content requirements. Utilise pink program toolkits to comply with SCM regulations	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Local content policy/ updated SCM register
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 145- Irregular expenditure - completeness (current year expenditure on contracts identified as IE not included in the current year IE register)	Current year payments made on contracts identified as irregularly awarded in the prior year were identified and payments made to the same contractors in the current year were not included in the current year IE register	This resulted due to management not reviewing and ensuring that expenditure incurred in the current year in relation to prior year contracts identified as irregular are included in the current year IE register	Management should review the entire irregular expenditure register to ensure that it includes all irregular expenditures as and when incurred (completeness and existence)	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Updated IE registers and record of investigations
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 155- SCM Deviation not complying with the requirements of SCM regulation 36	The reasons for procurement being undertaken in the case of an emergency for certain transaction are not considered reasonable or justifiable. The deviation was further not reported to council and reported in the AFS	Management did not in all instances ensure compliance with applicable laws and regulations.	Management should develop a standard template for deviation motivations and utilise pink programme to guide in validating motivations SCM to ensure that a list of all	Manager SCM and SCM Practitioner	Monthly with effect from 2023/01/31	Compliance register

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 159- SCM Competitive bidding- proposal for supply and delivery of one articulated grader and two tractors	Contract Identity - Proposal for Supply and Delivery of One Articulated Grader and Two Tractors - RFP/TSW06/2020-2021. Sufficient evidence could not be obtained to confirm that the procurement process was fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management	This was caused by lack of oversight by the Bid Evaluation Committee and the Bid Adjudication Committee to ensure that due diligence was followed in the evaluation of the tender.	The municipality will make use of National Treasury RT contracts for procurement of white and yellow fleet.	CFO and Manager SCM	Monthly with effect from 2023/01/31	Attendance register for briefing sessions, tender closing register and bid evaluation committee report

EXTERNAL AUDIT RECOVERY PLAN FOR 2022 2023 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 1 - Internal control deficiencies: External quality review not done on Internal Audit	While assessing the work on internal audit, it was identified that no external assurance reviews / assessments were performed on internal audit. Further through discussion with the internal auditor it was indicated that the external assurance reviews have never been done in prior years.	Budget constraints and request for assistance with external reviews not being responded to by Treasury to date	Management to request treasury to provide readiness assessment /review	Manager Internal Audit and Risk	31-Jan-23	Request letter to provincial treasury approved by the MM and proof of submission
				Management should budget for the internal audit external quality review	Manager Internal Audit and Risk	31-Mar-23	Draft budget for 2023/24 and Council resolution
				Management should ensure that internal audit activity is being reviewed by an external independent assessor	Manager Internal Audit and Risk	30-Sep-23	External quality review reports
GOVERNANCE	CoAF 2- Internal control deficiencies: organogram not annually reviewed	Through inspection of the council minutes in the 2021/22 financial year, no evidence could be identified that the municipal organisational structure was reviewed or revised within the current financial year. This matter was raised during the prior year external audit process as well as in the 2019/20 and 2018/19 audit cycles.	Inadequate planning, implementation and monitoring of compliance with applicable laws and regulations	Management should review the organisation structure	Director Corporate Services and Municipal Manager	28-Feb-23	Reviewed organisational structure
				Management should ensure that the reviewed organisational structure is presented before LLF and Council for adoption	Director Corporate Services and Municipal Manager	31-Mar-23	LLF and Council minutes
GOVERNANCE	CoAF 157- Consequence management- unauthorised expenditure not investigated	As per note 54 of the AFS, the municipality had an accumulated balance of R13 004 222 at the end of the previous financial year. This unauthorised expenditure was not investigated by MPAC and thus results in a non-compliance with legislation.	Management did not in all instances ensure compliance with applicable laws and regulations.	Management should ensure that MPAC sit and investigates UIF and recommend to Council the treatment thereof	Strategic Manager and Municipal Manager	23-Feb-23	MPAC Meeting minutes, attendance register, Investigation report and MPAC Council items

EXTERNAL AUDIT RECOVERY PLAN FOR 2022 2023 AUDIT

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
1	GOVERNANCE	CoAF 43 - AOPO - Inaccurate reported achievement on the SDBIP	During the audit of predetermined objectives it was identified that there was a difference between the reported achievement and the underlying support for the Construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9 (476 sites) Annual target = 5% Reported achievement = 16.8% Auditor's recalculation = 10.3%	The difference is due to differences in the denominator(Budget)	Management should include in the portfolio of evidence the supporting information for both the numerator and the denominator for percentage indicators.	Strategic Manager	Monthly with effect from 2023/01/31	Supporting evidence for reported achievements and budget.
				Inadequate review of portfolio of evidence used for reporting purposes.	Management should on a monthly basis review the portfolio of evidence.		Monthly with effect from 2023/01/31	POE files
2	GOVERNANCE	CoAF 44 - AOPO- Inconsistencies identified between the SDBIP and APR	Through inspection of the SDBIP and APR there were inconsistencies identified: 1. The indicator as per the SDBIP did not agree to the indicator as per the APR 2. The planned target as per the SDBIP and APR was not consistent with the reported target as it was not reported as a percentage 3. The indicator included in the SDBIP and APR is not clear as to whether purchased or purified water will be used to determine the performance 4. The reported indicators are based on percentage; however, the numerator and denominator could not be determined to confirm the percentage reported	Inadequate review by management to ensure that the reported planned indicators and targets as per the APR are consistent with the planned indicators and targets as per the annual planning document (SDBIP).	Management should ensure that the reported achievements as per the APR are consistent with the annual planning document (Reviewed SDBIP).	Strategic Manager	28-Feb-23	APR and Reviewed SDBIP
3	GOVERNANCE	CoAF 45 - AOPO - Performance information in the APR not presented and disclosed according to requirements of the framework	Through inspection of the annual performance report the reasons for the non-achievement were noted, however the actions taken to improve the performance do not address the matters noted in the reasons for non-achievement	Inadequate review by management of the APR	Management should ensure that the reported achievements as per the APR are consistent with the annual planning document (SDBIP).	Strategic Manager	28-Feb-23	APR and Revised SDBIP
					Management should ensure that for all non-achievements reported actions to improve performance should be in line with the reasons provided for the non-achievement.		Quarterly	Quarterly performance reports and POEs

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
4	GOVERNANCE	CoAF 59- AOPO- Performance indicator does not have a clear unambiguous definition (measurability)	The indicator as per the APR and SDBIP is not clear as to whether purchased or purified water will be used to determine the performance: Indicator Limit water network losses to less than 15% by 30 June 2022 (Difference between water supplied and water billed) (number of kilolitres water purchased/ purified - number of kilolitres water sold) / number of kilolitres water purchased/ purified x 100} in both towns.	Management did not effectively implement internal control processes to ensure that the performance information reported in the annual performance report is presented and disclosed in accordance with the requirements contained in the legislation, frameworks, circulars and guidance and supported by sufficient appropriate audit evidence	Management should apply the SMART principle in setting indicators and targets.	Strategic Manager	28-Feb-23	Reviewed SDBIP
					Management should for all indicators in the SDBIP develop technical indicator descriptions.		28-Feb-23	Reviewed SDBIP
5	GOVERNANCE	CoAF 61- AOPO- Completeness - No indicators included in SDBIP and APR that relates to roads and stormwater	During the audit of predetermined objectives it was noted that the KPA: Infrastructure Development and Service Delivery includes the strategic objective "To provide and maintain accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water" with the intended outcome: "Accessible roads and properly maintained roads and storm water infrastructure". Through inspection of the SDBIP and the APR we noted that there were no indicators included that are relevant to the strategic objective mentioned above.	Management did not effectively implement internal control processes to ensure that the performance information reported in the annual performance report includes all relevant indicators relating to KPA 2 : infrastructure development and service delivery addressing the strategic objective: "To provide and maintain accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water infrastructure	Management should review the 2022/23 SDBIP to ensure that all indicators as per our mandate are included [Service delivery]	Strategic Manager	28-Feb-23	Reviewed SDBIP

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
6	GOVERNANCE	CoAF 84- AOPO Reported target not consistent with the planned target	Through inspection of the APR it was noted that the indicator was planned with 2 (two) targets, however the actual reported performance was not reported as such.	This occurred due to inadequate review by management of the APR.	Management should implement internal controls to ensure that the reported achievements as per the APR are consistent with the planned targets as per the SDBIP. The APR should be adjusted to indicate separately the % achievement for formalised households, and % achievement for public facilities and businesses.	Strategic Manager	Monthly with effect from 2023/01/31	Reviewed SDBIP and Quarterly performance report
7	GOVERNANCE	CoAF 89- AOPO- Refurbishment of pump station in Tikwana	During the testing of the denominator for the Refurbishment of pumpstation in Tikwana the differences between the APR and WSIG implementation for the project value were identified	This is due to inadequate review of the evidence underlying the actual achievement as reported in the APR to ensure that the amounts as included in the APR are substantiated by sufficient and appropriate audit evidence	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	APR and Performance files
					Management should on a monthly basis review the portfolio of evidence.	Strategic Manager	Monthly with effect from 2023/01/31	POE files
8	GOVERNANCE	CoAF 100- AOPO- Refurbishment of pump station in Phahameng	During the testing of the denominator for the Refurbishment of pump station in Phahameng differences between the APR and WSIG implementation for the project value were identified	This is due to inadequate review of the evidence underlying the actual achievement reported in the APR by management to ensure that the amounts as included in the APR are substantiated by sufficient and appropriate audit evidence.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	APR and Performance files
					Management should on a monthly basis review the portfolio of evidence.		Monthly with effect from 2023/01/31	POE files
9	GOVERNANCE	CoAF 104- AOPO Differences identified between the total expenditure as per the APR and payment certificate	Differences between the total expenditure as per the APR and payment certificate	This occurred due to a lack of review by management to ensure that the reported expenditure agrees to the actual expenditure incurred on the project.	Management should ensure that the reported achievements as per the APR are in agreement with the relevant supporting documentation (payment vouchers).	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and APR
					Management should on a monthly basis review the portfolio of evidence.		Monthly with effect from 2023/01/31	POE files

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
10	GOVERNANCE	CoAF 108- AOPO- Provide formalised households, businesses and public facilities with access to weekly waste collection services	Through the testing performed on the indicator : Provide formalised households, businesses and public facilities with weekly waste collection services and based on the understanding obtained of the municipality differences were identified between reported achievement and actual achievement as per the valuation roll	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported achievement in the APR.	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided.	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
11	GOVERNANCE	CoAF 113- AOPO Provide registered indigents with access to free basic water	Through the testing performed on the indicator: Provide registered indigent households with access to free basic water, differences were identified between reported achievement and actual achievement as per billing report and indigent register	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
12	GOVERNANCE	CoAF 114- AOPO Provide registered indigent household with access to basic sanitation	Through the testing of the indicator: Provide registered indigent households with free basic sanitation, differences were identified between reported achievement and actual achievement as per the billing and indigent register	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
13	GOVERNANCE	CoAF 115- AOPO Provide registered indigent households with access to free basic refuse removal	Through the testing performed on the indicator : Provide registered indigent households with access to free basic refuse removal, differences were identified between reported achievement and actual achievement as per billing report and indigent register	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
14	GOVERNANCE	CoAF 116- AOPO Provide registered indigent households with free basic electricity	Through engagements with management it was confirmed that the source data for the numerator as it relates to the indicator: Provide registered indigent households with access to electricity is the billing report. However, on testing the indicator it was noted that no indigents were billed for electricity. Furthermore, through inspection of the progress report it was noted that the total number of beneficiaries as per ESKOM do not agree with the total number of registered indigents as per the indigent register	This is due to inadequate review of the evidence underlying the actual achievement reported in the APR by management to ensure that the amounts as included in the APR are substantiated by sufficient and appropriate audit evidence	Management should keep accurate and complete supporting evidence for the indicators reported in the APR [Indigent register and proof of submitted indigent register to ESKOM]	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
15	GOVERNANCE	CoAF 120- AOPO Provide formalised households, businesses and public facilities with access to clean, quality and sustainable water services	Through the testing performed on the indicator: Provide formalised households, businesses and public facilities with access to clean, quality and sustainable water services, differences were identified between reported achievement and actual achievement as per the valuation roll	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should keep accurate and complete supporting evidence for the indicators reported in the APR.	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
16	GOVERNANCE	CoAF 121- AOPO Provide formalised households, businesses and public facilities in Bultfontein and Hoopstad towns with access to electricity	The total number of formalised households, businesses and public facilities in Tswelopele municipality were used for reporting of the indicator, however the indicator refers to only Bultfontein and Hoopstad towns	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
					Management should for all indicators in the SDBIP develop technical indicator descriptions.	Strategic Manager	28-Feb-23	Reviewed SDBIP

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
17	GOVERNANACE	CoAF 124- AOPO completeness -no indicators included in SDBIP and APR that relates to the percentage of households in Tikwana and Phahameng with access to electricity	Through the inspection of the APR and SDBIP we confirmed that there were no key performance indicators on access to electricity for Tikwana and Phahameng areas. The only key performance indicator included is; "Provide formalized households , public facilities and businesses in Bultfontein and Hoopstad towns with access to electricity services" which excludes Tikwana and Phahameng.	Management did not effectively implement internal control processes to ensure that the performance information reported in the annual performance report includes all relevant indicators relating to KPA 2	Management should review the 2022/23 SDBIP to ensure that all indicators as per our mandate are included [Service delivery]	Strategic Manager	28-Feb-23	Reviewed SDBIP
18	GOVERNANCE	CoAF 141-AOPO provide formalised households, businesses and public facilities with refuse removal - numerator (completeness)	Through completeness testing, when tracing the property to the billing report we confirmed that for the indicator : Provide formalised households, businesses and public facilities with refuse removal - Numerator, there were properties not billed for refuse.	This occurred due to a lack of review of the APR and failure to ensure that the all formalised households are billed for the services provided	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
19	GOVERNANCE	CoAF 142- AOPO provide registered indigent households with access to free basic electricity - Numerator (completeness)	Through completeness testing, when tracing the application forms for indigents to the billing report for indicator: Provide registered indigent households with access to free basic electricity (numerator), it was noted that there were households that were not included in the billing report	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement is complete	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
20	GOVERNANCE	CoAF 143- AOPO provide registered indigent households with free basic refuse removal - numerator (completeness)	Through completeness testing, when tracing the application forms for indigents to the billing report for indicator: Provide registered indigent households with access to free basic refuse removal (Numerator), it was noted that the were households that were not included in the billing report	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement is complete	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
21	GOVERNANCE	CoAF 144- AOPO provide registered indigent households with free basic sanitation(completeness)	Through completeness testing, when tracing the application forms for indigents to the billing report for indicator: Provide registered indigent households with free basic sanitation (numerator), it was noted that there were households that were not included in the billing report	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement is complete.	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files

NO	FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
22	GOVERNANCE	CoAF 147- AOPO provide formalised households, businesses and public facilities with quality and sustainable sanitation services (numerator)	Through the testing performed on the indicator: Provide formalised households, businesses and public facilities with access to quality and sustainable sanitation services, differences were identified between reported achievement and actual achievement as per the valuation roll	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported achievement in the APR	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
23	GOVERNANCE	CoAF 148 -AOPO provide formalised households, businesses and public facilities with access to quality and sustainable sanitation services	During physical verifications it was noted that certain properties did not to have access to sanitation	This occurred due to a lack of review of the APR to ensure that the supporting documentation provided for the reported achievement agrees with reported outcome in the APR.	Management should ensure that the reported achievements as per the APR are consistent with the supporting documentation provided	Strategic Manager	Monthly with effect from 2023/01/31	Quarterly performance reports and POE files
24	GOVERNANCE	CoAF 150- AOPO understatement of network losses to less than 15% by 30 June 2022	During the testing of the indicator: Limit water network losses to less than 15% by 30 June 2022, differences were identified. The differences are due to the number of units used in managements distribution schedules not agreeing to the consumption reports	This occurred due to management's review processes not detecting differences in consumption reports and the distribution schedules used in managements calculation.	Management should adjust the APR and ensure that the reported achievement as per the APR are consistent with the supporting documentation provided.	Strategic Manager	Monthly with effect from 2023/01/31	APR and Performance files
25	GOVERNANCE	CoAF 160- AOPO Completeness - no indicators included in SDBIP and APR relate to key services for informal households	Through the inspection of the APR and SDBIP it was confirmed that there were no performance indicators in relation to access to clean, quality and sustainable water services; access to safe and sustainable sanitation services and provision of refuse removal services for non-formalised households.	Management did not effectively implement internal control processes to ensure that the planned indicators as per the SDBIP and reported indicators as per the APR include all relevant indicators relating to KPA 2: Infrastructure development and service delivery that address the waste management, water services and sanitation services core functions	Management should review the 2022/23 SDBIP to ensure that all indicators as per our mandate are included [Service delivery]	Strategic Manager	28-Feb-23	Reviewed SDBIP

EXTERNAL AUDIT RECOVERY PLAN FOR 2022 2023 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PAYABLES	CoAF 50- Employee Related Cost - Internal control deficiency (allowances)	During the audit of Employee Related Cost it was noted that during March 2022 KM Motsumi (0096) worked night work with no written request from the MM or his/her superior During August 2021 MP Putsoa (6668) were on standby with no written request from the MM or his/her superior. The employee worked Standby 17 consecutive days (01/08/2021 - 16/08/2021) and then again 9 consecutive days (23/08/2021 - 31/08/2021), which add up to more than two (2) weeks of standby per month	This was due to a lack of implementation of controls by management to ensure compliance with the Collective Agreement for the Free State Division of the SALGBC (Circular No. 1/2016)	Management should ensure that all employees required to work at night and/or be on stand-by should receive written requests approved by the MM or supervisor	Director technical services/ Manager Assets and Payroll	Monthly with effect from 2023/01/31	Written instructions/Motivation for nightwork and standby allowance
				Management should ensure that employees are not on stand-by for more than 2 weeks in a month.	Director technical services/ Manager Assets and Payroll	Monthly with effect from 2023/01/31	Recons of monthly worksheets for stand-by against departmental weekly plans
PAYABLES	CoAF 54- Employee related cost - internal control deficiency (overtime)	During the audit of Employee related cost (Overtime) the following control deficiencies were identified: The employees worked overtime with no prior instruction from the Municipal Manager or departmental head	This was due to a lack of implementation of controls by management	Management should ensure that written instructions is provided prior to employees working overtime	All departments	Monthly with effect from 2023/01/31	Written instructions approved by MM or supervisor for working overtime
PAYABLES	CoAF 107- Payables- Internal control deficiencies identified in the leave register	During the audit of accrued leave it was noted that the number of leave credits as per the register differ from the number of leave credits as calculated by the auditor	The matter occurred as the leave register may not have been kept up to date.	Management to update the leave register on a monthly basis	Manager HR and Legal/ HR Officer	Monthly with effect from 2023/01/31	Updated leave register signed off by the head of department
				Leave reconciliation should be performed on a monthly basis	Manager HR and Legal/ HR Officer	Monthly with effect from 2023/01/31	Signed leave reconciliations
PAYABLES	CoAF 119- Employee related cost- Third party payments	During the audit of Employee Cost differences were identified regarding payments made to third parties	The matter occurred due to internal controls not being adequately established and implemented by management	Management to ensure that there are monthly reconciliations to be performed for payments made to third party	Manager Assets and Payroll accountant	Monthly with effect from 2023/01/31	Monthly third party reconciliations performed.
PAYABLES	CoAF 136- Employee related cost- leave pay-out	During the audit of Employee Cost differences were identified regarding payments made to third parties. The were no leave pay-out forms	The matter occurred due to internal controls not being adequately established and implemented by management.	Management should ensure that leave pay-out forms are completed and approved before leave can be paid-out.	Manager HR and Legal/ HR Officer	Monthly with effect from 2023/01/31	Approved leave payout form and reconciliations (The leave balance before leave payout)
GOVERNANCE	CoAF 146- Contingent liabilities- completeness and presentation of the contingent liability note	<p>1. The following court cases were disclosed in the contingent liability note 46 and the contingent liability schedule even though the cases have since been resolved and should not be regarded as contingent liabilities for the 2021/22 financial year</p> <ul style="list-style-type: none"> - TF Matsholo: As the plaintiff's term as Mayor came to an end, the review application is redundant and therefore the matter is resolved with no liability to the municipality - Director Corporate Services (SS Rabanye): The case was finalised on 13 May 2021 and Labour Court dismissed Appellant leave to appeal condemnation judgment. <p>2. Through inspection of the eviction application for unlawful occupants on ERF 7286, 7288 and Matjabeng court case, it was noted that no amounts were disclosed in the AFS for the case. However, the legal confirmation provided by Ngwane Attorneys includes an estimate of financial implications of the case that should be disclosed as a possible contingent liability amount</p>	The cause of the above is lack of oversight by management in ensuring that the information disclosed in the AFS is relevant, accurate and complete.	Management should ensure that the Litigation/Contingent register only includes active cases	Manager HR and Legal and Manager AFS	Monthly with effect from 2023/01/31	Updated Litigation/Contingent liability register
				Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Manager HR and Legal services	31-Aug-23	Reviewed annual financial statements and supporting file

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 2022 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 3 - Internal controls: Consultant training plan	The following issues were identified regarding the asset register preparation skills transfer plan: - The transfer plan is not signed by the parties to acknowledge the terms and deliverables of the skills to be transferred to officials; - The transfer plan has no clear timelines in relation to the deliverables being offered to the officials so as to allow the municipality to be able to track progress of the training being offered. - There is no attendance register available in order to confirm that the training took place.	This was due to internal controls not being adequately established and implemented by management to ensure the monitoring of work provided by consultants are as per the contractual terms.	Management should ensure that the transfer plan has clear timelines in relation to the deliverables being offered to the officials by the consultants.	CFO, Manager AFS and Manager Assets	31-May-23	Skills transfer plan with clear deliverables and timelines
				Management should ensure that skills transfer plan is signed by both parties to acknowledge the terms and deliverables of the skills to be transferred to officials.	CFO, Manager AFS and Manager Assets	31-May-23	Signed skills transfer plan
				Management should ensure that the skills transfer plan is implemented and monitored when monitoring performance of service providers.	CFO, Manager AFS and Manager Assets	Monthly with effect from 31 May 2023	Performance monitoring reports for transfer of skill and training Attendance register for skills transfer and training
GOVERNANCE	CoAF 24 - AFS High-level review cosmetic errors	During the high-level review of AFS cosmetic errors were identified	This is due to inaccurate review of financial statements by accounting officials Investigate the difference and effect the necessary changes	Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting	31-Aug-23	Reviewed annual financial statements and supporting file
EXPENDITURE MANAGEMENT	CoAF 82- Expenditure non compliance - Payments not made within 30 days	During the testing of expenditure, the were items identified as exceeding the stipulated 30 days. Money owing by the municipality was not paid 30 days after receiving the relevant invoice or statement	This is mainly due to cash constraints Leadership also did not provide proper oversight to ensure that relevant laws and regulations are adhered to.	Management should ensure that pyments are made to service providers within 30 days of receipt of the invoice	Manager SCM and Expenditure and Expenditure Accountant	Monthly with effect from 31 January 2023	Invoice list vs payment list
FINANCIAL STATEMENTS	CoAF 140- Distribution losses- disclosure of rand amounts	Through inspection of note 38 to the financial statements it is noted that the municipality did not disclose the Rand amount for distribution losses incurred in the 2021/22 financial year as required by the specimen AFS and the MFMA legislation, but only the percentages: As per note 38: Electricity losses were currently calculated at 15.83% (15.06%) Water losses are currently calculated at 16.64% (19.66%)	The cause of the above is lack of oversight by management in ensuring that all the required information is disclosed in the Annual Financial Statements	Management should calculate electricity and water losses in units and rand values.	Technical Manager and Manager Revenue and Budget	31-Jul-23	Water and electricity distribution losses [Unit&Rand values]
				Management should perform electricity and water distribution losses reconciliations.	Technical Manager and Manager Revenue and Budget	31-Jul-23	Reconciliation of the distribution loss
				Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting	31-Aug-23	Reviewed annual financial statements and Audit file
FINANCIAL STATEMENTS	CoAF 149- Additional MFMA disclosures- differences identified in the calculation of water and electricity losses	During the audit of distribution losses, differences were identified between the distribution loss percentages disclosed in the AFS and recalculations.	This is due to lack of management oversight in ensuring that the distribution losses calculation is adequately reviewed to identify errors	Management should perform electricity and water distribution losses reconciliations.	Technical Manager and Manager Revenue and Budget	31-Jul-23	Reconciliation of the distribution loss
				Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting	31-Aug-23	Reviewed annual financial statements and Audit file

EXTERNAL AUDIT RECOVERY PLAN FOR 2022 2023 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
CONDITIONAL GRANTS	CoAF 41- Government grants and subsidies- Presentation and disclosure	Through inspection of the Note 29 - Government grants and subsidies to the financial statements on page 67, the following was identified: Municipal Infrastructure Grant "An application for roll-over for the current year amount reported as unspent was submitted to National Treasury. The municipality is awaiting approval from National Treasury". The extract above implies that there were unspent amounts as at year end that were not disclosed by management. This is however contradictory with the zero amount presented as Unspent conditional grants in the Statement of Financial Position as at 30 June 2022	This occurred due to management not exercising due care in ensuring that sufficient review of the financial statements took place.	Management should perform monthly grants reconciliation.	CFO, Manager assets and Manager budget and revenue	Monthly with effect from 2023/01/31	Grants register and reconciliations.
				Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting and Manager budget and revenue	31-Aug-23	Reviewed annual financial statements and supporting file
SERVICE CHARGES	CoAF 42- Service charges - Completeness estimates not used to bill customer accounts for services rendered	Through enquiry with management, it was determined that some customer accounts were not billed for services rendered during the year 1 July 2021 to 30 June 2022. Management indicated that meter readings could not be obtained and no estimates were made for services rendered for the customer accounts and as a result consumer accounts were not billed even though the municipality continued to provide services (water, electricity etc.) to these customers.	Lack of oversight by management to ensure that all consumer accounts are billed and revenue is recognised on the financial statements.	Management to perform monthly reconciliations for billing to identify accounts which are not billed.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations
				Management should ensure that the average estimates as per credit control policy is enforced for accounts which readings could not be obtained.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations
SERVICE CHARGES	CoAF 51- Receivables from exchange transactions (Sewerage) - Existence	The existence of a debtor could not be confirmed. The property as per the debtor's age analysis to the debtor's name in the valuation roll could not be traced. The property in the valuation roll is still registered in the municipality's name and not in the name of the debtor There were .further inspection on the billing reports and the age analysis and noted that there were no meter readings taken or payments made by the debtor to confirm his/her existence.	This may be due to management not implementing proper controls over receivables from exchange transactions	Management should ensure that monthly reconciliations of billing and debtors are performed.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations
				Management to perform a reconciliation between billing and Valuation roll.	CFO and Manager budget and revenue	28-Feb-23	Reconciliation of the valuation roll and Billing report
SERVICE CHARGES	CoAF 52- Receivables from exchange transactions (Refuse) - Valuation	A difference between the amount in the age analysis and debtor statement was noted for the debtor's account	This is due to management not implementing proper controls over receivables from exchange transactions.	Management to perform monthly reconciliations for debtors accounts.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations
SERVICE CHARGES	CoAF 53- Receivables from exchange transactions - accuracy of rental receivables	The following discrepancies were identified during the audit of Receivables from exchange transactions- Rental: 1. debtor was charged rental after the rental period has expired 2. there were differences when recalculating the amount owed by debtors	This may be due to management not implementing proper controls over receivables from exchange transactions.	Management should on a monthly basis maintain a register of all rentals charged.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Rental register
				Management should ensure that lease contracts are concluded for all leases [which should indicate the lease term, escalation period and what happens at the end of the lease term].	CFO, Manager budget and revenue and Manager HR and Legal	Monthly with effect from 2023/01/31	Signed lease agreements
SERVICE CHARGES	CoAF 63- Service charges (Water) - Differences between billing report and recalculated amount	Through discussion with the Revenue and Budget Manager, it was noted that the municipality does not charge its customers (both indigent and non-indigent) on the first 6kl of water consumed as this was a Council resolution passed in 2001 by Council. However through inspection of the municipality's tariff policy and tariff listing that were both reviewed and approved by Council dated 30 June 2021, there is no indication that non-indigents should not be billed for the first 6kl's of water. The municipality's policy clearly states that the 6kl of water will only be given for free to consumers who have been registered as indigent customers therefore the municipality was supposed to bill their non-indigent consumers on their entire consumption of water.	This may have occurred due to lack of review of management to ensure that consumers are billed in accordance with the tariff policy and the tariff listing This may have occurred due to lack of review by management to ensure that the meter reading book contain accurate information	Management should ensure that the tariff policy clearly states that the first 6kl of water will not be charged for (both indigent and non-indigent) as per the council resolution	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Updated tariff policy
				Management should perform monthly reconciliations for the reading of meter books and billing to ensure that the first 6kl is not charged.	Revenue and Budget	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations
SEGMENT REPORTING	CoAF 70- Segment reporting - inaccurate classification of property plant and equipment	The disclosed information under Note 64 Segment reporting for Property, plant and equipment have differences on Budget and Treasury office segment and Executive and Council segment In addition the following segments have negative amounts disclosed in note 64 for PPE which is in contradiction with the expectation that all PPE segments should have positive PPE balances: Community and social services (R13 933 892) Executive and council (R183 071 120)	This is due to inaccurate computing of disclosures to the annual financial statements This might be due to inaccurate postings to segments in the general ledger.	Management should ensure that spending per segment is included in the monthly key control matrix and a reconciliation is performed on the segment spending and budget	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly segment reports and Financial reports
SERVICES CHARGES	CoAF 76- Receivables from exchange transactions (sewerage) - valuation	Discrepancies were identified during the audit of receivables from exchange transactions	This may be due to management not implementing proper controls over receivables from exchange transactions.	Management should ensure that monthly reconciliations of billing and debtors are performed.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
				Management to perform a reconciliation between billing and Valuation roll.	CFO and Manager budget and revenue	28-Feb-23	Reconciliation of the valuation roll and Billing report
SEGMENT REPORTING	CoAF 83- Not all reportable segments allocated expenses, revenues, assets and liabilities	During the audit of the segment reporting (Note 64)it was identified a contravention of the section 20(b) of GRAP. Management identified 11 reportable segments however Revenue was allocated across 10 of the 11 Reportable segments. Public safety reportable segment was omitted. It was identified a contravention of the section 20(b) of GRAP as management identified 11 reportable segments however expenses, assets and liabilities were only allocated across 9 of the 11 Reportable segments. Public safety and waste water management reportable segments were omitted. There is no information on whether the omitted reportable segments have been aggregated and what the basis of aggregation is.	Management did not adequately develop and implement proper controls to ensure appropriate implementation of segment reporting Management did not properly review the financial statement to ensure that segment reporting is completely and accurately reported on in the financial statements	Management should ensure that spending per segment is included in the monthly key control matrix and a reconciliation is performed on the segment spending and budget Review of the Annual Financial Statements to ensure segment reporting is complete and accurate	CFO and Manager budget and revenue CFO and Manager budget and revenue	Monthly with effect from 2023/01/31 Monthly with effect from 2023/01/31	Monthly segment reports AFS and Audit file
SEGMENT REPORTING	CoAF 85- Segment information contains inaccurate amounts	During the audit of the segment reporting (Note 64) negative assets and positive liabilities were identified which are not in line with the definitions of assets and liabilities according to GRAP 1.	Management did not adequately develop and implement proper controls to ensure appropriate implementation of segment reporting and properly reviewed the financial statement to ensure that segment reporting is completely and	Review of the Annual Financial Statements to ensure segment reporting is complete and accurate	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	AFS and Audit file
SERVICE CHARGES	CoAF 86- Service charges - Electricity - Differences between amount billed and recalculated	During the testing of Service charges - Electricity, differences were identified between the amount billed on the consumer account on the billing report and the recalculated billing.	This may have occurred due to lack of review by management to ensure that consumers are billed in accordance with the tariff policy and the tariff listing Lack of review by management to ensure that the meter reading book contains accurate information	Management to perform monthly reconciliations for billing to identify accounts which are not billed. Management should perform monthly reconciliations for the meter readings/books and billing.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31 Monthly with effect from 2023/01/31	Monthly billing reports Monthly billing reports and reconciliations
SERVICE CHARGES	CoAF 87- Service charges- Water- Completeness - Accounts not billed every month for the year under review	During the auditing of Service charges (water), some consumer accounts had no billings for the months denoted with (0). The auditors attempted to get reasons from management for the non-billing but no responses had been received from management.	Lack of oversight by management to ensure that accounts are billed for all the months from 1 July 2021 to 30 June 2022.	Management to perform monthly reconciliations for billing to identify accounts which are not billed. Management should ensure that the average estimates as per credit control policy is enforced for accounts which readings could not be obtained.	CFO and Manager budget and revenue CFO and Manager budget and revenue	Monthly with effect from 2023/01/31 Monthly with effect from 2023/01/31	Monthly billing reports and reconciliations Monthly billing reports and reconciliations
SERVICES CHARGES	CoAF 88- Service charges- refuse removal- Incorrect tariffs used for billing	During the testing of Service charges differences between the amount billed on the billing report and the amount as per tariff listing were identified An internal control deficiency was identified where the details as per billing report (address and account holder name) were different to that on the valuation roll	This was caused by lack of oversight and review by management to ensure that accurate records are maintained.	Management should perform a reconciliation of the valuation roll and the billing roll to ensure that billing information agrees the valuation roll.	CFO and Manager budget and revenue	28-Feb-23	A reconciliation of billing and valuation roll
SERVICE CHARGES	CoAF 90- Service charges- refuse removal- completeness- properties could not be traced to billing report	During the testing of service charges (refuse removal services), some of the properties using the street address could not be traced back to the billing report.	Lack of oversight by management to ensure that the details of the consumer accounts on the billing system are updated regularly	Management should perform a reconciliation of the valuation roll and the billing roll to ensure that billing information agrees the valuation roll.	CFO and Manager budget and revenue	28-Feb-23	Reconciliation of the valuation roll and Billing which agrees the customer details.
SERVICE CHARGES	CoAF 91- Service charges- Sewerage and sanitation- Differences between the amount billed and recalculated	During the testing of Service charges there were differences between the amount billed on the billing report and the amount as per the approved tariff listing An internal control deficiency was identified where the details as per the billing report (account holder name on billing report and registered owner on the valuation roll) did not correspond	This was caused by lack of oversight and review by management to ensure that accurate records are maintained	Management should perform a reconciliation of the valuation roll and the billing roll to ensure that billing information agrees the valuation roll.	CFO and Manager budget and revenue	Monthly with effect from 2023/01/31	Reconciliation of the valuation roll and Billing which agrees the customer details.
SERVICE CHARGES	CoAF 92- Service charges (indigents) - Control deficiencies	During the audit of indigents, the following deficiencies were identified: Properties (account holders) could not be traced back to the valuation roll The following properties (account numbers) as per indigent application forms could not be traced back to the billing report	Management did not ensure that consumer information is correct and consistent for billing purposes.	Management should update the indigent register with all qualifying approved applicants. Management should perform an indigent and billing reconciliation to identify properties that could not be traced to the billing report for correctness.	CFO and Manager budget and revenue CFO and Manager budget and revenue	30-Jun-23 28-Feb-23	Updated indigent register and supporting documentation. (if possible link it to the subsidy received for indigents) Reconciliation of indigent and billing

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
GOVERNANCE	CoAF 101- Unauthorised expenditure differences identified between the unauthorised expenditure schedule and the approved budget	During the testing of unauthorised expenditure, differences were identified between the budget as per client schedule and the budget as per council Through inspection of note 54 of the AFS, we noted that the municipality did not disclose a narrative indicating that their unauthorised expenditure is inclusive or exclusive of VAT	Lack of oversight and review of the unauthorised expenditure schedule by management.	Management should review the AFS and the audit file prior submission to AGSA	CFO and Manager budget and revenue and Manager AFS and Reporting	31-Aug-23	Annual Financial statements
FINANCIAL STATEMENTS	CoAF 109- Differences identified in the statement of comparison of budget and actual amounts	During the audit of the Statement of comparison of budget and actual amounts, we identified the following differences between the final budgeted amounts as per the approved Council budget and the final budgeted amounts as per the statement of comparison of budget and actual amounts in the AFS	Management did not in all instances review the financial statements prepared to ensure accurate reporting of financial information.	Management should ensure that the final adjusted budget disclosed on the AFS agrees to the one which was approved by Council. Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting and Manager budget and revenue	31-Aug-23	Annual Financial statements and Adjustment budget
RECEIVABLES	CoAF 156- Receivables for exchange and non-exchange debt impairment completeness	During the testing of completeness of debt impairment, it was identified that there are debtors who do not have any provision for impairment. Upon further discussion with management it was noted that this is because the properties are owned by government entities. However, when traced to the age analysis, the amount owed that should have been considered for impairment is for services that are provided to account holders that are not government entities	Lack of oversight by management to ensure that the debtors are correctly impaired according to the municipality's impairment methodology	Management should ensure that the provision for debt impairment is made for all debtors (households) with long outstanding debts (Categories of different debtors to clearly be defined and explains provided on the calculation which certain debtors are excluded from the calculation)	CFO and Manager budget and revenue	31-Aug-23	Annual Financial statements and Debt impairment calculation
				Management should review the AFS and the audit file prior submission to AGSA	Manager AFS and Reporting and Manager budget and revenue	31-Aug-23	Reviewed Annual Financial Statements and audit file

EXTERNAL AUDIT RECOVERY PLAN FOR 2021 2022 AUDIT

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PROPERTY, PLANT AND EQUIPMENT	CoAF 47- Property plant and equipment - movables (Disposals of leased assets)	<ol style="list-style-type: none"> The take on dates of the leased assets as per the asset register do not agree to the dates when the lease agreements of the leased assets were signed. Leased computer equipment useful life was adjusted and not in accordance to GRAP as leased assets should be depreciated over the lease term if ownership of the lease asset will not pass to the lessee at the end of the lease term Differences were identified between the carrying amount at the date of de-recognition of lease assets as per fixed asset register and auditors recalculation based on the lease term end period as per signed leased agreement The date of de-recognition as per the fixed assets register does not agree to the date as per signed lease agreement with KBG and no cancellation of the lease contract was provided The provided lease agreement which was signed between Tswelopele local municipality and KBG group commencing 1 February 2019 and ending 31 January 2022 does not include the list of the leased computer equipment. 	This resulted due to management not reviewing and ensuring that fixed asset register submitted for audit is accurate and correct in terms of the financial reporting framework and that all supporting documentation is correct and agree to the fixed assets register	<p>Management should ensure that the take on dates of leased assets in the asset register agrees to the signed lease agreement dates.</p> <p>Management should ensure that the adjustment of useful lives should comply with GRAP. If ownership of the leased assets does not pass to the municipality they should be depreciated over the leased term.</p> <p>Management should perform a reconciliation of the carrying amount at the date of de-recognition of leased assets.</p> <p>Management should perform a reconciliation of the FAR and the cancellation of the leased contracts.</p> <p>Management should perform a reconciliation of the FAR and verify that all leased assets are included in the asset register</p>	CFO, Manager AFS and Manager Assets	15-Aug-23	Updated fixed asset register and reconciliations performed of leased assets
PROPERTY, PLANT AND EQUIPMENT	CoAF 48- Property plant and equipment - Classification of movables and immovable assets	<p>The following issue was noted on the classification difference between disposal of assets (R1 604 216) as disclosed in note 11 PPE to the financial statements) and assets de-recognized:</p> <ul style="list-style-type: none"> Leased assets returned to lessor accounted as disposals and recognized profit/loss Assets not found during physical verification accounted as disposals and recognized profit/loss 	This resulted due to management not reviewing and ensuring that fixed asset register submitted for audit is accurate and correct in terms of the financial reporting framework and that all supporting documentation is correct and agree to the fixed assets register.	<p>Management should ensure that the assets are classified according to their nature upon cancellation/disposal of assets</p> <p>Management to perform monthly asset verifications and ensure that all those who have been disposed are recognised as such in the asset register.</p>	CFO, Manager AFS and Manager Assets	15-Aug-23	Fixed Assets Register and Reconciliations List of all assets disposed assets with the council resolution for disposal.
PROPERTY, PLANT AND EQUIPMENT	CoAF 62- PPE- Assets disposed could not be traced to the fixed asset register	The assets selected from the auctioneer's list (Root-X) for disposals could not be traced to the fixed asset register to confirm if the assets have been derecognised	This is due to incomplete review of the fixed asset register and disposals list to ensure that it is complete and accurate	Management should ensure that assets disposed in the financial year are kept in the asset register to ensure that the audit trail is confirmed for the disposal of assets	CFO, Manager AFS and Manager Assets	15-Aug-23	Fixed Assets Register and Reconciliations List of all assets disposed assets with the council resolution for disposal.
PROPERTY, PLANT AND EQUIPMENT	CoAF 66- PPE - Differences identified on recalculated profit or loss on disposal of assets and liabilities	There were differences identified between the disposal profit/loss as recognised in the fixed asset register and the auditors recalculation for assets	This resulted due to management not reviewing and ensuring that the fixed asset register submitted for audit is accurate and correct in terms of the financial reporting framework	<p>Management should perform a reconciliation for assets to ensure that the disclosure made on the AFS is accurate</p> <p>Management should review the AFS and the audit file prior submission to AGSA</p>	Manager AFS and Reporting and Manager Assets	15-Aug-23	Fixed Assets Register and Reconciliation Fixed Assets Register and AFS
FINANCIAL STATEMENTS	CoAF 67- Loss on disposal of assets and liabilities (Presentation and disclosure)	The amount disclosed in note 11 (PPE) under Reconciliation of (gain) / loss on disposal of assets and liabilities (R333 465) does not represent the amount received from the sale of assets during the current financial year. The amount recognised as proceed on sale of assets (R333 465) is as a result of de-recognition of the lease liability in relation to lease assets that have a contract that ended before the lease term and not actual cash which was received from the sale of assets	This resulted due to management not reviewing and ensuring that the financial statements submitted for audit is accurate and correct in terms of the financial reporting framework	<p>Management should perform a reconciliation for assets to ensure that the disclosure made on the AFS is accurate</p> <p>Management should review the AFS and the audit file prior submission to AGSA</p>	Manager AFS and Reporting and Manager Assets	31-Aug-23	Fixed Assets Register and Reconciliation Fixed Assets Register and AFS
PROCUREMENT AND CONTRACT MANAGEMENT	CoAF 95 -SCM Contract management-Contract performance management not adequately implemented	The construction of toilet structures in Phahameng ext 7 & 8. Based on progress report 9 it is recorded that Unathi Civils' overall progress is at 84.58% when expenditure has been claimed up to 96%. Also, the planned completion date of 5 March 2021 has not been met. No penalties were invoked on the payment certificates. The project consultant (Tswela Tswewu Consulting) has also not made any recommendation to invoke penalties. Various cession agreements have been entered into for the project and this could further indicate performance deficiencies by the contractor. The municipality appointed a consultant- (Tswela Tswewu) to assist with the monitoring and management of the project. However, this has not been sufficient as the consultant failed to detect under performance of this contractor	Lack of adequate implementation of contract management and monitoring controls	<p>Management should design and implement contract management template to monitoring the overall progress made against the expenditure claimed.</p> <p>Management should monitor planned start and completion dates of projects, should suppliers be unable to provide substantial reason for delay in progress management should invoke the necessary penalties.</p> <p>Management should ensure that cessions will only be approved with registered financial service providers.</p> <p>Management should ensure that consultants appointed for progress monitoring submit progress reports for work performed by the contractor.</p>	Municipal Manager and Director Technical Services	Monthly with effect from 2023/01/31	Contract management template Monitoring of service provider report List of approved cessions Consultants' reports
FINANCIAL STATEMENTS	CoAF 103- Provisions- Discrepancies identified on the experts report and financial statements	<ol style="list-style-type: none"> Differences between the recalculated post monitoring costs using the unit rate letter and the landfill assessment report Discrepancies identified on the experts' report (Landfill assessment report): (5.2.3) Discount Rates Assumptions: (Page 11 of the report), the following was noted: "The discount rate of 9.10 p.a was used", however, through inspection of Table 7 - the annual average was calculated as 9.39%. As such, we cannot confirm which percentage was applied in the experts calculations due to these conflicting percentages. Furthermore, a comparison was performed on the remaining useful life assessed between the landfill assessment report (by managements' expert) and the financial statements: 	Lack of oversight by management to ensure that the information pertained in the experts report was reviewed thoroughly by the experts and management before the preparation of the financial statements.	<p>Management should perform a reconciliation between the expert report and the financials and ensure the following:</p> <ol style="list-style-type: none"> Ensure that the expert avails his calculations for management to perform a reconciliation/recalculation of the monitoring costs using the unit rate letter and the landfill assessment report Review the report and ensure that there is consistency through out the report. Perform a reconciliation of the remaining useful life assessed by management and the expert and confirm that they are all agree 	Director Technical Services and Manager financial reporting	15-Aug-23	Reviewed expert reports Reconciliation of the remaining useful life

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	NATURE	Root Cause	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
Inventory	CoAF 111- Inventories- Differences between bin cards and register	During the audit of inventories, differences were identified between a sample from the bin cards and the inventory register as at 30 June 2022	The matter occurred due to internal controls not being adequately established and implemented by management.	Management should ensure that monthly stock counts are performed and the necessary adjustments are made to the inventory register .	Manager assets and Manager Technical	Monthly with effect from 2023/01/31	Monthly inventory counts and inventory register