

## SECTION 10: SUMMARY OF DETAILED AUDIT FINDINGS

Page no.	Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
		Misstatements in financial statements	Misstatements in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
	<b>Audit of Financial Statements</b>										
	Cash and Cash Equivalents	Yes					Yes			0	New Finding
	Fruitless and wasteful Expenditure note	Yes					Yes			0	New Finding
	Irregular Expenditure note	Yes						Yes		0	New Finding
	Principal vs Agent	Yes						Yes		0	New Finding
	Accrued Departmental Revenue	Yes						Yes		0	New Finding
	Fruitless and Wasteful Expenditure	Yes						Yes		0	New Finding
	Key Management Personnel note	Yes						Yes		0	New Finding
	Accruals and Payables not recognized	Yes						Yes		2	In progress
	Payments not made within 30 days	Yes						Yes		2	In progress
	Payments not made within 30 days	Yes						Yes		2	In progress
	Public Private Partnership	Yes						Yes		0	New Finding

	Limitation of scope: Non-submission of B-BBEE 1 form	Yes					Yes		0	New Finding
	<b>Audit of Predetermined Objectives</b>									
	Predetermined objectives Differences noted between the APR and Listing		Yes				Yes		0	New Finding
	Predetermined objectives Number of infrastructure projects completed: Reported achievement not complete									
	Predetermined objectives Number of projects completed within agreed construction period: Reported achievement not valid		Yes				Yes		1	In progress
	Predetermined objectives Number of projects completed within approved budget: Reported achievement not valid									
	Predetermined objectives Number of infrastructure projects completed: Reported achievement not complete		Yes				Yes		1	In progress
							Yes		1	In progress
	Predetermined objectives Number of projects completed within approved budget: Reported achievement not valid		Yes				Yes		0	New Finding

	Predetermined objectives Number of infrastructure projects completed: Reported achievement not complete		Yes				Yes			1	New Finding
	Predetermined objectives Number of infrastructure sites handed over for construction : Reported achievement not complete		Yes				Yes			1	In progress
	Predetermined objectives Number of design solution completed for identified user departments : Reported achievement not complete		Yes				Yes			1	In progress
	EPWP Summary of Findings										
	Predetermined objectives: EPWP Participants and projects were not reported on the EPWP Q4 data		Yes				Yes			3	In progress
	Predetermined objectives: Proof of payment documents were not provided		Yes				Yes			3	In progress
	Predetermined objectives: Under reporting of persons with disability		Yes				Yes			3	In progress
	Predetermined objectives: Attendance registers were not provided		Yes				Yes			3	In progress
	Predetermined objectives: Over reporting of persons with disability		Yes				Yes			2	In progress

	Predetermined objectives: Proof of disability was not provided		Yes				Yes			2	In progress
	Predetermined objectives: Identity documents were not provided		Yes				Yes			3	In progress
	Limitation of Scope: Not all Participant's files were made available for audit at public body		Yes				Yes			0	New Finding
	Predetermined objectives: Over reporting of participants		Yes				Yes			3	In progress
	<b>Audit of Compliance with legislation</b>										
	SCM- Winning bidder is non-responsive			Yes				Yes		0	New Finding
	Local content not (Minimum threshold not provided)			Yes				Yes		3	In progress

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		Misstatements in financial statements	Misstatements in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
Information Technology Governance											
1.1	Vacant positions within information and communication (ICT) division				Yes			Yes		5	In progress
1.2	Information Communication Technology projects for 2020/21 were not achieved				Yes			Yes		3	In progress
User Access Management											
2.1	Inadequately implementation of user access management controls around Reapatata				Yes			Yes		4	In progress
2.2	Inadequate implementation of user access controls on EPWP				Yes			Yes		4	In progress
2.3	Inadequately implementation of user access management controls Active Directory				Yes			Yes		3	In progress
Security Management											
3.1	Inadequate Security Management controls				Yes			Yes		5	In progress
Information Technology Service Continuity											
4.1	Inadequate IT service continuity controls				Yes				Yes	5	In progress

## DETAILED AUDIT FINDINGS: ANNEXURES A TO C

### ANNEXURE A: MATTERS AFFECTING THE AUDITOR'S REPORT

#### Audit of Financial Statements

##### 1. Understatement of Cash and Cash Equivalents

##### Laws, rules, and Regulations:

Section 40 (1) (a) and (b) of the Public Finance Management Act (PFMA) states that "The accounting officer for a department, trading entity or constitutional institution must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards and must prepare financial statements for each financial year in accordance with generally recognized accounting practice

Section 40 (3) (a), states that "The annual report and audited financial statements referred to in subsection 1(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned

Chapter 3 paragraph 3.1 of the Modified Cash Standards states, "The statement of financial position provides a snapshot of the department's recognised assets and liabilities at a point in time. Information presented in the statement of financial position is the nature of assets, liabilities and net assets."

Chapter 3 paragraph 3.3.1 of MCS states that "For financial statements to be fairly presented, the effects of transactions, other events and conditions should be truthfully and accurately represented in accordance with the and recognition, measurement, presentation and disclosure criteria for assets, liabilities, revenue, and expenses as contained in the MCS. A department whose financial statements comply with the MCS must make an explicit and unreserved statement of such compliance in the notes to the financial statements."

Chapter 6 paragraph 3.4 of MCS states that "Cash and Cash equivalent includes the bank account balances (both domestic and foreign) and that in terms of accounting for cash held for another entity 'When a department holds cash for another party and it is in the bank account of the department at year end, it forms part of cash and cash equivalents. The department should disclose in the financial statements that it cannot use the funds (i.e., there is a restriction on use of the funds)."

## Nature

During the audit of cash and cash equivalents, we performed external bank confirmations with the relevant banks to obtain assurance that all bank accounts have been accounted for and that balances have been recorded accordingly.

We obtained bank confirmations for the following account as at 31 March 2022 and noted a closing balance of R 216 315 650, 43. Our position as the auditors is that the amount should have been presented and disclosed under the line item cash and cash equivalents as the statement of financial position provides a snapshot of the departments recognised assets as at 31 March 2022.

The department held the cash for other entities and was to subsequently transfer it to the National Treasury as it related to unspent grants of the said entity. However, the amount should have been presented and disclosed under the cash and cash equivalent line item as it was in the department's account as at 31 March 2022 in accordance with the bank confirmations as well as the bank statement thereof.

As a result, our position is that cash and cash equivalents line item was not fairly presented as the effect of the transaction was not fairly and accurately represented in accordance with MCS.

Name	Account	Confirming Party	Amount per external confirmations as at 31 March 2022	Amount per bank statement as at 31 March 2022	Amount as per AFS
Public Works Deposit Account	40-5395-7929	ABSA	R216 315 650,43	R216 315 650.43	R0

## Impact

This will result in non-compliance with:

- Section 40(1a) (b) and (3a) of the Public Finance Management Act as cash and cash equivalents is misstated.
- MCS Chapter 3 paragraph 3.1 and 3.3.1 as cash and cash equivalents has not been presented and disclosed in accordance with MCS
- MCS Chapter 6 paragraph 3.4 cash and cash equivalents has not been presented and disclosed in accordance with MCS

Furthermore, cash and cash equivalents are understated by R216 315 650.43

## Internal control deficiency

*Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management did not present and disclose all bank account balances in the cash and cash equivalent line item in accordance with MCS as at 31 March 2022.

### **Recommendation**

Management should present and disclose all bank account balances as at 31 March 2022 under the line item cash and cash equivalents. Management should further disclose in the financials that it cannot use the funds, as it will be subsequently transferred to another party as per chapter 3.4.

### **Management response**

I do not agree with the finding for the following reasons:

Chapter 9 paragraph 05 of the MCS states that: A department shall recognise a financial asset or a financial liability, a prepayment or an advance in its statement of financial position when, and only when, the department becomes a party to the provisions of the arrangement, and one of the following additional recognition criteria are met:

(i) the instrument is cash, or a cash equivalent under the control of the department;

Based on the above requirement, the money in the department's deposit account does not meet the recognition requirements since it is only recognized as an assets when the deposit reflects in the Department's PMG bank account statement which the Department has control over. Reference to a bank account for a department that applies MCS is a PMG Account held with the South African Reserve Bank, not a commercial bank account. Transactions with commercial bank accounts will only be accounted for and recognized in the books of the Department once they have interfaced into PMG bank account. These transactions are never even accounted for in the monthly Bank Reconciliation Statement. The department is not able to allocate such money to ledger accounts or even pay it over to any institution until the deposit reflect in the PMG bank account. The PMG bank account is a transactional account which the Department uses for receiving money and processing payments.

"Bank Account" in the MCS refers to the PMG bank account which is the only bank account that is part of the Department's ledger accounts and the only account the Department is able to transact from. Adding deposits manually to the PMG account would result in the balance being overstated for the periods between March and April as the same transaction will be accounted for in the month of April 2022, when the transaction ultimately appears in the PMG account, and the reporting of the transactions whilst not reflected in the PMG account would mean the journal must be processed to adjust the manual addition implemented during the period when the transaction only appeared in the commercial deposit bank account. This might result in the monthly reports being manipulated and incorrect and unreliable reporting resulting from the time difference between the two accounts.

The reporting of the transaction appearing in the depositing account with the commercial bank would mean manually increasing the amount reflected in the PMG account and therefore creating challenges for the month of April 2022 when the transaction actually appears in the PMG account as illustrated above.

The total amount of R216 million only reflected in the Department's bank account (i.e. PMG account) on the 1st and 4th of April 2022 (See annexures A and B). The amount was accounted for in the 2022/23 financial year and therefore the accounting for it in 2021/22 will result in double counting, or the report for the month of April 2022 will require to be manually adjusted for the same amount to avoid the double counting as the result of the manual addition implemented during the month of March 2022.

### **Auditor's conclusion**



We as the auditors are in agreement with the department that it shall recognize assets and liabilities when and only when cash and cash equivalent is under control of the department. In addition, we also acknowledge that the said account is an ABSA Deposit account with the purpose of entities depositing unspent grants to be transferred to the National Treasury. However, the said account is under the control of the department as no other department/entity has control over the account. Chapter 6 paragraph 3.4 states that, "Cash and Cash equivalent includes the bank account balances (both domestic and foreign)". MCS does not make any reference to presentation and disclosure to the PMG account only.

Therefore, the bank account balance of R216 315 650 as at 31 March 2022 was supposed to be presented and disclosed in the annual financial statements as per Chapter 6 in order to obtain assurance that the financials present fairly, in all material respects, the financial position of the Department of Public works and Infrastructure as at 31 March 2022 in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 09 of 2021 (Dora)

Omitting the bank balance on the financial statements would not reflect a snapshot of the department's recognised assets and liabilities at a point in time. In conclusion, the misstatement will form part of the uncorrected misstatements if not adjusted.

## 2. Irrecoverable debt – expenditure incurred on behalf of the Department of Basic Education for the implementation of the School Beautification Programme

### Requirements, Laws and regulations:

Section 38 (1) (c)(ii) of the Public Finance Management Act (PFMA) states that: *“The accounting officer for a department, trading entity or constitutional institution must take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct.”*

Public Finance Management Act paragraph 38 (1)(g) states that: *“The accounting officer for a department, trading entity or constitutional institution must on discovery of fruitless and wasteful expenditure, immediately report, in writing, particulars of the expenditure to the relevant treasury;”*

Public Finance Management Act paragraph 38 (1)(h) states that: *“The accounting officer for a department, trading entity or constitutional institution must take effective and appropriate disciplinary steps against any official in the service of the department or constitutional institution who makes or permits fruitless and wasteful expenditure”*

The Public Finance Management Act defines fruitless and wasteful expenditure as expenditure which was made in vain and would have been avoided had reasonable care been exercised.

### Nature

The DBE entered into a Memorandum of Agreement (MoA) with the Department of Public Works and Infrastructure (DPWI) for the implementation of the School Beautification Programme. The MoA was signed on 17 October 2013 and a letter of appointment was issued by the DBE on 15 November 2013. The project scope allocated to the DPW entailed 915 schools across the country with approximately 100 schools per province in each of the nine provinces.

The letter of appointment stipulated that the DPW had to submit an Infrastructure Project Implementation Plan, which is a detailed plan outlining a comprehensive scope of work, deliverables, project timelines, project cash flows and the project team, amongst others. The plan had to be approved by the Acting Director General of the DBE.

During the period 23 February 2015 to 18 September 2017, DPWI incurred expenditure to the amount of R54 541 470 for the implementation of the programme. This amount has been outstanding since 2017 and subsequently recorded as a doubtful receivable by DPWI as DBE has been disputing the claim.

The DBE has cited the following reasons for not paying the claim:

- DPWI did not submit an Infrastructure Project Implementation Plan as stipulated in the letter of appointment.
- DPWI proceeded on a number of issues related to the implementation of the programme without seeking the approval and concurrence of the DBE to proceed.
- The DPWI appointed the PMTE and PSP's without the approval and concurrence of the DBE and without confirming the availability of the budget from the DBE.
- DPWI submitted invoices for payment which were not accompanied by any supporting documentation indicating the appointment of these service providers as well as the work done to support the amounts being claimed.
- There were considerable delays experienced in the implementation of the project which ultimately contributed to the DBE issuing a directive to suspend the implementation of the programme
- No school benefited from this programme and all the procurement for the PMTE, PSP's and social facilitators was done without the involvement, or approval of the DBE as the client and without confirming the availability of the budget to proceed with the appointments of the service providers.

We have inspected the DBE file and confirmed that the letter of appointment did stipulate that DPW is required to submit an Infrastructure Project Implementation Plan (IPIP) within 14 days of acceptance, which is a detailed plan outlining a comprehensive scope of work, deliverables, project timelines, project cash flows and the project team amongst others. The plan had to be approved by the Acting Director-General of DBE and used as a monitoring tool for evaluation of progress. This condition was not adhered to and DPWI has acknowledged this shortcoming which led to a request being sent to DBE to condone this non-compliance. The DBE has declined this request and stated that it does not recognize any of the expenditure incurred and referred to as outstanding debt.

Therefore, any expenditure incurred with respect to the beautification of schools project by DPWI was not in accordance with the requirements of the MOA and appointment letter. Furthermore, the recipient of the services (DBE) has indicated that no school was beautified from the project, hence no refund has been made. The DPWI has not submitted a portfolio of evidence to DBE to demonstrate what work has been done as agreed in the appointment letter.

Based on the above, the expenditure incurred by DPWI on the project was in vain as no benefit was obtained from the expenditure. This could have been avoided had DPWI submitted and complied with the Infrastructure Project Implementation Plan (IPIP) to be used as a monitoring tool for evaluation of progress. This is an indication that the long outstanding debt will not be recoverable from DBE as they have not received the services which DPWI was supposed to provide.

In the prior year audit, management committed to engage DBE and National Treasury to ensure the funding is provided to clear the receivable. Management further indicated that, should securing funding not be successful, the Department will approach National Treasury for the write off. We take note that DPWI did engage the DBE in December 2021 to request for condonement of non-compliance with the memorandum of agreement and settlement of outstanding debt. DBE decline this request, however the DPWI has not approached National Treasury to write off the claim.

### **Impact**

Non-compliance with section 38 (1) (c) (ii) of the Public Finance Management Act (PFMA) as management did not take effective and appropriate steps to collect all money due to the department and prevent fruitless and wasteful expenditure.

Fruitless and wasteful expenditure of R 54 541 470.

### **Internal control deficiency**

#### *Financial and performance management*

Management did not implement controls over daily and monthly processing and reconciling of transactions.

Management did not adequately monitor the beautification of schools project in order to ensure that payments made to suppliers were for goods and services actually received.

### **Recommendation**

Management should investigate the entire project to unearth the root causes which resulted in the financial loss and implement consequence management on the implicated officials.

Management should disclose the expenditure incurred as wasteful expenditure

## Management response

I do not agree with the finding for the following reasons:

The DPWI acknowledge the shortcomings however this does not in itself constitute any breach of legislation. It is important to note that MOA entered between DPWI and DBE is not a legislation but a “relationship agreement”. The MOA paragraph 3.1 under the heading NATURE OF MEMORANDUM OF AGREEMENT states that “This MOA constitute a working relationship between the parties relating to the areas mentioned in clause 5 and will not replace any existing agreement or future agreements relating the provision of services”, Therefore the contravention must be based on the legislation and not MOA.

The National Treasury through the office of the Accountant General in the IRREGULAR EXPENDITURE FRAMEWORK effective 01 December 2018 states that “The late submission of annual financial statements to the relevant treasury is a contravention of section 40 (1) (c) (ii) of the PFMA, however the contravention does not relate to the incurrence of a financial transaction. Therefore such a contravention will not meet the definition of irregular expenditure”

From the above cited explanation by National Treasury it can be concluded that transgression/ non-compliance of Client MOA as it is a mere “relationship agreement” and it is not a policy nor an act cannot constitute any irregular, unauthorized, fruitless or wasteful expenditure.

The following MOA clauses also elaborates further the nature of the relationship DPWI entered with DBE, therefore the following clauses needs to be read/taken into consideration prior insinuation of irregular/ wasteful expenditure;

### MOA Paragraph 15. (GOVERNING LAWS AND JURISDICTION)

- The MOA is clear on paragraph 15.1. “The laws of the Republic of South Africa shall govern the agreement. The parties agree to the jurisdiction of the courts of the Republic”

### MOA Paragraph 23. (APPLICABLE LAWS AND COMPLIANCE WITH THE LAWS)

- MOA Paragraph 23.1 says; “The interpretation, performance and implementation of the MOA shall be governed by and construed in accordance with the laws of the Republic”
- MOA Paragraph 23.2 says; “ Without limitation of any obligation and/or rights under any law parties shall comply with all the relevant laws in the Republic”

From the above MOA cited reference, although the MOA entered between DPWI and DBE was not fully adhered to by DPWI as the Implementing Agent, it is not correct to insinuate that project processes was not followed. It also not correct to insinuate the transgression/non-compliance of the MOA was merely because of DPWI/Special Project inefficiencies as DPWI Special Branch from 2013 has over and over raised the challenges they encountered on this Programme to DPWI Executive Management. (**I.e.** challenges of DBE delays on critical responses; challenges of branch capacity **etc.**)

## **ON THE QUESTION OF DPWI DID NOT SUBMIT THE IPIP AS STIPULATED IN THE LETTER DATED 15 NOVEMBER 2022; the response is as follows;**

The IPIP was compiled/signed by the DDG/SP on the 22/10/2014, however DBE failed to respond on time.

It must be noted that this programme was also elevated to Executive Authority in November 2014. On the 3<sup>rd</sup> November 2014, there was a meeting held between the DPWI/Minister; DPWI/DG; DDG/SP

and IDT where it was agreed that School Beautification reports should be submitted to DPWI/Ministry in preparation to PICC meetings, the afore mentioned meeting was followed by the submission attached dated 21 November 2014 outlined among others the Programme Time Frames. The submission does indicate that any delay in decision making and appointment of service providers will negatively impact on project time frames. The DBE delays in responding to critical stages of the programme and ever changing leadership has definitely contributed to the failure of this programme (**Annexure A**).

**ON THE QUESTION OF DPWI PROCEEDING WITH THE IMPLEMENTATION OF THE PROGRAMME WITHOUT DBE APPROVALS/CONCURRENCE, the response is as follows;**

As indicated in the several Executive submissions, the DBE **did participate** throughout the implementation of this programme. Meetings were held between DPWI and DBE; below are the sample of meetings/correspondence of DPWI and DBE liaison;

- DBE/DPWI Workshop of 27/January/2015 (Presentation and Correspondence between PM/Vikash and DBE Client representative N Baloyi is attached as sample)
- Correspondence to from DDG/SP to DBE (Mr Mafoko) dated 23/01/2015 on appointments of PSP.
- email from DBE Shabangu B to DPWI dated 23/10/2013, sending an appointment letter for the implementation of some schools.
- Meeting between DPW and DBE CFO dated 26/02/2018

It must be noted that irrespective of DBE delays on critical matters, documents were shared with the Client hence when DBE refuted the payments from DPWI Finance in 2018, a stakeholder meeting was urgently coordinated. On the 26/February /2018 a meeting was held with the then DBE/CFO **who at that meeting committed to refund DPWI monies in phases**. After the above mentioned meeting an e-mail dated 28/03/2018 from DBE/Inathi Bindiza (Physical Planning and Rural Schools) was sent to DPWI indicating an amount of R23 million will be processed the following day.

It is therefore highly unlikely that DBE/CFO and her Team could commit to paying back DPWI these said amounts if they were never involved in the implementation of this programme. (**NB:** The Correspondence/meeting dates are attached as proof DBE Participation on this Programme - **Annexure A**).

**ON THE QUESTION OF DPWI APPOINTING PROFESSIONAL SERVICE PROVIDER (PSP) WITHOUT DBE APPROVALS/CONCURRENCE AND CONFIRMATION OF FUNDS, the response is as follows;**

The DPWI followed all the Procurement Process outlined by Project Business Processes, the following outlined steps were followed as they are the formal DPWI Project steps.

- Upon receipt of Receipt of PI, CPM appoints Project Manager and
- Head of Project appoints the PM
- PM assess/accept the PI
- PM compiles the Procurement Strategy for BSC Committee
- Upon Approval of Procurement Strategy, the Consultant (PSP) Tender document is compiled and BSC will approve Tender Advert
- Tender Briefing take place and when Tender closes, Evaluation takes place
- Upon Completion of evaluation, NBAC approves the recommended bidder

- Legal Services will thereafter award the successful bidder

It must be noted that the it very incorrect for DBE to purport that there was no work done on this programme as the programme **was stopped at Design Stage**

The Beautification Programme was meant to rehabilitate/maintain the DBE schools throughout 9 Provinces. The Process required DPWI to appoint the Professional teams to compile the Feasibility reports /Scope of work.

This happens prior the actual maintenance site work by contractors. By the time Contractors gets appointed at Construction Phase (5B) the Scope of work should be refined and costed accordingly.

The Design Work is done by private consultants which indeed it was successfully complete. These feasibility reports were physically submitted to DBE

The work produced at Design Stage by the Professionals is the Scope documents that will be utilized to take the process forward in future. This simply means; if DBE was to resuscitate this programme, the project will go on Construction Tender for Maintenance to commence on all sites. This process is the Normal Practice and there is no project that has never been carried without the Scope/Costing at Design Stage. (**NB:** Feasibility reports successfully completed by PSP are attached on Memory stick for easy reference).

**ON THE QUESTION OF DPWI SUBMITTING THE INVOICES FOR PAYMENTS WITHOUT SUPPORTING DOCUMENTS, the response is as follows;**

ALL invoices were submitted with appropriate supporting documentations. (**I.e** for PSP, Feasibility reports/Assessment report outlining scope/cost **etc.**)

The DPWI process of processing Service Providers payments requires the supporting documents, it also based on the outcome of the particular project stage.

It is unlikely that DPWI/Finance could process payments without supporting documents. **Supporting documents are as per stages outlined below**

Project Stages are as follows in line with payment processed

Stage No	Description	Deliverable
Stage 1	Inception	Project Brief and Agreed scope and services
Stage 2	Concept and Viability	Preliminary and elementary estimates of construction works
Stage 3	Detailed Design	Detailed estimates of construction works

**ON THE QUESTION OF THERE CONSIDERABLE DELAYS EXPERIENCE IN IMPLEMENTING THE PROGRAMME WHICH MADE DBE TO ISSUE INSTRUCTION TO STOP THE PROGRAMME the response is as follows;**

The initial DBE request for School Beautification came to DPWI in 2013, but was only allocated to DDG/SP in 2014. It is important to note the DDG/SP branch did not have capacity as the only official that was to implement to huge programme the DDG/SP and one contract worker (PM/Vikash) who only joined the Special Branch in 2015.

It is important to note that though the PM/Vikash was a Quantity Survey professional, he had no experience in managing the Programme of this magnitude.

**ON THE QUESTION OF DBE NEVER BENEFITED AS SERVICES WERE DONE WITHOUT DBE INVOLVEMENT/APPROVALS E.T.C. the response is as follows;**

It must be noted that it is very incorrect for DBE to purport that there was no benefit/no work done on this programme.

The Beautification Programme was meant to rehabilitate/maintain the DBE schools throughout 9 Provinces. The Process required DPWI to appoint the Professional teams to compile the Feasibility reports /Scope of work.

This happens prior the actual maintenance site work by contractors. By the time Contractors gets appointed at Construction Phase (5B) the Scope of work should be refined and costed accordingly.

The Design Work is done by private consultants which indeed it was successfully complete. These feasibility reports were physically submitted to DBE

The work produced at Design Stage by the Professionals is the Scope documents that will be utilized to take the process forward in future. This simply means; if DBE was to resuscitate this programme, the project will go on Construction Tender for Maintenance to commence of all sites. This process is the Normal Practice and there is no project that has never been carried without the Scope/Costing at Design Stage. **(NB:** Feasibility reports successfully completed by PSP are attached on Memory stick for easy reference)

**Auditor's conclusion**

Management's response is noted. However, the finding will be included in the Audit report



## Audit of Pre-determined Objectives

### 3. Differences noted between the APR and Listing

#### Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: “The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned....”

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: “auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets...”

#### Nature

During the audit of Programme 8: Construction Project Management, differences were noted between the listing submitted for audit and that supports the reported achievement per the annual performance report. Differences noted are as follows:

No	Performance Indicator	Achievement per APR	Achievement per listing	Difference
1	8.2 Number of projects completed within agreed construction period	75	76	1
2	8.3 Number of projects completed within approved budget	125	129	4
3	8.5 Number of infrastructure projects completed	128	132	4

#### Impact of the finding

The reported achievement per the Annual Performance Report is not accurate.

#### Internal control deficiency

##### *Financial and performance management*

Management did not prepare accurate performance reports that are supported and evidenced by reliable information.

Inadequate review processes by management to ensure that reports and listings that support the reported achievement are accurate

#### Recommendation

It is recommended that thorough review processes be implemented to ensure that correct information is reported on the listings.

It is further recommended that management should revise the population where inaccurate reporting was identified.

#### Management response



Management agrees with the findings on matters related to APR figures. However, the figures that were reported are the ones that appears on the schedule namely, "RECON REPORT", as indicated in the table above and the attached copy of the report that was emailed to M&E.

### **Auditors Conclusion**

Management comments have been acknowledged. The finding will remain and auditor's conclusion will be updated once management has made the submission of the revised population and assessment has been made by the auditors. Furthermore, we note that management aims to complete the corrective action by 29 July. It is to note that the auditor's report is planned to be signed on 31 July, as a result submission by 29 July might not be sufficient to allow the auditor to assess the revised population. We request management to re-look at the planned date of completion for corrective action.

## **4. Number of infrastructure projects completed: Reported achievement not complete**

### **Laws, rules and regulations**

Section 40(3)(a) of the PFMA states that: "The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned...."

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: "auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets..."

Section 25(1)(e) of the Public Service Regulation states the following: " An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives..."

## Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of infrastructure projects completed, the following infrastructure projects were identified to have been complete. However, these projects were not reported as part of the achievement in the annual performance report

WCS No	Project description	Achieved status 6A in 2021/22	Date of practical completion per certificate
055616	TSINENG POLICE STATION INSTALLATION OF BURGLAR PROOFS	Yes	2021/06/25
055611	KIMBERLEY GARAGE INSTALLATION OF EXTRACTOR FAN AND REPLACEMENT OF WORKSHOP ROLLER DOOR	Yes	2021/06/23

## Impact of the finding

The reported achievement per the Annual Performance Report is not complete.

## Internal control deficiency

### *Leadership*

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

## Recommendation

It is recommended that strong review processes are implemented on the Annual Performance Report and supporting schedule to ensure that what is reported in the performance report is complete.

It is further recommended that management should revise the population where inaccurate reporting was identified.

## Management response

Management is in agreement with the finding

There are controls that are being used within the Branch and the reported achievements were supported by portfolio of evidence. This is a mistake. It is just that the two projects in question were reported under KPI, 'Number of Projects Completed within Agreed Budget' but were not reported under KPI "Number of Infrastructure Completed Projects"

## Auditors Conclusion

Management comments have been acknowledged. The finding will remain and auditor's conclusion will be updated once management has made the submission of the revised population and assessment has been made by the auditors. Furthermore, we note that management aims to complete the corrective action by 29 July. It is to note that the auditor's report is planned to be signed on 31 July, as

a result submission by 29 July might not be sufficient to allow the auditor to assess the revised population. We request management to re-look at the planned date of completion for corrective action.

## 5. Number of projects completed within agreed construction period: Reported achievement not valid

Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: “The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned....”

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: “auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets...”

Section 25(1)(e) of the Public Service Regulation states the following: ” An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives...”

### Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of projects completed within agreed construction period, the following infrastructure projects were reported to have been completed within the agree construction period. However, these projects were not completed within the agreed construction period.

WCS No	Project description	Date project was completed	Planned completion per SHC/EOT	Difference in days
055196	DEPARTMENT OF HOME AFFAIRS:TOTAL REPLACEMENT OF LIFTS AT NEW COOPERATION BUILDING (BVR)	2022/02/24	2022/02/23	1 day
051829	GRAHAMSTOWN: SAPS FLATS: GRAHAMSTOWN KING FLATS NO 1-2: REPAIRS & MAINTENANCE OF THE COMPLEX	2022/03/04	2022/03/03	1 day
051750	TSOLO POLICE STATION: CONDITION BASED MAINTENANCE	2021/12/08	2021/11/29	7 days

### Impact of the finding

The reported achievement per the Annual Performance Report is not valid and accurate.

### Internal control deficiency

#### Leadership

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

#### Financial and performance management

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

## Recommendation

It is recommended that strong review processes are implemented on the Annual Performance Report and supporting schedule to ensure that what is reported in the performance report is valid and accurate.

It is further recommended that management should revise the population where invalid reporting was identified.

## Management response

Management does not agree with the findings.

WCS No	Project description	Date project was completed	Planned completion per SHC/EOT	Difference in days	Responses
055196	DEPARTMENT OF HOME AFFAIRS: TOTAL REPLACEMENT OF LIFTS AT NEW COOPERATION BUILDING (BVR)	2022/02/24	2022/02/23	1 day	The project was completed within the agreed construction period. At the time when practical completion was supposed to be taken on the 23 <sup>rd</sup> February, it couldn't because of unavailability of the engineer. <b>See the attached email that was shifting the handover from the 23<sup>rd</sup> to 24<sup>th</sup> February.</b>
051829	GRAHAMSTOWN: SAPS FLATS: GRAHAMSTOWN KING FLATS NO 1-2: REPAIRS & MAINTENANCE OF THE COMPLEX	2022/03/04	2022/03/03	1 day	This project was completed within the agreed construction period. At the time when practical completion was supposed to be taken, it could not be taken due to the non-availability of the project team on the 3 <sup>rd</sup> March 2022 hence it was moved to the 4 <sup>th</sup> March 2022. <b>See the memorandum explaining same by the Project Manager and the approval thereof by the Head Of Projects.</b>
051750	TSOLO POLICE STATION: CONDITION BASED MAINTENANCE	2021/12/08	2021/11/29	7 days	This project was completed within the agreed construction period. Initially the planned completion was 11 November 2021, but it was extended to the 10 February 2022. <b>See attached the approved extension of time.</b>

## Auditor's conclusion

Management's comments have been acknowledged and supporting documentation has been inspected. The finding has been cleared due to the following:

- 055196 – The supporting documentation does support management reason for the date of practical completion being 1 day later.
- 051829 – The supporting documentation does support management reason for the date of practical completion being 1 day later
- 051750 – The supporting EOT does support the project being completed within the agreed construction period.

## 6. Number of projects completed within approved budget: Reported achievement not valid

### Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: “The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned....”

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: “auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets...”

Section 25(1)(e) of the Public Service Regulation states the following: ” An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives...”

### Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of projects completed within approved budget, the following infrastructure project was reported to have been completed within the approved budget. However, this projects was not completed within the approved budget.

WCS No	Project description	Authorised amount	Total expenditure	Difference
044232	CAPE TOWN PARLIAMENTARY COMPLEX HERITAGE - REFURBISHMENT OF NCOP BUILDING, INCLUDING HVAC, ELECTRICAL AND ELECTRONIC INSTALLATIONS	9 000 000,00	9 189 107,10	189 107,10

### Impact of the finding

The reported achievement per the Annual Performance Report is not valid and accurate.

### Internal control deficiency

#### *Leadership*

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

#### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

### Recommendation

It is recommended that strong review processes are implemented on the Annual Performance Report and supporting schedule to ensure that what is reported in the performance report is valid and accurate.

It is further recommended that management should revise the population where invalid reporting was identified.

**Management response**

Management does not agree with the finding. The project was completed within the agreed budget. There is a typing error on the schedule indicating the total expenditure being R 143 394 000.00 instead of R134 394 000, 00. See the attached WA21PE indicating the total authorized amounts, the total expenditure and the positive balance of R8 807 650, 61.

**Auditor's conclusion**

Management comments have been acknowledged. The supporting documentation supports the projects being completed within the agreed budget. Therefore, the finding is cleared.



## 7. Number of infrastructure projects completed: Reported achievement not complete.

### Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: "The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned...."

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: "auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets..."

Section 25(1)(e) of the Public Service Regulation states the following: " An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives..."

### Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of infrastructure projects completed, the following infrastructure projects were identified to have been complete. However, these projects were not reported as part of the achievement in the annual performance report

WCS No	Project description	Achieved status 6A in 2021/22	Date of practical completion per certificate
053939	VARIOUS CENTRES : KWA-ZULU/NATAL MAGISTRATE'S OFFICE CONSTRUCTION OF FACILITIES FOR PEOPLE WITH DISABILITIES: P8:Louwsburg Court	Yes	2022/02/15
Not stated on practical completion certificate	STALPEIN BASEMENT – PARLIAMENTARY PRECEINT	Yes	2021/10/08
054494	Murraysburg: Magistrates Office - Repairs & Renovations	Yes	2021/12/08

### Impact of the finding

The reported achievement per the Annual Performance Report is not complete.

### Internal control deficiency

#### Leadership

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

### **Recommendation**

It is recommended that strong review processes are implemented on the Annual Performance Report and supporting schedule to ensure that what is reported in the performance report is complete.

It is further recommended that management should revise the population where inaccurate reporting was identified.

### **Management response**

#### **WCS 050967: HERITAGE - STALPLEIN, ABOVE AND UNDERGROUND PARKING- STRUCTURAL REPAIRS TO GRANITE STRUCTURES**

Management does not agree with the findings as this project was completed in 2020/21 Financial Year and it was reported in the APR of that year. See attached WCS report and the schedule indicating when the project got completed.

#### **WCS 053165: Louwsburg Magistrates Office Refurbishment and Upgrade and WCS 053939 Disabled Facilities**

Management does not agree with the findings as the project WCS 053939: The Disabled Facilities was incorporated into WCS 053165 and completed as part of the refurbishment project. This would have resulted into double counting if it was reported separately and not as part of project WCS 053165. The latter is reported as complete as per schedule. See the attached email and the supporting documentation that support management disagreement with the findings.

#### **WCS 054494: Murraysburg: Magistrates Office - Repairs & Renovations**

### **Auditor's conclusion**

#### **WCS 050967: HERITAGE - STALPLEIN, ABOVE AND UNDERGROUND PARKING- STRUCTURAL REPAIRS TO GRANITE STRUCTURES**

Management comment is noted. Through inspection of the practical completion certificate and WCS report, it was confirmed that the project was completed in the prior year. Therefore, finding is resolved.

#### **WCS 053165: Louwsburg Magistrates Office Refurbishment and Upgrade and WCS 053939 Disabled Facilities**

Management comment is noted. Through inspection of the supporting documents, it is confirmed that WCS053939 and WCS053165 have been incorporated into one project. Therefore, the finding has been resolved.

#### **WCS 054494: Murraysburg: Magistrates Office - Repairs & Renovations**

Management comment is noted. Therefore, the finding is not resolved and will be reported in the management report.



## 8. Number of infrastructure sites handed over for construction : Reported achievement not complete

### Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: “The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned....”

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: “auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets...”

Section 25(1)(e) of the Public Service Regulation states the following: ” An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives...”

### Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of infrastructure sites hand over for construction, the following infrastructure sites were identified to have been handed over during the current financial year . However, these projects were not reported as part of the achievement in the annual performance report

WCS No	Project description	Date site handed over
055699	Ritchie Magistrate Court: Installation of carports, paving and brick wall including connection to electricity to one unit and security lights at mobile unit.	2021/06/23
049715	Bizana SAPS: Installation of water tank & a backup generator	2022/01/31
053804	Mount Alyiff Prison: Installation of overhead steel mesh wire coverage to open courtyard	2022/02/25

### Impact of the finding

The reported achievement per the Annual Performance Report is not complete.

### Internal control deficiency

#### *Leadership*

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

#### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

### Recommendation

It is recommended that strong review processes are implemented on the Annual Performance Report and supporting schedule to ensure that what is reported in the performance report is complete.

It is further recommended that management should revise the population where inaccurate reporting was identified.

**Management response**

Management agrees with the findings.

**Auditor's conclusion**

Management comments have been acknowledged. The finding will remain and auditor's conclusion will be updated once management has made the submission of the revised population and assessment has been made by the auditors. Furthermore, we note that management aims to complete the corrective action by 29 July. It is to note that the auditor's report is planned to be signed on 31 July, as a result submission by 29 July might not be sufficient to allow the auditor to assess the revised population. We request management to re-look at the planned date of completion for corrective action.

## 9. Number of design solution completed for identified user departments : Reported achievement not complete

### Laws, rules and regulations

Section 40(3)(a) of the PFMA states that: “The annual report and financial statements referred to in subsection 1(d) must Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objective and its financial position as at the end of the financial year concerned....”

Paragraph 5.2 of the Framework for Managing Programme Performance Information requires the: “auditee to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets...”

Section 25(1)(e) of the Public Service Regulation states the following: ” An executive authority shall prepare a strategic plan for his or her department that enable the executive authority to monitor the progress made towards achieving those targets and core objectives...”

### Nature

During the audit of Programme 8: Construction Project Management, performance indicator – number of design solution completed for identified user departments, it was noted in the WorxNews – Special Edition – DPWI Engineering Services (NovDec edition), that the department was able to generate savings on projects implemented internally. These savings are depicted from 66 projects, which only reflect completion of up to the final design stage.

The statement above reflects that over and above what has been reported as achieved in the Annual Performance Report, there are possibly up to 66 more projects that have been completed up to design stage by Engineering Services in-house, which have not been reported as achieved.

### Impact of the finding

The reported achievement per the Annual Performance Report is not complete.

### Internal control deficiency

#### *Leadership*

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls

#### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

### Recommendation

It is recommended that management review the population of the reported achievement, to determine whether all design solution that should be reported have been reported in the Annual Performance Report, taking into consideration the information contained in the WorxNews Special Edition.

### Management response

Management agrees with the findings as it has been confirmed that there is under reporting of number designs for identified client departments.

### **Auditor's conclusion**

Management comments have been noted. Therefore, the finding remains and will await management's re-submission of the population.

## **10. North West province – EPWP participants were not reported on the EPWP Q4 data per indicator.**

Laws, rules and regulations

Section 40(3) (a) of the Public Finance Management Act (PFMA) states that: "The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned...."

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: "The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information..."

### **Nature**

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the North West province:

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
10812-EPWPRS	The Message	Sylvia Lerato	Moate	Nat Dept of Public Works
10812-EPWPRS	The Message	Dineo Given	Makinita	Nat Dept of Public Works
10812-EPWPRS	The Message	Milliceent Plantina	Ndlovu	Nat Dept of Public Works
10812-EPWPRS	The Message	Rina Mathidiso	Mafoko	Nat Dept of Public Works
10812-EPWPRS	The Message	Mmapula Martha	Diloane	Nat Dept of Public Works
10812-EPWPRS	The Message	Johanna Seipati	Jere	Nat Dept of Public Works
10812-EPWPRS	The Message	Emily Mmalekgotla	Molefe	Nat Dept of Public Works

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
10812-EPWPRS	The Message	Motshoane	Botlhaeshella	Nat Dept of Public Works
10812-EPWPRS	The Message	Jethro Tuni	Mogotsi	Nat Dept of Public Works
10812-EPWPRS	The Message	Keabetse Seth	Mokwena	Nat Dept of Public Works
10812-EPWPRS	The Message	Phenyo	Bele	Nat Dept of Public Works
10812-EPWPRS	The Message	Reabetswe Sharon	Kolobe	Nat Dept of Public Works
10812-EPWPRS	The Message	Poppie	Tau	Nat Dept of Public Works
10812-EPWPRS	The Message	Elizabeth Omphemetse	Kautlwane	Nat Dept of Public Works



10812-EPWPRS	The Message	Tebogo Mavis	Ndlovu	Nat Dept of Public Works
10812-EPWPRS	The Message	Collen Tshou	Tshou	Nat Dept of Public Works
10812-EPWPRS	The Message	Elizabeth Gadifele	Motloun	Nat Dept of Public Works
10812-EPWPRS	The Message	Letlhogongonolo Francina	Kgwathise	Nat Dept of Public Works
10812-EPWPRS	The Message	Kgotatso Caroline	Mafatshe	Nat Dept of Public Works

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
10812-EPWPRS	The Message	William	Johnson	Nat Dept of Public Works
10812-EPWPRS	The Message	Bothoile Gustaph	Makganye	Nat Dept of Public Works
10812-EPWPRS	The Message	Aaron Ramogotsi	Sennelo	Nat Dept of Public Works
10812-EPWPRS	The Message	Rapula Wilson	Tshilane	Nat Dept of Public Works
10812-EPWPRS	The Message	Daniel Moshe Korekile	Ramanyai	Nat Dept of Public Works
10812-EPWPRS	The Message	Billy Itumeleng	Simamane	Nat Dept of Public Works

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain proof of payment.

Name of Public Body	Project Name	Name	Surname	Project ID
Ngaka Modiri Molema	Ratlou LM grass cutting	Angy	Segae	103248-EPWP3M
Ngaka Modiri Molema	Ratlou LM grass cutting	Johanna Lesego	Nthue	103248-EPWP3M

Female participants included in the table below were identified on site, however, the participants were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit,

Name of Public Body	Project Name	Name	Surname	Project ID
Ngaka Modiri Molema	Ditsobotla Local Municipality Tankering	Nombulelo Margaret	Mzweni	115028-EPWP3M

Ngaka Modiri Molema	Ditsobotla Local Municipality Tankering	Hazel karabelo	Modise	115028-EPWP3M
Ngaka Modiri Molema	Ditsobotla Local Municipality Tankering	Mary Lydia	Venter	115028-EPWP3M
Ngaka Modiri Molema	Ditsobotla Local Municipality Tankering	Dude Sellwane	Mavis	115028-EPWP3M

### Impact of the finding

#### Non-compliance with PFMA section 40(3) (a)

Understatement and overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the performance achievement is not valid, accurate and complete.

### Internal control deficiency

#### Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

The department did not have appropriate systems to collect, collate, verify and store information to ensure accurate, valid and complete reporting of participants reported on the EPWP reporting system.

Participant's lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### Management response

## Management agrees partially with the findings, for the following reasons:

### 1. The Message Project (Independent Development Trust):

- The underreported participants were recruited in February 2022, replacing participants who absconded or stopped working in the project.
- The signed contracts for participants were received by the Independent Development Trust (IDT) from The Message (NPO) in the first week of March 2022.
- The IDT was unable to report these participants into the EPWP Reporting System before the end of Quarter 4 of the 2021/22 financial year.

### 2. Ratlou LM grass cutting (Ngaka Modiri Molema):

- Angy Segae (7607100837082) was reported on the EPWP RS for the Ratlou LM grass cutting project (103248-EPWP3M). The outstanding payment register is attached. We request that this finding be resolved.
- Lesego Johanna Serekiso (8312121082086) was reported on the EPWP RS for the Ratlou LM grass cutting project (103248-EPWP3M) under her maiden name as Johanna Lesego Nthue. The outstanding payment register is attached. The Portfolio of Evidence provided reflects that it is the same individual, and the relevant marriage certificate is also attached to confirm this. We request that this finding be resolved.

### 3. Ditsobotla Local Municipality Tankering (Ngaka Modiri Molema):

- Nombulelo Margaret Mzweni (7812270781082) was not reported by the public body, due to a late submission of her contract and certified identity document for capturing by the public body.
- Hazel Karabelo Modise (9203030884085), Mary Lydia Venter (7412240237081) and Dude Sellwane Mavis (7911010144089) were not reported in 2021/22, as their appointment processes were not finalised in time by the public body. The participants started working before the appointment processes were finalized.

## Auditor's conclusion

- Management responses are noted and the finding on underreporting will remain, to be reported on the management letter.
- The finding on Angy Segae (7607100837082), Lesego Johanna Serekiso (8312121082086) for **Ratlou LM grass cutting (Ngaka Modiri Molema)** is resolved as management provide the auditors with supporting documents and it will not be part of the issue on management letter.
- Management responses on finding of "Nombulelo Margaret Mzweni (7812270781082), Hazel Karabelo Modise (9203030884085), Mary Lydia Venter (7412240237081) and Dude Sellwane Mavis (7911010144089)" for **Ditsobotla Local Municipality Tankering (Ngaka Modiri Molema)** will remain and to be reported on the management letter.

## 11. Gauteng province – EPWP participants were erroneously reported on the EPWP Q4 data per indicator.

### Laws, rules and regulations

Sections 40(3)(a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its

Performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Gauteng province:

Participants included in the table below were confirmed to be disabled as per participants file during project visits. However, the participants list as per RS system does not indicate them as disabled.

Project Code	Project Name	Name	Surname	Public Body
302566-CWP	Munsieville 22001	Maggie	Ramela	Munsieville 22001
302566-CWP	Munsieville 22001	Ntoagae Samuel	Rasogo	Munsieville 22001
302566-CWP	Munsieville 22001	Nkele	thide	Munsieville 22001
302566-CWP	Munsieville 22001	Kaledi	Mashilo	Munsieville 22001
302566-CWP	Munsieville 22001	Mpe Michael	Tshupe	Munsieville 22001
302566-CWP	Munsieville 22001	Kagiso	Mali	Munsieville 22001
302566-CWP	Munsieville 22001	Zandisile Milton	April	Munsieville 22001
302566-CWP	Munsieville 22001	Bryna	Maja	Munsieville 22001
302566-CWP	Munsieville 22001	Macdonald Monale	Ntsoe	Munsieville 22001
302566-CWP	Munsieville 22001	Lovey Modzimo	Bila	Munsieville 22001
302566-CWP	Munsieville 22001	Titus Sphiwe	Mkize	Munsieville 22001
302566-CWP	Munsieville 22001	Nkosimphile Richard	Mgxaka	Munsieville 22001

Participants included in the table below were confirmed as not disabled as per the participant file during the project visits. However, the participants list as per the RS system indicates that the participant is disabled.

Project Code	Project Name	Name	Surname	Public Body
302566-CWP	Munsieville 22001	Monkie Monica	Meshe	Munsieville 22001
302566-CWP	Munsieville 22001	Tshotlego Anna	Modipane	Munsieville 22001
302566-CWP	Munsieville 22001	Ben	Makhutle	Munsieville 22001
302566-CWP	Munsieville 22001	Godfrey Ntshepo	Modise	Munsieville 22001
302566-CWP	Munsieville 22001	Mmbengwa	Munyai	Munsieville 22001
302566-CWP	Munsieville 22001	Lorato Cynthia	Molebatsi	Munsieville 22001
302566-CWP	Munsieville 22001	Benny Fungie	Mabidikane	Munsieville 22001

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

The reported achievement for output indicator 3.2 Percentage EPWP participation among designated groups is not accurate, valid and complete.

### Internal control deficiency

Financial and Performance Management

The department did not have appropriate systems to collect, collate, verify and store information to ensure accurate, valid and complete reporting of participants reported on the EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of participants reported on the EPWP-RS system to ensure that reported participants are valid and captured accurately in accordance with the substance and form of portfolio of evidence supporting the participant.

Management should review all disabled EPWP participants reported against the supporting portfolio of evidence to confirm that disabled participants are accurately reported and those not reported are appropriately adjusted.

**Finding two: EPWP – Gauteng province – EPWP participants were not reported on the EPWP Q4 data per indicator.**

Disabled participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
302566-CWP	Munsieville 22001	Ntzima	Ntzima	Munsieville 22001
302566-CWP	Munsieville 22001	Leleke	Leleke	Munsieville 22001

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
102169-EPWP3P	IG/NYS Phase4 Two	Busiswa	Pahlo	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Cynthia	Nukeri	GP - Department of Infrastructure Development (DID)
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/21	Vellem	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/22	Mogane	Unknown	City of Johannesburg Metro
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Eunice Elizabeth	Moss	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lindiwe Veronica	Kekana	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Motshwanyene	Betty Masisi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Duduzile Jane	Nyembe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Seipati Jane	Mokoena	Sedibeng

97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Dondolo	Mathabo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ayanda Charity	Thabethe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sebina Miriam	Lehlae	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ndobe	Nozibele Constance	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sarah Moipone	Sebotsa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Bongekile Renneth	Nene	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Taele	Mamothebe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Zaneke Emelie	Mokoena	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sekhemane	Dinah	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mpho Victoria	Mphithi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Kula	Pumla	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nkaota	Madintja Irene	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mofokeng	Mapaseka Elizabeth	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ria	Mosinki	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nkopi	Dlamini	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ramokhoase	Millicient Lebohang	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Letsheko	Mapuleng	Sedibeng

97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Molise	Pomtsho Rebecssa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mamsie Christine	Nhlapo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ntombizodwa	Makalo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sibongile Martha	Nhlapo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Moagi	Bertha Somizi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mamontsioa Mabel	Mathibe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nhlapo	Bernice Dikomo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mokoena	Mokgokolotse Gladys	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Dondolo	Elsie	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Khumalo	Hazel Thandi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Vangile Grace	Malindi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Masabata Florida	Mobe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Puleng Shane	Mosia	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lerato Celestina	Mabiletsa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nku	Roseline Dina	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sibanyoni	Nompi Christina	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mofokeng	Jeanette Matsona	Sedibeng



97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Litsoane	Elizabeth	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mokorobi	Magdalena	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Matona	Mantahli Dynah	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Majwalani Dorah	Mohapi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Vilakazi	Phumzile Maria	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Damba	Zanele	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Seipati Martha	Moloi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Maria Nomathemba	Nkosi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mohale	Mangoejane Lydia	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mofokeng	Ellen Baleng	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mamethe Aria	Sephula	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Madilenyane Elizabeth	Mohapi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Zaula	Vuyelwa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mpelo	Julia Papali	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Thinane	Mamotsei Maria	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Jane Moreki	Nakedi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Fana	Thandeka Sendra	Sedibeng

97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Yende	Lena Khumbuzile	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nikiwe Theodora	Sibotho	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Moloi	Matebello Martha	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mawelela	Elina	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ramahole	Mosadifeela Ruth	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Motsamai	Masabata Alinah	Sedibeng
302566-CWP	Munsieville 22001	Smangele	Ngcobo	Munsieville 22001
302566-CWP	Munsieville 22002	Grace	Masethi	Munsieville 22001
302566-CWP	Munsieville 22003	Rahab	Modise	Munsieville 22001
302566-CWP	Munsieville 22004	Regina Malebatse	Mojaki	Munsieville 22001
302566-CWP	Munsieville 22005	Nesiwe Princess	Qaba	Munsieville 22001
302566-CWP	Munsieville 22006	Saria Game	Mogale	Munsieville 22001
302566-CWP	Munsieville 22007	Glodean Gabaitsane	Molefe	Munsieville 22001
302566-CWP	Munsieville 22008	Ida Kuki	Ngwetsana	Munsieville 22001
302566-CWP	Munsieville 22009	Thobeka	Mkubelweni	Munsieville 22001
302566-CWP	Munsieville 22010	Anna Dikeledi	Gaubuse	Munsieville 22001
302566-CWP	Munsieville 22011	Francinah Gadifele	Bolowana	Munsieville 22001
302566-CWP	Munsieville 22012	Nombulelo	Madolo	Munsieville 22001
302566-CWP	Munsieville 22013	Ntesang Johanna	Tau	Munsieville 22001
302566-CWP	Munsieville 22014	Nobronephi	Dywili	Munsieville 22001
302566-CWP	Munsieville 22015	Hilda Keakabetse	Seng	Munsieville 22001
302566-CWP	Munsieville 22016	Mosego Johanna	Segwai	Munsieville 22001
302566-CWP	Munsieville 22017	Maggie	Mashitwa	Munsieville 22001
302566-CWP	Munsieville 22018	Beauty	Seleke	Munsieville 22001

302566-CWP	Munsieville 22019	Ntombzanana Liesbet	Dali	Munsieville 22001
302566-CWP	Munsieville 22020	Naome Dithage	Mootang	Munsieville 22001
302566-CWP	Munsieville 22021	Sarah Goitsemanang	Mathule	Munsieville 22001
302566-CWP	Munsieville 22022	Mpoletsang	Molale	Munsieville 22001
302566-CWP	Munsieville 22023	Mashakung Tricca	Tshegang	Munsieville 22001
302566-CWP	Munsieville 22024	Patricia Mandisa	Chiloane	Munsieville 22001
302566-CWP	Munsieville 22025	Elize	Lessina	Munsieville 22001
302566-CWP	Munsieville 22026	Constance Mapula	Molefe	Munsieville 22001
302566-CWP	Munsieville 22027	Tereka Sophy	Shibambo	Munsieville 22001
302566-CWP	Munsieville 22028	Kedibone Maria	Machisa	Munsieville 22001
302566-CWP	Munsieville 22029	Dipuo Christina	Mthombeni	Munsieville 22001
302566-CWP	Munsieville 22030	Pemakaleng Gatherine	Motlhoki	Munsieville 22001
302566-CWP	Munsieville 22031	Johann Maropeng	Mphephu	Munsieville 22001

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
102169-EPWP3P	IG/NYS Phase4 Two	Karabo	Mogano	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Irvin	Mavilane	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Melikhaya Victor	Makhenge	GP - Department of Infrastructure Development (DID)
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/21	Ramaoka	Unknown	City of Johannesburg Metro

75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/21	Molokomme	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/21	Nyathi	Unknown	City of Johannesburg Metro
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Tshungutshungu	Zipo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mbontshane	Sibusiso Arthur	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Rosinah Lebohang	Tsiu	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Tshabangu	Thamsanqa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Maite Olga	Masilo	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mashiya	Precious Palesa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Magazi	Virginia Anganathi	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Qanda	Thabo Teboho	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lusanda Harmony	Mayaba	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Malefo	Lerato Pride	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Zwane	Thobekani Welcome	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Bongiwe Ethel	Dladla	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lerato Millicent	Tala	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Jerminah	Rasoeu	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Steven Zakhele	Sibeko	Sedibeng

97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mosia	Slyvia	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Skosana	Siphiwe	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lebogang	Mbele	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Tshabalala	Tracy	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lindiwe	Mngomezulu	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Jeanett Nomfanelo	Mashinini	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Serabele	Jwalane Patricia	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ntombizodwa	Olifants Lukele	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	mmabatho	Teele	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Motsitsi	Mampho Agnes	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Lebohang Sophie	Mofokeng	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sibanda	Ntombizodwa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ruth Pinky	Monnakhotla	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Ndaba	Thembisile Caroline	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Tsotetsi	Roseline Dina	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Malerato Jennifer	Modimoene	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Sont Martha	Moletsane	Sedibeng

97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Bongani Calvin	Makwa	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Finger	Jabulile Milicent	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Nkosinathi Rastas	Zwane	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Vuyisanani Sweetness	Joko	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Refilwe Paulinah	Lephoto	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Mtlani	Seun Simon	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Gcasamba	Atenkosi Gloria	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Phindile Maria	Mbele	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Primrose Sibongile	Xulu	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Eunice Elizabeth	Moss	Sedibeng
97185-EPWP3M	IG/ Sedibeng CBDs Cleaning and beautification	Desmond Letea	Mofokeng	Sedibeng
302566-CWP	Munsieville 22001	Mosadiwapula	Mogale	Munsieville 22001
302566-CWP	Munsieville 22002	Rosta Mxobile	Hlophe	Munsieville 22002
302566-CWP	Munsieville 22003	Mabel Thandi	Kole	Munsieville 22003
302566-CWP	Munsieville 22004	Pertunia	Malematsa	Munsieville 22004
302566-CWP	Munsieville 22005	Kuki Senina	Tshelane	Munsieville 22005
302566-CWP	Munsieville 22006	Refilwe Merriam	Thwala	Munsieville 22006
302566-CWP	Munsieville 22007	Sanna Dimakatso	Moreri	Munsieville 22007
302566-CWP	Munsieville 22008	Phezile	Chapha	Munsieville 22008
302566-CWP	Munsieville 22009	Anna	Moloi	Munsieville 22009

302566-CWP	Munsieville 22010	Nobanele Jeanette	Mazibuko	Munsieville 22010
302566-CWP	Munsieville 22011	Kamogelo Floyed	Kwitsi	Munsieville 22011
302566-CWP	Munsieville 22012	Pogiso Anna	Matsose	Munsieville 22012
302566-CWP	Munsieville 22013	Regina Itumeleng	Raphela	Munsieville 22013
302566-CWP	Munsieville 22014	Sophia	Keemetswe	Munsieville 22014
302566-CWP	Munsieville 22015	Mpho	Kekae	Munsieville 22015
302566-CWP	Munsieville 22016	Nolan Kevin	Louw	Munsieville 22016
302566-CWP	Munsieville 22017	Lorraine	Mpolokeny	Munsieville 22017
302566-CWP	Munsieville 22018	Ntomboxolo	Kupe	Munsieville 22018
302566-CWP	Munsieville 22019	Evodia Jenina	Ditlame	Munsieville 22019
302566-CWP	Munsieville 22020	Tshegofatso Faith	Pule	Munsieville 22020
302566-CWP	Munsieville 22021	Thabang Koos	Mootang	Munsieville 22021
302566-CWP	Munsieville 22023	Vuyiseka	Tsotso	Munsieville 22023
302566-CWP	Munsieville 22024	Zimasa	Mbanjwa	Munsieville 22024
302566-CWP	Munsieville 22025	Anna Dineo	Kapase	Munsieville 22025
302566-CWP	Munsieville 22026	Motlalepale	Bochell	Munsieville 22026
302566-CWP	Munsieville 22027	Cynthia Tiuelo	Stemmer	Munsieville 22027
302566-CWP	Munsieville 22028	Matshidiso Confidence	Maponya	Munsieville 22028
302566-CWP	Munsieville 22030	Pamela Precious	Gaveni	Munsieville 22030
302566-CWP	Munsieville 22031	Nomthandazo Elaine	Heynse	Munsieville 22031
302566-CWP	Munsieville 22032	Lesego Idah	Baisitse	Munsieville 22032
302566-CWP	Munsieville 22033	Mosadiwamarope	Selekisho	Munsieville 22033
302566-CWP	Munsieville 22034	Molatelo Petronella	Nkoane	Munsieville 22034
302566-CWP	Munsieville 22036	Stokkie Jeanette	Segwabe	Munsieville 22036

302566-CWP	Munsieville 22037	Ncebakazi Lorictor	Nongcawula	Munsieville 22037
302566-CWP	Munsieville 22043	Kemoneilwe Cynthia	Mokgosi	Munsieville 22043
302566-CWP	Munsieville 22044	Sibongile Pertunia	Tshemese	Munsieville 22044
302566-CWP	Munsieville 22045	Othemabela	Makhatha	Munsieville 22045

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/21	Katitswe	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/22	Mthombeni	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/23	Bila	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/24	Matase	Unknown	City of Johannesburg Metro
75258-EPWP3M	Riverside/Diepsloot Housing Development 2020/25	Madubanya	Unknown	City of Johannesburg Metro
102169-EPWP3P	IG/NYS Phase4 Two	Pfano	Mbengeni	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Keneiloe	Letsimo	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Ishmael Fanelo	Masangu	GP - Department of Infrastructure Development (DID)
102169-EPWP3P	IG/NYS Phase4 Two	Gloria Motshidisi	Matitsoe	GP - Department of Infrastructure Development (DID)
302566-CWP	Munsieville 22001	Phillmon Basimawe	Rakuba	Munsieville 22001



302566-CWP	Munsieville 22002	Tshidiso Johannes	Mofokeng	Munsieville 22001
302566-CWP	Munsieville 22003	Robert Ngwako	Kgatla	Munsieville 22001
302566-CWP	Munsieville 22004	Tsietsi Brightening	Modise	Munsieville 22001
302566-CWP	Munsieville 22005	Shelah Htombizodwa	Mangali	Munsieville 22001
302566-CWP	Munsieville 22006	John Mark	Louw	Munsieville 22001
302566-CWP	Munsieville 22007	Bongani Arthur	Mntambo	Munsieville 22001
302566-CWP	Munsieville 22008	Victor	Ralasi	Munsieville 22001
302566-CWP	Munsieville 22009	Khaya	Dengwana	Munsieville 22001
302566-CWP	Munsieville 22011	Carlos	Ubisse	Munsieville 22001

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participants lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

**Finding three: EPWP – Gauteng province – EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Disabled participants included in the table below Disabled participants were reported on the quarter 3 (April 2021 to 31 December 2021) data submitted for audit, however, the individual participant file did not contain supporting information regarding their disability. This population was re-audited during the quarter 4 (April 2021 to 31 March 2022) submission and it was again confirmed that the participant file did not contain any supporting information and further no adjustment was made regarding the reporting of these participants.

Name of Public Body	Project Name	Name	Surname	Project ID
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Andisani Boston Molamola	Nkuna	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Azola	Jakuja	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Boitumelo	Matjila	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Caltonia	Ngobeni	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Dimakatso Faith	Mosana	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Dineo Elizabeth	Dihashu	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Donald Mosa	Mofokeng	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Elzaan Octovia	Zulu	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Fulufhelo Sharon	Mabogo	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Gabisile Ashanter	Mahlangu	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Goodman Risuna	Baloyi	102169-EPWP3P

GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Khomotso	Mohwaduba	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Khuthadzo Tiny	Mudzwiri	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Malehlohonolo Rebecca	Tabane	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Malwandla Velecia	Mabasa	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Martha Mmakopi	Molokomme	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Masana Valentia	Mathevula	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Masego Nice	Themba	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Mohlomi Kabelo	More	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Mosima Sylvester	Tshuma	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Nhlanhla Petunia	Mahlaola	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Nomvula	Thukwana	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Nondumiso Abegail	Khakaza	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Nqobile Gloria	Khoza	102169-EPWP3P
GP - Department of Infrastructure	IG/NYS Phase4 Two	Ntwanano Shelva	Makhubela	102169-EPWP3P

Development (DID)				
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Percy Thapelo	Matlala	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Philemon Katlego Ramanonyana	Makgale	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Pusetso Samson	Mofokeng	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Raisibe Geneva	Tema	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Rebabaletswe Lucia	Lefusa	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Ronewa Zelda	Makhesa	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Ruth Miyelani	Makhubela	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Sanele Tinyiko	Masiya	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Shaun Monwabisi	Teka	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Sthembisile Fumani	Mkansi	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Thabang	Badugela	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Thandeka Octavia	Ndlovu	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Thandiwe Charlotte	Molefe	102169-EPWP3P

GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Tumo Keith	Letebele	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Vutlhari Patricia	Mabasa	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Winny Hlakiso	Lenyanyabedi	102169-EPWP3P
GP - Department of Infrastructure Development (DID)	IG/NYS Phase4 Two	Zukiswa	Mthinjana	102169-EPWP3P

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, ID, proof of payment and signed contract

Name of Public Body	Project Name	Name	Surname	Project ID
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Josephine	Molaodi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Alina	Mayane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Joyce	Mosia	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Innocentia Mantoa	Moru-mpempe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Primrose Sibongile	Xulu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nonhlanhla Perseverence	Mabena	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Paulina Moipone	Sejake	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Joyce Thembisile	Radebe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sarah Meisie	Mahamotsa	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Ntsekiseng Cheryl	Mofokeng	97185-EPWP3M

Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Miselo Constance	Ntshingila	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nompi Agnes	Mhlanga	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Masediye Selina Georginah	Molete	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mohanuoa Elizabeth	Thulo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nondumiso Natalia Sibusiso	Mpinga	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Judice	Ngwenya	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nosiphiwo Sylvia	Lolwana	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Ellen Madithlare	Lebeoana	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Modiehi	Mokoena	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mandase Sylvia	Tshabalala	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Annah Dimkatso	Molibeli	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Julia Matau	Moeketsi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Dieketseng Grace	Mthimkulu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nomadzima Salamina	Mnguni	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mamokgele Lydia	Haga	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Maggie Motlatsi	Nhlapo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Hlekani Christina	Thothela	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Malefu Suzen	Mokoena	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mapakiso Mary	Radebe	97185-EPWP3M

Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Modiki Dinku Josephine	Mathope	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nomathemba Anna	Nhlapo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tseleng Mariah	Thuntsa	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Phazwayo Siphiwe	Ndwandwe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tiny Deliwe	Mthimkulu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Masetjhaba Caroline	Masooa	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sophie	Mokhethi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thule Maria	Makobane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Phuzile Annah	Nhlapho	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nomqibelo Ellie	Motlounq	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Matieho Elizabeth	Hlubi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Meiki Talita	Kantso	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nomasonto	Ntuhtu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Miriam Nozipho	Nonjoli	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Dimakatso Aletta	Rathebe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lindelwa Pauline	Hlwatika- mdludlu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thandiwe	Zwedala	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mmampe Angelina	Sekhoane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Annah Nokulunga	Mngomezulu	97185-EPWP3M

Youth participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payments.

Name of Public Body	Project Name	Name	Surname	Project ID
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nthabiseng Joyce	Mosibi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thamsanqa	Tom	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nthabiseng Sister	Kobo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lindiwe Linah	Mlotshwa	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Kenneth Themba	Mazibuko	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nompumelelo Nancy	Nhlapo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sannah Ntediseng	Molefe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sandile Innocent	Mgaga	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Bafana	Mbongo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tau Joseph	Mofokeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lindiwe Letta	Sigasa	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Pauline Sarah	Phantsi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mduduzi Clifford	Mahlaba	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thabiso	Mankheli	97185-EPWP3M



Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Fihliwe Nora	Mqiwathi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tshediso	Tabo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Paballo Charmaine	Mofokeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tracy Karabo	Nkutha	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lebohang Patricia	Mzizi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Linah Mantoa	Mofokeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sylvia Karabo	Mokhomong	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Motlalepule Anna	Mofokeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Annanias Letsatsi	Mashabela	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sifiso Andrew	Selepe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Neliswa	Shabane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Andrew Tlhoriso	Mofokeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mmateboho Monica	Lata	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Jabulani Roger	Modikeng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Moelusi George	Mthunzi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Boitsanape Legapa	Nkabiti	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mojalefa Daniel	Ralekholela	97185-EPWP3M

Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Benjamin	Mfene	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mokho Patricia	Rampai	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Bulelwa	Dlamini	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Jeremane Mojalefa	Matshaneng	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mmokgo Adeline	Makhalemele	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lucas	Nhlapo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Refilwe Philadelphia	Maseko	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Lucky Teboho	Mathe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mpai Olga	Mokone	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Christopher Tshoeu	Lepele	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Delisile	Jili	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Pricilla Dimakatso	Mqiwathi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Seipati Brenda	Molupe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Elizabeth Kedibone Hope	Msibi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Masithembe	April	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tisetso Petros	Kumalo	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Selloane Ellen	Nkhatho	97185-EPWP3M

Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Mzwakhe Patrick	Mokoena	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Malefu Joyce	Seruonyane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thembisile Primrose	Kwezi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Fulufhelo Membrey	Mapholi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Nkosana Leonard	Pheko	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Sebongile Precious	Ndibe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Khutso	Mashilwane	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Seun Simon	Mtlani	97185-EPWP3M

Job opportunity participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payment.

Name of Public Body	Project Name	Name	Surname	Project ID
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	David	Morei	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tshepo Joseph	Mokete	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thorean Tshidiso	Mohlaodi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Solly Lucas	Mahlangu	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Jeremiah Mkhulu	Mazibuko	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Suprise Shihlamariso	Mdhlovu	97185-EPWP3M

Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Bekuyise Christoph	Hlophe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Tiisetso Hardson	Nkosi	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Samuel	Mahlophe	97185-EPWP3M
Sedibeng	IG/ Sedibeng CBDs Cleaning and beautification	Thabiso Twice	Mokoena	97185-EPWP3M

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to ensure participants reported on the EPWP reporting system have files containing: certified ID copies and/or have signed attendance registers and/or have proof of payments made to the participant.

Participant files are not regularly reviewed to ensure that all participants captured on EPWP reporting system have all the required supporting documentation.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of participant files to ensure that all participants that are captured on EPWP reporting system have all the supporting documents to ensure the reported information is valid, accurate and complete.

## Management response

**Management agrees partially with the findings, for the following reasons:**

### **Munsieville 22006 (CWP):**

- The portfolio of evidence for the participants classified as disabled is attached and we request that this finding be removed.
- The findings with regard to underreporting is agreed with.

### **IG/NYS Phase4 Two (Gauteng Department of Infrastructure Development):**

- The Gauteng Department of Infrastructure Development (GP DID) recruited additional participants in Quarter 4. The identity documents of these participants were submitted towards the closing date of the EPWP Reporting System for Quarter 4. The participants were consequently not captured.
- The GP DID indicated that the participants without support documents for their disability status were erroneously captured by GP DID as disabled.

### **Riverside/Diepsloot Housing Development 2020/21 (City of Johannesburg Metropolitan Municipality):**

- The City of Johannesburg Metropolitan Municipality indicated that the underreported participants could not be reported, as compliant documents were not available prior to the closing date of the EPWP Reporting System for Quarter 4.

### **IG/ Sedibeng CBDs Cleaning and beautification (Sedibeng District Municipality)**

- The Municipality indicated that both the underreporting and the missing documents are the result of the migration of the project between different units in the Municipality.

## Auditors Conclusion

### **1. Munsieville 22006 (CWP):**

- Management response is noted, the findings on participants classified as disabled will remain, to be reported on the management letter. Information provided was signed after year end which raise concern on the validity of the informationzzzz.
- Management responses are noted and the finding on underreporting will remain, to be reported on the management letter.

### **2. IG/NYS Phase4 Two (Gauteng Department of Infrastructure Development):**

- Management responses on recruited additional participants in Quarter 4 are noted and the finding on underreporting will remain, to be reported on the management letter.
- The findings on participants classified as disabled will remain, to be reported on the management letter.

### **3. Riverside/Diepsloot Housing Development 2020/21 (City of Johannesburg Metropolitan Municipality):**

- Management responses are noted and the finding on underreporting will remain, to be reported on the management letter.

### **4. IG/ Sedibeng CBDs Cleaning and beautification (Sedibeng District Municipality)**

- Management response is noted and the findings on underreporting and overreporting will remain, to be reported on the management letter.
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## 12. EPWP – Western Cape Province – EPWP participants were not reported on the EPWP Q4 data per indicator

### Laws, rules and regulations

Section 40(3) (a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1) (d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Western Cape Province:

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, **were not reported on the quarter 4**(April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
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302418-CWP	Swellendam 22001	Heleen Carmen	Jullies	NAT - CoGTA
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Female participants included in the table below were identified on site, however, the participants **were not reported on the quarter 4** (April 2021 to 31 March 2022) data submitted for audit,

Project Code	Project Name	Name	Surname	Public Body
302414-CWP	Mosselbay 22020	Limakatso	Nyedimane	NAT - CoGTA
302414-CWP	Mosselbay 22021	Busiswa	Sindelo	NAT - CoGTA
302414-CWP	Mosselbay 22022	Ntombizanele	Plaatjie	NAT - CoGTA
302414-CWP	Mosselbay 22023	Lindelwa	Tofile	NAT - CoGTA
302414-CWP	Mosselbay 22024	Ntombentsha	Sidumo	NAT - CoGTA
302414-CWP	Mosselbay 22025	Veliswa	Phendu	NAT - CoGTA
302414-CWP	Mosselbay 22026	Noxolo	Matshikiza	NAT - CoGTA
302414-CWP	Mosselbay 22027	Asanda	Fipaza	NAT - CoGTA
302414-CWP	Mosselbay 22028	Yandiswa	Balisa	NAT - CoGTA
302414-CWP	Mosselbay 22029	Nolusindiso	Mfumbe	NAT - CoGTA
302414-CWP	Mosselbay 22030	Nontando	Maqwazing	NAT - CoGTA
302414-CWP	Mosselbay 22031	Nompumelelo Hazet	Ngongoshe	NAT - CoGTA
302414-CWP	Mosselbay 22032	Asanda	Mqhukuse	NAT - CoGTA
302414-CWP	Mosselbay 22033	Nokhwezi	kunxa	NAT - CoGTA
302414-CWP	Mosselbay 22034	Thobisa	Ncikana	NAT - CoGTA
302414-CWP	Mosselbay 22035	Nosipho Pamela	Skalika	NAT - CoGTA
302414-CWP	Mosselbay 22036	Phumeza Patience	Panya	NAT - CoGTA
302414-CWP	Mosselbay 22037	Nokwamkela	Mlamlala	NAT - CoGTA
302414-CWP	Mosselbay 22038	Kama	Akhona	NAT - CoGTA
302414-CWP	Mosselbay 22039	Sizeka	Singama	NAT - CoGTA

302414-CWP	Mosselbay 22040	Ruth	Sijaji	NAT - CoGTA
302414-CWP	Mosselbay 22041	Nompikiso	Mzamo	NAT - CoGTA
302414-CWP	Mosselbay 22042	Nomvuyo	Zaku	NAT - CoGTA
302414-CWP	Mosselbay 22043	Sinekhaya	Donkiri	NAT - CoGTA
302414-CWP	Mosselbay 22044	Andiswa	Solwandle	NAT - CoGTA
302414-CWP	Mosselbay 22045	Nopopi Marinda	Rhengu	NAT - CoGTA
302414-CWP	Mosselbay 22046	Leonie	Matthee	NAT - CoGTA
302414-CWP	Mosselbay 22047	Vuyokazi Veronica	Ngcukana	NAT - CoGTA
302414-CWP	Mosselbay 22048	Asithandile	Gxamthwane	NAT - CoGTA
302414-CWP	Mosselbay 22049	Bukelwa Sylvia	Matshobana	NAT - CoGTA
302414-CWP	Mosselbay 22050	Lindiwr	Mbokodo	NAT - CoGTA
302414-CWP	Mosselbay 22051	Nonkosinathi	Njoli	NAT - CoGTA
302414-CWP	Mosselbay 22052	Kholiswa Theogreen	Sigenu	NAT - CoGTA
302414-CWP	Mosselbay 22053	Thembi	Damoyi	NAT - CoGTA
302418-CWP	Swellendam 22001	Nomafikisi	Patekile	NAT - CoGTA
302418-CWP	Swellendam 22002	Keshia	hendricks	NAT - CoGTA
302418-CWP	Swellendam 22003	Daphne	Vasloo	NAT - CoGTA
302418-CWP	Swellendam 22004	Doreen Elizabeth	Kees	NAT - CoGTA

Female participant included in the table below was not reported as disabled on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the **individual participant was identified as disabled on site**.

Project Code	Project Name	Name	Surname	Public Body
302414-CWP	Mosselbay 22001	Ntombise Seamonina	Mngese	NAT - CoGTA

Female participant included in the table below was **not reported on the quarter 4** (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant signed attendance register.



Project Code	Project Name	Name	Surname	Public Body
302418-CWP	Swellendam 22001	Margrietha	Malgas	NAT - CoGTA

Youth participants included in the table below were identified onsite; however, **were not reported on the quarter 4** (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
302418-CWP	Swellendam 22001	Bainga Funeka	Sabo	NAT - CoGTA
302418-CWP	Swellendam 22002	Leonard	Kok	NAT - CoGTA
302418-CWP	Swellendam 22003	Dylan	Roman	NAT - CoGTA
302418-CWP	Swellendam 22004	Louis Girchwan	Willemse	NAT - CoGTA
302418-CWP	Swellendam 22005	Leonica Beanca	Manho	NAT - CoGTA
302414-CWP	Mosselbay 22009	Sandisiwe	Sonamzi	NAT - CoGTA
302414-CWP	Mosselbay 22010	Siphokazi	Bilitane	NAT - CoGTA
302414-CWP	Mosselbay 22011	Buyiswa	Pholo	NAT - CoGTA
302414-CWP	Mosselbay 22012	Brigitte siphosihle	Polani	NAT - CoGTA
302414-CWP	Mosselbay 22013	Nomasimpiwe	Somdaka	NAT - CoGTA
302414-CWP	Mosselbay 22014	Ziselwa	Laneli	NAT - CoGTA
302414-CWP	Mosselbay 22015	Nondumiso	Dyantyi	NAT - CoGTA
302414-CWP	Mosselbay 22016	Thabisa	Komanisi	NAT - CoGTA
302414-CWP	Mosselbay 22017	Ncumisa	Quku	NAT - CoGTA
302414-CWP	Mosselbay 22018	Azile	Kangela	NAT - CoGTA
302414-CWP	Mosselbay 22019	Anelisa	Makhetha	NAT - CoGTA
302414-CWP	Mosselbay 22020	Funeka	Jacob	NAT - CoGTA

Youth participants included in the table below were **reported as disabled** on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit; however, **no supported documents were submitted**.

Project Code	Project Name	Name	Surname	Public Body
118388-EPWP3M	LE Auxiliary Expansion Programme	Thandokazi	Jingqi	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Thina	Nomxuba	City of Cape Town Metro

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, **were not reported on the quarter 4** (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
302414-CWP	Mosselbay 22002	Jacobus	Swarts	NAT - CoGTA
302414-CWP	Mosselbay 22003	Hilton Stanley	De Kock	NAT - CoGTA
302414-CWP	Mosselbay 22004	Willem	Esau	NAT - CoGTA
302414-CWP	Mosselbay 22005	Desire Veronica	Florest	NAT - CoGTA
302414-CWP	Mosselbay 22006	Vuyelwa Alina	Mbangula	NAT - CoGTA
302414-CWP	Mosselbay 22007	Zizipho	Mhlabeni	NAT - CoGTA
302414-CWP	Mosselbay 22008	Nozimbo	Magqeleba	NAT - CoGTA
302414-CWP	Mosselbay 22009	PhakaMA	Mkangala	NAT - CoGTA
302414-CWP	Mosselbay 22010	Roelfse	Gerda Magdaleen	NAT - CoGTA
302414-CWP	Mosselbay 22011	Suenice Ro- ann	Roelfse	NAT - CoGTA
302414-CWP	Mosselbay 22012	Carmelite	George	NAT - CoGTA
302414-CWP	Mosselbay 22013	Hilery Jenene	Wildemans	NAT - CoGTA
302414-CWP	Mosselbay 22014	Felicia	Prince	NAT - CoGTA
302414-CWP	Mosselbay 22015	Asiphe	Nongogo	NAT - CoGTA
302414-CWP	Mosselbay 22002	Ziyanda	Manyifolo	NAT - CoGTA
302414-CWP	Mosselbay 22003	Laurika	Appels	NAT - CoGTA
302414-CWP	Mosselbay 22004	Andisiswe	Solwandle	NAT - CoGTA

118388-EPWP3M	LE Auxiliary Expansion Programme	Thina	Mdoko	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Lamis	Abrahams	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Nicole	Baadjies	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Scheepers	Debin	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Nkosinathi Zacharia	Nkosi	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Busisiwe	Ngishe	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Yvonne Nolwando	Matolweni	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Shadlley	Williams	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Enzio Mark Elvin	Ntlokwana	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Ashraf	Isaacs	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Avumile	Ntlabathi	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Yonela Cecil	Veli	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Jarryd John	Pennings	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Andiswa	Sobetwa	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Olwethu	Songqwanu	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Mpumelelo	Manisitshiyo	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Nkosinathi Collin	Zeka	City of Cape Town Metro

118388-EPWP3M	LE Auxiliary Expansion Programme	Nokubonga	Manzini	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Andry	Vermeulen	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Xolisa	Matiso	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Mawande Welcome	Matshoba	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Westley Michael	Meyer	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Lubabalo	Mnase	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Zukiswa	Ngayo	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Zimkhitha Tanie	Zinzo	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Thallin Lorinique	Jooste	City of Cape Town Metro
118388-EPWP3M	LE Auxiliary Expansion Programme	Cebisa	Mlilwana	City of Cape Town Metro

Job opportunity participants included in the table below were identified onsite; however, **were not reported on the quarter 4** (April 2021 to 31 March 2022) data submitted for audit.

Name of Public Body	Project Name	Name	Surname	Project ID
302414-CWP	Mosselbay 22001	Maliwa David	Mokae	NAT - CoGTA
302414-CWP	Mosselbay 22002	Shadrack	Dinca	NAT - CoGTA
302414-CWP	Mosselbay 22003	Vandi Thetheni Jim	Mkrola	NAT - CoGTA
302414-CWP	Mosselbay 22004	stephanus	Edwards	NAT - CoGTA
302414-CWP	Mosselbay 22005	Mzukisi	Baliso	NAT - CoGTA
302414-CWP	Mosselbay 22006	Zakhele	Vanto	NAT - CoGTA
302414-CWP	Mosselbay 22007	Boy Martinm	Maloyi	NAT - CoGTA

302414-CWP	Mosselbay 22008	Willem	Esau	NAT - CoGTA
302414-CWP	Mosselbay 22009	Andrew Lulamile	Busakwe	NAT - CoGTA
302418-CWP	Swellendam 22001	Trevor	Esau	NAT - CoGTA
302418-CWP	Swellendam 22002	Cedric Edward	Louw	NAT - CoGTA
118388-EPWP3M	LE Auxiliary Expansion Programme	Lorenzo Clyde	Antonie	City of Cape Town Metro

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement and overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the performance achievement is not valid, accurate and complete.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

The department did not have appropriate systems to collect, collate, verify and store information to ensure accurate, valid and complete reporting of participants reported on the EPWP reporting system.

Participants lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### Management response

Management agrees partially with the findings, for the following reasons:

**Mosselbay 22001 and Swellendam 22001 (Department of Cooperative Governance and Traditional Affairs):**

- The findings with regard to underreporting is agreed with.
- The finding with regard to an attendance register not submitted (Margrietha Malgas; ID: 4308070424083) is agreed with.
- With regard to the identification on site of one participant (Ntombise Seamonina Mngese; ID: 6309200625084) as disabled: It is not clear on what basis the participant was identified as being with disability, or if the participant self-identifies as being with disability.

**LE Auxiliary Expansion Programme (City of Cape Town Metropolitan Municipality):**

- The 50 outstanding attendance registers have been submitted by the City of Cape Town and are attached for consideration.
- A total of 56 participants are listed as not reported. As may be verified with reference to the participant list, the following 29 participants were captured for the project in 2021/22 on the EPWP Reporting System:
  - Thandokazi Jingqi (9203121339080)
  - Thina Nomxuba (9512190861083)
  - Asiphe Pamela Gcobo (9307020261087)
  - Zaitoon Ragman (8911270088081)
  - Lamis Hydricks (9308100113081)
  - Sophilda Brendaline Isaacs (9108040067086)
  - Andisiwe Patience Voyi (9304030925082)
  - Mandisa Makiwane (9311220839080)
  - Lungiswa Agatha Madyibi (8904240317086)
  - Ntombizandile Innocentia Nxodo (9106110540081)
  - Sivuyisiwe Lutango (9602290566086)
  - Zimkhitha Mxaku (9603231346083)
  - Anelisa Penelope Ngqwala (9204010095080)
  - Asanda Tshongolo (9412101066080)
  - Asanda Adorable Gwelane (9004080442083)
  - Zimasa Caroline Zuzani (9605210364086)
  - Zodwa Mafundityala (8909270729084)
  - Noluvo Mandelize (9508160457084)
  - Unathi Kohliso (9009040395081)
  - Thallin Lorinique Prinsloo (9101040221084)
  - Sinazo Busakwe (9103281253081)
  - Sharolene Essop-hendriks (9103170024080)
  - Sheena Griffiths (9308250130083)
  - Vuyiseka Layi (9306231204084)
  - Busiswa Priscilla Kupe (8203040931083)
  - Khanya Senti (9201031147080)
  - Nontlahla Mvanana (9102141362082)
  - Thabisile Mavis Velaphi (9005300663085)
  - Nicole Williams (9309080258086)

The disability status for the two listed participants was incorrectly captured

**Auditors conclusion**

**Mosselbay 22001 and Swellendam 22001 (Department of Cooperative Governance and Traditional Affairs):**

- Management responses on understatement (Completeness) of regional visit in Western Cape Province is noted and it will be reported on management letter.

- Management responses on the attendance register of (Margrietha Malgas; ID: 4308070424083) is noted and it will be reported on management letter.
- Management response on finding of disabled participant (Ntombise Seamonina Mngese; ID: 6309200625084) who declared herself as disabled during physical verification will remain as the particular participant requested to be assisted first due to her disability and as auditor we could see that the participant was unable to walk as she was using supporting sticks to walk, therefore the participant should have been recorded as disabled on the reporting system.

**LE Auxiliary Expansion Programme (City of Cape Town Metropolitan Municipality):**

- Management response of 50 outstanding attendance registers have been cleared and it will not be reported on the management letter.
- Management response on 29 participants is noted and the finding is cleared.
- Management response on the two disability incorrectly captured is noted and it will be reported on the management letter.

### 13. EPWP – Kwa-Zulu Natal province – EPWP participants were not reported on the EPWP Q4 data per indicator

#### Laws, rules and regulations

Section 40(3)(a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

#### Nature

During the audit of **Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies** and **Indicator 3.2 Percentage EPWP participation among designated groups** reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Kwa-Zulu Natal province:

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Nontokozo	Mbatha	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Folile	Sithole	KZN - Transport
114806-EPWP3P	Crime Prevention	Thobeka	Zulu	KZN - Social Development
114806-EPWP3P	Crime Prevention	Prudence	Msithwa	KZN - Social Development

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Jeffrey Sizwe	Sibisi	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Philani Wilfred	Ngcobo	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Ntuthuko Ndumiso	Maibuko	KZN - Transport



90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Sibusiso Bhekizwe	Mazibuko	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Simingaye Wiseman	Mofokeng	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Simphiwe Penuel	Zwane	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Wandile Siyanda	Khumalo	KZN - Transport
114806-EPWP3P	Crime Prevention	Amanda	Sihoyiya	KZN - Social Development
114806-EPWP3P	Crime Prevention	Sphesihle	Shangase	KZN - Social Development

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Petros	Mchunu	KZN - Transport
90612-EPWP3P	IG EPWP - LDY/Routine Road Maintenance	Nhlakanipho Dumisani	Mthembu	KZN - Transport
114806-EPWP3P	Crime Prevention	Stembile Eunice	Mvubu	KZN - Social Development
114806-EPWP3P	Crime Prevention	Sihphamandla	Manzini	KZN - Social Development

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated

groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### Internal control deficiency

#### Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participants lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### **Finding two: EPWP – Kwa-Zulu Natal province – EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Disabled participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain supporting information regarding their disability.

Name of Public Body	Project Name	Name	Surname	Project ID
KZN - Public Works	IZ EThekweni Region	Thobeka Amanda	Ngcongo	114761-EPWP3P
KZN - Transport	IG EPWP - LDY/Routine Road Maintenance	Noxolo Evedence	Nene	90612-EPWP3P
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Silver Alinah	Hasebe	119130-EPWP3N
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Senzo Welcome	Khoza	119130-EPWP3N
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Khetha Muzikayifani	Khumalo	119130-EPWP3N
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Themba Bonokwakhe	Buthlezi	119130-EPWP3N

NAT - Environmental Affairs	KZN NRM G and M EMS_3	Antony Muziwendoda	Zikode	119130-EPWP3N
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Phumulani Euginia	Hlophe	119130-EPWP3N
NAT - Environmental Affairs	KZN NRM G and M EMS_3	Zinhle Anna	Hlatswayo	119130-EPWP3N
KZN - Social Development	Crime Prevention	Zamasomi Cynthia	Msomi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lesleigh Delon	Williams	114806-EPWP3P

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, ID, proof of payment and signed contract

Name of Public Body	Project Name	Name	Surname	Project ID
KZN - Social Development	Crime Prevention	True-love Nompumelelo	Shezi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Bongekile Pretty-Girl	Mgaga	114806-EPWP3P
KZN - Social Development	Crime Prevention	Veracious Hloniphile	Mkhize	114806-EPWP3P
KZN - Social Development	Crime Prevention	Ntombizodwa Precious	Mazibuko	114806-EPWP3P
KZN - Social Development	Crime Prevention	Njabulo	Mbutho	114806-EPWP3P
KZN - Social Development	Crime Prevention	Dhanasagree	Pillay	114806-EPWP3P
KZN - Social Development	Crime Prevention	Tanielle Sade	Titus	114806-EPWP3P
KZN - Social Development	Crime Prevention	Wandisa	Sigodi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nomakhaya Elizabeth	Mazikwana	114806-EPWP3P
KZN - Social Development	Crime Prevention	Vuyisile Wendy	Ngema	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lucia Ntombo	Mntungwa	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lungile Nomkhosi	Khanyile	114806-EPWP3P
KZN - Social Development	Crime Prevention	Wanda Maminto	Mhlongo	114806-EPWP3P
KZN - Social Development	Crime Prevention	Thobile Precious	Mhlakwane	114806-EPWP3P

KZN - Social Development	Crime Prevention	Phumelele Success	Duze	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nondumiso Mbalenhle	Cele	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nompumelelo Veronica	Mlaba	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sessie Sarah	Mthombeni	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lettesha	Dubree	114806-EPWP3P
KZN - Social Development	Crime Prevention	Princess Makhosazana	Maseko	114806-EPWP3P
KZN - Social Development	Crime Prevention	Ntombikhona Agrineth	Lunga	114806-EPWP3P
KZN - Social Development	Crime Prevention	Zandile Marcelle	Mzolo	114806-EPWP3P
KZN - Social Development	Crime Prevention	Khombisile	Ngobese	114806-EPWP3P
KZN - Social Development	Crime Prevention	Surekha	Bhadhai	114806-EPWP3P
KZN - Social Development	Crime Prevention	Fisani Thandi	Magubane	114806-EPWP3P
KZN - Social Development	Crime Prevention	Jennifer	Ramchander	114806-EPWP3P
KZN - Social Development	Crime Prevention	Aletta Sebenzile	Miya	114806-EPWP3P
KZN - Social Development	Crime Prevention	Anne-Marie Elizabeth	Rogers	114806-EPWP3P
KZN - Social Development	Crime Prevention	Susanna Johanna	Theunissen	114806-EPWP3P
KZN - Social Development	Crime Prevention	Xoliswa Violet	Mnyoni	114806-EPWP3P
KZN - Social Development	Crime Prevention	Ellethina Phyllis	Mbatha	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nolwazi Fatima	Ncalane	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sizakele Goodness	Zondo	114806-EPWP3P
KZN - Social Development	Crime Prevention	Barbara Xolile	Shelembe	114806-EPWP3P
KZN - Social Development	Crime Prevention	Janet Nomsa	Mzolo	114806-EPWP3P
KZN - Social Development	Crime Prevention	Bongekile Princess	Mzimela	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nonkululeko Precious	Ngubane	114806-EPWP3P
KZN - Social Development	Crime Prevention	Samukelisiwe Florence	Zondi	114806-EPWP3P

KZN - Social Development	Crime Prevention	Juliet Jabulisiwe	Mzulwini	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nevashni	Chetty	114806-EPWP3P
KZN - Social Development	Crime Prevention	Pretty Phetheni	Gumede	114806-EPWP3P
KZN - Social Development	Crime Prevention	True-love Nompumelelo	Shezi	114806-EPWP3P

Youth participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payments.

Name of Public Body	Project Name	Name	Surname	Project ID
KZN - Social Development	Crime Prevention	Nombulelo Nokubangwa	Sosibo	114806-EPWP3P
KZN - Social Development	Crime Prevention	Mpilwenhle Salvatoris	Mchunu	114806-EPWP3P
KZN - Social Development	Crime Prevention	Zamasomi Cynthia	Msomi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nozipho Ellen	Gamede	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nomcebo Noxolo	Mbatha	114806-EPWP3P
KZN - Social Development	Crime Prevention	Anele Rebecca	Zikhali	114806-EPWP3P
KZN - Social Development	Crime Prevention	Bongiwe Faith	Nzuza	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nokuthula	Mabika	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nomfundo Mercy	Mngomezulu	114806-EPWP3P
KZN - Social Development	Crime Prevention	Asiphe	Mntonga	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lesleigh Delon	Williams	114806-EPWP3P
KZN - Social Development	Crime Prevention	Laverne Michelle	Williams	114806-EPWP3P
KZN - Social Development	Crime Prevention	Siphokazi Aisha	Nkwankwa	114806-EPWP3P
KZN - Social Development	Crime Prevention	Thando	Zwane	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sibusisiwe Joy	Mthimkhulu	114806-EPWP3P
KZN - Social Development	Crime Prevention	Nomvuselelo	Nyathikazi	114806-EPWP3P

KZN - Social Development	Crime Prevention	Nondumiso Prudence	Buthlezi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Andile Delligence	Ngqulunga	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sduduzo Lindokuhle	Mhlanga	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sinenkosi	Buthlezi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Senzo Hopewell	Ngidi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sinenhlanhla Ntandoyenkosi Memory	Mthembu	114806-EPWP3P

Job opportunity participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payment.

Name of Public Body	Project Name	Name	Surname	Project ID
KZN - Social Development	Crime Prevention	Khayelihle Emmanuel	Mthethwa	114806-EPWP3P
KZN - Social Development	Crime Prevention	Lungile	Tshazi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Siyethemba Sicelumusa	Vilane	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sibusiso Blessing	Ngeleka	114806-EPWP3P
KZN - Social Development	Crime Prevention	Thobani	Gobi	114806-EPWP3P
KZN - Social Development	Crime Prevention	Mfundo Curtis	Radebe	114806-EPWP3P
KZN - Social Development	Crime Prevention	Sanele Erickson	Dlamini	114806-EPWP3P
KZN - Social Development	Crime Prevention	Thobelani Brian	Mkhize	114806-EPWP3P
KZN - Social Development	Crime Prevention	Thamsanqa Emmanuel	Danisa	114806-EPWP3P

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

## Internal control deficiency

### Financial and Performance Management

The department did not implement effective controls to ensure participants reported on the EPWP reporting system have files containing: certified ID copies and/or have signed attendance registers and/or have proof of payments made to the participant.

Participant files are not regularly reviewed to ensure that all participants captured on EPWP reporting system have all the required supporting documentation.

## Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of participant files to ensure that all participants that are captured on EPWP reporting system have all the supporting documents to ensure the reported information is valid, accurate and complete.

## Management response

Management agrees partially with the findings, for the following reasons:

### Crime Prevention (KN Social Development):

- The following documents have been received from the public body and are attached for consideration.

Participant	Documents received
Khayelihle Emmanuel Mthethwa (8604265819087)	Copy of ID; Contract; Attendance Register
Nombulelo Nokubangwa Sosibo (9008041235080)	Copy of ID; Marriage Certificate; Contract; Attendance Register
Samukelisiwe Florence Zondi (7610030509086)	Copy of ID; Appointment letter; Attendance Register
Zamasomi Cynthia Msomi (9001140682088)	Copy of ID; Contract; Attendance Register

All other findings are agreed with.

## Auditor's conclusion

### Crime Prevention (KN Social Development):

Management response is noted and the finding on overreporting is resolved as management provided the auditors with supporting documents and it will not be part of the issue on management letter.

- Khayelihle Emmanuel Mthethwa (8604265819087)

- Nombulelo Nokubangwa Sosibo (9008041235080)
- Samukelisiwe Florence Zondi (7610030509086)
- Zamasomi Cynthia Msomi (9001140682088)

**All other findings are agreed with.**

- Management responses are noted and all other findings will remain, to be reported on the management letter.



#### 14. EPWP – Participants files not made available for audit at public body

##### Laws, rules and regulations

Section 41 of the Public Finance Management Act (PFMA) states that an accounting officer of a department must submit to the relevant Treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant Treasury or the Auditor-General may require....”

The ministerial determination 4: Expanded Public Works Programme dated 04 May 2012 paragraph 12(1)(a) to (e) and 12.2 – Keeping records it states that: “Every employer must keep a written record of at least the worker’s name and position; copy of an acceptable worker identification; in the case of task-rated worker, the number of tasks completed by the worker; in the case of a time-rated worker, the time worked by the worker; payments made to each worker. The employer must keep this record for a period of at least three years after completion of the EPWP”

The Engagement letter states that “Requests for information will be submitted via email to the relevant person responsible, as assigned by the Accounting Officer for distribution and a carbon-copy (CC) will be forwarded to the CFO and the Accounting Officer (management):

“Management has **3 working days** to submit the information requested from the date the request was made.

Failure to submit the information requested within the agreed timeframe will result in an audit finding and if material, individually or in aggregate, will impact the audit opinion.”

During the audit of Expanded Public Works Programme (EPWP) for Department of Public Works and Infrastructure (DPWI) for the Public body (Department of Social Development – Project Name: KZNSDECD2021), the following participant’s files as per Annexure A were not made available for audit.

Management have indicated that the responsibility of project implementation, administration and safeguarding of participant files was ceded to the Department of Basic Education and further that the responsible project coordinators of Department of Basic Education was not forthcoming with respect to making the participant files available for audit.

Project Id	Prov Code	Public Body Code	No of Participants	Public Body Name	Project Name
114806-EPWP3P	KN	KN-D-84	8 208	KZN - Social Development	KZNSDECD2021

Due to the non-submission of certified ID documents, signed contracts and proof of payments the participants could not be confirmed and verified

##### Impact of the finding

Non-compliance with section 41 of PFMA Act

Non-compliance with Ministerial Determination 4

A limitation of scope on the planned audit procedures should the information not be received within three days

Furthermore, inefficiencies are noted in the audit due to the fact that additional time has to be spent following up on outstanding information that is overdue, thus impacting on the budget of the audit.

The above is due to:

Lack of inter-provincial Department communication and coordination in and amongst respective role players

### **Recommendation**

Management should ensure that:

Subsequent to receipt of the request for information, proper planning and co-ordination in and amongst the various role players is implemented.

Officials within the various departments are made aware of the audit process and importance of submitting accurate and complete information to the auditors within the required timeframe.

**Management response**

As per arrangements made with the AGSA, the project will be audited in KwaZulu-Natal in the week of 11 July 2022.

**Auditor's conclusion**

Management response is noted and the findings on limitation of scope will remain as the auditors did not receive all the supporting documents, to be reported on the management letter.

## 15. EPWP – LIMPOPO– EPWP participants were not reported on the EPWP Q4 data per indicator.

### Laws, rules and regulations

Section 40(3) (a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1) (d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Limpopo province:

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Id	Project Name	First Name	Surname	Public Body
119562-EPWP3M	Vegetation control	Levy Matlala	Mashaba	Polokwane

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Id	Project Name	First Name	Surname	Public Body
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119562-EPWP3M	Vegetation control	Errol	Sefole	Polokwane
100434-EPWP3M	Makhado west bulk water supply	Dzivhuluwani Jerry	Mavhungu	Vhembe
100434-EPWP3M	Makhado west bulk water supply	Azwihangiwiwi Remember	Mulaudzi	Vhemba
119074-EPWP3M	Thulamela borehole development, pipeline and reticu	Eric	Ratshilumel	Vhembe
119562-EPWP3M	Vegetation control	Ntati Marcus	Legodi	Polokwane
119562-EPWP3M	Vegetation control	Malotane Jackson	Manchao	Polokwane
111366-EPWP3P	Patrick romano secondary school	Mavhetha	Jonathan	LP - Education
111366-EPWP3P	Patrick romano secondary school	Joseph	Rambevha	LP - Education
111366-EPWP3P	Patrick romano secondary school	Zwiithaho	Makhokha	LP - Education
111366-EPWP3P	Patrick romano secondary school	lesly	Maphala	LP - Education
111366-EPWP3P	Patrick romano secondary school	Gift	Ngobeni	LP - Education
111366-EPWP3P	Patrick romano secondary school	Micheal	Molete	LP - Education
111366-EPWP3P	Patrick romano secondary school	Khuthadzo	Naphawe	LP - Education
111366-EPWP3P	Patrick romano secondary school	Benny	Madadzhe	LP - Education
111366-EPWP3P	Patrick romano secondary school	Sana	Lebondo	LP - Education

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain proof of payment and attendance registers

Project Id	Project Name	First Name	Surname	Public Body
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Rose Mamayila	Mbombi	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Mikateko	Shiviti	LP - Economic Development, Environment and Tourism

Job opportunity participants included in the table below below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain proof of payment and attendance registers

Project Id	Project Name	First Name	Surname	Public Body
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122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Risimati Shadwell	Mabunda	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Sidwell	Nyathi	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Auby	Hlongwane	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Thabo Patrick	Shai	LP - Economic Development, Environment and Tourism

Youth participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain proof of payment and attendance registers

Project Id	Project Name	First Name	Surname	Public Body
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Miyelani Justice	Mabunda	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Hloniphani Foster	Baloyi	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Thuso	Malatsi	LP - Economic Development, Environment and Tourism
122991-EPWP3P	Letaba Ranch NR Building Upgrade Project	Zama	Ngoveni	LP - Economic Development, Environment and Tourism

**Finding two: EPWP – Limpopo– EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Disabled participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain supporting information regarding their disability.

Project Id	Project Name	First Name	Surname	Public Body
119562-EPWP3M	Vegetation control	Thapelo Justice Thomas	Malatji	Polokwane

**Impact of the finding**

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### **Internal control deficiency**

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participant's lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### **Recommendation**

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### **Impact of the finding**

Non-compliance with PFMA section 40(3) (a)

Overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

### **Internal control deficiency**

Financial and Performance Management

The department did not implement effective controls to ensure participants reported on the EPWP reporting system have files containing: certified ID copies and/or have signed attendance registers and/or have proof of payments made to the participant.

Participant files are not regularly reviewed to ensure that all participants captured on EPWP reporting system have all the required supporting documentation.

### **Recommendation**

It is recommended that:

The department should perform frequent, adequate reviews of participant files to ensure that all participants that are captured on EPWP reporting system have all the supporting documents to ensure the reported information is valid, accurate and complete.

### Management response

Management agrees partially with the findings, for the following reasons:

#### Patrick Romano Secondary School (Limpopo Department of Education):

- Mavhetha Jonathan (840418 5786 080) was reported in 2021/22 for the project, as may be verified with reference to the participant list.

#### Letaba Ranch NR Building Upgrade Project (Limpopo Department of Economic Development, Environment and Tourism):

- The outstanding payment registers are attached for the following participants:
  - Rose Mamayila Mbombi (6202090255080)
  - Mikateko Shiviti (8710210467086)
  - Risimati Shadwell Mabunda (6303036276089)
  - Sidwell Nyathi (8608225507088)
  - Auby Hlongwane (8811115928089)
  - Thabo Patrick Shai (8509016147086)
  - Miyelani Justice Mabunda (9902115417089)
  - Hloniphani Foster Baloyi (9910295592084)
  - Thuso Malatsi (9704245881089)
  - Zama Ngoveni (9712026308081)

### Auditor's conclusion

Management responses are noted, however issues pertaining to under reporting of the following participants listed below will be cleared on the audit finding and will not be reported on the management report.

First Name	Surname
Jonathan	Mavhetha

Based on the management responses of the below listed participants with regard to the proof of payments not submitted, the issue will therefore not be reported on the management report as management provided us with relevant and sufficient evidence to clear the finding raised.

First Name	Surname
Rose Mamayila	Mbombi
Mikateko	Shiviti
Risimati Shadwell	Mabunda
Sidwell	Nyathi Hlongwane
Auby	Nyathi
Thabo Patrick	Shai
Miyelani Justice	Mabunda
Hloniphani Foster	Baloyi
Thuso	Malatsi
Zama	Ngoveni



## 16. EPWP – Eastern Cape Province – EPWP participants were not reported on the EPWP Q4 data per indicator

### Laws, rules and regulations

Section 40(3) (a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of **Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies** and **Indicator 3.2 Percentage EPWP participation among designated groups** reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Eastern Cape Province:

### Finding one: EPWP – Eastern Cape Province – EPWP participants were not reported on the EPWP Q4 data per indicator.

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
120390-EPWP3P	Presidential initiative phase 2 project	Lelethu	Cofa	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Milani Mbongo	Nozibele	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Phinda	Pupa	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Zuko	Qilo	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Gift	Mcongwane	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Siyamthanda	Wapi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Ayandiswa	Botoma	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Anelisa	Nkumanda	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Thandokazi	Zenzile	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Athenkosi	Leve	EC - Education

120390-EPWP3P	Presidential initiative phase 2 project	Mlamli	Ndlebe	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Asemahle Wethu	Nontyi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Asemahle	Mabi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sikelelwa	Kula	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Mmelisizwe	Dingiswayo	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Phikolomzi	Nkutu	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Anda	Njiyela	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Ngumisa	Daki	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sibongile	Dyonase	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Thulani	Danster	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Lindokuhle	Abraham	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Zimasa	Seyibokwe	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Pumelela	Buqwana	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Thembakazi	Kilani	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Emihle	Seti	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Limpho	Nonjwango	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Viwe	Diko	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Phelokazi	Steyi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sinesipho	Ngxabane	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nomlindo	Dyubhele	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Anelisa	Molose	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sihle	Zono	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Viwe	Ngamlana	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nangamso	Nqayi	EC - Education

120390-EPWP3P	Presidential initiative phase 2 project	Simamnkele	Klass	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Azakile Charlene	Adonisi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Lucia Zikhona	Sakela	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nomatshangisa	Sibam	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Ntombi mndeni	Somfiyana	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Minentle	Gwelani	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sesethu	Macingwane	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Shandre	Douglas	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nathan	Bezuidenhout	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Rochne	Dingaan	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Alishia Zinobia	Mckerry	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Lusanele Lorna Zokhanyo	Ndlela	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sibusiso	Yeki	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Antonia Veroniza	Douglas	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Emeral	Koester	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Vuyolwethu	Dywili	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nokutula	Pita	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Athenkosi	Tokwe	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Nkosazana Princess	Panda	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Siphosethu	Mthi	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sandiso	Mxotwa	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Lubabalo Simnikiwe	Mzamo	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Namhla	Makhunga	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Thandiswa	Mafuna	EC - Education

120390-EPWP3P	Presidential initiative phase 2 project	Noma-India	Sitheni	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Yolokazi	Manqoko Melana	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Sinenjongo-	Nokwindla	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Lizeka Frissia	Manda	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Khatywa	Zethu	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Odwa	Tromp	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Zikhona	Cokotho	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Bonga	Mpalane	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Zenande	Matandabuzo	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Noluvuyo	Matshalilanga	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Gcina	Nomnyama	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Chumisa	Radebe	EC - Education
120390-EPWP3P	Presidential initiative phase 2 project	Asavela	Ncekese	EC - Education
37770-EPWP3M	Municipal securities	Ethel Bukiwe	Ngumla	Enoch Mgijima
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Vuyokazi	Peter	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Nokuthula Tamara	Memani	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Bonelwa	Ngindo	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Nomathamsanqa	Gope	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Phumza	Busakwe	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Ntombizandile	Zondani	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Ntombizanele	Gobizembe	Ndlambe
119079-EPWP3P	Amathole ndevana fencing	Chwayita	Ngunga	EC - Transport
119079-EPWP3P	Amathole ndevana fencing	Sivenathi	Jayiya	EC - Transport

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
112566-EPWP3P	Farm assistance	S	Mdleleni	EC - Education
112566-EPWP3P	Farm assistance	Nondumiso	Qolo	EC - Education
112566-EPWP3P	Farm assistance	P	Melani	EC - Education
37770-EPWP3M	Municipal securities	Visagie	Dirikie Antonio	Enoch Mgijima
37770-EPWP3M	Municipal securities	Joseph Mangaliso	Ncapayi	Enoch Mgijima
37770-EPWP3M	Municipal securities	Thembinkosi	Pele	Enoch Mgijima
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Lukhanyo Idris	Nkombisa	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Michael Sandile	Sineyi	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Thanduxolo	Mthimkhulu	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Andile	Keke	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Nomahlubi Letticia	Arosi	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Thembaletu Brian	Fans	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Victor	Sizani	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Xolani	Magwaca	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Sandile Micheal	Sineyi	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Nomahlubi	Arosi	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Luyanda	Mcetywa	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Thamsanqa	Nthuntsha	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Moses	Qete	Ndlambe
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Sandile	Qete	Ndlambe
119079-EPWP3P	Amathole ndevana fencing	Linganiso	Lulama	EC - Transport

119079-EPWP3P	Amathole ndevana fencing	Szamile	Xobiso	EC - Transport
119079-EPWP3P	Amathole ndevana fencing	Zukisani	Mpangashe	EC - Transport
119079-EPWP3P	Amathole ndevana fencing	Mzukisi	Mini	EC - Transport
119079-EPWP3P	Amathole ndevana fencing	Sivuyile	Lungani	EC - Transport
110983-EPWP3M	I g covid_19 brigades	Yongama	Banase	Mbhashe
110983-EPWP3M	I g covid_19 brigades	Luthando	Bikani	Mbhashe
110983-EPWP3M	I g covid_19 brigades	Sivuyile	Booi	Mbhashe
37770-EPWP3M	Municipal securities	Zolile Patrick	Mpateni	Enoch Mgijima
37770-EPWP3M	Municipal securities	Thembinkosi Walter	Xipu	Enoch Mgijima

Youth participants included in the table below were identified onsite; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Public Body	Project Name	Name	Surname
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Masixole Eric	Kondile
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Masixole	Myeza
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Unathi Innocent	Mdambatya

Youth participants included in the table below had signed contracts, had signed the attendance registers and/ or had proof of payments of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project name	Name	Surname	Public Body
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Mzwandile	Macasa	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	David	Malati	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Mxolisi Hengy	Booi	Enoch Mgijima

14523-EPWP3M	IG/lukhanji nightshift casual labourers	Othandwayo	Stuurman	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual labourers	Mandla	Mhobo	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual labourers	Makhwenke Andile	Peter	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual labourers	Siphelo	Klaas	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual labourers	Thando	Beja	Enoch Mgijima

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
37770-EPWP3M	Municipal Securities	Ethel Bukiwe	Ngumla	Enoch Mgijima
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Vuyokazi	Peter	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Nokuthula Tamara	Memani	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Bonelwa	Ngindo	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Nomathamsanqa	Gope	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Phumza	Busakwe	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Ntombizandile	Zondani	Ndlambe
82513-EPWP3M	Ndlambe: Cleaning of CBDS and Towns	Ntombizanele	Gobizembe	Ndlambe
119079-EPWP3P	AMATHOLE NDEVANA FENCING	Chwayita	Ngunga	EC - Transport
119079-EPWP3P	AMATHOLE NDEVANA FENCING	Sivenathi	Jayiya	EC - Transport

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Public Body	Project Name	Name	Surname
112566-EPWP3P	EC - Education	Farm assistance	Lekitsoana	Nkholise
112566-EPWP3P	EC - Education	Farm assistance	Phakamanu	Melani
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Masixole Eric	Kondile
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Masixole	Myeza
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Unathi Innocent	Mdambatya
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Silindokuhle Shaun	Ntando
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Mandlethu	Nkohla
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Xolela Richards	Bili
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Elfredo Darell	Wessels
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Xolisa	Dyakala
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Siphamandla	Zweni
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Vusumzi	Mkrakra
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Luyolo	Magabela
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Petrus	Vazi
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Bhongolwethu	Sonanzi
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Asenathi	Mtimkulu
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Sinethamba	Dlakwe



82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Lwandile	Sefane
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Dickson	Sinentlagla
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Sipheosethu	Krala
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Vusumzi	Mkrakra
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Madlethu	Nkohla
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Yonela	Futhuse
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Xolelwa	Mbambatho
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Lulama	Kulati
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Noxolo	Gaga
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Andile	Keke
82513-EPWP3M	Ndlambe	Ndlambe:Cleaning of CBDS and Towns	Athenkosi	Smelane
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Ndiyabonga	Flatela
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Nkosinathi	Nqanga
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Sandiso	Pame
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Siphosethu	Latile
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Mazande Pedronah	Mzinda
119079-EPWP3P	EC - Transport	Amathole ndevana fencing	Sphokuhle	Fanti

Job opportunity in the table below were not reported on the quarter 4 participants list data for audit but were presented as the participants during the physical verification procedure as the participants in this project.

Project code	Project name	Name	Surname	Public body
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Mxolisi Hengy	Booi	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Othandwayo	Stuurman	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Mandla	Mhobo	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Makhwenke Andile	Peter	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Siphelo	Klaas	Enoch Mgijima
14523-EPWP3M	IG/lukhanji nightshift casual laboures	Thando	Beja	Enoch Mgijima
82513-EPWP3M	Ndlambe:Cleaning of CBDS and Towns	Lukhanyo Idris	Nkombisa	Ndlambe

Job opportunity participants included in the table below were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the participants had valid signed contracts, IDs, and proof of payment.

Name of Public Body	Project Name	Name	Surname	Project ID
Ngqushwa	IG:Bush Clearing	Sikelela	Ndongeni	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Neliswa	Mali	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Lazola	tando	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nomathemba	Jamela	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Aphelele	Nobatana	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Moyakhe	Mafa	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Phikelwa	Yamiso	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Loyiso	Myataza	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nondumiso	Raga	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Ntomboxolo	Rosana	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nolupathelo	Botlani	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nomsa	Madlavu	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Zola	Fekema	116776-EPWP3M

Ngqushwa	IG:Bush Clearing	Samuel	Mqoqi	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Sibulele	Vellem	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nosipho	Zamani	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Zukiswa	Mdiza	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Nosiphiwo	Gogwana	116776-EPWP3M
Ngqushwa	IG:Bush Clearing	Thandeka	Menziwa	116776-EPWP3M
Mbhashe	I G Covid_19 Brigades	Siphosethu	Masekwana	110983-EPWP3M
Enoch Mgijima	IG/lukhanji nightshift casual laboures	Siphelo Wellen	Ndabeni	14523-EPWP3M
Enoch Mgijima	IG/lukhanji nightshift casual laboures	Lundi	Nontombana	14523-EPWP3M7

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participant's lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### **Finding two: EPWP – Eastern Cape Province – EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Disabled participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain supporting information regarding their disability.

Project code	Project Name	Name	Surname	Public Body
120390-EPWP3P	PRESEDENTIAL INITIATIVE PHASE 2 PROJECT	Nomaafrika	Xakana	EC - Education
120390-EPWP3P	Presidential Initiative Phase 2 Project	Ayanda	Dasi	EC - Education

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain attendance register.

Project Code	Project Name	Name	Surname	Public Body
110983-EPWP3M	I G Covid_19 Brigades	Tembisa	Bhongoza	Mbhashe
110983-EPWP3M	I G Covid_19 Brigades	Boniwe	Bonga	Mbhashe
110983-EPWP3M	I G Covid_19 Brigades	Nolusindiso	Buqwana	Mbhashe
110983-EPWP3M	I G Covid_19 Brigades	Boniwe	Daraza	Mbhashe
110983-EPWP3M	I G Covid_19 Brigades	Nomfuneko	Dyan	Mbhashe

Youth participants included in the table below were reported as disabled on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit; however, no supported documents were submitted.

Project Code	Public Body	Project Name	Name	Surname
110983-EPWP3M	Mbhashe	I G Covid_19 Brigades	Zikhona	Nake
82513-EPWP3M	Ndlambe	Ndlambe: Cleaning of CBDS and Towns	Sandiswa Honey	Dlakwe

Youth participant included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, no signed attendance register, contracts and proof of payment were submitted.

Project Code	Public Body	Project Name	Name	Surname
114124-EPWP3P	EC - Transport	ALFRED NZO HOUSEHOLDS CONTRACTORS	Yonela	Giqi
114124-EPWP3P	EC - Transport	ALFRED NZO HOUSEHOLDS CONTRACTORS	Zandiswa	Mlobeli
37770-EPWP3M	Enoch Mgijima	Municipal Securities	Zukile	Kofie

Female participant included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, no signed attendance register, contracts and proof of payment were submitted.

Project Code	Public Body	Project Name	Name	Surname
37770-EPWP3M	Enoch Mgijima	Municipal securities	Noxolo Molin	Ngwalase
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Nokulunga Patience	Mvimbi
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Buyiswa	Mfana
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Winiswa	Tshezi
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Buyiswa	Mfatsha
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Winiswa	Nomankonyana
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Vuyelwa	Smith
114124-EPWP3P	EC - Transport	Alfred nzo households contractors	Beuty	Munyu
37770-EPWP3M	Enoch Mgijima	Municipal securities	Abongekile Carol	Sitali

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

### **Internal control deficiency**

Financial and Performance Management

The department did not implement effective controls to ensure that all participants that are employed are recorded timeously on the EPWP reporting system.

### **Recommendations.**

It is recommended that:

The department should ensure that the participants with valid, certified ID copies are issued with contracts and also ensure that there is a frequent filing of new participants information on the EPWP reporting system to ensure that all work opportunities created are reported.

Management of the public bodies should ensure that the participants sign the register as they attend work and sign the proof of payment upon the receipt of their salaries.

## Management response

Management agrees partially with the findings, for the following reasons:

### Municipal securities (Enoch Mgijima):

- As may be verified by reference to the participant list, the following participants were reported for this project:
  - Abongekile Carol Sitali (8807280303082)
  - Mxolisi Mkwela (7904105736082)
  - Simphiwe Patrick Pringane (7201175821088)
  - Zamubuntu Amos Ngwetsheni (6701085246087)
  - Sthembele Fransis Tyambetya (7503055593087)
  - Nkosikhona Godfrey Somi (6903245739080)
  - Zola Eric Taki (6608245721083)
  - Zolile Patrick Mpateni (6511025634080)
  - Thembinkosi Walter Xipu (7403016055088)
  - Sibusiso Mangweni (8102065958080)
  - Ntsikelelo Myron Ntenetyana (6905056267085)
  - Luvuyo Jack (8109275261080)
  - Nceba Mpolo (8009295342086)
- As may be verified by reference to the participant list, the following participants were reported under the project *Cleaning of Various Wards in Queenstown* (41754-EPWP3M):
  - David Malati (0008285492081)
  - Mxolisi Hengy Boo (6702075895081)
  - Othandwayo Stuurman (9204115728080)
  - Mandla Mhobo (8004046190082)
  - Siphelo Klaas (9305025724083)
  - Thando Beja (7709075406081)
- Outstanding documents are attached for the following participants:
  - Noxolo Molin Ngwalase (7601200709085)
  - Zukiswa Billy (7211070564089)
  - Zukile Kofie (8803185443081)

### Ndlambe: Cleaning of CBDS and Towns (Ndlambe):

- As may be verified by reference to the participant list, the following participants were reported under the project *Ndlambe Int. Project 4 Infrastr (Rds, Water, San)* (82512-EPWP3M):
  - Moses Qete (8007205827089)
  - Ntombizandile Zondani (7105170401087)
  - Yonela Futhuse (9911020855085)
  - Xolelwa Mbambatho (8802150352087)
  - Lulama Kulati (9003221291086)
  - Noxolo Gaga (9310190791081)
- As may be verified by reference to the participant list, the following participant was reported under the project *Ndlambe: Cleaning of CBDS and Towns* (82513-EPWP3M):
  - Athenkosi Smelane (9907156055086)
- As may be verified by reference to the participant list, the following participant was reported under the project *Weed-Eater Operations* (97641-EPWP3M):
  - Luyanda Mcetywa (9604285473088)

## Auditor's conclusion

Management responses are noted and the finding on underreporting will remain, to be reported on the management letter except for the following because they are resolved as auditors confirmed with the list. :

- Abongekile Carol Sitali (8807280303082)
- Mxolisi Mkwela (7904105736082)
- Simphiwe Patrick Pringane (7201175821088)
- Zamubuntu Amos Ngwetsheni (6701085246087)
- Sthembele Fransis Tyambetya (7503055593087)
- Nkosikhona Godfrey Somi (6903245739080)
- Zola Eric Taki (6608245721083)
- Zolile Patrick Mpateni (6511025634080)
- Thembinkosi Walter Xipu (7403016055088)
- Sibusiso Mangweni (8102065958080)
- Ntsikelelo Myron Ntenetyana (6905056267085)
- Luvuyo Jack (8109275261080)
- Nceba Mpolo (8009295342086) Noxolo Molin Ngwalase (7601200709085)
- Zukiswa Billy (7211070564089)
- Zukile Kofie (8803185443081)

Management responses on finding of will remain and to be reported on the management letter.

- David Malati (0008285492081)
- Mxolisi Hengy Boo (6702075895081)
- Othandwayo Stuurman (9204115728080)
- Mandla Mhobo (8004046190082)
- Siphelo Klaas (9305025724083)
- Thando Beja (7709075406081)
- Moses Qete (8007205827089)
- Ntombizandile Zondani (7105170401087)
- Yonela Futhuse (9911020855085)
- Xolelwa Mbambatho (8802150352087)
- Lulama Kulati (9003221291086)
- Noxolo Gaga (9310190791081)
- Athenkosi Smelane (9907156055086)
- Luyanda Mcetywa (9604285473088)

#### **17. Mpumalanga Province – EPWP participants were not reported on the EPWP Q4 data per indicator.**

##### **Laws, rules and regulations**

Section 40(3) (a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of



the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### **Nature**

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Mpumalanga province:

Female participant included in the table below had signed contracts, was included on the attendance registers and/ or had proof of payments made to them; however, she was not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

<b>Project Code</b>	<b>Project Name</b>	<b>Name</b>	<b>Surname</b>	<b>Public Body</b>
109178-EPWP3M	Waste Management	Nthabiseng	Tswai	Dr JS Moroka

### **Impact of the finding**

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### **Internal control deficiency**

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participant’s lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### **Recommendation**

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

**Management response**

Management agrees with the finding.

**Auditor's conclusion**

Management response is noted and the finding will be reported on the management report

## 18. EPWP – Northern Cape Province – EPWP participants were not reported on the EPWP Q4 data per indicator.

### Laws, rules and regulations

Section 40(3)(a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Northern Cape Province:

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Theodora	Apples	Sol Plaatjie
61957-EPWP3M	Waste Management	Kgomotso	Leburu	Sol Plaatjie
61957-EPWP3M	Waste Management	Maritza	Visage	Sol Plaatjie
61957-EPWP3M	Waste Management	Margaret	Oliphant	Sol Plaatjie
61957-EPWP3M	Waste Management	Renee	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Katrina	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Patricia	Jafta	Sol Plaatjie
121415-EPWP3M	Waste Management	Voilet	Molebatsi	Siyancuma

Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
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61957-EPWP3M	Waste Management	Wandile	Mbandeza	Sol Plaatjie
61957-EPWP3M	Waste Management	Stephew	Ndebuka	Sol Plaatjie
61957-EPWP3M	Waste Management	Justin	Ahbew	Sol Plaatjie
61957-EPWP3M	Waste Management	Lekgotla	Mosinki	Sol Plaatjie
61957-EPWP3M	Waste Management	Gifty	Appie	Sol Plaatjie
61957-EPWP3M	Waste Management	Ashwen	Van WYK	Sol Plaatjie
121415-EPWP3M	Waste Management	Frederick	Stewart	Siyancuma
121415-EPWP3M	Waste Management	Human Yawzay	Steenkamp	Siyancuma
121415-EPWP3M	Waste Management	Christopher	Donovan	Siyancuma
121415-EPWP3M	Waste Management	Jessie	Kruger	Siyancuma
121415-EPWP3M	Waste Management	Heinrich	Visser	Siyancuma
121415-EPWP3M	Waste Management	Jacob	Mbale	Siyancuma
121415-EPWP3M	Waste Management	Stewart	Frederick	Siyancuma
121415-EPWP3M	Waste Management	Brain	Lang	Siyancuma
121415-EPWP3M	Waste Management	Johannes	Marcus	Siyancuma
121415-EPWP3M	Waste Management	Kebadihang Molly	Mosinki	Siyancuma
121415-EPWP3M	Waste Management	Ricardo Tsholohelo	Setlhauno	Siyancuma

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
109125-EPWP3M	IGWASTEMANAGEMENT	Natricaiaam	Moolman	!Kai! Garib
109125-EPWP3M	IGWASTEMANAGEMENT	Whaldou	Speelman	!Kai! Garib
109125-EPWP3M	IGWASTEMANAGEMENT	Elroy	Eland	!Kai! Garib

109125-EPWP3M	IGWASTEMANAGEMENT	Elrico	Steenkamp	!Kai! Garib
109125-EPWP3M	IGWASTEMANAGEMENT	Marshall	Balie	!Kai! Garib
121415-EPWP3M	Waste Management	Isak	Moss	Siyancuma
121415-EPWP3M	Waste Management	Andre Elvis	Ellison	Siyancuma
121415-EPWP3M	Waste Management	Glenwille	Willemse	Siyancuma
121415-EPWP3M	Waste Management	Ruiter	Dawids	Siyancuma
121415-EPWP3M	Waste Management	Jacobs	Van Rooyen	Siyancuma
121415-EPWP3M	Waste Management	Quiton	Shounyane	Siyancuma
121415-EPWP3M	Waste Management	Micheal	Seleke	Siyancuma
121415-EPWP3M	Waste Management	Jerry	Marwane	Siyancuma
121415-EPWP3M	Waste Management	Simon	Funani	Siyancuma
121415-EPWP3M	Waste Management	K	JAER	Siyancuma
121415-EPWP3M	Waste Management	D	ISAACS	Siyancuma
121415-EPWP3M	Waste Management	K	MBALI	Siyancuma
121415-EPWP3M	Waste Management	J	YOLA	Siyancuma
121415-EPWP3M	Waste Management	M	CILLERS	Siyancuma
61957-EPWP3M	Waste Management	Brink	Blint	Sol Plaatjie
61957-EPWP3M	Waste Management	Angelique	Andenge	Sol Plaatjie
61957-EPWP3M	Waste Management	Godfrey	Malebo	Sol Plaatjie
61957-EPWP3M	Waste Management	Jacobs	Reed	Sol Plaatjie
61957-EPWP3M	Waste Management	Goodwin	Oliphant	Sol Plaatjie
61957-EPWP3M	Waste Management	Mohutsiwa	Ismael	Sol Plaatjie
61957-EPWP3M	Waste Management	Thomas	Maretela	Sol Plaatjie
61957-EPWP3M	Waste Management	Renee	Jacobs	Sol Plaatjie

61957-EPWP3M	Waste Management	Katrina	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Patricia	Jafta	Sol Plaatjie

Disabled participant included in the table below had signed contract, were included on the attendance registers and/ or had proof of payments made to him; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
122300-EPWP3P	People Living with Disabilities Emp Programme	Richard	Cloete	NC - Roads and Public Works

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participants lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

**Finding two: EPWP – Northern Cape Province – EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Female participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, ID, proof of payment and signed contract

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Nosipho Gloria	Ngwenya	Sol Plaatjie
61957-EPWP3M	Waste Management	Johanna	Hlophe	Sol Plaatjie
61957-EPWP3M	Waste Management	Tseleng Patricia	Riet	Sol Plaatjie
61957-EPWP3M	Waste Management	Malebo Constance	Aaron	Sol Plaatjie
61957-EPWP3M	Waste Management	Euphebia Nobuhle	Khabeni-Mohapi	Sol Plaatjie
61957-EPWP3M	Waste Management	Maletlhogonolo Virginia	Mathavhathe	Sol Plaatjie
61957-EPWP3M	Waste Management	Fezeka Hilda	Sidandala	Sol Plaatjie
61957-EPWP3M	Waste Management	Hayley Jenieva	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Sana	Meintjies	Sol Plaatjie
61957-EPWP3M	Waste Management	Annah	Mokgosi	Sol Plaatjie
61957-EPWP3M	Waste Management	Felicity Charlene	Bosman	Sol Plaatjie
61957-EPWP3M	Waste Management	Kedinetse Margaret	Olifant	Sol Plaatjie
61957-EPWP3M	Waste Management	Jemina	Jack	Sol Plaatjie
61957-EPWP3M	Waste Management	Basenogiwe Sylvia	Vissagie	Sol Plaatjie
61957-EPWP3M	Waste Management	Mathilda Emma	Mkalie	Sol Plaatjie
61957-EPWP3M	Waste Management	Mary-Anne	Engelbrecht	Sol Plaatjie
61957-EPWP3M	Waste Management	Maletshego Jennifer	Mofokeng	Sol Plaatjie
61957-EPWP3M	Waste Management	Dimakatso Unity	Tshipa	Sol Plaatjie

61957-EPWP3M	Waste Management	Cynthia Thandiwe	Buyambo	Sol Plaatjie
61957-EPWP3M	Waste Management	Emily	Jonas	Sol Plaatjie
61957-EPWP3M	Waste Management	Margrett	Van Wyk	Sol Plaatjie
61957-EPWP3M	Waste Management	Joan Beverly	Ndlovu	Sol Plaatjie
61957-EPWP3M	Waste Management	Mokhothu Miekie	Molale	Sol Plaatjie
61957-EPWP3M	Waste Management	Chantelle	Assegai	Sol Plaatjie
61957-EPWP3M	Waste Management	Charlene Phillipine Judith	Brandt	Sol Plaatjie
61957-EPWP3M	Waste Management	Iris Dorothy	Van Der Westhuizen	Sol Plaatjie
61957-EPWP3M	Waste Management	Katrina	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Wilma Linda	Jones	Sol Plaatjie
61957-EPWP3M	Waste Management	Clementia Magdalen	Conraad	Sol Plaatjie
61957-EPWP3M	Waste Management	Basebi Elizabeth	Chubane	Sol Plaatjie
61957-EPWP3M	Waste Management	Matlakala Maria	Moremi	Sol Plaatjie
61957-EPWP3M	Waste Management	Mavis Simangele	Marokane	Sol Plaatjie
61957-EPWP3M	Waste Management	Catherine	Steenkamp	Sol Plaatjie
61957-EPWP3M	Waste Management	Elsie	Plaatjies	Sol Plaatjie6
61957-EPWP3M	Waste Management	Felicity Carol	Kock	Sol Plaatjie
7361957-EPWP3M	Waste Management	Kelebogile	Mongale	Sol Plaatjie
61957-EPWP3M	Waste Management	Nobakhe Mavis	Msila	Sol Plaatjie
61957-EPWP3M	Waste Management	Dorothy Dimakatso	Mosimanyane	Sol Plaatjie700
61957-EPWP3M	Waste Management	Anne Gloria	Appie	Sol Plaatjie
61957-EPWP3M	Waste Management	Kelebogile Charlotte	Kgatlhane	Sol Plaatjie
61957-EPWP3M	Waste Management	Nontsikelelo Priscilla	Nyongane	Sol Plaatjie
61957-EPWP3M	Waste Management	Berenice Lillian	Morrison	Sol Plaatjie



61957-EPWP3M	Waste Management	Moliehi Rosina	Mthata	Sol Plaatjie
61957-EPWP3M	Waste Management	Yvonne Kelekegile	Tau	Sol Plaatjie

Youth participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payments.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Johannes Kobus	Steenekamp	Sol Plaatjie
61957-EPWP3M	Waste Management	Alesther Dylan	Mckenzie	Sol Plaatjie
61957-EPWP3M	Waste Management	Sylvia Polelo	Mabilo	Sol Plaatjie
61957-EPWP3M	Waste Management	Bonolo Cynthia	Soyizwaphe	Sol Plaatjie
61957-EPWP3M	Waste Management	Thando	Mfiki	Sol Plaatjie
61957-EPWP3M	Waste Management	Mpho Lorraine	Deeuw	Sol Plaatjie
61957-EPWP3M	Waste Management	Magdeline Khanyisile	Seleke	Sol Plaatjie
61957-EPWP3M	Waste Management	Tony Boitshoko	Garrett	Sol Plaatjie
61957-EPWP3M	Waste Management	Keletsamaile Rebecca	Gaobuse	Sol Plaatjie
61957-EPWP3M	Waste Management	Hildrin Timothy	Norman	Sol Plaatjie
61957-EPWP3M	Waste Management	Fiona Rlona	Beukes	Sol Plaatjie
61957-EPWP3M	Waste Management	Abraham	Tshite	Sol Plaatjie
61957-EPWP3M	Waste Management	Feladelfia Nomalungelo	Prince	Sol Plaatjie
61957-EPWP3M	Waste Management	Isabella Dineo	Makoloi	Sol Plaatjie
61957-EPWP3M	Waste Management	Omega	Fortuin	Sol Plaatjie
61957-EPWP3M	Waste Management	Natalie Jo-Anne	Van Wyk	Sol Plaatjie
61957-EPWP3M	Waste Management	Irene Kegomoditswe	Mokeng	Sol Plaatjie
61957-EPWP3M	Waste Management	Agnes Lindiwe	Fredericks	Sol Pla
61957-EPWP3M	Waste Management	Logvacia	Mogamisi	Sol Plaatjie

61957-EPWP3M	Waste Management	Thame Isak	Methuli	Sol Plaatjie
61957-EPWP3M	Waste Management	Priscilla	Geweld	Sol Plaatjie
61957-EPWP3M	Waste Management	Goodwill Obakeng	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Innocent Thapelo	Mpata	Sol Plaatjie
61957-EPWP3M	Waste Management	Tshepo Moses	Motseki	Sol Plaatjie
61957-EPWP3M	Waste Management	Boitumelo Mark	Moloto	Sol Plaatjie
61957-EPWP3M	Waste Management	Veronica	Neels	Sol Plaatjie
61957-EPWP3M	Waste Management	Gorgeous Gasekgatse	Shomoleile	Sol Plaatjie
61957-EPWP3M	Waste Management	Ruwane Tshepo	Kock	Sol Plaatjie
61957-EPWP3M	Waste Management	Quinton	Maarman	Sol Plaatjie
61957-EPWP3M	Waste Management	Rosyn Nadeem	Mc Kuur	Sol Plaatjie
61957-EPWP3M	Waste Management	William	Rankoe	Sol Plaatjie
61957-EPWP3M	Waste Management	Lebogang Alfred	Itumeleng	Sol Plaatjie
61957-EPWP3M	Waste Management	Kamogelo	Moshweu	Sol Plaatjie
61957-EPWP3M	Waste Management	Rethabile Prudence	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Shanana Dorothy	Brandt	Sol Plaatjie
61957-EPWP3M	Waste Management	Gavin Otsile	Darmas	Sol Plaatjie
61957-EPWP3M	Waste Management	Elizabeth Kadimilwe	Itumeleng	Sol Plaatjie
61957-EPWP3M	Waste Management	Dante Wendall	Jansen	Sol Plaatjie
61957-EPWP3M	Waste Management	Tre Theodore	Davids	Sol Plaatjie
61957-EPWP3M	Waste Management	Maria Lauraine	Douw	Sol Plaatjie
61957-EPWP3M	Waste Management	Mpho Gift	Modise	Sol Plaatjie

Job opportunity participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain signed attendance registers, IDs, signed contracts and proof of payment.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Tshepo	Motaung	Sol Plaatjie
61957-EPWP3M	Waste Management	Gerald	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Eugene	Visagie	Sol Plaatjie
61957-EPWP3M	Waste Management	David Goitseone	Moitse	Sol Plaatjie
61957-EPWP3M	Waste Management	Archibald Thabo	Motau	Sol Plaatjie
61957-EPWP3M	Waste Management	Anthony Tshepo	Molatlhwe	Sol Plaatjie
61957-EPWP3M	Waste Management	Johann Bernhard Philip	Scheepers	Sol Plaatjie
61957-EPWP3M	Waste Management	George	Mokgosi	Sol Plaatjie
61957-EPWP3M	Waste Management	David	Brandt	Sol Plaatjie
61957-EPWP3M	Waste Management	Kgositsile Samuel	Balepile	Sol Plaatjie
61957-EPWP3M	Waste Management	Anthony Baboleli	Marumo	Sol Plaatjie
61957-EPWP3M	Waste Management	David Okgethile	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Gilbert	Mogamisi	Sol Plaatjie
61957-EPWP3M	Waste Management	Roland	Fredericks	Sol Plaatjie
61957-EPWP3M	Waste Management	Andre De Villiers	Van Tonder	Sol Plaatjie
61957-EPWP3M	Waste Management	Gaolape Enoch	Motlhanke	Sol Plaatjie
61957-EPWP3M	Waste Management	Thabo Mathews	Sehoro	Sol Plaatjie
61957-EPWP3M	Waste Management	Charmaine Zameka	Motone	Sol Plaatjie
61957-EPWP3M	Waste Management	Bothata Johannes	Molale	Sol Plaatjie
61957-EPWP3M	Waste Management	Angelo Mark	Van Der Westhuizen	Sol Plaatjie
61957-EPWP3M	Waste Management	Kenyaditswe James	Jakkals	Sol Plaatjie
61957-EPWP3M	Waste Management	Ebraim Mohammed	Lansberg	Sol Plaatjie

61957-EPWP3M	Waste Management	Joseph Lebogang	Tati	Sol Plaatjie
61957-EPWP3M	Waste Management	Thomas	Steenekamp	Sol Plaatjie
61957-EPWP3M	Waste Management	Patrick	Jumba	Sol Plaatjie
61957-EPWP3M	Waste Management	Anthony Thapelo	Pretorius	Sol Plaatjie
61957-EPWP3M	Waste Management	Keith Kagisho	Thela	Sol Plaatjie
61957-EPWP3M	Waste Management	Itumeleng Errol	Maditsi	Sol Plaatjie
61957-EPWP3M	Waste Management	Andries Mzikayise	Gusha	Sol Plaatjie
61957-EPWP3M	Waste Management	Johannes	Molefi	Sol Plaatjie
61957-EPWP3M	Waste Management	Lincoln Kagisho	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Johannes	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Rooi James	Squire	Sol Plaatjie
61957-EPWP3M	Waste Management	Richard Alfred	Abrahams	Sol Plaatjie
61957-EPWP3M	Waste Management	Lesego Amos	Segano	Sol Plaatjie
61957-EPWP3M	Waste Management	Michael Sipho	Mokgoasi	Sol Plaatjie
61957-EPWP3M	Waste Management	Michael	Moncho	Sol Plaatjie
61957-EPWP3M	Waste Management	Monti Charles	Poha	Sol Plaatjie
61957-EPWP3M	Waste Management	Bangele Abadnico	Mguda	Sol Plaatjie
61957-EPWP3M	Waste Management	Brayten Kisher Cameron	Moses	Sol Plaatjie
61957-EPWP3M	Waste Management	Ashton	Botes	Sol Plaatjie
61957-EPWP3M	Waste Management	Ignatius Sipho	Manko	Sol Plaatjie
61957-EPWP3M	Waste Management	Motsamai Gorden	Moitsi	Sol Plaatjie
61957-EPWP3M	Waste Management	Gordon Itumeleng	Rhenoster	Sol Plaatjie
61957-EPWP3M	Waste Management	Zacharia Tshepo	Molefi	Sol Plaatjie

61957-EPWP3M	Waste Management	Sydney Daniel	Britz	Sol Plaatjie
61957-EPWP3M	Waste Management	Mosimanegape Kenneth	Seleka	Sol Plaatjie
61957-EPWP3M	Waste Management	Joseph Menzi	Magugwana	Sol Plaatjie
61957-EPWP3M	Waste Management	Size Msweli	Mashebini	Sol Plaatjie
61957-EPWP3M	Waste Management	Tshepo David	Hinana	Sol Plaatjie
61957-EPWP3M	Waste Management	Itumeleng Samuel	Thela	Sol Plaatjie
61957-EPWP3M	Waste Management	Thabiso Reuben	Dingaan	Sol Plaatjie
61957-EPWP3M	Waste Management	Arthur	Swarts	Sol Plaatjie
61957-EPWP3M	Waste Management	Mcdonald Kagisho	Seitlhamo	Sol Plaatjie
61957-EPWP3M	Waste Management	Keabaka Domenic	Jochum	Sol Plaatjie
61957-EPWP3M	Waste Management	Mzwandile Remsy	Wites	Sol Plaatjie
61957-EPWP3M	Waste Management	John Velaphi	Sithiso	Sol Plaatjie
61957-EPWP3M	Waste Management	Forbes Hilton	Jansen	Sol Plaatjie

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to ensure participants reported on the EPWP reporting system have files containing: certified ID copies and/or have signed attendance registers and/or have proof of payments made to the participant.

Participant files are not regularly reviewed to ensure that all participants captured on EPWP reporting system have all the required supporting documentation.

## Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of participant files to ensure that all participants that are captured on EPWP reporting system have all the supporting documents to ensure the reported information is valid, accurate and complete.

## Management response

Management agrees partially with the findings, for the following reasons:

1. The outstanding documents for the listed participants were forwarded by the Programme Manager to the AGSA in a series of emails between 4 and 8 July 2022, with the exception of the following:
  - Contract for Gordon Theifane (8004055451086).
2. The findings on underreporting are agreed with.

## Auditor's conclusion

1. We acknowledge the above responses by management and noted that management agrees with the issues of under reported participants. Therefore the finding will be reported on the Management Report.
2. Contract, ID, attendance, Proof of payment for the disable participant A Mokoena has been submitted, therefore the finding will be removed from the management letter.

For the following participant listed below, management has responded to the finding by submitting proof of payments, IDs and contracts however attendance **registers are still outstanding**. Therefore the finding will remain as there is still outstanding information

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Tshepo	Motaung	Sol Plaatjie
61957-EPWP3M	Waste Management	Gerald	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Eugene	Visagie	Sol Plaatjie
61957-EPWP3M	Waste Management	Archibald Thabo	Motau	Sol Plaatjie
61957-EPWP3M	Waste Management	Anthony Tshepo	Molatlhwe	Sol Plaatjie
61957-EPWP3M	Waste Management	George	Mokgosi	Sol Plaatjie
61957-EPWP3M	Waste Management	David	Brandt	Sol Plaatjie
61957-EPWP3M	Waste Management	Kgositsile Samuel	Balepile	Sol Plaatjie

61957-EPWP3M	Waste Management	Anthony Baboledi	Marumo	Sol Plaatjie
61957-EPWP3M	Waste Management	David Okgethile	Jacobs	Sol Plaatjie
61957-EPWP3M	Waste Management	Gilbert	Mogamisi	Sol Plaatjie
61957-EPWP3M	Waste Management	Roland	Fredericks	Sol Plaatjie
61957-EPWP3M	Waste Management	Gaolape Enoch	Motlhanke	Sol Plaatjie
61957-EPWP3M	Waste Management	Bothata Johannes	Molale	Sol Plaatjie
61957-EPWP3M	Waste Management	Angelo Mark	Van Der Westhuizen	Sol Plaatjie
61957-EPWP3M	Waste Management	Kenyaditswe James	Jakkals	Sol Plaatjie
61957-EPWP3M	Waste Management	Ebraim Mohammed	Lansberg	Sol Plaatjie
61957-EPWP3M	Waste Management	Joseph Lebogang	Tati	Sol Plaatjie
61957-EPWP3M	Waste Management	Thomas	Steenekamp	Sol Plaatjie
61957-EPWP3M	Waste Management	Patrick	Jumba	Sol Plaatjie
61957-EPWP3M	Waste Management	Anthony Thapelo	Pretorius	Sol Plaatjie
61957-EPWP3M	Waste Management	Keith Kagisho	Thela	Sol Plaatjie
61957-EPWP3M	Waste Management	Itumeleng Errol	Maditsi	Sol Plaatjie
61957-EPWP3M	Waste Management	Andries Mzikayise	Gusha	Sol Plaatjie
61957-EPWP3M	Waste Management	Johannes	Molefi	Sol Plaatjie
61957-EPWP3M	Waste Management	Lincoln Kagisho	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Rooi James	Squire	Sol Plaatjie
61957-EPWP3M	Waste Management	Richard Alfred	Abrahams	Sol Plaatjie
61957-EPWP3M	Waste Management	Lesego Amos	Segano	Sol Plaatjie
61957-EPWP3M	Waste Management	Michael Siphon	Mokgoasi	Sol Plaatjie
61957-EPWP3M	Waste Management	Michael	Moncho	Sol Plaatjie

61957-EPWP3M	Waste Management	Monti Charles	Poha	Sol Plaatjie
61957-EPWP3M	Waste Management	Bangele Abadnico	Mguda	Sol Plaatjie
61957-EPWP3M	Waste Management	Brayten Kisher Cameron	Moses	Sol Plaatjie
61957-EPWP3M	Waste Management	Ashton	Botes	Sol Plaatjie
61957-EPWP3M	Waste Management	Ignatius Sipho	Manko	Sol Plaatjie
61957-EPWP3M	Waste Management	Motsamai Gorden	Moitsi	Sol Plaatjie
61957-EPWP3M	Waste Management	Gordon Itumeleng	Rhenoster	Sol Plaatjie
61957-EPWP3M	Waste Management	Zacharia Tshepo	Molefi	Sol Plaatjie
61957-EPWP3M	Waste Management	Sydney Daniel	Britz	Sol Plaatjie
61957-EPWP3M	Waste Management	Mosimanegape Kenneth	Seleka	Sol Plaatjie
61957-EPWP3M	Waste Management	Joseph Menzi	Magugwana	Sol Plaatjie
61957-EPWP3M	Waste Management	Size Msweli	Mashebini	Sol Plaatjie
61957-EPWP3M	Waste Management	Tshepo David	Hinana	Sol Plaatjie
61957-EPWP3M	Waste Management	Itumeleng Samuel	Thela	Sol Plaatjie
61957-EPWP3M	Waste Management	Thabiso Reuben	Dingaan	Sol Plaatjie
61957-EPWP3M	Waste Management	Arthur	Swarts	Sol Plaatjie
61957-EPWP3M	Waste Management	Mcdonald Kagisho	Seitlhamo	Sol Plaatjie
61957-EPWP3M	Waste Management	Keabaka Domenic	Jochum	Sol Plaatjie
61957-EPWP3M	Waste Management	Mzwandile Remsy	Wites	Sol Plaatjie
61957-EPWP3M	Waste Management	John Velaphi	Sithiso	Sol Plaatjie
61957-EPWP3M	Waste Management	Forbes Hilton	Jansen	Sol Plaatjie



3. For the following participants only an employment contract and ID was submitted therefore the finding still remain.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Johann Bernhard Philip	Scheepers	Sol Plaatjie
61957-EPWP3M	Waste Management	Nosipho Gloria	Ngwenya	Sol Plaatjie
61957-EPWP3M	Waste Management	Jemina	Jack	Sol Plaatjie
61957-EPWP3M	Waste Management	Sana	Meintjies	Sol Plaatjie

4. Supporting documents for the following participant was not submitted therefore the finding still remain.

PROJECT CODE	PROJECT NAME	FIRSTNAME	SURNAME	PUBLIC BODY
61957-EPWP3M	Waste Management	Andre De Villiers	Van Tonder	Sol Plaatjie
61957-EPWP3M	Waste Management	Johannes	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Matlakala Maria	Moremi	Sol Plaatjie
61957-EPWP3M	Waste Management	Alesther Dylan	Mckenzie	Sol Plaatjie
61957-EPWP3M	Waste Management	Tony Boitshoko	Garrett	Sol Plaatjie
61957-EPWP3M	Waste Management	Natalie Jo-Anne	Van Wyk	Sol Plaatjie
61957-EPWP3M	Waste Management	Priscilla	Geweld	Sol Plaatjie
61957-EPWP3M	Waste Management	Veronica	Neels	Sol Plaatjie
61957-EPWP3M	Waste Management	Rethabile Prudence	Modise	Sol Plaatjie
61957-EPWP3M	Waste Management	Dante Wendall	Jansen	Sol Plaatjie

## 19. EPWP – Participants files not made available for audit at public body

### Laws, rules and regulations

Section 41 of the Public Finance Management Act (PFMA) furthermore states that an accounting officer of a department must submit to the relevant Treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant Treasury or the Auditor-General may require....”

Paragraph 15(a) to (c) of the Public Auditing Act states that: “the Auditor-General has at all reasonable times full unrestricted access to Any document, book or written or electronic record or information of the auditee or which reflects or may elucidate the business, financial results, financial position or performance of the auditee; Any of the assets of or under the control of the auditee; or Any staff member or representative of the auditee”,

The ministerial determination 4: Expanded Public Works Programme dated 04 May 2012 paragraph 12(1)(a) to (e) and 12.2 – Keeping records it states that: “Every employer must keep a written record of at least the worker’s name and position; copy of an acceptable worker identification; in the case

of task-rated worker, the number of tasks completed by the worker; in the case of a time-rated worker, the time worked by the worker; payments made to each worker. The employer must keep this record for a period of at least three years after completion of the EPWP”

The Engagement letter states that “Requests for information will be submitted via email to the relevant person responsible, as assigned by the Accounting Officer for distribution and a carbon-copy (CC) will be forwarded to the CFO and the Accounting Officer (management):

“Management has **3 working days** to submit the information requested from the date the request was made.

Failure to submit the information requested within the agreed timeframe will result in an audit finding and if material, individually or in aggregate, will impact the audit opinion.”

## Nature

During the final audit of Expanded Public Works Programme (EPWP) for Department of Public Works and Infrastructure (DPWI) for the Public body (Department of Police, roads, Transport – Project Name: CDP (Free State), the following supporting documents, proof of payments and signed attendance registers, for validated and reported participants were not made available for audit.

Management have indicated that the responsible public body was required to store, safeguard and make available those documents for audit purposes. Management have further indicated that they have escalated the matter to the public body’s relevant Head of Department and are awaiting response.

Project Id	Prov Code	Public Body Code	No of Participants	Public Body Name	Project Name
118756-EPWP3P	FS	FS-D-54	849	Police, Roads, Transport	CDP ( Free State )

Due to the non-submission of signed attendance registers and proof of payments, the participants could not be confirmed and verified.

## Impact of the finding

Non-compliance with section 41 paragraph 15 (a) to (c) of PFMA  
ActNon-compliance with Ministerial Determination 4

A limitation of scope on the planned audit procedures should the information not be received within two days

Furthermore, inefficiencies are noted in the audit due to the fact that additional time has to be spent following up on outstanding information that is overdue, thus impacting on the budget of the audit.

### The above is due to:

A lack of appropriate internal controls regarding proper filling and record keeping to ensure that documentation is easily and readily available for audit purposes;

Not all officials understanding the audit process and the importance of submitting the requested documentation within the required timeframe.

## Internal control deficiency

Financial and performance management

Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

## Recommendation

Management should ensure that:

Appropriate internal controls regarding proper filling and record keeping are in place to ensure that documentation is easily and readily available;

Officials within the department are made aware of the audit process and importance of submitting accurate and complete information to the auditors within the required timeframe;

## Management response

It has come to our attention that the project has been audited by the AGSA in the Free State in the week of 11 July 2022.

## Auditor's conclusion

Management response is noted and the findings on limitation of scope will remain as the auditors did not receive all the supporting documents, to be reported on the management letter.



## 20. Free State province – EPWP participants were not reported on the EPWP Q4 data per indicator.

### Laws, rules and regulations

Section 40(3)(a) of the Public Finance Management Act (PFMA) states that: “The annual report and audited financial statements referred to in subsection (1)(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned....”

Chapter 5.2 of the Framework for Managing Performance Information (FMPPI) states that: “The accounting officer or head official of an institution is responsible for ensuring that the institution has appropriate systems to collect, collated, verify and store the information...”

### Nature

During the audit of Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies, the following matters were identified at EPWP projects in the Free State province:

Female participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
105576-EPWP3M	Xhariep Cleaning and Greening	Demonia Yershuea	Herrendorfer	Xhariep
105576-EPWP3M	Xhariep Cleaning and Greening	Nicolene	Pieterse	Xhariep
118511-EPWP3P	Cleaning of Towns	Ennie	Toon	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Nomaphoyisa Sara	Chanigsa	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Glamentinah Puleg	Mathemba	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Mafusi Maria	Masoetsa	Department of Environmental Affairs
103371-EPWP3M	Unblocking of Sewer Lines	Teresssa Elize	Pieters	Matjhabeng



Youth participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
105576-EPWP3M	Xhariep Cleaning and Greening	Oubaas B	Mbana	Xhariep
105576-EPWP3M	Xhariep Cleaning and Greening	Donovin A	Taylor	Xhariep
118511-EPWP3P	Cleaning of Towns	Kefilo Sylvia	Malakia	DESTE A
118511-EPWP3P	Cleaning of Towns	Kananelo	Morapeli	DESTE A
118511-EPWP3P	Cleaning of Towns	Leeroy Kgositile	letshabo	DESTE A
118511-EPWP3P	Cleaning of Towns	Bradley Chivago	Visagie	DESTE A
118511-EPWP3P	Cleaning of Towns	John	Mokgovbo	DESTE A
103371-EPWP3M	Unblocking of sewer lines	Busisiwe	Mtyhwaru	Matjhabeng

Job opportunity participants included in the table below had signed contracts, were included on the attendance registers and/ or had proof of payments made to them; however, were not reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit.

Project Code	Project Name	Name	Surname	Public Body
106613-EPWP3M	CLEANING IN TUMAHOLE (GREEN)	G	Moloto	Fezile Dabi
105576-EPWP3M	Xhariep Cleaning and Greening	Thembekile J	Nzubenzinga	Xhariep
105576-EPWP3M	Xhariep Cleaning and Greening	Lefu V	Hlasa	Xhariep
105576-EPWP3M	Xhariep Cleaning and Greening	Zakaria V	Queench	Xhariep
118511-EPWP3P	Cleaning of Towns	Nciki George	Baroza	Department of Enviromental Affairs

118511-EPWP3P	Cleaning of Towns	Sindiswa Barbra	Matwa	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Irene Mmokwtw	Kolisang	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Miriam Dipup	Letswara	Department of Environmental Affairs
118511-EPWP3P	Cleaning of Towns	Richard	Adams	Department of Environmental Affairs

### Impact of the finding

Non-compliance with PFMA section 40(3) (a)

Understatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated groups reported in the EPWP-RS by public bodies. As a result, the reported achievement is not complete.

### Internal control deficiency

Financial and Performance Management

The department did not implement effective controls to reconcile the participants on the attendance registers and/or contracts and/or proof of payments to the participants reported on the EPWP reporting system.

Participants lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents are not regularly reviewed to ensure that all participants are captured on EPWP reporting system.

### Recommendation

It is recommended that:

The department should perform frequent, adequate reviews of beneficiary lists and/or attendance registers and/or signed contract and/or proof of payment supporting documents from the public bodies to ensure that all participants are captured on EPWP reporting system.

Management should review all EPWP projects reported on the system against the attendance registers lists and/or signed contract and/or proof of payment supporting documents, to ensure that all work opportunities created are reported.

### **Finding two: EPWP – Free State province – EPWP participants were reported on the EPWP Q4 data per indicator however the participant files did not contain all supporting information**

Disabled participants included in the table below were reported on the quarter 4 (April 2021 to 31 March 2022) data submitted for audit, however, the individual participant file did not contain supporting information regarding their disability.

Project ID	Name of Public Body	Project Name	Name	Surname
115054-EPWP3M	Lejwe2021/22	Cleaning of Cemeteries	Moeketsi Michael	Hlalele
105576-EPWP3M	Xhariep	Xhariep Cleaning and Greening	Malehlwa Fransina	Louw
118511-EPWP3P	DESTEА	Cleaning of Towns	Lehlohonolo Ephraim	Zulu
118511-EPWP3P	DESTEА	Cleaning of Towns	Monica Thandiwe	Solani
118511-EPWP3P	DESTEА	Cleaning of Towns	Josephina Nomvula	Mokoena
118511-EPWP3P	DESTEА	Cleaning of Towns	Kedibone Witness	Kumalo
118511-EPWP3P	DESTEА	Cleaning of Towns	Mahlakanelo Amandah	Taole
118511-EPWP3P	DESTEА	Cleaning of Towns	Nomonde Patience	Charles
118511-EPWP3P	DESTEА	Cleaning of Towns	Thenjiwe Elizabeth	Mafoyane
103371-EPWP3M	Matjhabeng	Unblocking of sewer lines	Solomon Sehlamo	Ntaje
103371-EPWP3M	Matjhabeng	Unblocking of sewer lines	Bohlokoa Rofina	Mokoena

### **Impact of the finding**

Non-compliance with PFMA section 40(3) (a)

Overstatement of reported performance for Indicator 3.1 Number of work opportunities reported in the EPWP-RS by public bodies and Indicator 3.2 Percentage EPWP participation among designated

groups reported in the EPWP-RS by public bodies. As a result the reported achievement is not valid and accurate.

### **Internal control deficiency**

#### **Financial and Performance Management**

The department did not implement effective controls to ensure participants reported on the EPWP reporting system have files containing: certified ID copies and/or have signed attendance registers and/or have proof of payments made to the participant.

Participant files are not regularly reviewed to ensure that all participants captured on EPWP reporting system have all the required supporting documentation.

### **Recommendation**

It is recommended that:

The department should perform frequent, adequate reviews of participant files to ensure that all participants that are captured on EPWP reporting system have all the supporting documents to ensure the reported information is valid, accurate and complete.

### **Management response**

Management agrees partially with the findings, for the following reasons:

1. 72 of the outstanding IDs are attached. The list of participants is attached as Appendix A.
2. 151 of the outstanding proofs of payment are attached. The list of participants is attached as Appendix B.
3. 48 of the outstanding contracts are attached. The list of participants is attached as Appendix C.

### **Auditor's conclusion**

1. The finding on 72 of the outstanding IDs is resolved as management provide the auditors with supporting documents and it will not be part of the issue on management letter.
2. The finding on 151 of the outstanding proofs of payment is resolved as management provide the auditors with supporting documents and it will not be part of the issue on management letter.
3. The finding on 48 of the outstanding contracts resolved as management provide the auditors with supporting documents and it will not be part of the issue on management letter.
4. Management responses are noted and the finding on underreporting will remain, to be reported on the management letter.
5. Management responses are noted and the finding on disability overreporting will remain, to be reported on the management letter.



## 21. EPWP CAAT's Exceptions

### Background

The Expanded Public Works Programme (EPWP) is a key government initiative which contributes to the government priority of Economic Transformation and Job Creation as set out in the Medium Term Strategic Framework (MTSF).

Phase IV of the EPWP is being implemented with the aim of creating five million work opportunities by 2024.

The department is responsible for coordinating, providing implementation support, monitoring and evaluating, and reporting on work opportunities created through the EPWP by implementing public bodies.

### Overview of the system challenges and root causes

This overview was prepared based on the information obtained from EPWP Reporting system. The following are the exceptions noted in the current financial year which might compromise the integrity of work opportunities created by the department for the current financial year.

Management should consider the exceptions noted and decide whether the investigation is required:

CAAT's test conducted	Number exceptions	of	Ref to Annexure
Beneficiaries with invalid ID numbers	408		Annexure A
Beneficiaries with the Persal number	117 558		Annexure B
Deceased beneficiaries	1 461		Annexure C

**Deceased beneficiaries** – The number of deceased workers is 1 461 in 2021/22. The EPWP-RS is fully integrated with the Home Affairs to check on the deceased participants. All the EPWP participants are verified at the point of entry into the system and there is also a continuous verification that is established through a live link with Department of Home Affairs. As a result, such cases should have been identified by the department.

### Management response

The verification of participants against the Department of Home Affairs database was moved from the point of entry to the reporting warehouse following the introduction of the updated reporting system. This was due to the two systems running in parallel with different points of data entry. During the database configuration the participants' status flag which indicates whether a participant is deceased or not was erroneously not activated and therefore did not flag deceased participants. This has been corrected.

**Invalid identity documents** – We have identified 408 of such instances in the current financial year. Based on the knowledge obtained through understanding of the entity, the EPWP-RS has built in validation rules that make it impossible for the participant to be reported without a valid ID number that is also verified with the Department of Home Affairs. However the exceptions identified in the current financial year indicates that the controls implemented by management do not appear to be effective.

#### Management response

The participants were found to have new ID numbers registered. A sample is extracted below with both the new and old ID number. It must be noted that the old ID numbers were correct at the time of reporting.

OLD ID NUMBER	NEW ID NUMBER
9307300010089	9307300010188
5707070002006	5707070002089
6405315142013	6405315142088
9307300010089	9307300010188

**Employees on PERSAL** - Beneficiaries who are included on PERSAL amounted to 117 558 in the current year. It should be noted that the primary reason for this is to ensure a more efficient payment process for these beneficiaries. We have highlighted this matter for the department to ensure that the beneficiaries paid are not permanent employees of any public bodies.

#### Management response

A large number of public bodies across all three spheres of government use the Persal system to pay EPWP participants. The primary reason is to ensure a seamless payment process. Participants with a permanent appointment status acquired prior the financial year and have not resigned are excluded. Participants who acquired the permanent status during the course of the financial are retained due to the cumulative reporting nature of the EPWP programme.

#### Auditors Conclusion

Management's response is noted. However the finding remains and will form part of the audit report.

## ANNEXURE B: OTHER IMPORTANT MATTERS

### Annual Financial Statement

#### 22. Irregular expenditure – Understatement of irregular expenditure disclosure in the annual financial statements

Requirements, Laws and regulations:

Section 40 (1) (a) and (b) of the Public Finance Management Act (PFMA) states that “The accounting officer for a department, trading entity or constitutional institution must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards and must prepare financial statements for each financial year in accordance with generally recognized accounting practice.”

In terms of paragraph 82 of the Irregular Expenditure Framework, “The accounting officer or accounting authority must ensure that only confirmed irregular expenditure is disclosed in the main note to the annual financial statements.”

#### Nature

During the audit of Irregular Expenditure, it was noted that an investigation on procurement fraud and irregular payments allegations was conducted by SexelaXabiso CA Inc on behalf of the department. The report was submitted on 21 September 2021 to the department.

The report stated that, “*Based on the findings, we found that payments that were made to service providers as indicated on 4.2.10 without following the requirements of Circular 33, paragraph number 3.3 should be deemed as irregular. Accordingly, Prestige Division officials should have requested the tender to be approved by the Accounting Officer prior to them going out on tender process for tender number CPTSC29/15, CPTSC30/15, CPTSC01/18 and CPTSC02/18.*”

This means that all the payments below should be disclosed as irregular expenditure in the annual financial statements of the department:

Service provider	Total amount paid to service provider
Springbok Atlas	R11 403 750
Maistry Transport CC	R5 004 200
WCL Trading	R2 866 800
<b>Total</b>	<b>R19 274 750</b>



However, it was noted upon inspecting the annual financial statements and supporting schedules for irregular expenditure, the above amount of R19 274 750 was not disclosed.

### Impact

This will result to non-compliance with:

- Section 40 (1) (a) and (b) of the Public Finance Management Act
- Paragraph 83 of the Irregular Expenditure Framework

Furthermore, irregular expenditure disclosure note is understated by R19 274 750

### Internal control deficiency

#### *Financial and performance management*

Management did not Review and monitor compliance with the applicable laws and regulations.

Management did not ensure that they disclose all the irregular expenditure that has been identified is disclosed in the notes to the annual financial statements

### Recommendation

Management should ensure that they disclose all the irregular expenditure that has been identified is disclosed in the notes to the annual financial statements

### Management response

Management does not agree with the audit finding.

The said expenditure relating to transport is not accounted for in the books of DPWI. While it is acknowledged that the investigation on procurement with regard to *tender numbers CPTSC29/15, CPTSC30/15, CPTSC01/18 and CPTSC02/18* was commissioned and finalised in September 2021, it must be noted that the said tenders related to *Parliamentary Village Management Board*, which is established in terms of the **Parliamentary Villages Management Board Act 96 of 1998** as a juristic person, not Prestige or DPWI. The associated expenditure, in the event that it meets the definition of irregular expenditure, is therefore disclosed in the books of *Parliamentary Village Management Board*, not in the books of DPWI. In the alternative, it must also be noted that the quoted **Circular 11 of 2011** related only to the activities and functions of Prestige Unit and would not have extended to the activities relating to *Parliamentary Village Management Board*, which is outside the operations and control of Prestige Unit.

### Auditor's conclusion

We acknowledge management's response on the issue raised above and still maintain our position in this regard. The amount should be disclosed as irregular expenditure in the books of DPWI:



Although the Parliamentary Village Management Board is a juristic person as established under the Parliamentary Villages Management Board act No.96 of 1998 to provide transport from and to the parliamentary villages for residents who are in Cape Town.

DPWI should be the institution accountable for the irregular expenditure because:

- DPWI is the budget holder
- The transgressed legislation was due to irregularities caused by DPWI
- The actual supply chain management (SCM) process was handled by DPWI ;and
- Incurred expenditure in the form of transfers and subsidies in the books of DPWI

Furthermore, the investigation on procurement fraud and irregular payments allegations report found that:

- DPWI officials caused the transgressions and not members of the parliamentary village board.
- DPWI had advertised tenders for the transportation of members of parliament, sessional officers and their learners to and from parliamentary villages
- The payment process of service providers is currently managed by Prestige division.
- Parliamentary Village Management Board is currently not managing the process of appointing transportation service providers.

Based on the above we can conclude that DPWI has control over the supply chain process for the appoint of suppliers and the non-compliances which led to the irregular expenditure was caused by DPWI employees. Therefore, DPWI should be held accountable for the irregular expend

### 23. Disclosure of Parliamentary village management board as a principal agent

#### Laws, rules, and Regulations:

Section 40 (1) (b) of the Public Finance Management Act (PFMA) states that “The accounting officer for a department, trading entity or constitutional institution must prepare financial statements for each financial year in accordance with generally recognized accounting practice

Section 40 (1) (c)(i) of the (PFMA) states that “The accounting officer for a department, trading entity or constitutional institution must submit those financial statements within two months after the end of the financial year to the Auditor-General for auditing.

Section 4(2) of the Parliamentary Villages Management Board act states that “The Board shall keep in the form approved by the Treasury with the concurrence of the Auditor-General, a full and correct account of all money received and expended by the Board, which shall annually be audited by the Auditor-General.”

Chapter 16 of the Modified Cash Standard defines a principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Nature

During the audit of disclosure note for Principal agent arrangements, we noted that the Department was a party to a principal agent transaction, however the arrangement was not disclosed appropriately as required by chapter 16 of the MCS. The following factors were considered when reaching this conclusion:

#### **Binding arrangement**

The Parliamentary Villages Management Board Act, Act No. 96, 1998 is a binding arrangement that sets out the functions of the board as well as funding thereof. Of importance is that the main function of the board is to provide transport from and to the parliamentary villages for residents who are in Cape Town. The board receives the funding in order to carry out this mandate from the Department of Public Works and Infrastructure (DPWI) on an annual basis.

#### **Principal and agent**

The board (agent) provides transportation services for members of parliament and learners to and from the Parliamentary villages on behalf of DPWI (principal). It was further noted that the DPWI carried out the procurement processes for the appointment of transportation companies which are responsible for the transportation of members of parliament and learners to and from the Parliamentary villages. Thereafter the DPWI transfer an amount of R 11 million in order for the board to pay the transportation companies as they render services to the parliament villages' residents.

#### **Third party**

This relates to the transportation companies. The transport companies are responsible for the transportation of members of parliament and learners to and from the Parliamentary villages,



Parliament and schools. These companies are paid by the board through the transfer received from DPWI as they render services.

Therefore, a principal agent relation is in place between DPWI and the board. The DPWI is therefore required to make the necessary disclosures accordingly.

In addition, the the Board is required to submit a full and correct account of all money received and expended annually to the Auditor-General for audit. However, we have confirmed that AGSA has not been furnished with financial statements to audit since 2013. This is a contravention of the Parliamentary board management Act which requires urgent intervention by the accounting officer as the delegated chairperson of the board. Moreover, the minister has raised concerns on the spending of the transfers and an investigation report has identified irregularity with the appointment and administration of the funds.

### **Impact**

This will result in non-compliance with section 40(1) (b) of the Public Finance Management Act as Principal agent relationship is not fully disclosed in accordance with the chapter 16 of the modified cash standard.

Non-compliance with section 40 (1) (c)(i) of the PFMA as the Parliamentary village board has not submitted financial statements to the auditor general for audit since 2013.

Understatement of note 31. Principal-agent arrangements by R 11 376 000.

### **Internal control deficiency**

#### *Financial and performance management*

Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information as the Parliamentary Village Management Board was not disclosed as an agent of the department in accordance with Chapter 16 - Accounting by Principals and Agents.

#### *Leadership*

The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. This is as a result of the Parliamentary Village Management Board not being able to compile and submit Annual financial statements to the Auditor General for audit since 2013.

### **Recommendation**

Management should disclose the Parliamentary Village Management Board as an agent of the Department. Furthermore, the relevant disclosure requirements as per Chapter 16 - Accounting by Principals and Agents should be complied with.

The accounting officer should exercise oversight as the chairperson of the entity, to ensure that the entity executes its mandate as per the establishing Act and ensure that the transfer allocated to the entity is used economically and for the intended purpose.

## Management response

Management does not agree with the finding. Parliamentary Village Management Board is a **juristic person** established, and recognised as such, in terms of section 2(1) of the Parliamentary Village Management Board Act No. one of the core functions of the Board in terms of section 3(1)(a) is to “provide transport from and to the parliamentary villages for residents who are in Cape Town” while the mandate of the Department in terms of the 2022 **Estimate of National Expenditure Vote 13** is to:

*“Provide policy formulation for, and coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.”*

From the above, it is clear that the Department is not responsible for “providing transport from and to the parliamentary villages for residents who are in Cape Town,” as this is the responsibility of the Board, and not of DPWI, but rather to provide accommodation to the residents. The transfer that DPWI receives on its budget baseline is a ring-fenced amount and does not belong to DPWI. In fact the money that DPWI transfers to the Board is appropriated by Parliament, as required in terms of section 4(1)(a) of the **Parliamentary Village Management Board Act**. This is similar to amounts that DPWI receives and transfers to other entities in terms of their own Acts or as approved by National Treasury.

With respect to Chapter 16 of the MCS, it provides thus “**principal-agent arrangement** results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).” The definition of a principal-agent arrangement is broken in the following:

- Binding arrangement
- Principal and agent
- Third party

Provision of transport to and from parliamentary villages is a legislated mandate of the Board and there no binding arrangement between the Department and Board in this case. Furthermore, the contract and payments to third parties for the provision of transport are made by the Board in its own name as per the legislation.

The MCS paragraph **3.3 Principal and agent**, further provides that a **principal** is “an entity that **directs** another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit” while an **agent** is “an entity that has been **directed**



*by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.”* The Department neither **directs** nor is it **directed** to undertake transactions with third parties. Therefore the conclusion that transfer payment made to Parliamentary Village Management Board constitute principal-agent arrangement is incorrect.

### **Auditor’s conclusion**

Management response noted. The matter will be referred for technical consultation. However, for the purposes of closing the current year audit, the finding is considered to not have a material impact on the financial statement and thus resolved. Follow up will be made in the next financial year.

## 24. Overstatement of Accrued Department Revenue

### Laws, rules, and Regulations:

Section 40 (1) (b) of the Public Finance Management Act (PFMA) states that “The accounting officer for a department, trading entity or constitutional institution must prepare financial statements for each financial year in accordance with generally recognized accounting practice

Section 40 (3) (a) of the Public Finance Management Act (PFMA), states that “The annual report and audited financial statements referred to in subsection 1(d) must fairly present the state of affairs of the department, trading entity or constitutional institution, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned.

Chapter 2, paragraph 5.1 of the Cash Modified Standards states, “The transaction is recorded at the time that money changes hands i.e. when money is paid or received. In the cash system of accounting expenditure is referred to as “payments” because the expenditure is only recorded when the payment is made and “revenue” is referred to as receipts because the receipt is only recorded at the time when the actual money is received and not when the goods or services are provided.”

Chapter 3 paragraph 3.3.1 of MCS states that “For financial statements to be fairly presented, the effects of transactions, other events and conditions should be truthfully and accurately represented in accordance with the and recognition, measurement, presentation and disclosure criteria for assets, liabilities, revenue, and expenses as contained in the MCS. A department whose financial statements comply with the MCS must make an explicit and unreserved statement of such compliance in the notes to the financial statements.”

Chapter 7 paragraph 4.1 of MCS states that, “In the modified cash environment, revenue is accounted for in the period in which the monies are received and not in the period in which the underlying transaction or event occurred that gave rise to the revenue. Revenue in the statement of financial performance comprises only of amounts received by the department on its own account or from funds allocated by Parliament/Provincial Legislature”

During the audit of Accrued Department Revenue, we noted that the Department presented and disclosed a balance of R10 899 000, R10 897 030 of that amount related to interest accrued from the money transferred to IDT.

Upon inspecting Public Works Deposit Account bank statement (ABSA Account number 40-5395-7929), dated 31 March 2022 we noted that an amount of R216 315 650.43 was deposited into the account by IDT on 31 March 2022, which included the accrued interest of R10 897 030. Based on the evidence inspected above, the amount should have been presented and disclosed under departmental revenue as it was received as at 31 March 2022 as reflected in the ABSA bank Statement.

Therefore, accrued departmental revenue is not fairly presented as the effect of the transaction was not fairly and accurately represented in accordance with MCS.

### **Impact**

This will result in non-compliance with:

- Section 40(1a) (b) and (3a) of the Public Finance Management Act as accrued department revenue is misstated.
- MCS Chapter 2 paragraph 5.1 as department revenue is understated
- MCS Chapter 3 paragraph 3.1 as department revenue has not been presented and disclosed in accordance with MCS
- MCS Chapter 7 paragraph 4.1 department revenue has not been presented and disclosed in accordance with MCS

As a result of the above, accrued departmental revenue overstated by R10 897 030 and the departmental revenue has been understated by R10 897 030.

### **Internal control deficiency**

#### *Financial and performance management*

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Management did not present and disclose departmental revenue in accordance with MCS for the year ended 31 March 2022.

### **Recommendation**

Management should present and disclose departmental revenue as it was received in the department's bank account as reflected on the bank statement as at 31 March 2022.

## Management response

I do not agree with the finding for the following reasons:

Chapter 9 paragraph 05 of the MCS states that: A department shall recognise a financial asset or a financial liability, a prepayment or an advance in its statement of financial position when, and only when, the department becomes a party to the provisions of the arrangement, and one of the following additional recognition criteria are met:

(i) the instrument is cash or a cash equivalent under the control of the department;

Based on the above requirement, the money in the department's deposit account does not meet the recognition requirements since it is only recognized as an asset when the deposit reflects in the Department's PMG bank account statement which the Department has control over. The amount cannot be allocated or paid over until it has been reflected in the PMG account. The amount could not be allocated to the relevant ledger account as of 31 March 2022 and as a result, it was raised as accrued revenue. The amount in question is only reflected in April 2022, and therefore qualifies to be disclosed as accrued revenue as it relate to the 2021/22 financial year. The amount was accounted for in the 2022/23 financial year and accounting for it in 2021/22 will result in double counting.

## Auditor's conclusion

We as the auditors are in agreement with the department that it shall recognize assets and liabilities when and only when cash and cash equivalent is under control of the department. In addition, we also acknowledge that the said account is an ABSA Deposit account with the purpose of entities depositing unspent grants to be transferred to the National Treasury. However, the said account is under the control of the department as no other department/entity has control over the account. Chapter 6 paragraph 3.4 states that, "Cash and Cash equivalent includes the bank account balances (both domestic and foreign)". MCS does not make any reference to presentation and disclosure to the PMG account only.

Therefore, as the bank account balance of R216 315 650 as at 31 March 2022 was supposed to be presented and disclosed in the annual financial statements as per Chapter 6 in order to obtain assurance that the financials present fairly, in all material respects, the financial position of the Department of Public works and Infrastructure as at 31 March 2022 in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 09 of 2021 (Dora), equally, the accrued interest amount of R10 897 030 should have been presented and disclosed as department revenue.

In conclusion, the misstatement will form part of the uncorrected misstatements if not adjusted.

## 25. Fruitless and wasteful expenditure – Lack of consequence management

### Laws, rules and regulations

In terms of section 38(1)(h)(iii) of the Public Finance Management Act (PFMA), “The accounting officer for a department, trading entity or constitutional institution must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who makes or permits an unauthorised expenditure, irregular expenditure or

fruitless and wasteful expenditure;”

In terms of paragraph 21 of the Fruitless and Wasteful Framework Annexure A, “If it has been confirmed that expenditure is fruitless and wasteful, the accounting officer or accounting authority must recover such amounts of fruitless and wasteful expenditure from the responsible employee(s).

“

### Nature

During the audit of Fruitless and Wasteful Expenditure, it was noted that there is an opening balance of R973 000. Upon inspecting the supporting schedule for the opening balance, it was noted that the amount consists of fruitless and wasteful expenditure that was discovered as early as 09 August 2011 and the latest expenditure that was discovered is dated 30 July 2015.

We requested the proof of consequence management through attempts to recover the fruitless and wasteful expenditure from the responsible officials, the response from the department is that stated that, there were no investigation conducted for DPWI FWE transactions in the year under review. The Department prioritized PMTE transactions due to the voluminous amount of transactions recorded under the PMTE. However, it must be noted that management is currently implementing a plan in order to deal with the backlog of transactions.

The fruitless and wasteful expenditure opening balance of R973 000 has been outstanding for more than 6 years, this is an indication that there has been no remedial action regarding fruitless and wasteful expenditure. The department further provided an internal memorandum requesting investigation into the fruitless and wasteful expenditure amount of R845 884.59. The memo was approved by Director: Inspectorate and Compliance on 10 November 2015.

The department also provided another memorandum, the memorandum was for a request for approval to transfer to receivables the amount that was recorded as overpayments on fruitless and wasteful expenditure. The memorandum was meant to be approved by Chief Director: Financial Management. The memorandum was never signed as approved by the Chief Director: Financial Management. No further follow ups or investigation were conducted on the fruitless and wasteful expenditure amount of R973 000.

## **Impact**

This will result to non-compliance with:

- Section 38(1)(h)(iii) of the Public Finance Management Act (PFMA) as there has been no consequence management regarding the fruitless and wasteful expenditure incurred of R973 000
- paragraph 21 of the Fruitless and Wasteful Framework Annexure A as there has been no attempt to recover the fruitless and wasteful expenditure incurred of R973 000

## **Internal control deficiency**

### *Financial and performance management*

Management did not Review and monitor compliance with the applicable laws and regulations.

The Department prioritized PMTE transactions due to the voluminous amount of transactions recorded under the PMTE. However, it must be noted that management is currently implementing a plan in order to deal with the backlog of transactions.

## **Recommendation**

Management should ensure that measures to investigate and recover fruitless and wasteful expenditure are implemented timeously in order to ensure compliance with the applicable laws and regulations

## **Management response**

Management takes note of the finding and wishes to respond as follows:

The Department has over the years been dealing with the transactions disclosed as fruitless and wasteful expenditure and irregular expenditure. Given the voluminous number of transactions disclosed as Irregular Expenditure, a focused approach was taken to deal with the irregular expenditure transactions while also addressing reported transactions of fruitless and wasteful expenditure. It is on the above that management requested an investigation to be instituted and requested a transfer to receivables as per documentation submitted.

However, the conclusion that there were no attempts to recover the amounts is incorrect. A request to open a debt account against the service provider was made but not accepted as Finance indicated that the transaction does not meet their receivable recognition criteria. Management will ensure that these transactions are finalised in the new financial year and substantial progress will be reported in the next audit cycle.

## **Auditor's conclusion**



## 26. Key Management Personnel – Suspended official

Laws, rules and Regulations:

Section 40 (a) and (b) of the Public Finance Management Act (PFMA) states that “The accounting officer for a for a department, trading entity or constitutional institution must keep full and proper records of the financial affairs of the trading entity in accordance with any prescribed norms and standards and must prepare financial statements for each financial year in accordance with generally recognized accounting practice.”

Paragraph 4.2 of the Accounting Manual for Departments, Chapter 15 - Related Party Disclosures, defines key management personnel as those persons having the authority and responsibility for planning, directing and controlling the activities of the department. From the above definition, the key management personnel would include:

- all persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity.
- where they meet this requirement, key management personnel would usually include;
  - senior managers, directors or members of a governing body of the entity on executive management level or above;

In terms of paragraph 15.2 of the Modified Cash Standard Frequently Asked Questions 2021-22, Employees suspended as a precautionary measure while investigations into allegations of misconduct are being completed or employees who have been suspended as a sanction as a result of misconduct are unlikely to have authority and responsibility for planning, directing and controlling the activities of the department during the suspension period. In such instances the suspended employees are excluded from the disclosures on KMP.

### Nature

During the audit of Key Management Personnel, it was noted that the following official who has been suspended for more than a year has been included in the Key Management Personnel disclosure in the Annual Financial Statement under disclosure note 34:

Name of official	Persal no	Salary level	Amount paid as at 31 March 2022
Vukela S	10786350	16	R2 052 241.10

Based on the above the Key Management Personnel disclosure note is overstated by R2 052 241.10.



**Impact**

Key Management Personnel disclosure note is overstated by R2 052 241.

Non-compliance with Section 40 (a) and (b) of the Public Finance Management Act (PFMA) as management did not prepare financial statements (key management note) in accordance with prescribed norms and standards.

**Internal control deficiency***Financial and performance management*

Management did not review and monitor compliance with applicable laws and regulations.

Management did not ensure that the Key Management Personnel disclosure complies with the requirements of the Modified Cash Standard

**Recommendation**

Management should ensure that the Key Management Personnel disclosure complies with the requirements of the Modified Cash Standard.

Management should make appropriate and necessary adjustments to the disclosure note in order to comply with the standard.

**Management response**

I acknowledge the finding.

The department will make an adjustment on the financial statements, however there were no internal control deficiencies from the department in this matter.

National Treasury published FAQs on the 27<sup>th</sup> of June 2022, providing guidance on the expenditure relating to employees suspended as a precautionary measure while investigations into allegations of misconduct are being completed, should be excluded from the disclosure note. Management's view is that failure of National Treasury to issue the FAQs (guidance) before departments submitted the financial statements for auditing on the 31<sup>st</sup> of May 2022 resulted in this finding.

**Auditor's conclusion**

Management's response is noted. The adjustments will be assessed and a conclusion will be made.

## Issue 2

### Key Management Personnel – Difference between comparative amount in the current year annual financial statements and prior year final amount

#### Requirements, laws and Regulations

In terms of section 38(1)(a)(i) of the Public Finance Management Act(PFMA), the accounting officer for a department, trading entity or constitutional institution- must ensure that that department, trading entity or constitutional institution has and maintains— effective, efficient and transparent systems of financial and risk management and internal control;

In terms of section 40(1)(a) of the Public Finance Management Act(PFMA), The accounting officer for a department, trading entity or constitutional institution- must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards;

#### Nature

During the audit of Key Management Personnel, it was noted that there is difference in the comparative amount in the financial statements submitted for audit (2021/22 financial year) and the final amount as per the prior year audited financial statements (2020/21 financial year) for level 15 to 16 officials:

Comparative amount as per the financial statements submitted for audit(2021/22 financial year)	Final amount as per prior year audited financial statements(2020/21 financial year)	Difference
R12 898 000	R12 989 000	R91 000

#### Cause

Management did not ensure that the comparative amount for level 15 to 16 officials in the financial statements submitted for audit(2021/22 financial year) and the final amount as per the prior year audited financial statements(2020/21 financial year) for level 15 to 16 officials

#### Impact

This will result to non-compliance with:

- Understatement of key management personnel note by R 91 000.
- Section 38(1)(a)(i) of the Public Finance Management Act(PFMA),
- Section 40(1)(a) of the Public Finance Management Act(PFMA)

### **Internal control deficiency**

#### Leadership

Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

Management did not ensure that the comparative amount for level 15 to 16 officials in the word financial statements submitted for audit agrees with the amount as the excel template.

#### **Recommendation**

Management should ensure that the comparative amount for level 15 to 16 officials in the word financial statements submitted for audit agrees with the amount as the excel template.

#### **Management response**

I agree with the finding. The error was a typo when the information was populated on the word document.

#### **Auditor's conclusion**

Management's response is noted. The corrections will be assessed and a conclusion will be made.

## 27. Accruals and payables not recognized – Incorrect classification of payable not yet recognized

Requirements, laws and Regulations

In terms of section 38(1)(a)(i) of the Public Finance Management Act, The accounting officer for a department, trading entity or constitutional institution must ensure that that department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control;

In terms of paragraph 20 of the Modified Cash Standard, Accruals and payables not recognised are recorded when goods are received or, in the case of services, when they are delivered to the department or, in the case of transfers and subsidies, when they are due and payable. For accruals, an invoice has not been received whereas for payables not recognised, the invoice has been received.

### Nature

During the audit of accruals and payables not recognized, it was noted that the following transaction was incorrectly classified as a payable not recognized as the invoice was paid prior to 31 March 2022:

No	Invoice Number	Payment number	Date of receipt of invoice	Payment date	Amount paid
1	009940673710	PM-161055	29 March 2022	31 March 2022	R1 051.93

Based on the above, the transaction should have been classified as goods and services instead of payable not recognized.

### Impact

This will result in:

- payables not recognized being overstated by R1 051.93
- Goods and services being understated by R1 051.93

Non-compliance with the following:

- Section 38(1)(a)(i) of the Public Finance Management Act
- Paragraph 20 of the Modified Cash Standard

### **Internal control deficiency**

#### **Leadership**

Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

Management did not ensure that only transactions that meet the definition of a payables not recognised as at year end are classified as payables not recognised

### **Recommendation**

- a) Management should review internal controls over system of accruals and payable to ensure they are appropriate and effective to avoid misclassification of future transactions
- b) Management should remove the above transaction from the payables not recognised listing and reclassify the transaction to goods and services

### **Management response**

I agree with the finding; consequently the entire population was revisited to ensure accuracy of Payables not Recognized. As a result the total overstatement amounts to R14 077.05 (Skynet R1 440.44 and Bytes R12 636.61)

### **Auditors**

Management's response is noted and the finding remains

## 28. Payments not made within 30 days

Requirements, laws and Regulations

Public Finance Management Act (PFMA) section 38(1)(f) states that: “The accounting officer for a department, trading entity or constitutional institution must settle all contractual obligations and pay all money owing, including inter-governmental claims, within the prescribed or agreed period.”

Treasury Regulation 8.2.3 requires that: “Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment.”

### Nature

1. During the audit of accruals and payables not yet recognized: it was noted that the following payment was not made within 30 days from date of receipt of invoice:

Payment Number	Amount	Beneficiary/ Supplier Name	Invoice number	Date invoice received by DPWI registry	Payment/ Settlement Date	Days
2448333	R147 498	Lethea Tshepo	PH01	2022/03/08	2022/04/26	49

### Impact of the finding

The above may result to the following:

- Overstatement of accruals and payables not recognized by R147 498
- Non-compliance with Section 38(1)(f) of the Public Finance Management Act
- Non-compliance with Treasury Regulations 8.2.3

### Internal control deficiency

Financial and performance management

Management did not review and monitor compliance with applicable laws and regulations.

Management did not ensure that payments are made within 30 days as required by legislation

### **Recommendation**

It is recommended that payments must be made within the 30 days from the receipt of the invoice and when there are unforeseen circumstances that may results in payments not being made timeously, this must be communicated to the affected suppliers to renegotiate payment terms and correspondence kept for audit purposes.

### **Management response**

## 29. Payments not made within 30 days

### Laws, rules and regulations

Public Finance Management Act (PFMA) section 38(1)(f) state that: "The accounting officer for a department, trading entity or constitutional institution must settle all contractual obligations and pay all money owing, including inter-governmental claims, within the prescribed or agreed period."

Treasury Regulation 8.2.3 requires that: "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment."

### Nature

During the audit of Goods and services: Agency and support, it was identified that the following payments were not made within 30 days from the date of receipt of the invoice.

Payment Number	Amount	Beneficiary/ Supplier Name	Invoice number	Date invoice received by DPWI registry	Payment/ Settlement Date	Time taken to pay the invoice.
2442329	R1 006 328,00	ALTMAN ADVISORY	DPWI0001 DPWI0002	2021/06/14	2021/07/19	34

During the audit of Goods and services: remaining balance, it was identified that the following payments were not made within 30 days from the date of receipt of the invoice.

Payment Number	Amount	Beneficiary/ Supplier Name	Invoice number	Date invoice received by DPWI registry	Payment/ Settlement Date	Time taken to pay the invoice.
2442305	R32 349,91	VODACOM	4010139121	2021/05/28	2021/07/02	35

### Impact of the finding

The above may result to the following:

- Non-compliance with Section 38 of the Public Finance Management Act
- Non-compliance with Treasury Regulations 8.2.3

### Internal control deficiency

#### Financial and performance management

Management did not review and monitor compliance with applicable laws and regulations.





### **Recommendation**

It is recommended that payments must be made within the 30 days from the receipt of the invoice and when there are unforeseen circumstances that may results in payments not being made timeously, this must be communicated to the affected suppliers to renegotiate payment terms and correspondence kept for audit purposes.

### **Management response**

Management is in agreement with the Finding.

### **Auditors conclusion**

Management's response has been evaluated and confirmed that they concur with the finding. The communication of audit finding will therefore be included in the management report.

### 30. Disclosure requirements of Public private partnership

#### Laws, rules, and Regulations:

Section 40 (1) (b) of the Public Finance Management Act (PFMA) states that “The accounting officer for a department, trading entity or constitutional institution must prepare financial statements for each financial year in accordance with generally recognized accounting practice

Chapter 3, paragraph 47(c) of the Cash Modified Standards states, “To the extent that a department is party to a PPP, it shall disclose, as part of the secondary financial information, the following information to enable the users to determine the impact of the PPP on the department: a general description of the significant terms of the PPP agreement, along with a description of the parties to the agreement, and the date of commencement thereof”

#### Nature

During the audit of disclosure of Public private partnership, we noted that the Department was a party to a public private partnership agreement and consequently disclosed the agreement under note 28. However, the department did not fully adhere to all the disclosure requirements in accordance with chapter 3 paragraph 47(c) was omitted as there was no general description of the significant terms of agreement, along with a description of the parties to the agreement, and the date of commencement thereof. Therefore, the public private partnership note was not prepared in accordance with MCS.

#### Impact

This will result in non-compliance with:

- Section 40(1) (b) of the Public Finance Management Act as Public private partnership is not fully disclosed in accordance with the generally recognized accounting practice.
- MCS Chapter 3 paragraph 47 as the Public private partnership note was not disclosed in accordance with MCS

#### Internal control deficiency

##### *Financial and performance management*

Review and monitor compliance with applicable laws and regulations

Management did not ensure that they disclosed the Public private partnership note in the annual financial statements in accordance with MCS for the year ended 31 March 2022.

### **Recommendation**

Management should ensure that they disclose the public private partnership note in the annual financial statements in accordance with all the disclosure requirements as listed on paragraph 47 for the year ended 31 March 2022

### **Management response**

I am in agreement with the finding; a general description of the significant terms of the PPP agreement, along with a description of the parties to the agreement, and the date of commencement thereof should have been included.

### **Auditor's conclusion**

Management's response is noted. The finding remains

### 31. Value add focus – Non-submission of B-BBEE 1 form

#### Laws, rules and Regulations:

In terms of section 12(2) of the Broad-Based Black Economic Empowerment Regulations, The sphere of government, public entity or an organ of state must file the audited annual financial statements and annual report compiled in terms of section 13G (1), with the Commission, in the prescribed FORM B-BBEE 1 within thirty (30) days of the approval of such audited annual financial statements and annual report

In terms of section 13G(1) of the Broad-Based Black Economic Empowerment Act, All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act, 1999 (Act No.1 of 1999)

#### Nature

During the audit of the department, it was noted that the department did not submit the following documents to the B-BBEE Commission:

- 2020-21 Form: B-BBEE 1
- The approved 2020-21 audited financial statements
- The approved 2020-21 annual report

The non-submission of the above documents is a non-compliance with legislation

#### Impact

This will result in non-compliance with:

- Section 12(2) of the Broad-Based Black Economic Empowerment Regulations
- Section 13G(1) of the Broad-Based Black Economic Empowerment Act

#### Internal control deficiency

##### Leadership

Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

Management did not ensure that they submit the B-BBEE 1 form as required by legislation

#### Recommendation

Management should ensure that they submit the B-BBEE 1 form as required by legislation

#### Management response

Management does not agree with the finding. The DTIC has found that the requirements in terms of compliance with Form B-BBEE 1 are in consistent with the requirements of section 13G (1) of the

Act. To this end, DTIC wrote to National Treasury about this matter. See **Annexure A**. The requirement that remains is the disclosure of the required information in the Annual Report. Section 13G(1) only requires that “All spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act, 1999 (Act No. 1 of 1999)”. This disclosure requirement has been complied with by the Department and submission of the Annual Report, which incorporate the annual financial statements, was not complied.

### **Auditor’s conclusion**

Management’s response is noted. However, the finding remains as there is no instruction that absolves the department from complying with the BB-BEE Commission requirements and thus they have misinterpreted the letter and should be complying with all requirements.

## Audit of Compliance

### 32. Winning bidder is non-responsive

#### Laws, rules and Regulations:

*Public Finance Management Act paragraph 38(1) (a) (i) and 38(1) (a) (iii) states that “The accounting officer for a trading entity must ensure that the trading entity has and maintains*

- (i) Effective, efficient and transparent systems of financial and risk management and internal control;*
- (ii) (iii) An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective;”*

*Public Finance Management Act paragraph 38 (1)(c)(ii) states that “The accounting officer for a trading entity must take effective and appropriate steps to prevent unauthorized, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct”*

Preferential procurement regulations, 2017 paragraph 6(3) and 6(4) state that:

*“(3) A tenderer must submit proof of its B-BBEE status level of contributor.*

*(4) A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-*

- (a) may only score points out of 80 for price; and*
- (b) scores 0 points out of 20 for B-BBEE.”*

#### Audit finding

During the audit of quotation number 10827 for the transportation of learners, the following issue was noted:

#### Issue 01:

The winning bidder (Maistry Transport) submitted a letter, stating that there is a joint venture between Maistry Transport and Faadiel Tours and transfers.

In accordance with the SANAS (South African National Accreditation System) when bidding through a Joint Venture, the Joint Venture must submit a Consolidated B-BBEE certificate provided that it is not an incorporated entity when responding to tenders. This means that you will have to obtain a new B-BBEE certificate for the Joint Venture, which consolidates each participant’s B-BBEE status level. You apply for a Consolidated B-BBEE certificate at your B-BBEE Verification Agency who will issue the Consolidated B-BBEE certificate after combining the Joint Venture Partners’ B-BBEE Certificates.

The Consolidated B-BBEE certificate must be tender specific – in other words, it must contain the name and number of the tender that you are responding.

We then inspected the B-BBEE Certificate submitted by the bidder and noted that they only submitted a sworn affidavit. Therefore, the bidder is not eligible to be awarded points for BEE status.



**Issue 02:**

We inspected the sworn affidavit submitted by the Joint and confirmed that the Sworn Affidavit submitted was not valid in accordance with SANAS.

Through inspection of the PA-16: Preference Point for bids (point 8.1) Maistry Transport declared that they will sub-contract 50% of their services to Faadiel Tours and Transfers.

The two parties submitted one sworn affidavit –BEE certificate, on which they both completed and signed. We then confirmed through a telephonic discussion with DTI and SANAS is that joint ventures must submit a consolidated BBB-EE certificate, which are issued by an accredited institution.

Based on the above assessment, the winning bidder was supposed to be disqualified during the pre-qualification screening phase due to not meeting the stipulated pre-qualifying criteria as per PA-03 (GS):Notice and invitation for quotation, and considered unacceptable tender for submitting an invalid BBBEE Certificate.

Furthermore, the bidder would not be eligible for BEE points, as their certificate is not valid. Therefore, the second highest bidder (Capeway Transport) was supposed to be awarded the contract.

**Impact of the finding**

- Non- compliance with Preferential Procurement Regulation 2017, paragraph 6(3) and 6(4).
- Non- compliance with paragraph 38(1)(a)(i) and (38(1)(c)(ii) of the Public Finance Management Act.
- Irregular expenditure of R 427 500.

**Internal control deficiency****Financial and Performance Management**

- Management did not adequately review and monitor compliance with applicable laws and regulations relating to supply chain management.
- Management did not sufficiently evaluate the winning bidder's submission file, more especially the validity of the BEE certificate provided.

**Recommendation**

- It is recommended that management should enhance compliance procedures to ensure compliance with the applicable laws and regulations relating to supply chain management to ensure consistency in how all the bidders are assessed.
- Management should disclose the Irregular expenditure to date.

**Management response:**

I am in agreement.

There was a confusion with regards to the Sworn Affidavit, bidders were advised if there's an agreement signed by the lawyer both bidders can sign one Sworn Affidavit as part of consolidated status level. Internal control measures have since been implemented to address this deficiency.

**Auditor's response**

Management's response is noted. The finding will remain



### 33. Procurement of goods and services through quotations: Local content

#### Laws, rules and regulations

Section 38(1)(a)(I) and (iii) of the Public Finance Management Act states that: *“The accounting officer for a department must ensure that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control; an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective...”*

Furthermore, section 38 (1)(c)(ii) states that: *“The accounting officer for a, department must take effective and appropriate steps to prevent unauthorized, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct...”*

According to National Treasury Instruction No.11 of 2020/21 Procurement in response to national state of disaster COVID-19 pandemic paragraph 3.1 and 3.4 with effective date of 01 September 2020 states the follow:

“3.1 From the effective date of this instruction, procurement of all goods, services and works, must be conducted in a accordance with existing procurement procedures in terms of the Public Finance Management Act, 1999, its regulations and instructions made thereunder, the Preferential Procurement Policy Framework Act, 2000 and regulations made thereunder as well as institutional supply chain management polices

3.4 The procurement referred to in paragraph 3.1, as far as it relates to PPE items and fabric masks, must comply with the following conditions

- (d) the items must meet the stipulated threshold for designated local content and production as required by the Preferential Procurement Regulations, 2017 (PPR 2017) (Refer to Annexure C1 for PPE Commodities requiring adherence to the local content & Production Thresholds); the designated local content requirements must be adhered to – deviation will only be allowed when and if the request for exemption is approved by the DTIC”

#### Nature

During the audit of procurement of goods and services through quotations at Head Office, we noted that the quotation stated below was issued for the procurement of Face shields, hand sanitizers and empty bottles through RFQ number 4419, however the RFQ did not stipulate that local content for face shields and its related threshold was applicable nor was awarded quotation assessed for the applicable local content of PPE item:.

Supplier	Description	RFQ:	Amount (R)
Moetswadi Trading (Pty) Ltd	PPE: Face shields, hand sanitizers and empty bottles	4419	25 280

#### Impact of the finding

The above may result in the following:



- Possible misstatement of irregular expenditure of R25 280
- Non-compliance with section 38 of the PFMA

### **Internal control deficiency**

#### *Leadership*

Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

Management did not ensure that the request for quotations stipulates the applicable local content for the procurement of goods and services that should comply with local content. Furthermore, the awarded supplier was not assessed for the applicable local content.

#### *Financial and Performance Management*

Management did not review and monitor compliance with applicable laws and regulations.

Management did not implement procurement processes in a timely manner to ensure that SCM regulations are adhered to

### **Recommendation**

It is recommended that management should ensure that the entity complies with all applicable laws and regulations.

RFQs should be reviewed regularly to identify goods/services that should comply and be assessed for local content regulations.

The Compliance officer or any delegated official should check National Treasury Website for Instruction note on a regular basis to keep updated with changes made

### **Management response**

Management agrees with the finding. As part of corrective measure to address the non-compliance indicated on par 3.4 (d), On Tuesday the 08.03.2022, The SCM Practitioner managed to send the PA-36 Form with its Annexure C, D and E to the winning service provide to verify whether the delivered goods (Face Shields) were compliant in terms of Local Content and Production Regulation.

Upon submission by the winning service provider on the same day, it was noted that only PA-36 Form was completed and Annexure C was not included with the response. SCM will ensuring compliance by following up with the service provider. Although we did not comply with the local content requirement when inviting quotes, the product is still "local content" compliant. This transaction based on the engagement with service provider is not irregular as the procured product is locally manufactured.

SCM will immediately ensure compliance by reporting the transaction to the DTI once the Annexure C is received from the service provider. (See the attached proof of sent email and completed PA-36.)

### **Auditor's response**



Management's response is noted. The finding remains

## FINDINGS RELATING TO THE INFORMATION SYSTEMS AUDIT

### 34. INFORMATION TECHNOLOGY GOVERNANCE

#### 1.1 Vacant positions within information and communication (ICT) division

Management should establish Information and ICT organisational structure that reflects business needs. In addition, put a process in place for periodically reviewing the ICT organisational structure to adjust staffing requirements and sourcing strategies to meet expected business objectives and changing circumstances.

##### Audit finding

As previously reported, it was noted that there was an established and approved ICT department organisational structure. However, the following critical positions listed in the structure were still vacant:

- Chief Information Officer (CIO).
- Deputy Project Manager (ICT)

This issue was reported in the 2019-2020 and 2020-21 financial years.

##### Risk

The inadequate staffing of the ICT division may result in inefficient service delivery and lack of segregation of duties within the ICT function which might lead to integrity of data being compromised.

##### Internal control deficiency

##### Leadership: Lack of implementation of appropriate key controls:

The post of the Chief Information Officer was advertised and the process of filling the position is underway. The post for Deputy Director Project Manager was advertised and shortlisting and interviews completed, the process of appointing the recommended candidate is underway.

##### Recommendation

The Human Resource management and Director General Corporate Services should expedite the process of finalizing the appointment of the above-mentioned critical posts within the IT department.

##### Management response

<b>Management comment on audit findings:</b> Management acknowledges the finding. Both posts of Chief Information Officer and Deputy Director Project Manager were advertised, shortlisting were done, interviews conducted and both submissions are on route for approval.		
<b>Management comment on internal control deficiencies:</b> Management agrees with the ICD.		
<b>Management comment on recommendations:</b> Management agrees with the recommendations.		
<b>Remedial actions:</b> Not provided.		
<b>What actions will be taken:</b> Filling of posts.	<b>By whom:</b> Bheki Zwane (Act CIO) Thembi Hlatshwayo (Chief Director HRM)	<b>By when:</b> 01 April 2022

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**Auditor's conclusion**

Management comments are noted and acknowledged. However, both posts of Chief Information Officer and Deputy Director Project Manager are still vacant. Therefore, the finding will remain. The action plans will be followed up during the 2022/23 audit and the outcome of the assessment will be communicated at completion of the audit.

## 1.2 Information Communication Technology projects for 2019/20 were not achieved

### Audit finding

As previously reported, it was established that Department of Public Works Infrastructure (DPWI) had developed and approved the 2020/21 Annual Performance Plan (APP) which detailed the “key performance indicators (KPIs)” to be implemented. However, the following ICT projects were not achieved at the end of the 2021/22 financial year.

Project Description and Value of Contract	Status	Target achieved (Yes/No)	Challenges
1.Appointment of a service provider to enter into a service level agreement (SLA) with the department for ARCHIBUS ERP system licensing, support, and maintenance services (R35m).	<ul style="list-style-type: none"> <li>Cancellation documents have been submitted to the NBAC/National Treasury.</li> </ul>	No	Submitting to National Treasury for 2nd cancellation.
2.Business Automation	<p><b>Leave system:</b></p> <p>A special meeting with Unions was held on the 10 June 2021 and the Unions have suggested that e-leave be put on hold until the Leave policy is updated with the current changes.</p> <p>Project still on-hold pending the outcome from HR and Unions.</p> <p>DPWI DG has approved a letter to National Treasury.</p> <p><b>Fleet booking system</b></p> <p>A special meeting with Unions was held on the 10 June 2021 and the Unions have suggested that e-fleet booking be put on hold until the Fleet policy is updated to include the current changes.</p> <p>Development for issues raised by business is underway. Testing will be done when the developer is ready.</p>	No	

	<p>IT Application has allocated Mr. Raja Gangavarapu as the new developer for the projects.</p> <p><b>S&amp;T claims</b></p> <p>The development will resume when the developer is done with development of Fleet system.</p>		
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This issue was reported in the 2019-2020 and 2020-21 financial years.

### **Risk**

Failure to achieve set ICT goals may hinder the progress in implementation of the APP and ICT may fall short in aligning to the organizational strategy.

### **Internal control deficiency**

**Leadership:** Information technology governance framework

ICT did not meet set targets due to the following:

- Dependencies on other parties which were not initially considered when committing to the KPIs.
- Delays in procurement by the department.
- Affordability issues.
- Audio Visual equipment project put on hold due to covid-19

### **Recommendation**

The Acting Chief Information Officer should ensure that:

- All KPIs are developed with an understanding of dependencies on other parties to ensure set target are realistic to be achieved.
- He continues to monitor implementation of all KPIs monthly and reasons or root causes for failure to implement should be clearly documented.

### **Management response**

#### **Management comment on audit findings:**

Management acknowledges the finding. The ICT Chief Directorate does not have any control on issues arise during procurement process, only Supply Chain Management (SCM), Bid Specification Committee (BSC), Bid Evaluation Committee (BEC) and/or Legal Services control the process.

The following projects are still within the procurement process:

- Enterprise ICT security solution

- SAS licensing
- ESRI GIS licensing
- SAGE
- ARCHIBUS ERP
- Audio Visual equipment
- ICT Technical Resources

Proof of Evidence (POEs) will be forwarded to AG.

The following projects were awarded:

- WCS & PMIS support services
- ICT Application Resources
- Renewal of the Microsoft Enterprise Agreement
- Network equipment license renewal

Proof of Evidence (POEs) will be forwarded to AG.

- Business Automation, project is developed in-house, it takes longer to get approvals from relevant stakeholder such as Human Resources, Unions, National Treasury etc. The ICT team is waiting for approval by the Unions in order roll-out the Leave Management. Fleet Booking and S&T are still under development, the delay is because the ICT is using one Developer to assist with development of all systems.

**Management comment on internal control deficiencies:** Management agrees with the ICD.

**Management comment on recommendations:** Management agrees with the recommendations.

**Remedial actions:** Not provided.

**What actions will be taken:**

- Review the projects list
- Prioritize critical projects
- Ensure availability of budget
- Monitor implementation and manage the risks (develop an early warning system)

**By whom:**

Bheki Zwane (Act CIO)

- 

**By when:** May 2022

**Auditor's conclusions**



Management comments are noted and acknowledged. The finding has been updated. However, the following ICT projects were still not achieved as per the APP and ICT strategy:

- ARCHIBUS ERP
- Audio Visual equipment

Therefore, the finding will remain. The action plans will be followed up during the 2022/23 audit and the outcome of the assessment will be communicated at completion of the audit.

## 35. USER ACCESS MANAGEMENT

### 1.3 Inadequately implementation of user access management controls around Reapatala

User access controls ensures that only valid and authorized users are allowed access to initiate and approve transactions on the system and that user access is adequately segregated when transactions are captured and approved.

#### Audit finding

As previously reported in 2020/21 financial year, it was noted that although an email was sent to remind supervisors to confirm the access rights of users, there was no evidence from the supervisors to confirm that the users' access rights were still in alignment with their job responsibilities.

#### Risk

Failure to perform user access reviews might result in employees being granted excessive rights that would allow them to perform inappropriate activities on the applications.

#### Internal control deficiency

#### Financial and performance management: Formal controls over IT Systems

There was no resource capacity to review the user profiles due to a huge number of users across the regions.

#### Recommendation

Management should decentralize the user access management administration across the regions to enable the effectiveness of user profiles.

#### Management response

##### Management comment on audit findings:

Management acknowledges the finding. Management as per the ICT User Access Management policy and procedure sends out periodic communication to all managers requesting submission of user access reviewed. POE of the communication is attached.



<b>Management comment on internal control deficiencies:</b> Noted.		
<b>Management comment on recommendations:</b> Noted.		
<b>Remedial actions:</b> Not provided.		
<b>What actions will be taken:</b>	<b>By whom:</b> Khathu Nekhumbe	<b>By when:</b> Not provided.

### Auditor's conclusions

The management comments are noted and acknowledged. However, the finding relating to the user profile reviews not being adequately performed will remain as the evidence provided was assessed and was found to be insufficient/ inadequate to address the finding and risk identified.

## 1.4 Inadequately implementation of user access management controls around EPWP

User access controls ensures that only valid and authorized users are allowed access to initiate and approve transactions on the system and that user access is adequately segregated when transactions are captured and approved.

### Audit finding

As previously reported in 2020/21 financial year, the following deficiencies were noted with regards to the administration of user access controls on the EPWP system:

- Although EPWP user access review communication was sent to all EPWP coordinating departments, lead sector departments and system users to remind supervisors to confirm the access rights of users, there was no evidence from the supervisors to confirm that the users' access rights were still in alignment with their job responsibilities.
- The evidence of review of system administrator activities was only provided for the month of October there was insufficient evidence to confirm that the control was effectively implemented throughout the financial year.
- System was configured to log failed logon attempts; however, there was no evidence indicating that the logs were analysed and reviewed on an interval basis and malicious trends or activities such as brute force attack are followed up
- Due to lack of system generated list indicating when users' access rights were modified on the EPWP application system, testing could not be performed to determine if controls in place had been adequately implemented.

### Risk

- Failure to perform user access reviews might result in employees being granted excessive rights that would allow them to perform inappropriate activities on the applications.

- Inadequate reviews of system controller activities might result in unauthorised system activities such as creating of unauthorised user accounts, deleting or modifying information and unauthorised attempts to access the system may not be timely detected and resolved.
- Without monitoring of access and logon violations, it may be difficult to assess the effectiveness of the security controls. Attempts to breach security may remain undetected, enabling knowledge of security loopholes to be exploited for malicious purposes.
- Failure to ensure that adequate audit logs are designed and implemented for user account access amendments on the system could result in unauthorized access modification going undetected. This might lead to unauthorized access to systems which could potentially compromise data integrity.

### Internal control deficiency

#### Financial and performance management: Formal controls over IT Systems

Management is not responding with the required urgency to recommendations made in prior years on addressing risks and improving the internal control environment within IT. Also, there was a lack of a consequence management process to enforce accountability concerning failure to implement action plans. There was also no resource capacity to review the user profiles due to a huge number of users across the regions.

#### Recommendation

- Management should develop and establish a consequence management process that will enforce accountability concerning failure to implementing action plans committed to.
- Management should consider decentralizing the user access management administration across the regions to enable the effectiveness of user profiles.
- The activities performed by the users with administrator access should be reviewed on a regular basis to ensure that only authorized activities were performed and evidence of such reviews should be retained for audit purposes.
- Security logs should be monitored on a regular basis and discrepancies followed up. Furthermore, evidence of such monitoring should also be kept and made available for audit purposes.
- Management should enhance the existing systems to enable the capability to record all access rights modifications on the system.

#### Management response

<b>Management comment on audit findings:</b>			
Management acknowledges the finding. EPWP RS system users will be reviewed as per ICT Policy.			
<b>Management comment on internal control deficiencies:</b> Noted.			
<b>Management comment on recommendations:</b> Noted.			
<b>Remedial actions:</b> Noted.			
<b>What actions will be taken:</b>	<b>By whom:</b>	Khathu	<b>By when:</b>
	Nekhumbe		



		Not provided.
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### Auditor's conclusions

The management comments are noted and acknowledged. However, all the findings on the EPWP system will remain as the evidence provided is still the same and not sufficient. The management comments are noted and acknowledged. However, all the findings relating to the EPWP will remain as the evidence provided was assessed and was found to be insufficient/inadequate to address the risk identified.

## 1.5 Inadequately implementation of user access management controls Active Directory.

User access controls ensures that only valid and authorized users are allowed access to initiate and approve transactions on the system and that user access is adequately segregated when transactions are captured and approved.

### Audit finding

Although management had implemented a control around the reviews of system administrator activities, however it was noted that the reviews were only performed in the last quarter of the financial year, there was insufficient evidence to confirm that the control was effectively implemented throughout the financial year.

### Risk

Inadequate reviews of system controller activities might result in unauthorized system activities such as creating of unauthorized user accounts, deleting or modifying information and unauthorized attempts to access the system may not be timely detected and resolved.

### Internal control deficiency

#### Financial and performance management:

Formal controls over IT Systems

Inadequate oversight by management to detect and address deviations from the policy prescripts timeously.

### Recommendation

Management should monitor to ensure effective implementation of the policy and its prescripts. Furthermore the activities performed by the users with administrator access should be reviewed on a regular basis to ensure that only authorized activities were performed and evidence of such reviews should be retained for audit purposes.

### Management response

<b>Management comment on audit findings:</b> Management comments not provided.
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<b>Management comment on internal control deficiencies:</b> not provided.		
<b>Management comment on recommendations:</b> not provided.		
<b>Remedial actions:</b> not provided.		
<b>What actions will be taken:</b>	<b>By whom:</b> not provided.	<b>By when:</b> not provided.

### Auditor's conclusions

Management comments not provided; therefore the finding will remain.

## 36. SECURITY MANAGEMENT

### 1.6 Inadequate Security Management controls

Security management ensures that security controls are implemented to prevent unauthorized access to the network and information systems that generate the information used to prepare the financial statements.

#### Audit finding

As previously reported, the following security management processes weaknesses were noted:

- There was no process in place to review the activity logs on active directory for security significant events for example, unauthorised attempt to access the AD.
- The systems were configured to automatically deploy the patch updates without prior testing being before to assess the impact of the patch prior deployment.
- A formal IT Security Awareness Program was not developed and implemented to ensure that employees were able to recognize and respond appropriately to real and potential security threats
- The time configured for screen to lockout after not being attended was 15 minutes, which is a high risk.
- The password strengthening controls on GIS, Worx4U and Reapatala were not provided for audit purposes. Thus testing could not be performed to confirm if the password controls were configured on in line with the approved policy requirements and with leading industry practice.

Certain aspects of these matters were also reported in 2019-20 to 2020-21 financial year.

#### Risk

Failure to ensure that failed log on attempts are actively monitored and reviewed periodically may result in the inability to detect security breaches on the application, which may lead to financial information being compromised, degrading its confidentiality, integrity and availability.

Lack of testing of patches prior deployment increases the likelihood of system errors, increased system downtime/unavailability which could ultimately compromise the integrity of data.

Lack of an IT Security Awareness Program could result in employees being unable to recognize and respond appropriately to real and potential security concerns. This makes employees susceptible to social engineering attacks such as phishing, spoofing. This could allow attackers to gain access to the network and applications and obtain access to sensitive information, cause malicious damage or take control of the network device or application.

Unattended active workstation sessions could result in unauthorised access to the department's information systems.

Inadequate password configurations may increase the chances of the passwords being guessed through the use of social engineering or password sniffing algorithms, which increases the risk of unauthorised access as a user account inherently compromising the whole network.

### **Internal control deficiency**

#### **Financial and performance management:**

Formal controls over IT Systems

Inadequate oversight by management to detect and address deviations from the policy prescripts timeously.

### **Recommendation**

- Management monitor compliance to the IT policies and procedures in all its key aspects and thus should ensure the following is implemented:
  - The operating security logs are enabled and reviewed on the regular basis and discrepancies followed up and acted upon.
  - All patches are tested to be able to assess the impact prior to deployment to all the devices connected to the network.
  - Security awareness programs are developed and conducted with staff in order to build a culture of security competence and motivate employees to improve their behaviours and incorporate security concerns into their decision making.
  - Lockout session on attended workstations should be configured to a lower threshold on Active Directory in line leading industry practice.
  - The minimum security requirements should be communicated to all service providers and verification should be performed by the IT Manager to ensure that the password configurations on all the applications have been implemented in line with the approved policy requirements.

### **Management response**

#### **Management does not agree with the below findings.**

- The password strengthening controls on GIS, Worx4U and Reapatala were not provided for audit purposes.  
Evidence was provided to AG for the above-mentioned systems.

<ul style="list-style-type: none"> <li>The time configured for screen to lockout after not being attended was 15 minutes, which is a high risk. Officials in the department use different systems in their day-to-day work activities and 15 minutes currently seems appropriate to allow officials to alternate between the various systems used. Management however notes the finding and will review the current ICT policy to assess feasibility.</li> </ul>		
<b>Management comment on internal control deficiencies:</b> Noted.		
<b>Management comment on recommendations:</b> Noted.		
<b>Remedial actions:</b>		
<b>What actions will be taken:</b>	<b>By whom:</b> Pakiso Mphuthi	<b>By when:</b> Not provided

### Auditor's conclusions

Management responses were noted and evaluated as follows:

The additional evidence provided on the password settings was assessed and was found to be insufficient to address the findings. The screenshot provided for Worx4u was not the actual configuration settings but a screenshot of the login screen which should that the system required login credentials for login. The evidence provided for GIS was a statement from management confirming that the prior year issue around the GIS password configuration issue was not resolved this was due to legacy issues as the system was aged. The password issue around Reapatala will be resolved.

## 37. PROGRAM CHANGE MANAGEMENT

Program change management controls ensure that any proposed changes to an existing information systems environment would be coordinated, scheduled, authorised and tested to prevent unnecessary disruptions, erroneous changes and unauthorised and inappropriate access to programs.

### 4.1 Inadequate implementation of change controls around Reapatala system

#### Audit finding

The deficiencies noted with regards to the administration of the change management process were as follows:

- On the Reapatala system there was a change implemented on 23 July 2021, the change request documentation was requested for the implemented change however it was not provided. As such testing could not be performed to confirm whether an impact assessment was performed, that the change was approved by the required levels before implementation and that there was appropriate segregation of duties maintained during the implementation of the change.

**Risk**

- Lack of change related documentation may result in an increased likelihood of unauthorized changes being implemented on the systems, there will be no tracking of changes, insufficient control over changes, system errors and increased system downtime/ unavailability which could ultimately compromise the integrity of data.

**Internal control deficiency****Financial and performance management: Design and implement formal controls over IT systems:**

Lack of consequence for non- compliance to defined controls procedures.

**Recommendation**

- Management should monitor compliance to the IT policies and procedures in all its key aspects thus should ensure that a proper change management process is followed for all changes/upgrades prior implementation. Management should ensure that change request documentations are completed and approved and appropriate tests are implemented prior to migration into production.

**Management response**

<b>Management comment on the audit finding</b>		
Management does not agree with the finding. POE attached		
<b>Management comment on internal control deficiencies:</b>		
<b>Management comment on recommendation:</b>		
<b>Remedial action:</b>		
<b>What actions will be taken?</b>	<b>By whom?</b>	<b>By when?</b>

**Auditor's conclusion**

Management responses were noted and evaluated as follows; the change description details on the form provided subsequent to the issue being raised does not align to the details outlined on the change log. As such the issue is not resolved.

**38. PROGRAM CHANGE MANAGEMENT**

## 1.7 Inadequate IT service continuity controls

According to COBIT management practice DSS04.02 (Maintain a continuity strategy) and DSS04.04 (Exercise, test and review the BCP): Senior management should evaluate business continuity management options and choose a cost-effective and viable continuity strategy that will ensure enterprise recovery and continuity in the face of a disaster or other major incident or disruption. The continuity arrangements should be tested on a regular basis to exercise the recovery plans against predetermined outcomes and to allow innovative solutions to be developed and help to verify over time that the plan will work as anticipated.

### Audit finding

As previously reported, the following deficiencies were noted with regards to the management and implementation of IT Service Continuity/ Disaster Recovery processes at the department:

- Although Disaster Recovery Plan (DRP) was developed and approved, it was noted that the DRP was not tested in the financial year under review.
- Although evidence was provided to confirm that the data on Reapatala and EPWP was backed up, the evidence provided was only for the last quarter of the financial year thus there was insufficient evidence to confirm that data was successfully backed throughout the financial year (i.e. 1 April 2021 to 31 March 2022.).
- Management had indicated that the data restoration tests were performed on a weekly basis however only the restoration test for the last quarter were provided thus there was insufficient evidence to confirm that the control was effectively implemented throughout the financial year.
- A SITA report for all backup replications to the offsite for the period under review (01 April 2021 to 31 March 2022) was requested and only a report that shows the replication for the last quarter of the financial year was provided. Thus there was no assurance that the backups on Reapatala and EPWP systems were consistently replicated to the offsite storage throughout the financial year.
- 

### Risk

- Without a comprehensively documented, tested, and regularly updated Disaster Recovery and Business Continuity Plan, it might not be possible to recover the key business operations; critical systems; applications; their supporting infrastructure; or networking capability. Moreover, the recovery process may possible not be, in the correct sequence and time, to ensure that the department's business operations could be sufficiently resumed at an alternative processing site without considerable loss to its financial well-being and have a negative impact on service delivery, should a disaster occur.
- Failure to ensure that backups are effectively managed may result in the inability to recover critical information systems in the event of a disaster, which may lead to financial losses and reputational damage for the department.
- Failure to ensure that regular restoration testing is performed by the department it may result in the inability to recover data that has been backed up, which may compromise



the availability of financial information, leading to financial losses and reputational damage for the department.

### Internal control deficiency

#### Financial and performance management:

Formal controls over IT Systems

- There were challenges with replication at CGO, Cape Town and SITA to DR because of bandwidth limitations.
- Also, ICT has not managed to get a new backup and recovery solution that will address the issue on testing.

### Recommendation

Management should ensure:

- That restoration tests logs are performed for all applications.
- Furthermore, they should ensure that logs for restoration tests are kept for monitoring and audit purposes.
- The DRP is periodically tested to ensure that the plan is practical regarding its execution.
- Management should consider the feasibility of increasing the network bandwidth.

### Management response

#### Management comment on audit findings:

Management partially agrees with the finding. Testing of the DR was not done but backup and restoration was done. In addition, where there were incidents of system hardware failure, ICT was able to restore 100% successfully in all cases.

**Management comment on internal control deficiencies:** Management agrees with the ICD.

**Management comment on recommendations:** Management agrees with the recommendations.

**Remedial actions:** A new backup and recovery solution has been implemented and will address the issue of testing.

What actions will be taken:	By whom:	By when:
backup restoration testing	Pakiso Mphuthi and the backup team.	June 2022

### Auditor's conclusions



The management comments are noted and acknowledged. The evidence of backups taken offsite was received and it was noted that the evidence was not for the full financial year as such the finding remains. The findings of the DRP not being tested and backup restoration testing not being performed will remain as the evidence provided was assessed and was found to be insufficient to address the finding as such this finding is not addressed.