

Auditee: Matjhabeng Local Municipality

Communications register

Date 26-Feb-20

Issued, not due		43
Overdue		9
Received		168
Late response		47
Resolved		57
Not issued		0
Withdrawn		3
Closed		0
Total		220



Communicati on #	iss	Description	Audit report matter	Management report matter		Date Issued	Date Due	Date Responded	Status	Was response received on time	Resolved, Not resolved or partially resolved	Auditors Response where not resolved	Days Late
1	2	(RESOLVED) Requested Information not submitted (General Planning)				25-Oct-19	01-Nov-19	04-Nov-19	Received	No	Resolved	Management submitted all the information	3
2	3	(RESOLVED) Requested Information relating to internal audit not submitted				25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Resolved	Management submitted all the information	0
3	4	Annual Financial Statements not submitted within two months after financial year	X	X		25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Not resolved	Management acknowledges the finding therefore the finding remains	0
4	5	(RESOLVED) Requested Information relating to Human Resource Management not submitted				25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Resolved	Management submitted all the information	0
5	6	No Performance agreements and evaluations for employees below sec57		X		25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Not resolved	Management acknowledges the finding therefore the finding remains	0
6	8	Requested information RFI 10 not submitted		X		25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Partially resolved	Management did not submit ARMs contract	0
7	13	Requested information relating to consequence management not submitted		X		31-Oct-19	06-Nov-19	07-Nov-19	Received	no	Partially resolved	Management did not submit the following: - Any investigation report (for cases reported to SAPS).	1
8	10	(RESOLVED) Requested cash and bank not submitted				25-Oct-19	01-Nov-19	01-Nov-19	Received	Yes	Resolved	Management submitted all the information	0
9	11	AOPO Key performance indicators not defined	X	X		14-Nov-19	20-Nov-19	28-Nov-19	Received	no	Not resolved	Management requested a workshop with the Audit team	8
10	16	(RESOLVED) AOPO Limitation				04-Nov-19	11-Nov-19	07-Nov-19	Received	Yes	Resolved	Management submitted all the information	0
11	18	(RESOLVED) Key management qualifications and experience				04-Nov-19	11-Nov-19	12-Nov-19	Received	No	Resolved	Management submitted all the information	1
12	28	Declaration of interest -Audit committee		X		14-Nov-19	20-Nov-19	17-Dec-19	Received	No	Not resolved	The declaration of interest for the other 3 audit committee members are still outstanding.	27
13	29	Declaration of interest - Section 57 Managers and council		X		14-Nov-19	20-Nov-19	18-Nov-19	Received	Yes	Partially resolved	Council Declaration of interest for 2017/18 still outstanding	0
14	20	No disciplinary board committee for 201819		X		22-Nov-19	27-Nov-19	28-Nov-19	Received	No	Not resolved	Management agrees with the finding, its yet to appoint a disciplinary board committee	1
15	27	High Level review of the annual financial statements	X			22-Nov-19	27-Nov-19	28-Nov-19	Received	No	Not resolved	Management agrees with findings, adjusted AFS awaited.	1
16	14	Employee Costs - High level of Vacancy rates		X		25-Nov-19	02-Dec-19	10-Dec-19	Received	No	Not resolved	Management agrees with finding	8
17	19	(RESOLVED) Employee Cost. There was no Performance agreement for the Municipal Manager and the CFO				25-Nov-19	02-Dec-19	28-Nov-19	Received	Yes	Resolved	Management submitted all the information	0
18	22	(RESOLVED) No Interview reports for the shortlisted people for interviews				25-Nov-19	02-Dec-19	03-Dec-19	Received	No	Resolved	Management submitted all the information	1
19	24	(RESOLVED) Employee costs Executive director position not re-advertised				25-Nov-19	02-Dec-19	03-Dec-19	Received	No	Resolved	Management submitted all the information	1
20	30	Employee Costs there is no performance appraisals for s57 Employees		X		25-Nov-19	02-Dec-19	10-Dec-19	Received	No	Not resolved	Management agree with finding	8
21	25	Payables (non- compliance)		X		25-Nov-19	02-Dec-19	02-Dec-19	Received	Yes	Not resolved	Management agrees with finding	0
22	1	Internal control deficiencies identified during planning		X		26-Nov-19	03-Dec-19	03-Dec-19	Received	No	Not resolved	Management responses was evaluated, all information was provided was assessed except for these internal control deficiencies: 1. The organisational structure has not been approved by Council. 2. The action plan of Matjhabeng Local Municipality was inadequate and it did not address the internal control deficiencies as identified in previous years by the AGSA and internal auditors	0
23	9	(RESOLVED) Limitation of scope (Capital assets)				04-Dec-19	09-Dec-19	11-Dec-19	Received	No	Resolved	Management submitted all the information	2
24	32	(RESOLVED) Internal Audit function (Non-Compliance)				04-Dec-19	09-Dec-19	18-Dec-19	Received	No	Resolved	Management submitted all the information	9
25	43	(RESOLVED) Information requested not submitted - Contracted Services				04-Dec-19	09-Dec-19	11-Dec-19	Received	No	Resolved	Management submitted all the information	2
26	44	Information requested not submitted - General Expenses		X		04-Dec-19	09-Dec-19	12-Dec-19	Received	yes	Partially resolved	Auditor's conclusion Management did submit information subsequently. It should however be noted that there are still items outstanding.	3
27	45	Information requested not submitted - Repairs and Maintenance				04-Dec-19	09-Dec-19	11-Dec-19	Received	No	Resolved	Management submitted all the information	2
28	46	Information requested not submitted - Additional Contracted Services				04-Dec-19	09-Dec-19	11-Dec-19	Received	yes	Resolved	Management submitted all the information	2
29	47	Information requested not submitted - Data Requested		X		04-Dec-19	09-Dec-19	10-Dec-19	Received	No	Not resolved	Management did not submit the information on the RFI	1
30	42	Information requested not submitted - Consultants		X		04-Dec-19	09-Dec-19	12-Dec-19	Received	No	Not resolved	Management submitted all the information	3
31	34	(RESOLVED) Information requested not submitted - Employee Cost				04-Dec-19	09-Dec-19	09-Dec-19	Received	Yes	Resolved	Management submitted all the information	0

32	26	Information requested not submitted - Petty Cash		X		04-Dec-19	09-Dec-19	10-Dec-19	Received	No	Not resolved	Management agrees with finding	1
33	52	Information requested not submitted - Payables		X		06-Dec-19	10-Dec-19	11-Dec-19	Received	No	Not resolved	Management submitted all the information except for item 4 - Restatement journal amounting to R17 237 703	1
34	51	Information requested not submitted - Going Concern		X		06-Dec-19	10-Dec-19	12-Dec-19	Received	Yes	Not resolved	Management did not submit the appropriate assessment	2
35	50	(RESOLVED) Information requested not submitted - VAT				09-Dec-19	12-Dec-19	17-Dec-19	Received	No	Resolved	Management submitted all the information	5
36	48	Subsequent Events not correctly disclosed		X		09-Dec-19	12-Dec-19	12-Dec-19	Received	Yes	Not resolved	Management agrees with the finding therefore the finding remains. We will wait for the adjusted financial statements to evaluate further.	0
37	49	Consultants Discrepancies identified (Internal Control)		X		09-Dec-19	12-Dec-19	18-Dec-19	Received	No	Not resolved	Management response received and assessed. The following was concluded: 1.Management did not specify whether they agree or disagree. They indicated that they have not re-appointed HR consultants that were there in the prior year . Management however did not indicate if they do have a policy in place for consultants. Matter therefore remains 2.Management did not specify whether they agree or disagree. The response did not address the finding. Matter still remains.	6
38	60	(RESOLVED)Information requested not submitted - Deviations				17-Dec-19	20-Dec-19	19-Dec-19	Received	Yes	Resolved	Management submitted all the information	0
39	54	Information requested not submitted - Competitive Bidding	X			18-Dec-19	06-Jan-20	19-Dec-19	Received	Yes	Partially resolved	We acknowledge receipt of management response and is responded to as follows:  CHIPPA WASTE MANAGEMENT BULK WATER PURCHASES 10114471 CHIPPA WASTE MANAGEMENT 869 565,22 The cession agreement between Chippa Waste Management and F N Khosana Transport & Construction was inspected. Note is taken of bid 20/2015 which management indicates the cession relates to and we have confirmed that the award that was audited in prior years is that of Mphephetwa Trading and not of F N Khosana.  Submitted as well is the file of FN Khosana which includes only the documents F N Khosana and the BEC and BAC minutes. This therefore places a limitation in the audit of the procurement process that was followed as information of the other bidders was not submitted. This matter is not resolved  ETSHO CIVILS C&PS: B&A PROJECT MANAGEMENT 10116899 ETSHO CIVILS 422 394,92 Management has indicated that proper procurement processes were not followed for this appointment. However, no information was submitted to confirm procurement process followed. This matter therefore remains unresolved as the requested information was not submitted to audit the procurement process that was followed  LITEGREEN C&PS: B&A BUSINESS & FIN MANAGEMENT 10116916 LITEGREEN 1 304 347,83 The file of Litegreen Annasa JV was submitted. The BEC and BAC minutes were also submitted. No other procurement information was submitted. Thus placing a	0
40	Several	Information requested not submitted - ISA		X		12-Dec-19	18-Dec-19						0
41	53	Information requested not submitted - Government Grants				18-Dec-19	06-Jan-20	18-Dec-19	Received	Yes	Resolved	Management submitted all the information	0
42	57	Information requested not submitted - Quotation				18-Dec-19	06-Jan-20	19-Dec-19	Received	Yes	Resolved	No formal response was received from management. However, the information was subsequently submitted to the office of the Auditor General. Therefore, this finding has been resolved	0
43	55	Information requested not submitted - Follow up on contracted services		X		18-Dec-19	06-Jan-20	20-Dec-19	Received	Yes	Partially resolved	Management submitted all the information except the follow up on a moon and earth trading and projects, and Jager Tech	0
44	78	(RESOLVED) Information requested not submitted - Property Rates (Journals)				18-Dec-19	06-Jan-20	20-Dec-19	Received	Yes	Resolved	Management submitted the information	0
45	56	Information requested not submitted - Key projects		X		18-Dec-19	06-Jan-20		Received		Partially resolved	Still information not submitted, schedule sent to client	0
46	58	Revenue- Estimates provided not reliable	X			07-Jan-20	20-Jan-20		Overdue	YES	Not resolved	Management provided the auditors with the response to the finding as above. These responses were evaluated as follows  1. Management indicated that readings for the following meters could not be obtained due to lack of entry to the respective premises or access not permitted, however; there is no clear indication of the reasonable steps management took to obtain the actual readings for the period of 12 months. The finding therefore remains. Management's reasons Count of Account Number Entry refused 456 No access 57 Property locked 4 402  2. The following reasons provided by management for charging estimates were considered to be within the control of the municipality and therefore the municipality had adequate time during the 2018/19 financial year to obtain the actual meter readings and therefore the finding remains. The following bears reference:  Management's reasons Count of Account Number Auditor's assessment Bees 18 Considered to be within the control of the municipality. The municipality can safely remove the bees (eg: fumigation process) Defective 85 Considered to be within the control of the municipality as the there was a sufficient period of time during the 2018/19 financial year for the municipality to replace or fix the defective meters Dogs 455 The reason provided does not substantiate not obtaining an actual reading for the respective premises over a period of 12 months. Duplicate number 461 The reason provided does not substantiate not obtaining an actual reading for the respective premises over a period of 12 months. Flooded 1 814 Considered to be within the control of the municipality as the there was a sufficient period of time during the financial year for the municipality to obtain an actual reading subsequent to the flooding Leaking at jw 336 Considered to be within the control of the municipality as the there was a sufficient period of time during the 2018/19 financial year for the municipality to replace or fix the leaking meters Meter face down 152 Considered to be within the control of the municipality as the there was a sufficient period of time during the 2018/19 financial year for the municipality to replace or fix the meters Meter obstructed 4 005 Considered to be within the control of the municipality as the there was a sufficient period of time during the 2018/19 financial year for the municipality to replace or fix the obstructed meters Meter reading changes 118 The reason provided does not substantiate not obtaining an actual reading for the respective premises over a period of 12 months. New service meter 1 The reason provided does not substantiate not obtaining an actual reading for the respective premise over a period of 12 months as a new meter was installed No meter - cut-off 2 832 Considered to be within the control of the municipality as the there was a sufficient period of time during the 2018/19 financial year for the municipality to replace meters cut-off	0
47	33	Information requested not submitted - AOPO		X		19-Dec-19	07-Jan-20		Closed			Management did not respond to finding, finding closed.	0
48	80	Information requested not submitted - AOPO Portfolio of Evidence	X			08-Jan-20	14-Jan-20	13-Jan-20	Received	Yes	Partially resolved	Management did not submit all the information related to the indicators. (Files outstanding 43 - 63)	0
49			Not issued										0
50	31	Information requested not submitted -Irregular Expenditure				08-Jan-20	14-Jan-20	14-Jan-20	Received	Yes	Resolved	Management submitted the information	0

51	7	Audit Committee not functioning adequately.		X		08-Jan-20	15-Jan-20	16-Jan-20	Received	No	Not resolved	Management agreed with the finding, therefore the finding remains.	1
52	84	Procurement competitive bidding process not followed				08-Jan-20	15-Jan-20	14-Jan-20	Received	Yes	Resolved	Matters from this finding will be addressed under CAF 39 as the issues included in this finding were responded to by management under CAF 39.	0
53	85	Transport asset: Assets could not be verified (Limitation of scope)				27-Jan-20	03-Feb-20	11-Feb-20	Received	No	Resolved	This finding is therefore resolved.	8
54	86	Infrastructure assets: Assets could not be verified (Limitation of scope)				27-Jan-20	03-Feb-20	12-Feb-20	Received	No	Resolved	Information was received, therefore the finding has been resolved.	9
55	87	Other movable assets: Assets could not be verified (Limitation of scope)				27-Jan-20	03-Feb-20	03-Feb-20	Received	Yes	Resolved	Information was received, therefore the finding has been resolved.	0
56	88	Infrastructure asset (additions): Asset could not be verified (Limitation of scope)				27-Jan-20	03-Feb-20	11-Feb-20	Received	Yes	Resolved		8
57	89	Landfill site: Asset could not be verified (Limitation of scope)				27-Jan-20	03-Feb-20	03-Feb-20	Received	Yes	Resolved		0
58	100	Information requested not submitted - employee cost - rental agreements				10-Jan-20	17-Jan-20	16-Jan-20	Received	Yes	Resolved	Information was received, therefore the finding has been resolved.	0
59	101	Information requested not submitted - Rental Agreements				10-Jan-20	17-Jan-20	16-Jan-20	Received	Yes	Resolved	Information was received, therefore the finding has been resolved.	0
60	PI	Property plant and equipment- Mmamahabane fire station was not secured and vandalized		X		22-Jan-20	29-Jan-20		Closed			Management did not respond to finding, finding closed.	0
61	PI	Work in progress- Installation of zonal meter and valve: Delay of project and advance payment made to contractors.		X		22-Jan-20	29-Jan-20		Closed			Management comments are noted and the project will be followed up in the new year to determine if completed and if contractors were not overpaid  The finding will remain as an internal control deficiency ANNEXURE A	0
62	PI	Follow up findings T16 findings and witpan		X		22-Jan-20	29-Jan-20		Closed			Management did not respond to finding, finding closed.	0
63	90	Procurement: Less than three quotes were obtained	X			22-Jan-20	29-Jan-20	29-Jan-20	Received	No	Not resolved	Management response was received on the 03 February 2020. The auditors inspected procedure 14, paragraph 7.3.3 of the MFMA circular no 87 as indicated by management. Management should be advised that this procedure was derived from regulation 18(a) of the municipal supply chain management regulations, which states that A supply chain management policy must determine the procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, and must stipulate that all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of the municipality or municipal entity. As a result, regulation 17c should have still been applied by management in an event that it was not possible to obtain three quotes, which indicates that reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer. Therefore, this finding remains and will be reported on accordingly.	0
64	112	(RESOLVED) Procurement: No declaration of interest was submitted by the winning bidder				22-Jan-20	29-Jan-20	29-Jan-20	Received	No	Resolved	Management response received with information, therefore communication is resolved.	0
65	110	Procurement: Limitation of scope. CSD compliance reports not submitted.	X			22-Jan-20	29-Jan-20	29-Jan-20	Received	No	Partially resolved	Management did not submit all the information outstanding	0
66	113	Procurement: Limitation of scope-payment vouchers	X			22-Jan-20	29-Jan-20		Received	No	Partially resolved	Some of the information has been received and there is information outstanding.	0
67	92	(RESOLVED) Procurement: Quotes obtained from suppliers who are not registered on NT database				22-Jan-20	29-Jan-20	29-Jan-20	Received	No	Resolved	Management response received, therefore communication has been resolved.	0
68	116	Procurement: Incorrect bidder selected	X			22-Jan-20	29-Jan-20		Closed			No management response was received on the 29 January 2020 which was the due date of this communication of audit findings. Therefore, no further information will be accepted and management should consider implementing the recommendations provided by the auditors. This finding has been closed.	0
69	109	Property, Plant and equipment: WIP - Differences between the WIP register and amount disclosed on the annual financial statements		X		24-Jan-20	31-Jan-20	03-Feb-20	Received	Yes	Not resolved	Management comments noted, For No. 1 and 3 the adjusted annual financial statements will be reviewed for the adjustments.  For No.2 the finding is on prior year adjustment on R1 232 013.00 and not on the R2 938 708.00 this finding will remain and will reported on the management report.	3
70	107	Venter fire station Projects RFI - Key Projects - Requested information not submitted		X		24-Jan-20	31-Jan-20	03-Feb-20	Received	Yes		Management response has been received. Awaiting assessment from auditor	3
71	126	VAT Receivable: Late Submissions of VAT returns		X		27-Jan-20	03-Feb-20	29-Jan-20	Received	No	Not resolved	Management response has received, management agrees with the finding. Therefore the finding remains.	0
72	129	Requested information not submitted (RFI 88 - Irregular expenditure)				27-Jan-20	03-Feb-20	31-Jan-20	Received	No	Resolved	Management submitted all the information.	0
73	127	Contracted Services journal - Requested information not submitted		X		24-Jan-20	31-Jan-20	29-Jan-20	Received		Partially resolved	Some of the information has been received, but however there is still information outstanding. 2 invoices of Hill McHardy	0
74	97	AoPO - Difference identified between APR and reports/register/list	X			29-Jan-20	05-Feb-20	04-Feb-20	Received	No	Not resolved	Management response has been received and agreed to the finding. The matter will be reported on in the audit report.	0
75	PI	Work in progress: Kutwanong Outfall Sewer		X		29-Jan-20	05-Feb-20	10-Feb-20	Received	No	Not resolved	Management comments are noted and the matter will be followed in the next year. The finding will remain as internal control deficiency	5
76	128	Employee cost: Trade Payables - Salary Control Account Requested information not submitted				30-Jan-20	06-Feb-20	29-Jan-20	Received	No	Resolved		0
77	130	CAF No 77 of 2020 - VAT Receivable Limitation of scope on RFI 93	X			30-Jan-20	06-Feb-20		Received	No	Not resolved	One payment is still outstanding (Flight Special)	0
78	108	Property rates Supplementary valuation roll	X			30-Jan-20	06-Feb-20	06-Feb-20	Received	No	Partially resolved	Management response noted, Management has provided us with the following information:  • The qualifications and the CV of the valuer • A letter from the valuer stating that they prepared the supplementary roll of the Department of Public works' properties and the date in which the supplementary roll came into effective.  However, we did not receive any evidence that indicates that the Department of Public Works instructed the municipality to revalue its property.  A correspondence between the Department of Public Works and the Municipality came to the attention of the auditors, where the Department of Public Works disputed the values. We identified other inconsistencies in the correspondence, such as:  • The details (qualification and CV) of the valuer submitted by management and the valuer included in the correspondence with the Department of Public Works are different. Management provided the qualifications and CV of Mr Nqole Arther Lelosa and in the valuation report that was attached to the correspondence with the Department of Public Works, the valuer that signed off is Mr Andrew Lethake.  • On December 2018, the valuation of the property was not yet complete, however management indicated that the supplementary roll came into effect from 1 July 2018.  • The auditors through enquiry with the Manager of Revenue at the municipality on the 13th of February 2020 were told that the Department of Public Works instructed the municipality to revalue its properties and evidence of that instruction was going to be provided to the auditors, however evidence included in a letter addressed to the municipality from the Department of Public Works gives indications that the Department of Public Works disputed the valuation of the properties and also that the property rates list was being investigated by the Department of Public Works.  Therefore, no reliance can be placed on the supplementary roll related to the Department of Public Work's properties and. In that case, the finding remains and will be reported in the auditor's report.	0
79	131	Employee related Costs Overtime Payments Limitation of scope				30-Jan-20	06-Feb-20	12-Feb-20	Received	Yes	Resolved		6
80	143	Operating Expenditure (Meter reading) - Classification of expenditure		X		30-Jan-20	06-Feb-20	05-Feb-20	Received	No	Partially resolved	The response from management has been analysed and concluded as follows:  1. Management acknowledged the finding; however, no indication was provided that the necessary correction will be made. Although both votes relate to contracted services, this transaction should be reallocated from the sub-line item "Meter reading services" under contracted services in note 35 to "Professional services". This finding therefore remains 2. Management disagreed with the finding. Inspected the journal entry 1819June107 submitted and confirmed that the transaction was reallocated to repairs and maintenance. This finding is therefore resolved 1.3. Management disagreed with the finding. Inspected the journal entry 1819June107 submitted and confirmed that the transaction was reallocated to consumables. This finding is therefore resolved 2.4. Management acknowledged the finding; however, no indication was provided that the necessary correction will be made. Although both votes relate to contracted services, this transaction should be reallocated from the sub-line item "Meter reading services" under contracted services in note 35 to "Professional services". This finding therefore remains	0
81	WITHDRAWN								Withdrawn				
82	94	Interest received - Rental interest incorrectly charged to property not in the name of the municipality		X		31-Jan-20	07-Feb-20	07-Feb-20	Received	yes	Not resolved	Management agrees with the finding, therefore the finding will remain and will be reported in the management report.	0

83	98	Payables: Eskom and Sedibeng accounts - Differences identified	X			31-Jan-20	07-Feb-20	07-Feb-20	Received	yes	Not resolved	Management submitted the Eskom and Sedibeng reconciliations/workings for the year ended 30 June 2019. These schedules were evaluated and the following conclusions were reached: a) Sedibeng Account: Management should submit the Sedibeng statement after year end (July 2019) to the auditors that will reflect the true billing for the for period 27 June 2019-27 June 2019. This billing will enable the auditor to determine the billing for the period 27 June 2019-30 June 2019. b) Eskom Account: It is management's responsibility to ensure that the statements that they receive and accept from Eskom is a true reflection of the balance outstanding. There is also no evidence that management has raised concerns with regards to the outstanding balances as per the Eskom statements. Based on the evaluations above, the finding remains and management should ensure that the appropriate supporting documentation is submitted to the auditors by 17th February 2020.	0
84	133	VAT Receivable: Input VAT claimed with an invalid invoice		X		31-Jan-20	07-Feb-20	07-Feb-20	Received	yes	Not resolved	Management acknowledged the finding. Inspected the invoice submitted by management and it could be confirmed that VAT was incorrectly. (Management used 13% to calculate VAT)	0
85	120	Expenditure (Legal services) - Incorrect classification	X			31-Jan-20	07-Feb-20	10-Feb-20	Received	No	Partially resolved	1. Management disagreed with the finding. Inspected journal entry 1819June107 and confirmed that the entry was reallocated to insurance. The finding is therefore resolved 2. Management acknowledged the finding; however, no indication was provided that the necessary correction will be made. Although both votes relate to contracted services, this transaction should be reallocated from the sub-line item "Legal Services" in note 35 as this is not a legal service transaction. This finding therefore remains. 3. Management acknowledged the finding; however, no indication was provided that the necessary correction will be made. Although both votes relate to contracted services, this transaction should be reallocated from the sub-line item "Legal Services" in note 35 as this is not a legal service transaction. This finding therefore remains. 4. Management disagreed with the finding. Inspected the general ledger and confirmed that the entry was cancelled and therefore the effect will be Nil. This finding is therefore resolved. 5. Management disagreed with the finding. Inspected journal entry 1819June76 and confirmed that the transaction was reallocated. Therefore, the finding has been resolved. 6. Management disagreed with the finding. Management stated that the transaction was reallocated by means of journal entry 1819June100, however this journal was not provided. Followed up with Mothusi on 11/02/2020 who indicated that he would get back to me. The finding therefore remains. 7. Management acknowledged the finding; however, no indication was provided that the necessary correction will be made. Although both votes relate to contracted services, this transaction should be reallocated from the sub-line item "Legal Services" in note 35 as this is not a legal service transaction. This finding therefore remains. Projected error of R27 481 074.38 remains.	3
86	121	Expenditure (Legal services) - Limitation of scope				31-Jan-20	07-Feb-20	10-Feb-20	Received	No	Partially resolved	Management submitted all the information	3
87	148	Awards made to suppliers that are not tax compliant		X		31-Jan-20	07-Feb-20	10-Feb-20	Received	No	Not resolved	Management response is noted as received on the 10 February 2020 and the auditors would like to response as follows:  Item 1 Motsewarona construction and maintenance  The approval to appoint the supplier was done on the 25th January 2019 which is the date that the municipality noted that the supplier is not tax compliant. 7 working days ended on 5 February 2019 and the supplier was still non-tax compliant. The transaction went through and the official purchase order was made on the 7 February, the date which the supplier was still not tax compliant.  Item 2 Sompema Trading Enterprise  Management agrees with the finding and the matter will be considered accordingly  Item 3 1st and 2nd correct civil and construction (PTY) LTD  The purchase order went through without the approval. On the 20 September the order was created, the supplier was not tax compliant and no evidence of the tax compliance of the supplier was submitted to the auditors	3
88	118	Revenue Government grants and subsidies - Presentation and disclosure		X		03-Feb-20	10-Feb-20	07-Feb-20	Received	yes	Not resolved	1. Management did not obtain the required roll-over from the relevant treasury and at this stage the unspent portion has turn into a payable and management is required to pay back the money to the relevant treasury. Which means the money have moved from being a conditional grant to "amounts owed to treasury". 2. The amount for equitable share was reduced by the unspent portion, however the unspent portion was already spent in the 2017/18 financial year and it cannot be recognised as revenue in the 2018/19 financial year.	0
89	WITHDRAWN								Withdrawn				0
90	146	Limitation of Scope - Consumer Deposits		X		04-Feb-20	11-Feb-20	07-Feb-20	Received	yes		Still assessing the information received therefore it is not yet resolved	0
91	136	Payables - Payments received in advance overstated		X		04-Feb-20	11-Feb-20	11-Feb-20	Received	yes	Partially resolved	Management's response has been noted. Management submitted a schedule showing a calculation of the debit balances amounting to R2 906 354.32 as indicated in the managements response. The auditors performed recalculations and arrived at the same conclusions as management. Debit balances amounting to R2 893 423.82 were identified by the auditor. Therefore, the finding is partially resolved. Management should investigate the debit balances amounting to R2 893 423.82.	0
92	135	Receivables from exchange transaction (Rental): Rental agreement not submitted	X			04-Feb-20	11-Feb-20	11-Feb-20	Received	yes	Not resolved	Auditor's conclusion Management response noted, Management partially agrees with the finding. Therefore the finding remains	0
93	150	Use of consultants - Information requested not submitted		X		04-Feb-20	11-Feb-20	10-Feb-20	Received	yes	Partially resolved	Management's response has been noted. Management submitted the following information after communication 93 was issued: -Amounts paid to consultants during the year under review. -Amounts included as a payable as at year end. -Appointment letters and service level agreements for consultants responsible financial reporting services. -The case number and affidavit with regard to the Solar system hacking reported.  Management however failed to provide the auditors with the following information: -Appointment letters and service level agreements for consultants responsible IT related services (including MSCOA).  Failure by management to submit the outstanding information will result in a limitation.	0
94	EA	Matjhabeng Communication of Audit Findings No. 94 - 2020 (Environmental Audit)		X		04-Feb-20	11-Feb-20	11-Feb-20	Received	yes		Still assessing the information received therefore it is not yet resolved	0
95	155	Information requested not submitted - General Expenses (Follow up)	X			04-Feb-20	11-Feb-20	11-Feb-20	Received	yes	Partially resolved	Management did not submit all the information: Free State Provincial Government is still outstanding	0
96	152	Payables - Limitation of Scope	X			04-Feb-20	11-Feb-20	11-Feb-20	Received	yes	Not resolved	Management did not submit all the information (4 payments are still outstanding)	0
97	82	AoPO - Usefulness - Prior year figures and performance procedures	X			05-Feb-20	12-Feb-20	05-Feb-20	Received	Yes	Not resolved	Management response has been received and taking note of paragraph 2 of the management response, management agrees to the finding and it remains.  On the second issue of measures taken to improve performance, the finding remains with the exception of BS 58 which was correctly quoted as an oversight on the part of auditors.	0
98	38	Expenditure - Difference between 2018 Restated Balance and Note 46	X			05-Feb-20	12-Feb-20	11-Feb-20	Received	yes	Not resolved	Management acknowledges the finding, auditor is waiting for the adjustments.	0
99	151	Payables (Completeness) - Limitation of Scope				05-Feb-20	12-Feb-20	10-Feb-20	Received	Yes	Partially resolved		2
100	132	Property, plant and equipment Differences between asset register and the amounts on the annual financial statements		X		05-Feb-20	12-Feb-20	12-Feb-20	Received	Yes	Not resolved	Management acknowledges the finding, auditor is waiting for the adjusted asset register.	0

101	149	VAT Receivable: VAT inputs and outputs in the VAT201 do not agree with amounts in the general ledger	X			05-Feb-20	12-Feb-20	12-Feb-20	Received	Yes	Not resolved	Management response is noted Through a discussion with Fezi consultant on the 17th February 2020 the following were some of the reasons provided for the differences in the GL and the VAT201: * Sedibeng Water transactions that were regarded as having being paid whilst they were not and input VAT being claimed and overstated * Payments made through the bank being reconciled after the date of submission of the VAT201  As these journals stand above the municipality did not provide sufficient evidence that supports these journals such as invoices or contracts. Furthermore, management has provided journals on VAT determination without support that corroborates what payments were made and received during the year which enables us to assess: 1. VAT was correctly calculated at 15%. 2. VAT was correctly accounted for based example for standard rate supplies 3. VAT was correctly recognized for suppliers and payments made to registered VAT vendors. 4. VAT was correctly recorded for the payments made and received in the current financial year. 5. To determine the total amount including VAT 6. To recalculate and determine that VAT was accounted for correctly  Through considerations above the municipality does not have a properly management system of determining VAT accruals and of those accruals how much has been paid.  This finding is therefore not resolved. The difference reported has a material impact.	0
102	125	Rental Agreements not signed by a lessor		X		05-Feb-20	12-Feb-20	12-Feb-20	Received	Yes	Not resolved	Till the contract has been signed by the MM, the contracts may still be seen to be invalid and not binding due to the fact that the other party to the contract had not signed. Therefore, the control finding remains and is not resolved.	0
103	158	Roads infrastructure: No approved priority list		X		06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes	Not resolved	Management agrees with the audit finding.	0
104	140	Procurement: disqualified bidders	X			06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved Management's response has been noted.	0
105	171	Employee Cost - Employees not verified	X			06-Feb-20	13-Feb-20	25-Feb-20	Received	No	Partially resolved	The RFI for physical verification was sent on the 19th December 2019 and as a result of this, management had more than enough time to ensure that employees were contacted and availed themselves for verification purposes. However, the following employees did not avail themselves for verifications:  1. New Appointed employee No Initials & Surname Employee Number 1 MOFOKENG DM 150488 2 MOLOI NN 150489 3 MASOKELA BF 150499  2. The Old Employees No Initials & Surname Employee Number 1 THUTHELLO MH 110009 2 WH SMIT 110313  Therefore, based on the above mentioned, the finding is partially resolved and the error amount of the basic salary will be projected and reported on.	12
106	170	Contracted Services Follow Up: Limitation of scope		X		06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes	Not resolved	Management acknowledged the finding	0
107	95	Deviations above R200 000 not in accordance with SCM regulation 36	X			06-Feb-20	13-Feb-20		Closed				0
108	169	Finance Cost Follow Up: Limitation of Scope				06-Feb-20	13-Feb-20	10-Feb-20	Received	Yes	Resolved		0
109	168	Repairs and Maintenance - Incorrect classification				06-Feb-20	13-Feb-20	12-Feb-20	Received	Yes	Resolved		0
110	167	Information requested not submitted - Repairs and Maintenance (Follow up)				06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes	Resolved		0
111	166	Information requested not submitted - General Expenses (Follow up of prior year)				06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes	Resolved		0
112	154	Investment Property: Municipal properties not identified on investment property				06-Feb-20	13-Feb-20	13-Feb-20	Received	Yes	Resolved		0
113	74	Expenditure - Payments not made within 30 days		X		06-Feb-20	13-Feb-20	17-Feb-20	Received	No	Not resolved	Management acknowledged the finding therefore the finding remains	4
114	157	Revenue (Service charges) - water and electricity (Cut off)		X		06-Feb-20	13-Feb-20	12-Feb-20	Received	Yes	Not resolved	Management response noted, auditors disagree, however upon making the reading the actual readings should be apportioned to the years in which the charges belong. Therefore, the finding is remains	0
115	156	Payables from exchange transactions (Limitation)	X			07-Feb-20	14-Feb-20		Closed				0
116	83	AoPO - Consistency between SDBIP and APR	X			07-Feb-20	14-Feb-20		Closed				0
117	175	Land and buildings - Property in the name of Municipality not included in the investment register or land and building register				07-Feb-20	14-Feb-20	13-Feb-20	Received	Yes	Resolved		0
118	176	Transport assets - Difference in condition		X		07-Feb-20	14-Feb-20	13-Feb-20	Received	Yes	Not resolved	Management acknowledges the finding therefore the finding remains	0
119	177	Investment Property - Difference in valuation amount	X			07-Feb-20	14-Feb-20		Closed				0
120	178	Investment Property - Property identified which is not in the name of Municipality				07-Feb-20	14-Feb-20	12-Feb-20	Received	Yes	Resolved		0
121	179	Investment Property - Items could not be traced to valuation roll				07-Feb-20	14-Feb-20	12-Feb-20	Received	Yes	Resolved		0
122	75	General Expenditure - Incorrect Classification		X		11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes	Not resolved	Management's response was noted. Note 36 to the Annual Financial Statements should be amended to correct the presentation and disclosure issue communicated to management. This issue therefore remains.	0
123	114	General Expenditure - Occurrence				11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes	Resolved		0
124	134	Remuneration of councillors		X		11-Feb-20	18-Feb-20	12-Feb-20	Received	Yes	Resolved		0
125	105	Contracted Services (Professional Services)		X		11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes	Partially resolved	Managements response has been evaluated and concluded as follows: 1. Performed a VAT vendor search on the VAT number per the invoice (4000142663) and confirmed that the invoice number on the tax invoice is not that of Matjhabeng. This finding is therefore resolved 2. A new invoice was submitted by management which agreed to the payment voucher. This invoice will not be accepted as the fees on the new invoice differs to that on the original submission. The impact of this finding is however below triviality and therefore will no longer be communicated	0
126	124	Expenditure (Legal Services)	X			11-Feb-20	18-Feb-20	17-Feb-20	Received	Yes	Not resolved	Managements response has been evaluated and concluded as follows:  Management did not provide the payment voucher for the original invoice dated 06/08/2019 in order for us to corroborate that these were two separate valid transactions.	0
127	164	Expenditure (Security) - Cut off	X			11-Feb-20	18-Feb-20	19-Feb-20	Received	No	Not resolved	Managements response has been evaluated and concluded as follows: Management has stated that these were payments made towards a court order settlement however the court order was not provided to corroborate managements response. Furthermore, management did not provide a breakdown of payments made towards the settlement in order for us to confirm the total payment and corroborate this to the settlement. Finding therefore remains.	1



128	201	Procurement - Limitation of scope (RFQ specific selection)	X			11-Feb-20	18-Feb-20	19-Feb-20	Received	Yes	Partially resolved	<p>Management response is noted. The information was subsequently received and audited accordingly. All matters addressed accept for the following:</p> <p>Item1: Carrus Information technology From the information that was now provided the following is still not evident and compliance can thus not be adequately considered.</p> <ul style="list-style-type: none"> <li>• The municipality has demonstrated the benefits and discounts of participating in the contract.</li> <li>• That the prices paid are the same as the original contract</li> <li>• The municipality did not procure beyond the scope of the original contract. The original contract was for a period of 36 months and came to an end in May 2018, whilst the municipality is still participating in the contract. The original appointment letter for the service provider did not specify a contract term.</li> <li>• Due to the lack of adequate contract management processes we are not able to confirm whether the total payments made have exceeded the contract scope</li> <li>• Management has not provided adequate motivation as to why they participated in the contract rather than follow own procurement.</li> </ul> <p>The municipality does not have adequate processes in place to ensure that the contract was not identified as irregularly awarded by the originating state institution.</p> <p>Item3: Cliff 28 The information provided still does not support the deviation. The reasons are not given in the submission only approval so it is not possible to consider if the reasons meet the requirements for deviations. The non- compliance is thus considered confirmed as no reasons are provided.</p>	1
129	204	Limitation of scope - declaration of interest for suppliers in service		X		11-Feb-20	18-Feb-20	19-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	1
130	203	Information Requested not submitted - UIFW Investigations	X			11-Feb-20	18-Feb-20	19-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	1
131	202	Information Requested not submitted - Fruitless and Wasteful Expenditure		X		11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes	Not resolved	Management agreed with the finding and we are waiting for the amended AFS to confirm whether Note 52 was corrected.	0
132	99	Procurement Deviations not reported to council		X		11-Feb-20	18-Feb-20	19-Feb-20	Received	No	Not resolved	<p>Management response is noted.</p> <p>Minutes of the MPAC meeting dated 31 October 2019 were not submitted and management 's comments could not be corroborated. Furthermore, there is no proof that the reports were ever prepared and tabled to council.</p> <p>Therefore, this finding is not resolved.</p>	1
133	104	Procurement Deviations : Approval	X			11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
134	138,142,144,145	Water Services Provision		X		12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
135	106,198, 199	Sanitation Services		X		11-Feb-20	18-Feb-20	18-Feb-20	Received	Yes	Not resolved	<p>Sanitation Services: Planning and budgeting for sanitation infrastructure</p> <p>1.1 Management agrees with the auditor's finding and no supporting documents were submitted to the auditors. The finding will remain, due to the following: - The Green Drop Improvement Plan of the municipality does not address the routine maintenance of sanitation infrastructure, e.g. funding, planning, backlogs etc. There is also no evidence that the plan was approved by the appropriate delegated official.</p> <p>1.2 Management agrees with the auditor's finding and no supporting documents were submitted to the auditors. The finding will remain, due to the following: - No link could be made between the Green Drop Improvement Plan and the condition assessments performed to determine if the assessments were performed in accordance with the Green Drop Improvement Plan.</p> <p>1.3 Management disagrees with the finding. Management indicated that they submitted a Memorandum from Executive Director as proof, Communication to the Different Units to submit their data of assessments done and risk assessment documents. However, no support was submitted to the auditors for evaluation. Thus, the finding remains due to the following: - The municipality did not provide the auditor with standard procedures in terms of which the condition assessments of sanitation infrastructure are done.</p> <p>Sanitation services: Evidence of licensing of waste water plants not provided Management's response has been noted. Management submitted WUL applications in response to CAF 94. The WUL applications were evaluated by the auditor and it was noted that the municipality made applications. The finding will remain, as the supporting documentation submitted to the auditors is not sufficient to provide evidence that the waste water plants of the municipality are licenced by Department of Water and Sanitation (DWS) for the period under review.</p> <p>Sanitation Services: Environmental Policy does not address identification &amp; monitoring of risk Management's response has been noted. Management agree with the auditor's findings. Also, no supporting documentation was submitted to the auditors for evaluation. The finding remains due to the following: - The Green Drop Improvement Plan of the municipality for the period under review (2018/19 financial year) does not address the identification and monitoring of environmental risks relating to waste water management.</p>	0
136	173	Expenditure (Professional Services) - Occurrence Limitation				12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes	Resolved		0
137	160	Expenditure (Meter Reading) - Occurrence Limitation		X		12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes	Partially resolved	<p>Auditor's conclusion</p> <p>1. Through inspection of the contract submitted the occurrence of the transaction could be confirmed. Finding is therefore resolved.</p> <p>2. The contract has been submitted and evaluated, however due to the fact that the system is down, we were unable to confirm that reconnections and disconnections were performed. Finding therefore remains.</p> <p>3. The contract has been submitted and evaluated, however due to the fact that the system is down, we were unable to confirm that reconnections and disconnections were performed. Finding therefore remains.</p> <p>4. The contract has been submitted and evaluated, however due to the fact that the system is down, we were unable to confirm that reconnections and disconnections were performed. Finding therefore remains.</p> <p>5. The contract has been submitted and evaluated, however due to the fact that the system is down, we were unable to confirm that reconnections and disconnections were performed. Finding therefore remains.</p> <p>6. Per managements response management have stipulated that the transaction is irregular, however this transaction has been disclosed as a contracted service even though it is irregular. Finding therefore remains</p> <p>7. Through inspection of the contract submitted the occurrence of the transaction could be confirmed. Finding is therefore resolved.</p>	0
138	123	Expenditure (Legal Services) - Occurrence Limitation	X			12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes	Partially resolved	<p>Auditor's conclusion</p> <p>Managements response has been evaluated and concluded as follows:</p> <p>1. Additional information (contract) has been submitted and evaluated. Finding is therefore resolved.</p> <p>2. Additional information (pictures) has been submitted. The information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p> <p>3. No additional information was submitted to the auditors to confirm the occurrence of this transaction. Finding therefore remains</p> <p>4. Additional information (timesheets) has been submitted. The information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p> <p>5. Additional information (court orders) has been submitted. The information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p> <p>6. Additional information (court orders) has been submitted. The information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p> <p>7. The contract has been submitted the information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p> <p>8. The contract has been submitted the information submitted has been evaluated and found to satisfactorily confirm the occurrence of the transaction. Finding is therefore resolved</p>	0
139	139	Expenditure (Security Services) - Occurrence Limitation	X			12-Feb-20	19-Feb-20	12-Feb-20	Received	Yes	Not resolved	<p>Managements response has been evaluated and concluded as follows:</p> <p>Management did not provide timesheets for voucher POR10110114751 amounting to R3 478 260.87 and the timesheets submitted for voucher POR10110113695 amounting to R1 304 347.83 did not correspond to the period stipulated on the invoices.</p> <p>Furthermore, no valid contracts were submitted for the transaction listed above. Finding therefore remains.</p>	0

140	174	Expenditure (Legal Services) - Discrepancies on VAT				12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes	Resolved		0
141	172	Expenditure (Professional Services) - Cut-off		X		12-Feb-20	19-Feb-20	19-Feb-20	Received	Yes	Not resolved	Managements response has been evaluated and concluded as follows: Management has stated that the incorrect information was submitted, however management did not provide the invoice of R3 050 000 that for which the payments were made as stipulated in the summary above. Finding will therefore remain.	0
142	212	Transport Assets - Additional Vehicle with difference in condition		X		14-Feb-20	21-Feb-20	19-Feb-20	Received	Yes	Not resolved	Management's response has been noted, however the asset in question has been allocated for repairs for a period exceeding 1-2 years, therefore no economic benefits have been derived for a long period of time, contrary to management's response. The finding therefore remains.	0
143	207	VAT Receivable: Interest and Penalties incurred		X		14-Feb-20	21-Feb-20	17-Feb-20	Received	Yes	Not resolved	Management agrees with the finding and therefore finding remains.	0
144	217	Receivables from non-exchange transactions - Interest not charged on overdue accounts	X			14-Feb-20	21-Feb-20	19-Feb-20	Received	Yes	Not resolved	Management response noted, however management need to give the auditors supporting evidence on the municipality not being allowed to charge interest on property rates. Therefore the finding remains pending evidence from management.	0
145	102	Procurement Declaration of interest (MBD4) Not submitted				14-Feb-20	21-Feb-20	17-Feb-20	Received	Yes	Resolved		0
146	103	Procurement Tax Status of suppliers awarded bids not confirmed	X			14-Feb-20	21-Feb-20	19-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
147	188	Other movable assets: Assets could not be verified (Limitation of scope)		X		14-Feb-20	21-Feb-20	19-Feb-20	Received	Yes	Partially resolved	Management response has been noted. All items could be successfully traced to the asset register, except one item as indicated below, of which management agrees with the finding:  No Asset Scan Number Room Barcode Asset Category Description Condition (Good/Fair/ Poor/Broken) 5 4423 R00190(2) Equipment Starway (Air conditioner) Good	0
148	200	Property, Plant and Equipment - WIP deficiencies in work in progress recognised	X			14-Feb-20	21-Feb-20		Overdue				0
149	208	Infrastructure assets: Existence of submerged assets		X		14-Feb-20	21-Feb-20	21-Feb-20	Received	Yes	Not resolved	Management response has been noted. The Klippan pump station has been operational since the 2013/2014 financial year and a contingent liability exists as a result of a court case between Matlabeng Local Municipality and Oppenheimer Park Golf Club relating to the maintenance of the Witpan Sewer. Klippan has been overflowing since before the 2015/2016 financial year, therefore the pump station is not in a working condition. The finding therefore remains.	0
150	209	AOPO - limitation of scope	X			14-Feb-20	21-Feb-20	21-Feb-20	Received	Yes	Partially resolved	Management's response has been noted.  The requested documents have been partially received. Refer to Annexure A for the list of documents which were not submitted with the above management response.  The documents submitted were audited and the following misstatement relating to the completeness of the indicators were identified:  Details as per annual performance report Details as per supporting documents Performance indicator/ measure Actual Achievement as per Annual Performance Report Actual Achievement Attributable as per PPIM Framework Evidence Submitted Progress of Project Actual Achievement Attributable as per PPIM Framework Difference (Understatement) PPIM % Completed - Virginia: WWTP Sludge Management Phase 1 Project at retention 95 Completion Certificate dated 2018/07/04 Completed and handed over - no outstanding items 100 -5	0
151	213	Infrastructure assets could not be confirmed		X		14-Feb-20	21-Feb-20	21-Feb-20	Received	Yes	Partially resolved	Management response has been noted. All assets have been traced to the fixed asset register except one, which has been indicated by management as nonexistent. The completeness of infrastructure assets could not be confirmed to a projected amount of R27 207 105.  The finding therefore remains.	0
152	215	Contract Management- Limitation of Scope	X			14-Feb-20	21-Feb-20	21-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
153	219	Revenue from exchange transactions (Service charges) - water and Electricity - Limitation of scope (Solar system)				14-Feb-20	21-Feb-20	21-Feb-20	Received	Yes	Resolved		0
154	218	Revenue - Conditional Grants - Transaction which did not meet the conditions of the grant.	X			17-Feb-20	24-Feb-20	25-Feb-20	Received	No		Still assessing the information received therefore it is not yet resolved	1
155	205	Rental of premises and facilities (Completeness)		X		17-Feb-20	24-Feb-20	19-Feb-20	Received	Yes	Not resolved	Management's response has been noted. The updated population relating to rental of facilities should be submitted to the auditors for further audit considerations. It should also be noted that the figures in the management response are not in agreement with the rental register including billings (which agrees to the financial statement submitted for audit).	0
156	191	Trade and Payables: Insufficient support provided for journal entry		X		17-Feb-20	24-Feb-20	25-Feb-20	Received	No	Not resolved	Management only provided a breakdown schedule of the items. Management did not provide support for the amounts obtained in the schedule.	1
157	190	Trade and Payables: No Proof of journal authorisation				17-Feb-20	24-Feb-20	18-Feb-20	Received	Yes	Resolved		0
158	189	Trade and Payables: Limitation		X		17-Feb-20	24-Feb-20	22-Feb-20	Received	Yes	Partially resolved	Managements response has been evaluated and concluded as follows: 1. The prior year correcting journals have been submitted and it was found that the necessary adjustments were made. Finding is therefore resolved. 2. Management has stated that corrections for the following was made: 1 STALE VOTE 714 448,70 2 SELF INSUR RES: OPENING BALANCE 639 753,57 3 DEFAULT CASH VOTE 287 485,56 4 OVER/UNDER BANKING 9 998,45 5 COMMUNITY CAPACITY BUILDING 4 160,00 6 MAYORAL BURSARY ACTIVITY -145 501,09 7 RECEIPT REVERSAL -205 924,05 However, through inspection of the current year creditors listing these balances were still present. Finding therefore remains 3. The prior year correcting journals have been submitted and it was found that the necessary adjustments were made. Finding is therefore resolved. Projected error of R2 427 555,44 therefore remains	0
159	180	Payments received in advance: Difference identified	X			17-Feb-20	24-Feb-20	24-Feb-20	Received	Yes	Not resolved	Management's response has been noted. However, no supporting documentation has been submitted to the auditors for evaluation.  Management need to provide the auditors with the appropriate supporting documentation for evaluation. This includes the journal to be passed to adjust the AFS, schedule of the workings management did to identify the nature and cause of the misstatement, etc. The finding will remain unresolved until management provide the auditors with the required support and the auditors are satisfied with the adjustments to be made.	0
160	159	Receivables from exchange transactions: Limitation of scope - Solar System	X			17-Feb-20	24-Feb-20	24-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
161	222	Consumer Deposit - Limitation of scope (Solar System)				18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes	Resolved		0
162	225	PPE: WIP Register		X		18-Feb-20	25-Feb-20	23-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
163	221	Revenue from exchange - Limitation of Scope (Solar System)				18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes	Resolved		0

164	165	Commitment not valued correctly		X		18-Feb-20	25-Feb-20	21-Feb-20	Received	Yes	Not resolved	Management's comments noted.  Auditors however do not agree.  Item 1: Cheque 10114432 in the amount of R1 244 282.06 paid to Maritz Attorneys (Trust account) is for the payment of invoice 2268 dated 22/03/2018. Due to the fact that the Municipality records transactions on the accrual basis, this transaction relates to the 2017/18 financial year and should not be included in the 2018/19 financial year. Furthermore, through inspection of the WIP Reconciliation schedule obtained from the Municipality, it was confirmed that this cheque was reversed against the project and the total amount paid during the current year amounts to R4 857 279.79 (Excl). This amount agrees to the recalculations performed by the auditors. This item is therefore not resolved.  Item 2: Cheque 10119206 in the amount of R2 093 355.12 is included in the calculation, with cheque 10117277 in the amount of R1 200 000.00. Furthermore, through inspection of the General Ledger for the 2018/19 financial year, these two cheques were the only cheques paid to Beka Schreder, except for cheque 10116546 in the amount of R3 293 355.00 that was cancelled. Lastly, through inspection of the WIP Reconciliation schedule obtained from the Municipality, it was confirmed that an amount of R2 863 787.06 (Excl) was paid for this project, and this agrees to the reconciliation performed by the auditors. This item is therefore not resolved.  Item 3: Cheque 10119072 in the amount of R18 400.00 paid to Ess Equilibrium Safety Solutions is not included in the calculation due to the fact that Project Theronia WWTW Phase 1 granted to Contractor Pelatona Projects (Pty) Ltd was selected for detailed testing and not the entire project as the projects are split between the different contractors as per the Commitment Register. This cheque should not be included in this project; therefore, this item is not resolved.	0
165	179	Investment Property: Items could not be traced to the valuation roll				18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes	Resolved		0
166	76	Procurement - Limitation of scope (CIDB documents not submitted)	X			24-Feb-20	02-Mar-20		Issued, not due				0
167	224	Infrastructure assets: Prior year asset verification (Limitation of scope)	X			18-Feb-20	25-Feb-20		Overdue				0
168	77	Procurement CIDB Requirements	X			18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
169	183	Procurement Bid Adjudication Committee	X			18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
170	229	Non-compliance payments within 30 days	X			18-Feb-20	25-Feb-20	20-Feb-20	Received	Yes	Not resolved	Management agrees with the finding therefore the finding remains.	0
171	184	Procurement evaluation of bidders	X			18-Feb-20	25-Feb-20		Overdue				0
172	181	Procurement advertisement in local news paper		X		18-Feb-20	25-Feb-20	20-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
173	115	Sanitation Backlogs		X		18-Feb-20	25-Feb-20	20-Feb-20	Received	Yes	Partially resolved	Management submitted the IDP review for the 2019/20 financial year. The auditors evaluated the IDP for the 2019/20 financial year and the following conclusions were reached by the auditor:  - Paragraph 5.2 of the plan highlights the backlogs in the provision of sanitation services relating to toilet use in households. It indicates that local government is mandated to eradicate the bucket system and improve sanitation levels within the municipal area. The plan further details the percentage of households using the bucket system and pit toilets. - The plan however only covers backlogs related to toilet use in households. It does not detail backlogs experienced in relation to waste water treatment facilities and the extent thereof. - The finding is thus partially resolved.	0
174	232	Procurement required number of quotations	X			18-Feb-20	25-Feb-20	25-Feb-20	Received	Yes	Not resolved	The SBD 4 was submitted and this part of the audit finding has been resolved. The cheque print has been attached to the payment voucher. However, the date of the award could still not be confirmed due to the above mentioned reasons. It was noted through engagement with management that the transaction went through a sundry payment thus there is no purchase order for it. Management acknowledged that three quotes were not received and quotes which were received have been recorded on the deviation register. It remains the responsibility of management to obtain three quotations and the circular does not override the legislative requirements. The quotations could have been solicited by alternative processes to ensure compliance. The non-compliance thus remains and so does the irregular nature of the expenditure.	0
175	227	Trade and Payables: Differences between listing and supporting document		X		18-Feb-20	25-Feb-20		Overdue				0
176	228	Trade Payables: Discrepancies identified on the creditor's listing		X		18-Feb-20	25-Feb-20		Overdue				0
177	216	Irregular Expenditure misstatements	X			18-Feb-20	25-Feb-20		Overdue				0
178	234	Unauthorised Expenditure capital expenditure budget	X			18-Feb-20	25-Feb-20	25-Feb-20	Received	Yes	Not resolved	Management acknowledges the finding, waiting for the adjusted AFS. Therefore the finding remains	0
179	147	Procurement Local Content	X			18-Feb-20	25-Feb-20		Overdue				0
180	220	Procurement award not to the highest scoring bidder	X			18-Feb-20	25-Feb-20	24-Feb-20	Received	Yes	Not resolved	Management response is noted. It was confirmed through the inspection of the general ledger that there was no expenditure there was however non-compliance that was confirmed in the process of procurement and procurement adjudication. The matter will be considered in terms of the compliance with the laws and regulations but it will not result in irregular expenditure. If the goods are ordered at a later stage based on this process the expenditure would then be incurred irregularly.	0
181	153	Property, plant and equipment - Impairment losses		X		18-Feb-20	25-Feb-20		Overdue				0
182	187	Completeness of Commitments				18-Feb-20	25-Feb-20	21-Feb-20	Received	Yes	Resolved		0
183	237	Irregular expenditure: Security services Bid 10/2009	X			19-Feb-20	26-Feb-20	20-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
184	79	(UIF) Non-compliance with MFMA Sec32(4)		X		19-Feb-20	26-Feb-20	20-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	0
185	119	Procurement incorrect bidder made an award	X			19-Feb-20	26-Feb-20		Issued, not due				0
186	182	Procurement bid specification minutes	X			19-Feb-20	26-Feb-20		Issued, not due				0
187	91	Employee Cost - Differences with allowance payments		X		19-Feb-20	26-Feb-20		Issued, not due				0
188	210	Compliance - Strategic Planning		X		19-Feb-20	26-Feb-20		Issued, not due				0
189	185	Procurement	X			19-Feb-20	26-Feb-20		Issued, not due				0
190	39	PPE: Prior Year Finding		X		19-Feb-20	26-Feb-20		Issued, not due				0
191	236	Receivables Allowance for impairment (Valuation)	X			20-Feb-20	27-Feb-20	24-Feb-20	Received	Yes	Not resolved	Management agrees with the finding. Therefore, the finding remains, awaiting adjusted AFS.	0
192	163	Revenue: Services Charges (Completeness)		X		20-Feb-20	27-Feb-20		Issued, not due				0
193	230	Revenue from service charges (Water and Electricity)		X		20-Feb-20	27-Feb-20		Issued, not due				0
194	206	Property Rate - The consumer is not billed on monthly basis	X			20-Feb-20	27-Feb-20		Issued, not due				0
195	238	Trade Payables - Supplier Invoices not dated		X		20-Feb-20	27-Feb-20		Issued, not due				0
196	239	Trade Payables - Could not confirm reconciling items on the creditor listing		X		20-Feb-20	27-Feb-20		Issued, not due				0
197	244	Fruitless and Wasteful Expenditure Completeness		X		20-Feb-20	27-Feb-20		Issued, not due				0
198	226	Cash Flow Statement	X			21-Feb-20	28-Feb-20	25-Feb-20	Received	Yes	Not resolved	The Cash Flow Statement should be amended to correct the presentation and disclosure issue communicated to management. This issue therefore remains.	0
199	246	Receivables from exchange transaction : Limitation of Scope (Solar System)				21-Feb-20	28-Feb-20	25-Feb-20	Received	Yes	Resolved	Management response noted, therefore the audit has resumed, therefore the finding will be resolved.	0
200	111	PPE - Application of the asset management policy		X		21-Feb-20	28-Feb-20		Issued, not due				0
201	186	PPE - Assets included in asset register at zero value		X		21-Feb-20	28-Feb-20		Issued, not due				0
202	40	Receivables from exchange transactions - Active meters not billed during the year	X			21-Feb-20	28-Feb-20		Issued, not due				0
203	240	Provision of landfill sites		X		21-Feb-20	28-Feb-20		Issued, not due				
204	214	PPE - WIP	X			21-Feb-20	28-Feb-20		Issued, not due				
205	245	AFS, APR, Annual Report		X		21-Feb-20	28-Feb-20	25-Feb-20	Received	Yes	Not resolved	Management agrees with finding	
206	247	Contract Management- Limitation of Scope	X			21-Feb-20	28-Feb-20		Issued, not due				
207	193	Procurement awards to suppliers not tax compliant	X			21-Feb-20	28-Feb-20		Issued, not due				
208	241& 242	Consultants		X		21-Feb-20	28-Feb-20	25-Feb-20	Received	Yes		Still assessing the information received therefore it is not yet resolved	
209	248	PPE - Completed assets not transferred from WIP to completed assets		X		21-Feb-20	28-Feb-20		Issued, not due				
210	249	Procurement Deviation		X		21-Feb-20	28-Feb-20		Issued, not due				
211	260	Prior Year Adjustments		X		21-Feb-20	28-Feb-20		Issued, not due				
212	243	Revenue from interest revenue		X		21-Feb-20	28-Feb-20		Issued, not due				
213		Audit Communication - Meloding New Hall		X		21-Feb-20	28-Feb-20		Issued, not due				
214	WITHDRAWN								Withdrawn				
215	96	Employee Costs : Discrepancies identified on 3rd party payments		X		24-Feb-20	02-Mar-20		Issued, not due				



216	250	Procurement: Regulation 12(3)	X			24-Feb-20	02-Mar-20		Issued, not due				
217	137	Procurement: No SBD 4 Submitted	X			24-Feb-20	02-Mar-20		Issued, not due				
218	251	Procurement: Limitation of scope (deviations and quotation)		X		24-Feb-20	02-Mar-20		Issued, not due				
219	252	Procurement: Deviation Disclosures		X		24-Feb-20	02-Mar-20		Issued, not due				
220	233	Procurement Deficiencies in contract management		X		24-Feb-20	02-Mar-20		Issued, not due				
221	235	Compliance HR -Staff establishment not approved by council				24-Feb-20	02-Mar-20	25-Feb-20	Received	Yes	Reviewed	Duplication of 188,	
222	256	Expenditure: Negative Balances disclosed on Note 36	X			24-Feb-20	02-Mar-20		Issued, not due				
223	259	Procurement Contract Participation Regulation 32	X			24-Feb-20	02-Mar-20		Issued, not due				
224	254	Trade Payables: Differences Between Creditors List and General Ledger		X		24-Feb-20	02-Mar-20		Issued, not due				
225	161	Contracted Services: Payments made without approval and/or verification of funds		X		24-Feb-20	02-Mar-20	25-Feb-20	Received	Yes	Not resolved	Management agrees, therefore finding remains	
226	257	Employee costs: Overtime payments differences identified		X		25-Feb-20	03-Mar-20		Issued, not due				
227	255	Cash and cash equivalents: Differences between AFS amount and bank confirmation		X		25-Feb-20	03-Mar-20		Issued, not due				
228	261	Phomolong pump station: Fruitless and wasteful expenditure due to extension of time		X		25-Feb-20	03-Mar-20		Issued, not due				
229	263	Unspent conditional grants_ unspent grants with no approved roll overs and not backed by cash		X		25-Feb-20	03-Mar-20		Issued, not due				
230	41	Employee Costs - Overtime compliance issues		X		25-Feb-20	03-Mar-20		Issued, not due				
231	231	Payables from exchange transactions (Discrepancies identified)		X		25-Feb-20	03-Mar-20		Issued, not due				
232	122	Budget Statement		X		25-Feb-20	03-Mar-20		Issued, not due				
233	262	Control Management Control deficiencies		X		25-Feb-20	03-Mar-20		Issued, not due				
234	235	HR Compliance - Staff establishment not approved by council		X		25-Feb-20	03-Mar-20		Issued, not due				
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