

OPCAR REPORT FOR 2022/2023
DETAIL AUDIT FINDINGS – AUDIT ACTION PLAN

Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
A	Financial Statements								
COMAF 1	Disclosure of provisions vs employee benefits	It was noted that although the following employee benefits' accounting policies are included under the heading "Employee benefit liabilities", the disclosure of these was included as part of "Provisions" in the statement of financial position and the notes to the financial statements.	Financial	0	Management compiled the financial statements, using a template that was not GRAP compliant. This was also not identified during the review of the financial statements by any of the assurance providers.	The template used was based on the NT Specimen Financial Statements where employee benefits are disclosed as provisions. NT requested municipalities to implement the new template. This is thus an interpretation difference. The municipality agreed that it should be employee benefits after consultation and the AFS disclosure was corrected.	CFO	During the audit	Completed
COMAF 2	Note 51.1.7: Non-compliance with the Municipal Finance	The following disclosure of non-compliance with the Municipal Finance Management Act (MFMA) was included in the	Internal Control	0	Management compiled the financial statements, using a template where irrelevant or disclosure not applicable to the municipality was not removed before the	The new template printed version provides difficulties. This will be taken up with the service provider. The incorrect disclosure	CFO	Immediately	Completed

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	Management Act	financial statement submitted for audit: Unauthorised expenditure not investigated; Unauthorised expenditure not investigated Irregular and Fruitless and Wasteful expenditure not investigated; Steps not taken to prevent irregular, unauthorised, fruitless, and wasteful expenditure; Money owing by the Municipality not paid within 30 days			submission of the financial statements for auditing purposes.	notes were removed.			
COMAF 3	Accounting policy – Derecognition: Gains on disposal	The statement in the municipality's accounting policy that "Gains on PPE, Intangible Assets and Investment Property	Internal Control	0	Management compiled the financial statements, using a template that is not GRAP compliant. This was also not identified during the review of the	The accounting policy will be corrected.	CFO	During the audit	Completed

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		are not classified as Revenue is in contradiction with the standards of GRAP as well as with the treatment in the financial statement of the municipality.			financial statements by any of the assurance providers.				
COMAF 4	Casting errors identified in the submitted financial statements	During the review of the financial statements, various casting errors were identified.	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when it is printed. These casting errors were not identified before the submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Submit the correct printed note which is cast correctly Training and follow-up session with the Service Provider on template and hide of cells.	CFO CFO	Immediately June 2024	Completed
COMAF 6	Output tax treatment of library funding	As Swellendam Municipality is required to perform major actions for the payment from DCAS, the amount received is	Financial	0	Management did not ensure compliance with the VAT Act and adherence to the VAT 419 Guide for Municipalities, to ensure	That the matter be escalated as this is a traversal issue. The municipality in the meantime	CFO	July 2024	Outsanding

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		not a grant as defined in the VAT Act, as the payment is not gratuitous or unrequited. The supply is therefore not a deemed supply, but an actual supply. The library grant funding can therefore not be zero-rated in terms of section 11(2)(t). The payment by DCAS to Swellendam Municipality is therefore a consideration for the supply of library services. As the library funding is considered for the supply of library services, the municipality must levy VAT at the standard rate of 15% in terms of			that the output VAT on library services is accounted for appropriately and the necessary liabilities are recognised.	joined a group of municipalities with a service provider to investigate and take the matter up with SARS for a SARS ruling.			

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		section 7(1)(a) of the VAT Act. As such, a liability for the output VAT on the payments received must be recognised in respect of all the financial years during which the payments were received for the supply of services. Through inspection of the general ledger, it was confirmed that the output VAT on the library grant at the standard rate of 15% was not recorded. The municipality has however disclosed a contingent liability in this regard.							
COMAF 13	Differences identified between PPE	During the audit of property, plant, and equipment, differences between the PPE fixed	Financial	0	Management did not perform an adequate or complete reconciliation between the asset	The identified misstatement will be carried to the schedule of	CFO and Consultants	30 June 2024	The municipality already commenced

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	fixed asset register & AFS	asset register and annual financial statements as at 30 June 2023 were identified;			register and the financial statements before submission of the financial statements.	identified misstatements to be corrected with the 2024/2025 AFS.			with the correction. The due date is 30 June 2024.
COMAF 15	Note 60 – Events after the reporting date	Although the municipality disclosed the demolition of the main building and movable assets on 16 August 2023 as an event subsequent to the reporting date, the disclosure note did not include the subsequent fire and damage to the Thusong Centre and other movable assets during September 2023.	Financial	0	Management omitted to include the additional assets affected by subsequent protest actions as they took into account only events up until 31 August and did not consider any subsequent events up until the financial statements were issued or published.	The disclosure note will be updated to include damage caused by fire to the Thusong Centre.	CFO	December 2023	Completed
COMAF 16	Various matters identified on presentation in the financial statements	During the review of the financial statements, various discrepancies and inconsistencies were identified	Internal Control	0	The review of the financial statements by the service provider was not detailed enough as it did not identify the discrepancies and inconsistencies identified	Discrepancies to be corrected. Improve timeframes for draft AFS to be properly reviewed.	CFO and Consultants	During the audit 16 August 2024	Completed Outstanding

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COMAF 17	Note 37 - disclosure of interest costs	The following was identified during the review of the financial statements: The interest costs relating to Non-current Provisions for the prior year ended 30 June 2022, as disclosed in note 37, are inconsistent with the disclosure in note 19.2; Interest on long service awards are inconsistently treated between 2021-22 and 2022-23	Financial	0	The review of the financial statements by the different service providers was not detailed enough as it did not identify the discrepancies and inconsistencies identified	Landfill Site – Correct Note 19.2 to adjust the disclosure for the correction of the error	CFO	20 December 2023	Completed
						Long service award – Correct corresponding amount 2022 to finance charges note	CFO	20 December 2023	Completed
COMAF 19	Disclosure of finance lease payables and receivables	During the audit, it was identified that the municipality did not disclose information as required by GRAP 13 with respect to the finance lease liability in the financial statements under review (disclosure note 16.2)	Financial	0	The review of the financial statements by the different assurance providers was not detailed enough as it did not identify the above-mentioned discrepancies	The correct disclosure will be unhide to indicate the disclosure requirement. This was the result of the printed version where the cells were hidden.	CFO and Consultants	16 January 2024	Completed

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		During the audit of Note 11, Lease receivables, it was identified that the note makes reference to finance leases. Leases per the supporting file appear to be operating leases. Furthermore, the narrative disclosure per note 11.1.2 does not appear to be relevant to the nature of the leases disclosed.							
COMAF 20	Differences identified between losses on disposal of PPE per the general ledger & AFS	During the audit of losses on disposal of property, plant and equipment differences between the general ledger and annual financial statements for the year ended on 30 June 2023 were identified.	Financial	0	Management incorrectly included, classified and presented losses on disposal of investment properties in the statement of financial performance, as losses on disposal of PPE.	Amend Description	CFO and Consultants	17 January 2024	Completed

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COMAF 22	Note 50 - Unauthorised, Irregular, Fruitless and Wasteful Expenditure disallowed	During the review of the annual financial statements submitted for audit for the 2022/2023 financial year, the following matters were identified:	Financial	0	The review on the financial statements by the different service providers were not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Unhide disclosure information	CFO and Consultants	17 January 2024	Completed
		There is no disclosure relating to the nature, incident and steps taken for the fruitless and wasteful expenditure, amounting to R248 240 disclosed; There is an omission of the irregular expenditure amount relating to Asla Construction for both the comparative year and current year, therefore means irregular expenditure is understated;				Correct the formula and increase column settings to disclose information.	CFO and Consultants	17 January 2024	Completed

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		The comparative amount relating to the disclosure for Hessequa Consulting Engineers is not accurate as it appears to have been cut off.							
COMAF 22	Note 51 – Additional disclosures in terms of applicable legislation	The contribution to SALGA in 2022 amounting to R2 176 402 has been incorrectly classified as an amount paid in the current year wherein it related to a payment for a previous year; It was noted that the audit fees, as disclosed, included amounts paid to the audit committees, amounting to R94 130 (2021-22: R87 365), which is not regarded as audit fees; It was noted that awards included in the	Financial	0	The review of the financial statements by the different service providers was not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Correct disclosure note The identified misstatement will not be corrected and carried to the schedule of identified misstatements to be corrected with the 2024/2025 AFS	CFO and Consultants CFO and Consultants	17 January 2024 30 June 2024	Completed Outstanding

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		awards to close family members of persons in the service of the state disclosure, were above the scope of the regulation as they included relations outside the scope of spouse, child, or parent.							
COMAF 24	Statutory Receivables from Non-Exchange Transactions	During the review of the financial statements, various disclosure errors were identified: a. Cut-off of narrative disclosures (Traffic Fines) b. Ageing of Statutory Receivables from Non-Exchange Transactions (Property Rates and Fines) c. Property Rates Impairment on 30 June 2022 (provision for impairment cannot be	Financial, Compliance	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before the submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Correct disclosure notes Prepare Interim AfS to ensure 2023 closing and opening balances for 1 July 2024 are correctly carried over.	Manager Revenue and Consultants	5 February 2024 30 June 2024	Completed In process

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		more than the Gross Balance of Property Rates); d. Reconciliation of Provision for impairment (In the comparative, impairment losses recognized relating to property rates are shown as a negative amount (R78 496), indicating that it cannot be a loss, but rather the reversal of a loss)							
COMAF 25	Segment reporting disclosure	Various errors were identified in respect of the municipality's segment reporting disclosure for the 2023 financial year as well as the reporting disclosure for the 2022 financial year (comparative year):	Financial, Compliance	0	The review of the financial statements by the different assurance providers was not detailed enough as it did not identify the above-mentioned discrepancies.	Correct segment reporting as communicated with the Auditor-General The identified misstatement not corrected will be carried to the schedule of	CFO & Consultants CFO & Consultants	29 January 2024 30 June 2024	Completed In process

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						identified misstatements to be corrected with the 2024/2025 AFS			
COMAF 28	Financial Instrument disclosure	During the review of the financial statements, disclosure errors for the following were identified: Credit Risk Disclosure Incorrect current borrowings disclosure Incorrect direction of prior year financial asset	Financial, Compliance	0	Management did not implement proper processes to ensure that complete, relevant, and accurate information was accessible and available for audit purposes. This resulted in information, relating to credit risk disclosure, not being provided to the auditors on a timely basis.	Corrections to Financial Instruments Prepare Interim AfS to ensure 2023 closing and opening balances on 1 July 2024 are correctly carried over.	CFO & Consultants CFO & Consultants	16 February 2024 30 June 2024	Completed In process
COMAF 29	Accuracy of Future lease receivable disclosure	It was identified that the municipality (as the lessor) determined the future minimum operating lease payments for the period not later than one year incorrectly.	Financial	0	The review on the financial statements by the different assurance providers were not detailed enough as it did not identify the above-mentioned discrepancies.	Correct disclosure note	CFO & Consultants	23 January 2024	Completed

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		In addition, it was identified that the municipality did not accurately apportion the annualized operating lease payments as per the supporting lease schedule for the leasing of a property. The above-mentioned errors resulted in the disclosure of future lease receivables (disclosure note 11.2) being understated.							
COMAF 30	Remuneration of Councillors	On inspection of the disclosure per note 34 to the financial statements, it was noted that the disclosure does not meet the requirements of section 124(1)(a) of the MFMA. Details relating to the salaries, allowances, and	Financial	0	The review of the financial statements by the different assurance providers were not detailed enough as it did not identify the above-mentioned discrepancies.	Correct additional disclosure Correct omitted lines	CFO & Consultants CFO & Consultants	22 May 2024 22 May 2024	Completed Completed

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		benefits were not disclosed in Note 34. In note 34, the remuneration of councilors was disclosed on an individual basis, together with the period that they served as a councilor for the year under review. However, no period of service was disclosed for the last two councilors (MG du Plessis & S.L Setiera) listed. Furthermore, the lines with zero value should be removed to enhance the quality of the financial statements. It was further noted that the detail per councilor for the							

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		comparative amount does not add up and agree to the R5 616 109 disclosed as the total councilor's remuneration for 2022. Detail and the period of service should be disclosed as part of the incumbent 2022 column where no detail is currently provided.							
COMAF 31	Liquidity and interest rate tables	The following disclosure errors were identified as per note 53.1 – Liquidity Risk Management: Numbering issue Cashflows are discounted Cashflows incorrectly classified as payable within 6 months or less	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Correct note structure Correct Cash Flows at undiscounted values Correct cash Flows incorrectly classified Correct clarification of Annuity Loan	CFO and Consultants CFO and Consultants CFO and Consultants CFO and Consultants CFO and Consultants	23 January 2024 23 January 2024 23 January 2024 23 January 2024 23 January 2024	Completed Completed Completed Completed Completed

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		Clarification of Annuity Loan Current Portion of Long-term Liabilities				Correct the Current portion of Long-term Liability			
COMAF 33	Inventory expensed	During the review of the financial statements, the following disclosure errors were identified: The cost of inventories recognized as an expense was disclosed as R18 117 722 in note 1 to the financial statements. This is inconsistent with the amount of Inventory consumed disclosed at R18 911 175 on the face of the statement of financial performance as well as note 40 to the financial statements.	Financial	0	The review of the financial statements by the different assurance providers were not detailed enough as it did not identify the above-mentioned discrepancies.	Correct note 1 disclosure	CFO and Consultants	23 January 2024	Completed

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		The reason for the difference is the cost of the sale of land amounting to R793 453 being omitted from the disclosure of inventory recognized as an expense disclosed in note 1.							
COMAF 34	Operational Revenue	During the audit of Operational Revenue, we identified that an amount of R82 635,38, was incorrectly recognised as revenue in the 2022/23 financial year. The amount is payable by The Courier Guy to the municipality, for damage caused by one of their drivers to municipal property (lamppost). The invoice to collect the money from The Courier Guy (serial: 1282) was issued on 19 August 2021,	Financial	0	Management did not sufficiently review the revenue recognition process, due to inadequate segregation of duties, which resulted in management not correctly applying GRAP 9 for Operational Revenue.	Management did consider whether a correction of error should be made. It was concluded that as the amount is immaterial and the cost of correcting the prior period error out ways the benefit, therefore no prior period error was made. The identified misstatement not corrected will be carried to the schedule of	N.A. CFO and Consultants	N.A. 30 June 2024	N.A. In process

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		which falls within the 2021/22 financial year.				identified misstatements to be corrected with the 2024/2025 AFS			
COMAF 35	Note 46 Reclassification & Note 47 Correction of error	It was noted that where changes were made to the comparative amount per the financial statements submitted for audit, management has separated these changes in two notes, namely "Reclassification of annual financial statements" (Note 46) and "Correction of error" (note 47). However, on inspection of these notes, it was noted that both correction of errors and reclassifications are disclosed in both of the notes and are not specifically separated. Certain prior period adjustments were also	Financial	0	Management compiled the financial statements, using a template that resulted in the manner in which the notes were disclosed. The review of the financial statements by the different service providers was not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Amend correction of errors and reclassification note	CFO and Consultants	31 January 2024	Completed

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		duplicated or disclosed in both notes.							
COMAF 36	Disclosure Note - Awards to family	During the audit of note 51.1.9: Awards to close family members of persons in the service of the state, the following was noted: A. Disclosure of relationships outside the scope Relationships disclosed were not in line with SCM reg 45, as communicated in COMAF 22 of 2023 resulting in the disclosure note amount being overstated by R402 175 (2022: 293 436). B. Misstatement in the disclosed award amount for the current year and comparative year	Financial	0	The review on the financial statements by the different service providers were not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Amend note to award and actual expenditure for rates base tenders	CFO and Manager: SCM	31 January 2024	Completed

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		Suppliers disclosed in the note were either not awarded contracts as per inspection of the contract register, the award amount disclosed misstated as purchases were disclosed and not the contract value (award amount) as required by SCM reg 45. This finding is both in the current year disclosure amount and comparative disclosure amount.							
COMAF 37	Note 54 - Incorrect disclosures	1. Incorrect disclosures made On inspection of note Note 54 - Multi-Employer Retirement Benefit Information, the following narrative disclosure was noted: "Council contributes to the LA Retirement Fund, a defined	Financial, Compliance	0	Management compiled the financial statements, using a template that resulted in the manner in which the notes were disclosed. The review on the financial statements by the different service providers were not detailed enough as it did	Amend the notes disclosures for the retirement fund	CFO and Consultants	29 January 2024	Completed

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		contribution scheme, and the National Fund for Municipal Workers and SAMWU National Provident Fund, which is a defined contribution fund." The municipality and its employees however do not participate/make contributions to the LA Retirement Fund and National Fund for Municipal Workers for the 2022-23 financial year. The SAMWU National Provident Fund was renamed to the Municipal Workers Retirement Fund. Information regarding assets and funding level were not disclosed as indicated in the actuarial valuation reports of the			not identify the discrepancies and inconsistencies identified.				

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		Consolidated Retirement Fund as at 30 June 2022 and 30 June 2021. 2. Limitation: Municipal Workers Retirement Fund The actuarial valuation report of the Municipal Workers Retirement fund was not submitted as requested in RFI 101 to support the disclosures in note 54. The municipality submitted the actuarial valuation reports for the 2017 and 2022 financial year of the National Fund for Municipal Workers.							
COMAF 38	Long service award liability	1.1 Current service cost and Interest cost: During the audit of employee benefits – long service award liability, the following	Financial	0	Management incorrectly disclosed the current service cost and interest cost in respect of the long service award liability.	Correct current service cost and interest cost	CFO and Consultants	30 January 2024	Completed

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		differences were identified between the amounts recognized as the current service cost and interest cost as per note 18.4 of the financial statements and the report on the actuarial valuation of the long service award liability. 1.2 Duplication of allocation in the cash flow statement: During the review of note 18.1.1, it was noted that the movement relating to the long service awards was duplicated, as it was included in both the current and non-current portion. 1.3 Note 18.4 – Duplication & inconsistencies:			The review of the financial statements by the different service providers was not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Correct disclosures in Cashflow	CFO and Consultants	30 January 2024	Completed

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		During the review of note 18.4, inconsistencies between the current year (2023) disclosure and that of the comparative year (2022) were identified. 1.4 Treatment of long service awards movement in the statement of financial performance: It was noted that the treatment of the long service awards movement in the statement of financial performance for the year under review (2023), with respect to current service cost and interest, is inconsistent with the treatment as disclosed for the comparative year (2022).							

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COMAF 40	Note 4: Receivables from Non-Exchange Transactions	a. Note 4.2 - Ageing of Receivables from Non-Exchange Transactions: During the review of note 4.2, it was noted that the narrative disclosure is inconsistent with the tables included in the same note.	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Correct note 4.2 disclosure	CFO and Consultants	31 January 2024	Completed
COMAF 41	Note 49 – Cash generated by operations	During the audit of the Cash Flow Statement, no supporting evidence was submitted for the purpose of testing the accuracy of the "Minor Variance on Other Non-cash Transactions" included in the calculation of the cash flow for suppliers paid amounting to R19 133 926.	Financial, Compliance	0	The cash flow statement, and audit file submitted for audit purposes, are not supported and evidenced by reliable information (i.e. the relevant supporting cash flow workings) to support the amounts disclosed on the face of the cash flow statement.	Correct Cash Flow after all changes are done	CFO and Consultants	16 February 2024	Completed

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COMAF 41	Cash flow statement misstatements	During the audit of the cash flow statement, the discrepancies and errors for the following were identified: Losses on Disposal of Property, Plant and Equipment (PPE); R6 229 677 is incorrectly presented as a Decrease in Borrowings (Loans Redeemed); The finance lease liability is incorrectly presented as a cash inflow under cash flows from financing activities; Cash flows from operating activities for service charges and suppliers paid were incorrectly calculated and presented on the face of the cash flow statement.	Financial, Compliance	0	Management compiled a cash flow statement containing disclosure and classification errors that were not identified before submission of the financial statements for audit. The review of the financial statements by the assurance providers was also not detailed enough to identify the discrepancies and the errors noted.	Correct Cash Flow after al changes are done	CFO and Consultants	16 February 2024	Completed

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COMAF 42	Note 19: Provisions	The following presentation and disclosure discrepancies were identified during the audit of the Provision for Rehabilitation of Landfill-sites: A narrative disclosure included in note 19.2.1 seems to have been inappropriately cut off; For narrative disclosure included in note 19.3, the bracket indicating the comparative amount was included in the incorrect space; Note 19.3 Proposed date of rehabilitation - The proposed date of rehabilitation for the Barrydale, Malgas and Suurbraak landfill sites is incorrectly disclosed as 2022/23.	Financial	0	The review of the financial statements by the different service providers was not detailed enough as it did not identify the discrepancies identified.	Correct Disclosures on Landfill Site	CFO and Consultants	2 February 2024	Completed

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COMAF 43	Issues identified with the disclosure of the statement of comparison of budget and actual amounts	During the audit of the statement of comparison of budget and actual amounts for the year ended 30 June 2023, the auditor identified the following issues:	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers	Adjust Budget vs Actual	CFO and Consultants	12 February 2024	Completed
		Issues relating to the Statement of Financial Performance comparison: Differences noted between the final budget, as per the Statement of Comparison of Budget and Actual Amounts, and the May 2023 final approved budget Variation reasoning not given Incorrect calculation of Actual outcome as a percentage of Final				The identified misstatement not corrected will be carried to the schedule of identified misstatements to be corrected with the 2024/2025 AFS	CFO and Consultant	30 June 2024	In process

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		Budget, and Actual Outcome as a percentage of Original Budget Issues relating to the Statement of Financial Position comparison: Differences noted between the final budget, as per the Statement of Comparison of Budget and Actual Amounts, and the May 2023 final approved budget Variation explanations not disclosed Incorrect calculation of Actual outcome as a percentage of Final Budget, and Actual Outcome as a percentage of Original Budget							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		Issues relating to the Cash Flow statement comparison: Differences noted between the final budget, as per the Statement of Comparison of Budget and Actual Amounts and the May 2023 final approved budget Differences noted between the actual outcome, as per the Statement of Comparison of Budget and Actual Amounts, and the Cash Flow Statement Casting errors Variation explanations not disclosed Incorrect calculation of Actual outcome as a							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		percentage of Final Budget, and Actual Outcome as a percentage of Original Budget							
COMAF 44	Impairment losses disclosure note	A. Note 36.3 - Impairment losses on financial assets: The impairment loss has been recalculated and differences were noted between the recalculation and note 36 in the comparative figures B. Misstatements in notes relating to impairment and impairment reversals: Differences (misstatements) were identified between the movements in the provision for impairment notes 2, 4,	Financial	0	The review on the financial statements by the different service providers were not detailed enough as it did not identify the discrepancies and inconsistencies identified	Amendments to disclosure notes	Manager: Revenue and Consultants	5 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		and 5 and the recalculation C. Note 2.4 – Amounts written off as uncollected: Disclosure note 2.4 includes an amount of R669 905 with the description “Amounts written off as uncollectible”. This amount is the VAT portion of the impairment/impairment reversal. The availability fees were disclosed in note 4.4 as Receivables non-exchange. An amount of R56 416 was incorrectly included in note 2.4 as Receivables from exchange.							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		The disclosure of the VAT portion separate from the impairment loss recognised / reversed is inconsistent with the treatment in the prior year.							
COMAF 46	Misstatement – Water related misstatements	Incorrect Fair Value Gains on Water Stock: During the audit of inventory, we identified that management incorrectly included a gain of R7 750 979 (R7 634 906), in the Statement of Financial Performance. This was further disclosed in Note 44, Gains and Losses on other operations. Management classified the cost of water purification, which is added to inventory, as	Financial	0	The prescribed treatment of water inventory per MTREF Budget Circular No. 122 dated 12 December 2022 are not in line with GRAP. The review on the financial statements by the different service providers were not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Corrected	CFO & Consultants	5 March 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		a “fair value gain on water stock”. Incorrect Water Losses: The Auditor-General does not agree with the calculation made by management for water losses.							
COMAF 47	Change in Accounting Estimates- Provision for the Rehabilitation of Landfill Site	The disclosure in note 48.2 Provision for the Rehabilitation of Landfill Sites was incorrectly presented as a reduction instead of an increase in the provision and the amount of the total increases (incl. passage of time) was inaccurately disclosed at the incorrect amount. The technical assumptions disclosed as the main reasons for	Financial	0	Management incorrectly disclosed the estimate of the provision for the rehabilitation of landfill sites as a reduction at the incorrect amount. This was also not identified during the review of the financial statements by any of the assurance providers.	Correct disclosure notes	CFO and Consultants	2 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		the difference are also not in line with the reasons provided in the Landfill Closure and Rehabilitation report compiled by Ducharme Consultants as at 30 June 2023.							
COMAF 48	Note 45: Gains/Losses on Disposal of Capital Assets	During the audit of losses on the disposal of capital assets, it was noted that the annual financial statements for the year ended on 30 June 2023, specifically note 45, disclose losses on the disposal of capital assets, however, it was noted that the losses disclosed are more than the carrying value of the assets that it relates to, indicating that impairment losses are misstated. Furthermore, it was noted that the total	Financial	0	The review of the financial statements by the different service providers was not detailed enough as it did not identify the overstatement of the bad debts and ensuring that the correct figures were used.	Correct disposal of capital assets	CFO	16 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		refers to "Total Gains on Disposal of Capital Assets", while it should have "Total Losses on Disposal of Capital Assets".							
COMAF 49	Impairment of Receivables from Exchange Transactions	During the review of the financial statements, disclosure errors were identified, relating to note 2.2 where the provision for impairment was more than the Gross Balance of the items identified.	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Adjustments have been made	CFO and Consultants	30 January 2024	Completed
COMAF 50	Revenue forgone	Upon inspection of note 27, it was noted that revenue, which includes revenue forgone was included in the statement of financial performance.	Financial	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements. These errors were not identified before submission of the	The template was adjusted and corrected	CFO and Consultants	30 January 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		It appears that the disclosure is misleading, as the total service charges (as included in the statement of financial performance) exclude revenue forgone, but the note service charges including revenue forgone are misstated, as the revenue forgone should be subtracted to be in line with the statement of financial performance.			financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.				
COMAF 51	Note 2: Disclosure of Receivables from Exchange Transactions (2021/22)	During the review of the comparatives per note 2 to the financial statements, credit line items were identified. Line items, with credit balances, were included as part of receivables exchange comparative.	Financial, Compliance	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements. These errors were not identified before the submission of the financial statement. This was also not identified during the review of the financial statements by	Improve aging on corrections made	Manager: Revenue and Consultants	5 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		From further enquiry, it was determined that these credits largely relate to the write-back of the SOILL debtor based on the settlement agreement reached with the debtor. Although the net balance relating to receivables from exchange transactions relating to 2021/22 is accurate, the line-item disclosure within the note would be misleading to the users of the financial statements as the service debtors to which this write-back relates to would be overstated.			any of the assurance providers.				
COMAF 52	Note 50: Unauthorised Irregular, Fruitless and wasteful	During the review of the note, the following discrepancies were identified:	Financial	0	Management did not adequately review the AFS and agree them to the supporting schedule and ensure that all necessary disclosures	Correct disclosure in the AFS	CFO and Consultants	5 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
	expenditure disallowed	a. Note 50.2 Fruitless and Wasteful Expenditure - It was noted that the balance of R248 240 was excluded from the balance for Fruitless and Wasteful Expenditure awaiting condonement. b. Note 50.3 Irregular expenditure: adjustment to comparative amount - During the audit of irregular expenditure, it was noted that the comparative amount presented for irregular expenditure in note 50.3, does not agree to the prior year audited financial statements. No disclosure of further explanation for the adjustment of the			with regards to restatements are disclosed.				

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		comparative was provided in note 47, "Correction of error", as required by GRAP 3.							
COMAF 53	Remuneration of Key Management Personnel	During the review of the financial statements, specifically note 33.3 Remuneration of Key Management Personnel, the following discrepancies in the disclosure were noted: 1.1 Remuneration of the Municipal Manager - Mr A.M. Groenewald: The annual bonus amounting to R180 050 was a misclassification; 1.2 Remuneration of Director: Engineering Services - Mr B.C Neale	Financial	0	The review on the financial statements by the different service providers were not detailed enough as it did not identify the discrepancies and inconsistencies identified.	Improve disclosure in notes	CFO and Consultants	5 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		(1 November 2022 - 30 June 2023): This comparative remuneration for Director: Engineering Services (2022: R1 283 324) was incorrectly duplicated. 1.3 Period of service: No period of service to indicate the period that the remuneration disclosed relates to was included for certain key management personnel. 1.4 Remuneration of Director: Corporate Services - Mr A. Vorster (1 July 2022 - 30 September 2022):							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		The acting allowance, to the amount of R18 894.91, received for performing duties as municipal manager was not presented separately.							
COMAF 54	Contingent Asset	Development charges, that the municipality is entitled to but for which no final MOA, stipulating the amount payable, was concluded with the developer. The developer however started with the development, even though this MOA was not finalized and agreed to by all parties. The municipality is currently in a legal battle with the developer and estimated the amount	Financial	0	Management has omitted to disclose the contingent asset as they did not have a signed MOA that they believed to be the source document for recognizing the transaction.	Add Contingent Assets to AFS	CFO	2 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		relating to development charges payable by the developer to be around R2.2 million. As the dispute and legal proceedings commenced before year-end, the municipality should have disclosed this contingent asset in the financial statement but has omitted to do so.							
COMAF 55	Note 7.9: Expenditure incurred for repairs and maintenance	During the audit of note 7.9, expenditure incurred for repairs and maintenance, it was noted that the comparative amount presented in the note does not agree to the prior year audited financial statements. No disclosure of further explanation for the adjustment of the comparative was provided in note 47,	Financial	0	Management's interpretation of the standard was different and did not consider the inclusion of disclosing correction of error relating to disclosure items. This was also not identified during the review of the financial statements by any of the assurance providers.	Correct note disclosure The correction to the prior year's disclosure note for repairs and maintenance has not been disclosed as part of note 46. The identified misstatement not corrected will be carried to the schedule of	CFO and Consultants CFO and Consultants	6 February 2024 30 June 2024	Completed In Process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		"Correction of error", as required by GRAP 3.				identified misstatements to be corrected with the 2024/2025 AFS			
COMAF 56	Client listings submitted do not agree to disclosure note 7.9	Differences were noted between note 7.9 Repairs and maintenance and the schedules submitted with the financial statements supporting these figures disclosed for the following: Contracted Services Inventory Consumed Operational Cost	Internal Control	0	Review procedures to confirm the accuracy of the schedules submitted as support to the financial statement were not adequate, resulting in these differences.	Correct Working Paper	CFO	4 February 2024	Completed
COMAF 58	Condonation / Write-off of Unauthorised - Irregular - or Fruitless and wasteful expenditure (UIFW)	Per inspection of the Council minutes of the Ordinary Council Meeting, dated 29 September 2023, various items of unauthorized-, irregular- and fruitless and wasteful expenditure were approved by council	Financial	0	Management did not take into account the subsequent event before the finalization of the financial statements to submit for audit purposes.	Adjust the financial statements to include the disclosure of UIFW approved to be written off	CFO	15 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		for write-off but were not disclosed as such in note 50 to the financial statements.							
COMAF 59	Note 58: Analysis of Principal / Agency Accounting	1.1 Note 58.1: Municipality acting as the Principal: It came to the auditor's attention that the following was not disclosed relating to the principal relationship disclosure: - Resources of the municipality that are under the custodianship of the agent under all three agreements (TMT, Oasis and Syntell). If there are no resources of the municipality under custodianship, it should be clearly stated in the note disclosure. - Resource, or cost implication for the municipality if the	Financial, Compliance	0	Management compiled the financial statements, using a template that resulted in errors in the financial statements when they were printed. These disclosure errors were not identified before submission of the financial statement. This was also not identified during the review of the financial statements by any of the assurance providers.	Include Disclosure for Principle and Agent	CFO	29 February 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		principal agent is terminated under all three agreements (TMT, Oasis and Syntell). 1.2 Note 58.2: Municipality acting as the agent: During the review of the principal-agent relationship disclosure, the following omission in the disclosure were identified: The amount of revenue received or to be received on behalf of the Department of Transport and Public Works							
B	Audit of pre-determined objectives								
COMAF 5	AoPO – Service delivery to informal settlements	The planned and reported performance information of selected objectives was audited against the following	Performance	0	The indicators included in the IDP were not revised, to consider reporting on the basic service delivery needs in informal	The KPI was included in the 2023/2024 Targets. By the time the	N.A.	N.A.	N.A.

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		additional criteria as developed from the performance management reporting framework: • Relevance – completeness of relevant indicators - o Completeness of relevant indicators in terms of the auditee's mandate, including whether: ☐ relevant core functions are prioritised in the period under review ☐ relevant performance indicators are included for the core functions prioritised in the period under review. When assessing these additional criteria for			settlements. The same finding was identified in the prior year, only after the IDP for 2022/23 was finalized.	finding was issued the targets for the year were already approved			

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		the selected strategic objective, municipal strategic objective (SO4) – to enhance access to basic services and address maintenance backlogs, it was noted that the delivering of services to informal settlements are not part of the indicators being assessed.							
COMAF 8	AoPO – TL 41 Misstatement	During the audit of the indicator TL41 - Spend 95% of the Municipal Infrastructure Grant (MIG) allocation received for the Barrydale (Smitsville) upgrading of roads and stormwater infrastructure (Portion 3) by 30 June 2023, we identified that the supporting schedules to the reported performance of the indicator as per the	Performance	0	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Management did not adequately review the APR to ensure that the information disclosed in the APR is consistent with the supporting schedules.	Adjustment to the annual performance report for KPI 41	CFO	December 2023	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		2022/23 Annual Performance Report (APR), does not agree. The actual performance determined by the auditor using the supporting schedules is 94,12%, while the reported performance is 94,21%. This results in a difference of 0,09							
COMAF 8	AoPO – Revised SDBIP and APR Inconsistencies	During the audit of AoPO, we identified discrepancies between the revised Service Delivery Budget Implementation Plan (SDBIP) approved on 24 February 2023 and the Annual performance report (APR) submitted for audit. Furthermore, instances were identified in the APR where measures taken to improve	Performance	0	Management did not adequately review the APR to ensure that the information disclosed in the APR is consistent with the revised SDBIP. Management did not ensure that the targets reported in the APR are presented sufficiently with measures taken to improve performance for all the targets “not met” and targets “almost met”, as upon submission, the space allowed for	Filling of a vacancy advertised Organogram changed to allow for managerial oversight	Municipal Manager Municipal Manager	30 January 2024 30 June 2024	Completed (Position filled) In process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		performance for targets "not met" and "almost met" were not disclosed as required by section 46 of the Municipal Systems Act.			disclosure only indicated "???", indicating that it was not sufficiently reviewed before submission.				
COMAF 14	AOPO – Limitation of Scope – Poor and Indigent Indicators	During the audit of performance information, application supporting documents (i.e completed application forms, proof of income, certified copy of identity document and proof of average water & electricity consumption for the consumer for the past 12 months), for the purposes of testing the validity of poor and indigent indicators, could not be provided due to the protest action by the community which resulted in the	Performance	0	The annual performance report is not supported and evidenced by reliable information as the relevant supporting documents were destroyed in the fire.	Electronically save of indigent applications in future	Service provider	September 2023 onwards	Ongoing

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		information being destroyed. Due to the nature and characteristics of the information in support of the reported achievements for the above indicators, a material limitation of scope exists due to the information not being available to consider the reliability of evidence to measure performance.							
COMAF 21	AoPO – TL 13 Misstatement on the reported performance	During the audit of the indicator TL 13 - Number of residential properties connected which have access to a sewerage network or septic tank irrespective of the number of water closets (toilets) as at 30 June 2023, an error in the sewer report was identified, where some	Performance	0	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Management did not adequately review the	Adjust KPI in the annual performance report for TL13	CFO and Manager: Revenue	24 Jan 2024	Completed

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		of the tariffs were duplicated. This resulted in a misstatement on the reported performance of the indicator as per the 2022/23 Annual Performance Report (APR).			supporting reports to ensure that the information in the reports was accurate and complete.				
C	Procurement and contract management								
COMAF 11	Preferential Procurement Regulations 2022	As required by S2(1)(a) of the PPPFA, a preference point system must be followed. Regulation 4(1) of the PPR 2022 further states that the 80/20 preference point system must be used in the calculation in respect of an invitation for tender with a rand value equal to or below R50 million, inclusive of all the applicable taxes.	Compliance	0	Management did not appropriately interpret the Preferential Procurement Regulations 2022 and the related guidance issued by National Treasury and therefore did not apply the required preference point system to written quotations below R30 000.	Disclose the expenditure as Irregular Expenditure Report to section 32 committee	CFO CFO	During the audit 30 June 2024	Completed In process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		The PPR 2022 defines a tender as a written offer in response to an invitation to provide goods and services through price quotations, competitive tendering processes, or other. During the audit of Supply Chain Management, it was identified that the preferential points system was not applied to written quotations below R30 000 (VAT included).							
COMAF 12	Procurement and Contract Management - Non-Compliance with local content	During the audit of procurement and contract management, it was identified that for the request for tender, Supply and Delivery of Telecom Trailer and 2 X Scow Containers tender did not stipulate	Compliance	0	Management did not adequately implement the review and monitoring procedures around the supply chain management process to ensure compliance with the relevant applicable laws and regulations as the invitation to bid did	Financial statements will be adjusted Report to section 32 Committee	CFO CFO	During the audit	Completed In process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		the percentage of the minimum threshold for local production content.			not stipulate the minimum threshold for local content.				
D	Compliance								
COMAF 18	Performance Management and Consequence Management	The performance agreement for the Director of Corporate Services for the period 01 July 2022 - 30 June 2023 was signed by the said director on 30 June 2022 and approved by the Executive Mayor by signature on 03 July 2022. However, the auditors noticed that both the dates when the director and executive mayor signed were scratched and updated. The initial dates fell on July 2022 and August 2022 respectively. During the audit of the consequence	Compliance	0	Leadership did not put measures in place to ensure that all compliance requirements were adhered to.	DC has been compiled. New performance and compliance officer have been appointed with strict record keeping.	Municipal Manager	February 2024	Appointment - Completed Record Keeping - Ongoing

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		management business process, it was identified that the members of the disciplinary board included the Accounting Officer (Municipal Manager) which is in contradiction with the above requirement. She was appointed as a member of the disciplinary board for the period 1 July 2022 – 30 June 2024. At the date of her appointment, she still held the position of Director: Corporate Services. However, when appointed as Municipal Manager on 1 October 2022, she was not replaced by an alternative member.							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
E	Focus area: Water and Sanitation								
COMAF 23	Water and sanitation services	Performance planning and reporting on water and sanitation services: Not all key performance indicators for the provision of water services were achieved, measurable, relevant, or reported achievements were reliable. Not all key performance indicators for the provision of sanitation services were achieved, measurable, relevant or reported achievements were reliable. Planning and budgeting for water and sanitation	Compliance	0	Due to funding constraints, the plan could not be updated. The plan is outdated and will be referred to the next budget cycle. The organizational structure is currently under review and will the shortcomings of personnel subject to funding be addressed.	Refer WSDP to Budget	Director Infrastructure Services	2024/2025	Ongoing

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		infrastructure and routine maintenance: • The Water Services plan was not updated within the last 5 years. • The municipality has not reported on the implementation of the Water Services Development Plan (WSDP) for the two financial years before the financial year under review. • No water infrastructure maintenance plan was established for the year under review. • There is under-expenditure on the water maintenance budget spend, resulting from unutilised budget that was due to additional funds							

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		received for water works in Barrydale in April 2023, which could not be spent before year-end as the site had to be re-established. • There is under-expenditure on the sanitation maintenance budget spent, resulting from an unutilised budget due to the procurement process for Kliprivier Safety railings that could not be finalised, resulting in a late start to the project. • No conditional assessment of water infrastructure was performed to inform the water infrastructure maintenance plan for the year under review. • There are insufficient qualified engineers or technical							

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		staff to conduct the condition assessments and/or meet project needs and/or oversee the work performed by consulting engineers in relation to water infrastructure due to vacancies in the Water Purification Division.							
F	Focus area: Use of consultants								
COMAF 9	Consultancy reduction plans	During the audit of MFMA consultants focus area, the municipality could not provide a consultancy reduction plan as required by the above-mentioned regulation. It has been noted that a consultants' reduction policy which was approved by council on 29 August 2019 exists, however the policy is outdated	Internal Control	0	The municipality had a few resignations which resulted in these compliance responsibilities not being handed over to new officials to ensure the necessary compliance by the municipality.	A pre-process will be implemented with SCM to have the gap analysis to be considered at the specification meeting.	SCM Manager	Immediately	Ongoing

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		and is not developed based on the municipality's requirements and risk factors. It is further not clear how this reduction policy/plan has been implemented.							
COMAF 9	Gap analysis before the appointment of consultants	Based on correspondence from the auditee, it was confirmed that a gap analysis is done prior to the appointment of consultants. However, upon obtaining and inspecting the GAP analysis prepared for the procurement of consulting services: Gap analysis report (Ducharme Asset Management and Accounting services), it was noted that the report was signed on 18 July 2023 and Ducharme Consultants	Internal Control	0	Management did not formally document the required gap analysis before the appointment of consultants to ensure compliance with the applicable regulation.	A pre-process will be implemented with SCM to have the gap analysis to be considered at the specification meeting.	SCM Manager	Immediately	Ongoing

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		appointed as from 24 July 2023. The auditors further inspected the property details of the PDF gap analysis report provided and noted that the report was created on 10 November 2023. This indicates that the gap analysis assessment was not performed or properly documented prior to the appointment of the consultants.							
G	Governance								
COMAF 7	Roles and Responsibilities of the Audit Committee	During the audit of the work of the audit committee, it was identified that the audit committee did not follow the recommended practices as per guidance paper 04 and 06 of the PSACF.	Internal Control	0	No evidence of the requirements was obtained as it was not specifically included in the audit committee charter.	The APAC charter will be updated to put more emphasis on the roles and functions of APAC	Internal Audit	Review of the next Charter (30 Jun 2024)	Ongoing

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
H	Information systems audit								
COMAF 26	Inadequate ICT Security Controls Policy	The Information and Communication Technology (ICT) Security Controls Policy was formally documented and approved. However, as previously reported the security incident management procedure in the ICT Security Controls Policy had not been updated to clearly state what processes need to be followed when an incident is reported.	Performance, Internal Control	1	Management had not implemented action plans to update the policy as committed to in the previous audit. This was due to there being resource constraints within the IT department. The IT manager position was vacant during the review period and this delayed the review and updating of the ICT Security Controls Policy.	Review and amend the policy	CFO & ICT	June 2024	In process
COPMAF 26	Weaknesses identified in the password management process	The following weaknesses were identified: Active Directory (AD) password settings were not defined as per section 20 of the ICT Security Controls Policy.	Performance, Internal Control	0	Management oversight in ensuring that password settings are aligned to the ICT Security Controls Policy due to resource constraints within the IT department, where the IT manager position was vacant during the review period.	Review and amend the policy	CFO & ICT	June 2024	In process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		The implemented configuration was not in line with the policy.							
COMAF 26	Weaknesses identified in firewall management	During the review, it was noted that a new Sophos firewall was implemented in May 2023. However, as previously reported, the following weaknesses were identified in the management of the firewall: The Disaster Recovery Plan (DRP) did not detail the replacement process that should be followed should the firewall fail; The review of the administrator activities and firewall traffic was not performed during the period under review;	Performance, Internal Control	1	Management had recently implemented the Sophos Firewall in May 2023. As part of the implementation process management had not finalised the configuration of the firewall ruleset and the enablement of logs based on the municipality's policies. There were resource constraints within the IT department, where the IT manager position was vacant during the review period. Firewall administrator reviews could not be finalised, including the updating of the DRP to include firewall recovery in the event of a disaster.	Review the policies to include the recommendations.	CFO & ICT	June 2024	In Process

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		The firewall ruleset did not specify the following: The date the rule was added/changed. The name of the person who added/changed the rule; A table top exercise was not conducted to simulate a firewall failure; The firewall logs were not configured or enabled for the period under review.							
COMAF 26	Backup restoration and disaster recover testing was not performed	Disaster Recovery (DR) and backup restoration testing was not performed during the year under review. Inadequate DRP and backup management processes increase the risk of the municipality being unable to restore critical systems, data,	Performance, Internal Control	1	There were resource constraints within the IT department, where the IT manager position was vacant during the review period. Backup restoration and DR could not be tested, nor planned due to these resource constraints.	Refer DRP site to IT Steering and Budget Disaster site refer to 2024/2025 Budget	CFO & ICT	June 2024	In Process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		and business processes in the event of a service disruption or a disaster. This may result in financial losses, reduced productivity and/or unavailability of critical business services.							
COMAF 26	Weaknesses identified in the weekly backups replicated to an offsite location	Out of a sample of 11 requested backups that are replicated to an offsite location, only 5 could be obtained. Six backups replicated to an offsite location for the following weeks could not be obtained: • Backups for July 2022, week 1 • Backups for January 2023, week 4 • Backups for February 2023, week 3 • Backups for March 2023, week 2 • Backups for April 2023, week 1	Performance, Internal Control	0	Due to inadequate storage capacity, replication of backups could not be performed for the weeks requested. As a result, evidence could not be obtained.	Backups procedures rectified.	CFO & ICT	March 2024	Completed

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		Backups for June 2023, week 4							
COMAF 26	Inadequate user access management – Active Directory (AD)	New users: From a sample selected, a network access form for a user was not recommended/signed by the director Terminations: Certain terminated users were still active on the Active Directory Password resets: Password reset requests were not documented and maintained for some users. Therefore, evidence that password resets were requested for and approved could not be obtained. Access reviews:	Performance, Internal Control	1	There were resource constraints within the IT department, where the IT manager position was vacant during the review period. This was also exacerbated by the recent protests that affected the Swellendam Municipality and affected municipal operations over the review period.	Develop a new system for users' access and termination forms and password resets as well as third-party systems	CFO & ICT	June 2024	In process

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Number	Finding	Description of Finding	Classification	Number of Times Reported	Auditor-General Root Cause	Corrective Action Management	Responsible Person	Due Date	Progress to Date
		User and administrator access reviews were not performed for the period under review.							
COMAF 26	Inadequate user access management – SAMRAS	Access modifications: From a sample selected, a network access form (user modification form) for a user could not be obtained. Access reviews: User access reviews were not performed for the period under review; Administrator access reviews were not performed for the period under review.	Performance, Internal Control	1	There were resource constraints within the IT department, where the IT manager position was vacant during the review period. This was also exacerbated by the recent protests that affected the Swellendam Municipality and affected municipal operations over the review period.	Fill of the ICT position and develop SOPs and procedures to address the recommendations.	CFO & ICT	June 2024	Applicant did not accept appointment. New advertisement process underway.
COMAF 26	Weakness identified in the meter readings business process	Processes were in place to ensure that data is accurate and complete when transferred from the RDATA device to the SAMRAS system,	Performance, Internal Control	1	Management did not prioritise the formalisation of the completeness checks due to resource constraints.	Investigate alternative methods for completeness.	CFO & ICT	June 2024	

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		however, evidence of the completeness checks were not retained.				New tender process in 2024/2025			
COMAF 27	Limitation of Scope: RFI 08 – Network Access forms (User creation and user modification forms) could not be obtained	Network Access forms (user creation forms) requested for certain users were not provided by management. Network access forms (user modification forms) for certain modified users could not be obtained.	Performance, Internal Control	0	Network access forms (new user creation forms and user modification forms) for the above users was not provided as the documents were destroyed in the fire.	The documents will in the future be scanned in and sent through the ticket system currently used by ICT The vacant position has been advertised and will be filled in due course. All users will again be requested to fill in the forms.	CFO & ICT	June 2024	In Process
COMAF 27	Limitation of Scope: RFI08 – Password reset requests for SAMRAS could not be obtained	Certain requested password reset information were not provided by management.	Performance, Internal Control	0	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support reporting on IT controls.	New electronically process for passwords reset and safe documents electronically.	CFO & ICT	June 2024	In Process

