



MATATIELE

LOCAL MUNICIPALITY

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COAF Number	Reporting Area	Findings	Legal Requirement	Impact	Compliance Finding	Repeat Finding from Previous Year	Root Cause	Improvement Plan	Completion Date	Person Responsible	Position	Progress to date as at 31st March 2022
COAF 1	Internal Audit	Overall planning: Internal Audit plan for 2021/22 not approved before the financial year	Section 166 (2)(a) of the MFMA	This will result to the internal control deficiency of ensuring that the internal audit plan is approved on time.	No	Yes	The cause of the finding is lack of oversight from the internal audit unit of the municipality and those charged with governance in ensuring that the internal audit plan for 2021/22 is approved before the financial year	The management and those charged with governance should ensure that the internal audit risk based plan is approved before the financial year resumes.		Ms. K. Dzingwe	Chief Audit Executive	

							commences.					
COAF 1	Internal Audit	CAE not permanently appointed at a Senior Management position	In terms of MFMA circular 65: The chief audit executive should be permanently appointed at a senior manager level, reporting directly to the Municipal Manager	Non-compliance with MFMA circular 65	Yes	No	The municipality appoints senior managers and senior managers on contract basis	Management should ensure that the chief audit executive of the municipality is permanently appointed at senior manager level.		Mr.L. Matiwane	Accounting Officer	
COAF 1	Human Resources	Minimum competencies not shown in the annual report	Municipal regulations on minimum competency levels, Regulation 14	Non-compliance with sub regulation 4 of regulation 14 on minimum competency levels.	Yes	No	Inadequate internal controls regarding compliance with laws and regulations.	Management should implement controls to ensure that the municipality comply with the mentioned legislation, to ensure that the annual report includes competency levels as required.		Miss E Moeti	Manager HRMD	

COAF 1	Internal Audit	Prior year Fruitless & Wasteful Expenditure not investigated	Section 32 (2) (b) of the MFMA	Non-Compliance with Section 32 (2)(b) MFMA	Yes	No	The Fruitless and Wasteful amounting to R913 692.00 did not form part of the investigation.	MPAC should ensure that the investigation report from the service provider covers the all instance of Fruitless and Wasteful expenditure relating to prior period		Miss K Dzingwe	Chief Audit Executive	
COAF 2	Financial Reporting and Asset Management	Terms of reference did not indicate the objective s, nature, scope, and goals of the training program	Section 5 of the Municipal Supply Chain Management guide for Accounting Officers	Non-compliance with Section 5.7 of the Municipal Supply Chain Management guide for Accounting Officers .	Yes	No	Terms of reference are not reviewed to ensure implementation of the required guidelines for the use of consultant	Management should ensure that the required guidelines for the use of consultants is implemented.		Mr. K. Mehlomaku lu	Chief Financial Officer	

COAF 2	FRAM	Consultancy reduction plan not properly detailed	Section 5 of the Municipal Supply Chain Management guide for Accounting Officers:	Non-compliance with Section 5.7 of the Municipal Supply Chain Management guide for Accounting Officers	Yes	No	Terms of reference are not reviewed to ensure implementation of the required guidelines for the use of consultants	Management should ensure that the required guidelines for the use of consultants is implemented.		Mr K Mehlo maku lu	CFO	
COAF 2	FRAM	No evidence for monitoring	Section 116(2) (b) of the MFMA	Non-compliance with MFMA section 116	Yes	No	Lack of monitoring controls by management to ensure compliance with MFMA section 116	The management should ensure that the MFMA regulations are complied with, and the use of consultants are monitored monthly		Mr K Mehlo maku lu	CFO	
COAF 2	FRAM	Gap analysis not properly documented	Regulation 5(1) of Municipal Cost Containment Regulations of 2019	Non-compliance with Regulation 5(1) of Municipal Cost Containment Regulations of 2019.	Yes	No	Municipality's gap analysis not properly documented and reviewed for compliance with	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities		Mr K Mehlo maku lu	CFO	

							regulation s.					
COAF 2	FRAM	Municipa lity Cost Contain ment Policy- Non - complian ce	Regulation 4(1) of Municipal Cost Containme nt Regulation s of	Non- compliance with Regulation 4(1) and Regulation 4(2) (e) of Municipal Cost Containment Regulations of 2019.	Yes	No	Policies are not reviewed for complianc e with laws and regulation s	Management should ensure that the Cost Containment Policy is reviewed to ensure compliance with laws and regulations.		Mr K Mehlomaku lu	CFO	
COAF 2	FRAM	PMS has no risk manage ment procedur es	Section 62(1) (c) (i) of Municipal Finance Managemen t Act 56 of 2003	The performance management system is not complete as it is missing risk management procedures therefore the municipality is unable to identify performance risks and have an analysis on them to ensure that performance is measured and achieved in accordance with the system.	Yes	No	The Municipal ity has not designed and implement ed performan ce managem ent risk procedur e s.	Management should include a section in their Performance Management Systems that deals with the risk management procedures that will identify and analyze performance management risks for each indicator.		Mr K Mehlomaku lu	CFO	

COAF 3	Supply Chain Management	Expenditure: Insufficient documents	section 15(1)(a) of the Public Audit Act 2004 (Act No. 25 of 2004)	The above finding result in a limitation of scope and material misstatement by a projected misstatement amounting to R36 653 680, 30	Yes	No	The municipality does not reconcile fuel purchases and vehicle maintenance to supporting invoices and slips.	Management should ensure that invoices and slip are properly kept and reconciled to the general/accounting on purchase of fuel and vehicle maintenance and that this information is properly filed and accessible timeously.		Mr Z.C Matolo	Supply Chain Management	
COAF 3	Supply Chain Management	Local Content - Verified rates	National Treasury instruction notes on local content production paragraph 4.6.	This results in internal control deficiencies relating to invitation of bids for local content and production.	No	No	Management did not establish sufficient controls to ensure they comply with the instruction notes as said above.	It is recommended that management review the internal controls around the procurement of local content and production and ensure they incorporate the requirements of the treasury instruction notes		Mr ZC	SCM Manager	

COAF 3	SCM	Quotations: Tax Compliant	MFMA section 112	<ul style="list-style-type: none"> Irregular expenditure amounting to R376 000. Non-compliance with the above-mentioned regulations. Inaccurate disclosure of irregular expenditure in the Annual Financial Statements. Possible irregular expenditure amounting to R193 200,00(payment has not been done thus the expenditure has not been incurred. 	Yes	No	Lack of execution of internal controls by the SCM unit to ensure that prior to award the Supplier's CSD compliance history report is ran to confirm that the Supplier is tax Compliant .	<p>Management review other quotations awarded to confirm that if any other procurement was awarded with undeclared tax matters that they are included in the irregular expenditure.</p> <p>Management makes necessary adjustments to the irregular expenditure disclosures and submit these for audit purposes.</p>		Mr ZC Matolo	SCM Manager	
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COAF 3	SCM	Awards to close family member not disclosed in the notes to financial statements	Regulation 45 of Municipal Supply Chain Regulations	Non-compliance with Regulation 45 of Municipal Supply Chain Regulations and non-disclosure result in misstatement in the annual financial statements.	Yes	Yes	No control in place to identify close family relationships with service providers.	Management should ensure that controls are put in place to identify close family relationships directors of the suppliers that have been awarded contracts/quotations and disclose the particulars awards relating to the close family relationships with service providers.		Mr ZC Matolo	SCM Manager	
COAF 3	Revenue and Expenditure	VAT claimed incorrectly classified as expenditure	Section 62 of the MFMA	The expenditure is overstated by a Projected misstatement amounting to R349 833,17.	No	No	Errors in capturing of expenditure in the accounting system.	Management should process necessary adjustments to ensure the correct recognition of the amount		Miss N Majova	Manager Revenue and Expenditure	
COAF 3	Revenue and Expenditure	EPWP expenditure incorrectly classified as operating expenditure	Section 1 of the Basic Conditions of Employment Act (BCEA)	Expenditure: Contracted Services: Contractors: Maintenance of Unspecified Assets is overstated by a factual misstatement amounting to R4 886 991 and employee	No	Yes	The municipality has interpreted the EPWP workers as contractors	Management should ensure that all transactions are properly analysed to ensure correct recognition.		Miss N Majova	Manager Revenue and Expenditure	

				related cost understated by a factual misstatement amounting to R4 886 991.								
COAF 4	Planning – Internal Audit	Annual internal Audit Plan not fully implemented	section 165 (2)(b) of the Municipal Finance Management Act	The impact of the above finding is non-compliance with section 165 (2)(b) of the Municipal Finance Management Act and MFMA circular 65.	Yes	No	Some assignments got delayed because internal audit was busy with other assignments, waiting for a department to finalize the follow up so that IA can review responses and verify POE and others not done because waiting for procurement process to be opened so	Audit Committee and Internal Audit should continuously review the risk-based internal audit plan and where there are changes required, they are reviewed and approved by the audit committee as per the requirement of Circular 65 of the MFMA.		Ms. K S Dzingwe	Chief Audit Executive	

							that we issue an advert for a service provider to do ICT related audits.					
COAF 4	Internal Audit	Audit committee and Internal Audit: No advice on IT governance and information system	Section 165(2)(b) of Municipal Finance Management Act 56 of 2003 MFMA Circular 65	The impact of the above finding is non-compliance with MFMA Circular No. 65.	Yes	No	The municipal was waiting for procurement process to be opened so that we issue an advert for a service provider to do ICT related audits.	Audit committee and Internal audit should advice management on IT governance, controls, access, safeguarding of information in the municipality		Miss K Dzingwe	Chief Audit Executive	
COAF 5	BTO	Eskom connection fees incorrectly classified as expenditure	Paragraph 21(b) of GRAP 17	The municipality may fail to achieve its objectives in a case of any future transition.	No	No	Expenditure incurred in terms of connection charges paid to Eskom of R5 731 257, 44	Management should ensure that all transactions are properly analyzed to ensure correct recognition. Therefore, an adjustment should be processed to correct this misclassification crediting expenditure and debiting PPE -		Mr K. Mehlo maku lu.	Chief Financial Officer	

							<p>for the proposed bulk supply of 5MVA at 33/11 kV Mountain View substation , were incorrectly classified as Expenditure: Operational Cost. The connection charges were incurred to ensure that the substation would be in the condition necessary for operation. Cause Transactions are not properly analyzed for proper accountin</p>	<p>work in progress and any impact of the transaction of this nature relating to prior year should be adjusted accordingly.</p>				
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							g treatment. Impact The expenditure is overstated by a factual misstatement amounting to R5 731 000, 00 and the PPE is understated by a factual misstatement amounting to R5 731 000, 00					
COAF 6	BTO	Financial loss on amount collected on behalf of the municipality	Section 62 (1) (f) (iii) of the MFMA	This has resulted to a non-compliance with MFMA S62 and MSA S96 and consequently has resulted to a likely financial loss amounting to R22 000 860.00.	Yes	Yes	Lack of consequence management on suppliers collecting monies on behalf of the municipality.	It is recommended that contracts with service providers are monitored effectively to ensure compliance with legislation and implementation of the municipal debt collection policy.		Mr K Mehlomaku lu.	Chief Financial Officer	

COAF 7	BTO	Unauthorised expenditure	R-FSAPP par 4.2.5.5	The impact of the finding is material non-compliance with section 62(1)(d) of Municipal Finance Management Act.	Yes	Yes	Management did not properly review the SDBIP and APR in-line with the requirements of R-FSAPP	Management should ensure that reasonable steps are taken to unauthorised expenditure.		Mr K Mehlomaku lu.	Chief Financial Officer	
COAF 8	Strategic Governance	Percentage of work on access roads completed by a set date - Target not logically aligned with its indicator	R-FSAPP par 4.2.5.5	This finding will result in a material misstatement in the Annual Performance Report and reported in the management report	Yes	No	Management did not properly review the SDBIP and APR in-line with the requirements of R-FSAPP	Management should ensure that the target planned are aligned to their planned indicators in order to ensure that the Municipality's indicators meet the relevant objective/programme/development priority as such (Basic Service Delivery and Infrastructure)	.	Mr S Mbongonya	Manager: Strategic Governance	
COAF 8	Strategic Governance	AoPO: Percentage work done on access road completed by a set date	Section 121(3) (f) of Municipal Finance Management Act No. 56 Of 2003	Inconsistence between reported achievements and reported planned performance targets and indicators leads to	No	No	Annual performance report was not properly reviewed.	Management should adjust the annual performance report to ensure that reported achievements per the annual performance report are consistent with planned targets and performance indicators as per the Service Delivery		Mr S Mbongonya	Manager: Strategic Governance	

		- Achievement not consistent with the indicator and its related target		material misstatement on the above indicators which result in qualified opinion on KPA1: Basic Service Delivery and Infrastructure.				Budget implementation Plan				
COAF 9	BTO	Irregular expenditure not disclosed	Section 125(2)(d)(i) of the Municipal Finance Management Act 56 of 2003	The impact of the above finding is understatement of irregular expenditure disclosed in the financial statements by a factual misstatement amounting to R5 167 230,72	Yes	No	Non-compliance findings relating to prior year audit with its related impact were not reviewed in relation to the current financial year.	Management should review non-compliance findings relating to prior year audit with its related impact in the current financial year expenditure. The expenditure incurred in the current year relating to prior year non-compliance findings should be disclosed as irregular expenditure and management should adjust irregular expenditure note in the annual financial statement by R5 167 230,72.		Mr K. Mehlomaku lu.	Chief Financial Officer	
COAF 10	BTO	Debt impairment not	Section 64 (2) (f)	This has resulted to a disagreement	Yes	No	Impairment was calculated	It is recommended that management should ensure that the		Mr K. Mehlomaku lu.	Chief Financial	

		calculate d accuratel y		finding of R339 198.76 which is an understatement of Debt impairment expense and an overstatement of receivables			taking into account the payment rate instead of 100% as per the policy.	impairment and write- off policy is followed when providing for debt impairment			Office r	
COAF 11	BTO	Incorrect classifica tion of the statue	section 122(1)(a) of the Municipal Finance Manageme nt Act 56 of 2003, GRAP 103	This will result to a projected misstatement of R2 482 637,71.	Yes	No	Lack of managem ent oversight in ensuring that each asset has been classified in the correct account in the financial statement.	The management should ensure that the items disclosed in the financial statements for assets has been classified to the correct financial statement item in terms of their nature and description.		Mr K. Mehlomaku lu.	Chief Finan cial Office r	
COAF 11	BTO	PPE- Limitati on on useful life of assets for	MFMA 62,122(1) GRAP 17	This will result to the limitation of scope on the determination of the depreciation amount. This will therefore	No	No	Lack of managem ent oversight in ensuring that the useful life of the	Management should ensure that the information reported in the financial statements regarding the useful lives of assets reflects the accurate asset's expected useful life		Mr K Mehlomaku lu	Chief Finan cial Office r	

		depreciation		results to a projected misstatement of R21 612 839,12			assets used to determine the depreciation is a reflection of the asset's estimated useful life and corresponds to the approved fixed asset management policy and the accounting policy disclosed in the financial statements	and agrees to the approved fixed asset management policy. This is to ensure that the information reported in the financial statements reflects the accurate expected usage of the assets and reflects the asset's affairs.				
COAF 11	BTO	PPE: Accounting policy not	Section 122(1)(a) of the Municipal Finance Management Act	non-compliance with the GRAP requirements as the financial	Yes	No	Lack of management oversight in ensuring that the	The management should ensure that the accounting policy is up to date and reflects the actual affairs of the		Mr K Mehlomaku lu	CFO	

		complete	56 of 2003	statements are not faithful representation of the effects of transactions, other events and conditions on classes of the property, plant and equipment.			information in the financial statement is clear and easy to comprehend as the financial statement user.	Municipality's assets.				
COAF 11	BTO	PPE-Land donated to the Municipality not recorded in the financial statements	Section 122(1)(a) of the Municipal Finance Management Act 56 of 2003 GRAP 17	This will result to understatement of the addition of land in the financial statements	No	No	Lack of management oversight in ensuring that the information disclosed in the financial statements reflects the actual affairs of the municipality and the land approved	The management should ensure that all the transaction of the municipality have been taken into account and the information disclosed in the financial statements is complete including the additions for the land donated to the municipality.		Mr K Mehlomaku lu	CFO	

							to be donated as been disclosed as additions on land in the financial statements.					
COAF 11	BTO	PPE-Assets not bar coded	Section 122(1)(a) of the Municipal Finance Management Act 56 of 2003 GRAP 17	This will result to the internal control deficiency as there is no unique identifier between the physical asset and the asset on the fixed asset register.	No	No	Lack of management oversight in ensuring that the assets are bar coded with the municipality bar code when they are controlled by the municipality.	The management should ensure that all the assets have a unique bar code and they are bar coded up on receipts and regularly checked and verified that the bar code is still installed on the asset.		Mr K. Mehlomaku lu.	Chief Financial Officer	

COAF 11	BTO	PPE- Assets disposed (written- off) with no approval	Section 14,122(1)(a) MFMA GRAP 1	This will result to a projected misstatement of R 20 276 349,53	No	No	Lack of managem ent oversight in ensuring that the asset disposals are approved by the council and a confirmati on of the council approval is keep of thereof.	The management has to ensure that the disposal of assets has been approved by the council and a confirmation of that is available when needed.		Mr K. Mehlomaku lu.	Chief Finan cial Office r	
COAF 12	BTO	Trade Payables - Retentio ns: Retentio ns misstated	Section 122(1) (a) of the Municipal Finance Manageme nt Act 56 of 2003	This will result in a projected understatement of trade and other payables of R1 658 400.66	No	No	Failure to prepare regular, accurate and complete financial and performan ce reports that are supported and evidenced by reliable informatio n	Management should ensure that information is calculated and recorded accurately and is supported and evidenced by reliable information. This will ensure that the trade payables are a true reflection of the obligation the municipality holds		Mr K. Mehlomaku lu.	Chief Finan cial Office r	

COAF 12	BTO	Trade Payables - Retentions: Retentions misstated	Section 122(1) (a) of the Municipal Finance Management Act 56 of 2003 GRAP 1	Projected understatement of trade and other payables of R1 400 191, 15.	No	No	Failure to prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Management should ensure that that all relevant transactions and balances relating to trade payables are accurately recorded		Mr K. Mehlo maku lu.	Chief Financial Officer	
COAF 12	BTO	Trade Payables - Retentions: Completeness	MFMA S63 GRAP 19	The provision will be understated by R 6 131 833	No	Yes	Lack of proper review of years to discount the landfill site provision	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.		Mr K. Mehlo maku lu.	Chief Financial Officer	
COAF 13	BTO	Trade Payables – Parallax Commission Payable:	Section 122(1) (a) of the Municipal Finance Management Act 56 of 2003	Overstatement of trade and other payables and overstatement of trade and other	Yes	Yes	Lack of management oversight in ensuring that the amounts	Management should ensure that all balances are correctly classified and raised at correct amounts. This will ensure that the trade payables are a true reflection of the		Mr K. Mehlo maku lu.	Chief Financial Officer	

		Misclassification		receivables of R7 848 273, 80.			as per the supporting documentation are correctly calculated and recorded in the supporting schedules and subsequently the financial statements of the municipality.	obligation the municipality holds and that the trade receivables are true reflection of the rights the municipality holds.				
COAF 14	BTO	Irregular expenditure written-off: Irregular expenditure written off not accurate	Section 125(2)(d)(i) of the Municipal Finance Management Act 56 of 2003	The impact of the above finding is understatement of irregular expenditure disclosed in the financial statements by a factual misstatement amounting to R578 858,58	Yes	No	Disclosure in the annual financial statement are validated against supporting information	Management should validate the disclosures in the annual financial statements against the supporting information and should adjust irregular expenditure written off in the annual financial statement by R578 858, 58.		Mr K. Mehlohlakulu.	Chief Financial Officer	

COAF 14	BTO	Irregular expenditure written-off: Irregular expenditure written off not completely disclosed	Section 125(2)(d)(i) (ii) of the Municipal Finance Management Act 56 of 2003	The impact of the above finding is understatement of irregular expenditure written disclosed in the financial statements by a factual misstatement amounting to R943 801.00	No	No	Disclosure in the annual financial statement are validated against supporting information	Management should validate the disclosures in the annual financial statements against the supporting information and should adjust irregular expenditure written off in the annual financial statement by R943 801.00.		Mr K. Mehlomaku lu.	Chief Financial Officer	
COAF 15	BTO	Unauthorized expenditure	Section 1(1) of the Municipal Finance Management Act 56 of 2003	The impact of the above finding is overstatement of unauthorized expenditure disclosed in the financial statements by a factual misstatement amounting to R29 097 145,45	Yes	No	The municipality calculation of unauthorized expenditure only took overspending per item in table A4-FinPerf RE of instead of overspending per vote taking	Management should calculate unauthorized expenditure by using overspending per vote taking into account items in table A4-FinPerf RE of MBRR as guided by MFMA circular 68 and should adjust unauthorized expenditure in the annual financial statement by R29 097 145,45.		Mr K. Mehlomaku lu.	Chief Financial Officer	

							into account table A4-FinPerf RE of MBRR as guided by MFMA circular 68					
COAF 16	BTO	Irregular expenditure not disclosed	Section 125(2) (d) (i) of the Municipal Finance Management Act 56 of 2003	The impact of the above finding is understatement of Irregular expenditure disclosed in the financial statements by a factual misstatement amounting to R 50 429, 16..	Yes	No	The municipality only raised the amount as debtor in the 2021 financial year without disclosing as it fruitless and wasteful expenditure incurred.	Management should adjust R 50 429, 16 regarding the current year irregular “identified in prior year” expenditure note to the annual financial statements.		Mr K. Mehloamaku lu.	Chief Financial Officer	
COAF 16	BTO	Related parties: Comparative information not included	GRAP 1 Paragraph 11	Related parties disclosure is not complete as required by paragraph 11(g) of Grap 1, therefore misstated.	No	No	Annual financial statement were not properly reviewed before submission for audit	Management should adjust the disclosure of related parties in the annual financial statement by including the comparative information in respect of the preceding period.		Mr K. Mehloamaku lu.	Chief Financial Officer	

COAF 17	Budget planning and Investments	Statement of budget vs actual – Variance not accurate	Paragraph 12(c) of GRAP 24	The non-disclosure of explanation of material differences between the budget and the actual amounts of the statement of financial position result in inadequate reporting. This omission which is a misstatement on disclosure in term of Grap 24.	No	No	Lack of management oversight over the review of the Annual Financial Statements to ensure that the budget information is fairly presented as per GRAP 24.	Management should review the Annual Financial Statements to ensure that presentation of budget information is fairly presented as per GRAP 24.		Ms. P Nonkevu	Manager Budget Planning and Investments	
COAF 17	BTO	The comparative information as disclosed in note 54 of the annual	GRAP 24	Lack of management oversight over the review of the Annual Financial Statements to ensure that the budget	No	No	Lack of management oversight over the review of the Annual Financial	Management should review the Annual Financial Statements to ensure that presentation of budget information is fairly presented as per GRAP 24.		Ms. P Nonkevu	Manager Budget Planning and Investments	

		financial statements in respect of the preceding period for related parties were not disclosed in the notes		information is fairly presented as per GRAP 24.			Statements to ensure that the budget information is fairly presented as per GRAP 24.					
COAF 18	BTO	Segment reporting disclosure-Non-compliance with GRAP	section 122(1) (a) of the Municipal Finance Management Act 56 of 2003	Lack of management oversight in ensuring adequate compliance with the applicable financial reporting requirements or GRAP requirements. This will result to non-compliance with GRAP requirements.	Yes	No	Lack of management oversight over the internal control processes	The management should ensure that the requirements per the financial reporting standards are properly applied and adhered to. Those line items that are not meeting the definition of a segment should be placed in a separate Column called: other non-reconciling items. This is to ensure that the segment disclosure can still be reconciled to the statement of financial position and performance totals.		Mr K Mehloamaku lu	CFO	

COAF 19	Supply Chain and Fleet Management.	SCM: Competitive bidding - Winning bidder's tax matters not in order	The MFMA section 112	<p>The above results in:</p> <ul style="list-style-type: none"> Irregular expenditure amounting to R1 595 669.00. Non-compliance with the above-mentioned regulations. Inaccurate disclosure of irregular expenditure in the Annual Financial Statements. 	Yes	No	<p>The above is due to lack of execution of internal controls by the SCM unit to ensure that prior to award the Supplier's CSD compliance history report is ran to confirm that the Supplier is tax Compliant</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> Management review other quotations awarded to confirm that if any other procurement was awarded with undeclared tax matters that they are included in the irregular expenditure. Management makes necessary adjustments to the irregular expenditure disclosures and submit these for audit purposes. 		Mr. Z.C Matolo	Manager: Supply Chain and Fleet Management	
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COAF 21	BTO	Contingent Liabilities: Finalized case included as a contingent	GRAP 1 par 17, GRAP 19	This has resulted to misrepresentation of the disclosure note 44 of the AFS.	No	No	Lack of adequate review of financial statements before submission for audit.	It is recommended that management ensure that cases that have been finalised are not included as part of contingencies disclosure.		Mr K Mehlomaku lu	CFO	
COAF 21	BTO	Contingencies: Differences noted between AFS and supporting documents	GRAP 1	This has resulted to misrepresentation of the note disclosures to the annual financial statements	No	No	Lack of adequate review of financial statements prior to submission for audit	Management to review annual financial statements thoroughly prior to submission for audit.		Mr K Mehlomaku lu	CFO	
COAF 21	BTO	Differences noted between AFS and supporting documents	GRAP 1	This has resulted to misrepresentation of the note disclosures to the annual financial statements.	No	No	Lack of adequate review of financial statements prior to submission for audit.	Management to review annual financial statements thoroughly prior to submission for audit.		Mr K Mehlomaku lu	CFO	
COAF 21	BTO	Contingencies: Comparative figures	GRAP 1 Paragraph 11,44,46	Related parties disclosure is not complete as required by paragraph 11(g) of Grap and	No	No		Management should adjust the disclosure of related parties in the annual financial statement by including the comparative		Mr K Mehlomaku lu	CFO	

		not disclosed		therefore misstated				information in respect of the preceding period.				
COAF 21	BTO	Contingencies: Disclosure not complete	GRAP 1	This has resulted to mis-presentation of the note disclosures to the annual financial statements	No	No	Lack of adequate review of financial statements prior to submission for audit.	It is recommended that management review annual financial statements thoroughly prior to submission for audit.		Mr K Mehlomaku lu	CFO	
COAF 22	BTO	Procurement and Contract Management	Municipal SCM regulation 29 sub regulation 4	This results in Irregular expenditure amounting to R1 566 362.00(expenditure incurred to all 3 suppliers awarded this contract)	Yes	No	This is due to the failure to comply with the regulation as stated.	Management makes necessary adjustments to the irregular expenditure disclosures and submit these for audit purposes.		Mr Z.C Matolo	SCM Manager	
COAF 23	BTO	Indigent beneficiaries reported overstated	MFMA section 62(1) (b)	This results in a material overstatement in terms of reliability of reported performance of KPA1: Basic Service Delivery and Infrastructure which lead to a qualified opinion on the KPA	No	No	In preparing the Listing and APR, management did not pick up the mistake in capturing the details for the indigent register	Management should ensure that POEs are properly compiled and reviewed, further reported performance information is reviewed and validated against the POEs to ensure accurate reporting.		Miss N Majova	Manager Revenue and Expenditure	

							(number of indigent beneficiaries)					
COAF 23	BTO	Indigent register include declined debtors	Section 64 of the MFMA	This has resulted to an internal control deficiency over the indigent register.	No	No	Lack of reviews of the indigent register. As a result individuals that are not approved have been included in the register.	It is recommended that the register is reviewed regularly.		Mr K Mehlo maku lu	CFO	
COAF 24	BTO	SCM Contract Management- Performance of the contractors not monitored on a monthly basis.	section 116(2)(b) of the MFMA	The above finding will result in material non-compliance with s116(2)(b) of the MFMA.	Yes	No	Lack of monitoring controls by management to ensure that Supply Chain Management regulations are	The management should ensure that the MFMA regulations are complied with and the contracts are monitored on a monthly basis.		Mr Z.C Matolo	SCM Manager	

							complied with.					
COAF 24	BTO	Contract extension /variations not adequately done	Section 116(3) of the MFMA SCM Policy Paragraph 52(1)	This impact of the above finding is non-compliance with Section 116(3) of Municipal Finance Management Act 56 of 2003	Yes	No	Management failed to implement proper processes to ensure that the extension of the contract meets the legal requirement.	Management should ensure that compliance with the relevant laws and regulations is always adhered to by the Municipality and that proper controls are applied and operate effectively		Mr ZC Matolo	SCM Manager	
COAF 24	BTO	No evidence of contract performance measures to monitor the contract implemented	MFMA S62(1), 116	The impact of the above finding is Internal control deficiency	No	No	Lack of monitoring controls in place to monitor contract performance	Management should ensure that controls around implementation of measures to monitor performance are in place		Mr ZC Matolo	SCM Manager	
COAF 25	BTO	Other MFMA disclosure: No disclosure	MFMA s123(1)	Non-compliance with MFMA s123(1)(c) and misstatement of	Yes	No	Lack of proper review of financial statements	Management should ensure that a properly review the financial statement for compliance with all the		Mr.K. Mehlokalu	Chief Financial Officer	

		e how the allocated funds were spent		disclosure in annual financial statements.			before they are submitted.	disclosure requirements is performed before the submission.				
COAF 26	BTO	Use of Consulta nts: Executio n	S62 (1) (b) of the MFMA	This has resulted to non- compliance with MFMA The finding has resulted to an internal control deficiency The finding has resulted to an internal control deficiency.	Yes	No	Lack of adequate reviews of contracts and AFS.	It is recommended that compliance with relevant legislation is regularly monitored.		Mr Mehlomaku lu	Chief Finan cial Office r	
COAF 27	BTO	Landfill site Provision	GRAP 2,17	As this matter was considered in the prior year and not raised with the municipality, this will not be	No	No	Lack of adequate review of financial statements prior to submissio	Management to please provide comments on their interpretation of the matter		Mr K Mehlomaku lu	Chief Finan cial Office r	

				raised as a material item having impact on the audit report. This matter will be raised as an emerging risk.			n for audit.					
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