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SWELLENDAM MUNICIPALITY

3rd QUARTER FOLLOW-UP REPORT

AUDIT AND PERFORMANCE AUDIT COMMITTEE

PURPOSE

The Global Internal Audit Standards, standard 15.2: Conforming the Implementation of Recommendations of Action Plans, requires that Internal Auditors follow an established methodology to confirm that management has implemented actions to address engagement findings.

OBJECTIVES

Internal Auditors must establish a follow-up process to monitor and ensure that management actions have been effectively implemented and/or that management has accepted the risk(s) of not taking action.

The methodology includes:

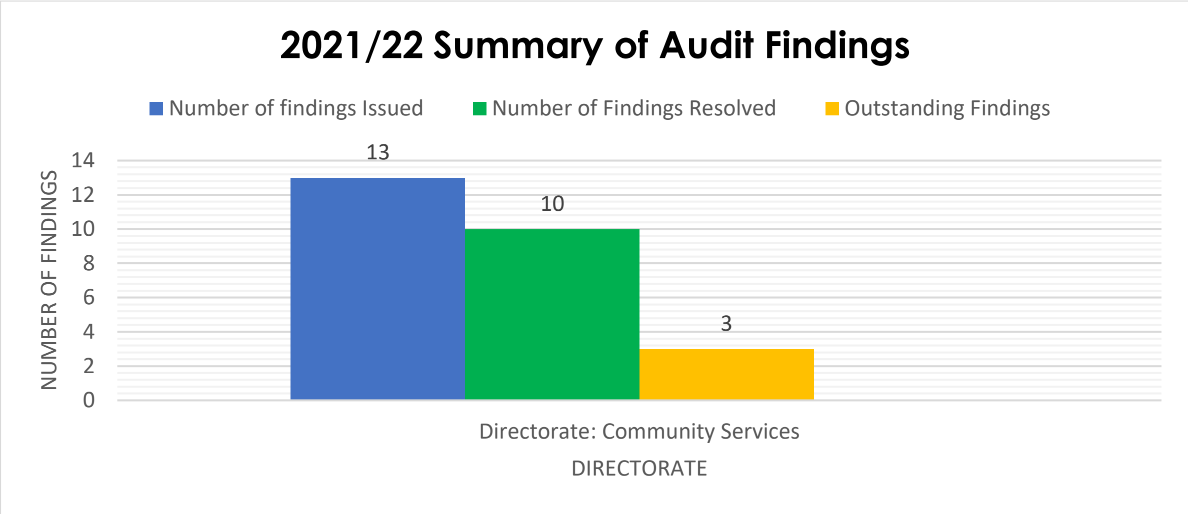
- Inquiring about progress on the implementation;
- Performing follow-up assessments using a risk-based approach and
- Updating the status of management`s actions in a tracking system.

OUTCOME/RESULTS

Financial Year	Findings Issued	Findings Resolved	Findings Outstanding	Not Yet Due
2021/22	13	10	3	-
2022/23	14	13	1	-
2024/25	6	5	1	-
2025/26	28	1	-	27

GRAPHICAL EXECUTIVE SUMMARY

2021/22 Financial Year



Six internal audit reports were issued namely that of:

- Directorate Community Services: Housing Allocation Review
- Directorate Financial Services: Revenue Management (Sundry Income) Review
- Directorate Community Services: Q1 Landfill Site Compliance (Bontebok) Review
- Directorate Community Services: Q2 Landfill Site Compliance (Barrydale) Review
- Directorate Community Services: Q3 Landfill Site Compliance (Suurbraak) Review and
- Directorate Community Services: Q4 Landfill Site Compliance (Malgas) Review.

A total of 13 findings were issued, 10 were resolved, and 3 are still outstanding. The three outstanding findings pertain to the Landfill sites and involve non-compliance with permit conditions for Bontebok, Barrydale, and Suurbraak.

Manager: Waste and Environmental Feedback:

The Manager: Waste and Environmental provided the following feedback based on the non-compliance with permit conditions as per town:

Bontebok Landfill

- External audit (November 2025): 80.29%
- Previous audit (November 2024): 66.18%
- Status: Significant improvement; site is largely compliant and operationally stable. With the addition of boreholes the next audit is expected to be above 85% which will put the municipality in the green.

Barrydale Landfill

- No internal or external audit conducted during 2024/25.
- Last audit: 2022 – 13.91%
- Status: High compliance risk due to poor historical performance and lack site staff.
- Strategic Direction: Decommission landfill and establish a waste drop-off facility as and when funding allows.

Suurbraak Landfill

- External audit (September 2025): 29.14%
- Previous audit (March 2023): 28.75%
- Status: Persistently low compliance.
- Regulatory Risk: Pre-compliance notice issued; response due 11 March.
- Strategic Direction: Decommission landfill and transition to a drop-off facility as and when funding allows.

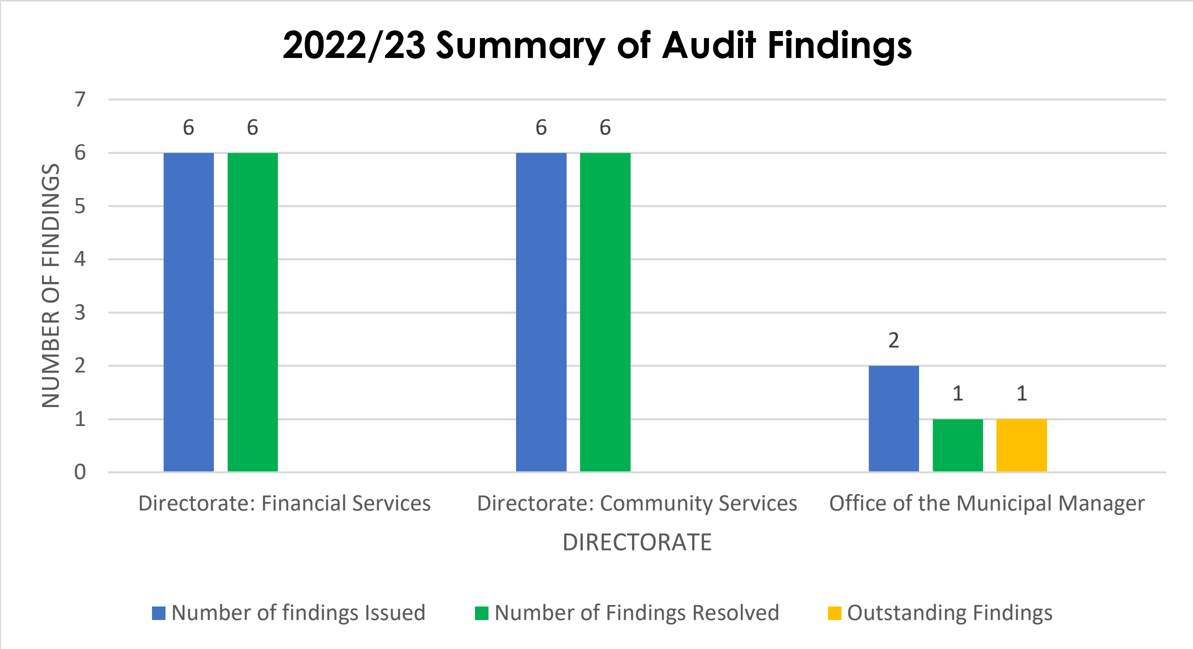
Infanta Landfill

- External audit (December 2024): 45.51%
- Previous audit (March 2022): 38.99%
- Status: Moderate improvement, but still below acceptable compliance thresholds.

Malgas Landfill

- No internal or external audits conducted during 2023/24 or 2024/25.
- Last audit: March 2022 – 37.8%
- Status: Ongoing compliance risk
- Strategic Direction: Surrender of the site once sufficient funding becomes available. Site is currently closed to public

2022/2023 Financial Year

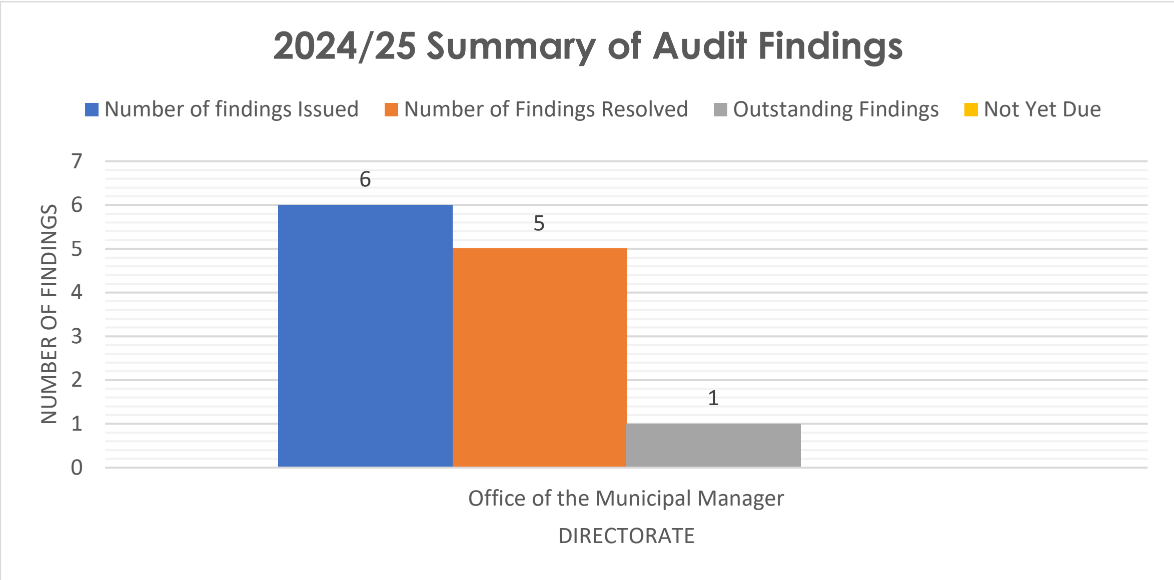


Fourteen internal audit reports were issued namely that of:

- Directorate Financial Services: 2021/2022 Annual Stock Count
- Office of the Municipal Manager: 2021/2022 Annual Performance Management (SDBIP) Review
- Directorate: Community Services: Landfill Site (Infanta) Review
- Office of the Municipal Manager: Task Evaluation Review
- Office of the Municipal Manager: 1st Quarter Performance Management (SDBIP) Review
- Office of the Municipal Manager: 2nd Quarter Performance Management (SDBIP) Review
- Directorate Financial Services: Revenue Management Review
- Directorate Community Services: Landfill Site Compliance (Bontebok) Review
- Directorate Community Services: Illegal Dumping Review
- All Directorates: Governance Review
- Office of the Municipal Manager: Ad Hoc Recruitment, Selection, and Appointment of Staff Process (General Assistants Refuse removal appointment process)
- Directorate: Community Services: Landfill Site Compliance (Malgas) Review
- Directorate: Community Services: Landfill Site Compliance (Infanta) Review
- Directorate Financial Services: Supply Chain Management Contract Management

A total of 14 findings were issued, 13 were resolved, and 1 is still outstanding. The one outstanding finding pertains to the Landfill sites and involves non-compliance with permit conditions for Malgas.

2024/2025 Financial Year



Two internal audit reports were issued namely that of:

- Office of the Municipal Manager: 2nd Quarter Performance Management (SDBIP) Review
- Office of the Municipal Manager: 2024/25 Occupational Health and Safety Review

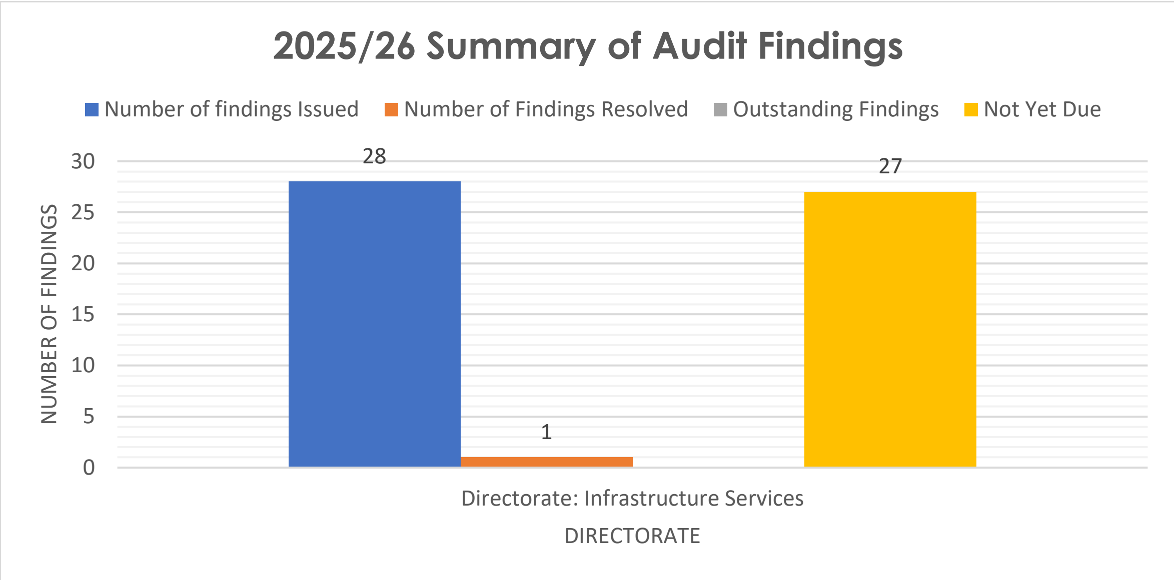
A total of 6 findings were issued, of which 5 were resolved, and 1 is still outstanding.

<u>Senior Human Resource Practitioner Feedback:</u>

The Senior Human Resource Practitioner provided the following based on the Occupational Health and Safety audit engagement:

- **Finding 3: Lack of documented Evacuation Plans and regular evacuation drills**
  Due to the fire damage of the Municipal Head Office building in Swellendam, staff members are placed in various temporary municipal office spaces and/or rented private office space. Due to the amount of office buildings, HR will require additional time to draft the various evacuation plans of each building. HR will submit an implementation plan to cover all Municipal buildings by the end of March 2025. HR will approach the Municipal Manager to make provision in the budget that evacuation plans be assessed and provided for by a registered service provider. HR made sound progress in implementing the evacuation plans and will finalise the entire process by 31 July 2026.

2025/2026 Financial Year



Four internal audit reports were issued namely that of:

- Directorate: Infrastructure Services: Water and Wastewater Treatment Network Review (Swellendam, Suurbraak and Buffelsjagsrivier)
- Directorate: Infrastructure Services: Fleet and Specialised Management Review

A total of 28 findings were issued, of which 1 were resolved, and 27 is still not yet due. All 27 findings identified are not yet due for implementation and will be followed up closer to their respective due date(s).

The quarterly follow-up report indicates that comprehensive follow-ups are conducted regularly by the Internal Audit function. Before presenting findings to the Audit and Performance Audit Committee, the follow-up schedule is diligently updated, ensuring a thorough and timely reporting process.

03 March 2026

Senior Internal Auditor
Mr. A. Petersen

Date