## Audit Action Plan on Audit Report 2023/2024 audit outcomes

Audit Report Item Ref.	ref/page no.	Component of Audit Report affected	Component Affected	Matters as per Audit Report 30 June 2023	Action Required	Progress	Internal Audit evaluation	Start Date	End Date	Department/ Official Responsible for Implementation	Evidence (POE)	Number of times reported in previous three years
23	5	report	Basic service delivery and infrastructure development	In terms of the signed water service implementation agreement with the district municipality in compliance with the Water Services Act No 107 of 1997, the municipality was responsible to provide water in accordance with the national standards of quality.  However, an indicator to measure performance of this responsibility was omitted from the approved planning documents. The municipality did not provide a reason for this. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on the mandate.  Refer to pg 5 of the Audit Report	during the budget adjustments.							0
32	8	Report on Compliance with legislation	Financial Statements	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.  Refer to pg 8 of the Audit Report	Review all available information in the process of preparation of financial statements.     Management will implement more stringent reviews of all components affecting the financial							3

33	8		Expenditure	Money owed by the municipality was T	The municipality will				
		with legislation	Management	not always paid within 30 days, as re	evive its working				
				required by	capital to ensure that				
				section 65(2)(e) of the MFMA.	evenue streams are				3
				ir	mproved and cost				
				Refer to pg 8 of the Audit Report C	containment				
			  -  -		neasures are				
	8			Reasonable steps were not taken to L					
		with legislation	Management	prevent unauthorised expenditure					
				amounting to R310,68 million, as n					
				disclosed in note 46 to the annual d					
				financial statements, in contravention v					
				of section 62(1)(d) of the MFMA. The n					
				majority of the unauthorised of	overspending				3
				expenditure was caused by the					3
				expenditure incurred exceeding the					
				approved budget.					
				Defends on Cof A. P. Donard					
				Refer to pg 8 of Audit Report					
5	8	Report on Compliance	Expenditure	Reasonable steps were not taken to F	ruitless and wasteful				
		with legislation	Management	prevent fruitless and wasteful					
		Time regionation	inanagement	expenditure amounting to R9,86 a					
				million, as disclosed in note 47 to the p					
				I I	offset the outstanding				
				in contravention of section 62(1)(d) a	~1				
				of the MFMA. The majority of the					
				fruitless and wasteful expenditure					
				was caused by interest incurred on					
				late payment of invoices to					
				suppliers.					3
				Refer to pg 8 of Audit Report					
				and to pg of the man respect					
			1						

36	8	Report on Compliance with legislation	Expenditure Management	Reasonable steps were not taken to prevent irregular expenditure amounting to R93,89 million as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure incurred were as a result of bids awarded from approved panel of service providers that were not fairly rotated in accordance with applicable supply chain management prescripts.  Refer to pg 8 of Audit Report	SCM Standard Departing Procedure was reviewed to address all issues of neconsistency of the service providers			3
37	8	Report on Compliance with legislation	Strategic planning and performance management	operational and capital expenditure reby vote as required by section 1 of the MFMA.	2024/2025 SDBIP contains all the necessary components as equired and as well			0
38	8	Report on Compliance with legislation	Utilisation of Conditional Grants	Performance in respect of programmes funded by the Municipal Infrastructure Grant and Integrated th National Electrification Programme Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.  Refer to pg 8 of Audit Report	he MIG and INEP mplementation report s developed and submitted by the Mid-			2
39	9	Report on Compliance with legislation	Consequence management	expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.	n the			2

40	9	Report on Compliance	Consequence	Some of the irregular expenditure The opening balances		
		with legislation	management	and fruitless and wasteful of the UIFW incurred		
				expenditure incurred by the in the		
				municipality were not investigated to previous financial		
				determine if any person is liable for years will be		
				the expenditure, as required by investigated during the		2
				section 32(2)(b) of the MFMA. 2024/2025 financial		
				year.		
				Refer to pg 9 of Audit Report		
47	9	Internal Control	Internal control	The accounting officer did not Management will:		
		Deficiencies	deficiencies	exercise adequate oversight 1. Review all		
				responsibility over internal controls available information		
				relating to credible and reliable in the process of		
				financial and performance reporting preparation of		2
				as well as compliance with key laws financial statements.		_
				and regulations.  2. Management will		
				implement more		
				Refer to pg 9 of Audit Report stringent reviews of all		
				components affecting		
48	9	Internal Control	Internal control	Senior management did not ensure Management will:		
		Deficiencies	deficiencies	that sufficient monitoring controls 1. Review all		
				were in place to prevent non-available information		
				compliance with applicable laws and in the process of		
				regulations. preparation of		2
				financial statements.		_
				Refer to pg 9 of Audit Report 2. Management will		
				implement more		
				stringent reviews of all		
		1		components affecting		

Status on	Total
Implementat	
ion	
Progress	
Implemented	0
Not Implemen	0
In Progress	0
Not Yet Starte	0
Total	0

Number of times reported in previous	Total
0	2
1	0
2	5
3	5
Total	12