



FINANCE, INTERNAL AUDIT & RISK MANAGEMENT

DRAFT PROPOSALS FOR
FOCUS ON THE STRATEGIC
PLAN

March 2026



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MANDATE AND FUNCTIONS OF THE DEPARTMENT

The Finance Department draws its mandate from the Municipal Finance Management Act, No. 56 of 2003. The Budget and Treasury Office (Finance)'s function is to secure sound and sustainable management of the fiscal and financial affairs of the municipality by ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities: the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings; budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government: borrowing; the handling of financial problems in municipalities; supply chain management: and other financial matters

Internal Audit draws its mandate from the following legislations and regulations: Section 165 of the Municipal Finance Management Act, No. 56 of 2003. Its functions include: 1. Preparing annual risk-based internal audit plan and internal audit program; 2. Prepare reports to Audit & Performance Committee on the implementation of the Internal Audit Plan; 3. Advise the accounting Officer on the adequacy of the internal control systems and compliance with the Acts, Regulations, Policies and procedures.



MANDATE AND FUNCTIONS OF THE DEPARTMENT (RISK SECTION) Cont...

Coordinate Risk Management activities throughout the municipality.

Communicate all Risk Management strategies and policies to all staff at the municipality.

Compile and maintain the risk registers and report on the risk management activities.

Review and analyse all risk management reports.



Develop Risk Management Policy, Strategy, Implementation plan, Fraud prevention plan and risk appetite for approval by Council.

Coordinate and facilitate the risk identification and assessment workshops within the municipality

Conduct regular risk monitoring.



MANDATE AND FUNCTIONS OF THE DEPARTMENT Cont...



Budget Management
and Reporting



Expenditure
Management



Revenue Management,
Debt Collection and
Credit Control



Supply Chain
Management



Asset Management



SWOT ANALYSIS

Strengths (internal environment)

Ability to prepare and submit MSCOA compliant reports timely;

RAP Complaint Asset Register .

The budget is fully aligned with the Integrated Development Plan (IDP), ensuring that financial resources directly support the community's long-term strategic goals.

No deviations from normal procurement processes.

Proper document management in Expenditure.

Secured funding for Data Cleansing.

The Internal Audit unit is fully capacitated.

The internal Audit have unrestricted and full access to all functions, records, property and personnel of the Municipality.

There are in committee meetings between our Internal Audit Unit with Nkangala Internal Audit Unit and Audit and Performance Committee.

Quality Assurance Review, received general conformance.

Full implementation of the Risk Management Plan.

Reviewed all Risk Management Policies, Strategies before the start of the financial year.

Successfully held mandatory Risk Management committee meetings.

No issues that were raise by Auditor General.

Risk System is fully functional.

Weaknesses (internal environment)

- Inability to pay creditors within 30 days;
- Unfunded budget;
- Annual Financial Statements not prepared inhouse;
- Non-compliance with circular 124 (Inability to pay the Eskom Current Account).
- Critical vacancies in Finance Section weakens Internal Control compliance measures.
- Going Concern Uncertainties.
- Lack of automated system to ensure quality audits are performed efficiently
- Lack of adequate ICT Audit Skills.
- Lack of adequate fraud investigation audit skills.
- Inadequate trainings for Risk Management staff
- Shortage of staff
- Inadequate implementation of risk mitigating measures
- Late submission of POE and reports.
- Late finalisation of Risk Assessment and Identification workshops



SWOT ANALYSIS Cont...

Opportunities (External environment)

- Assistance from Provincial treasury on audit matters;
- Data Cleansing Project to assist the municipality to increase its revenue base;
- Robust implementation of revenue collection strategies.
- Strict implementation of Cost Containment measures.
- Staff Training and Capacity Building.
- Proper implementation of the Budget Funding Plan.
- Quarterly Dashboard reports on the implementation of internal audit findings and Audit Committee Resolutions.
- Assistance from Nkangala District Municipality on SCM and ICT Audits
- Better training opportunities on
 - Improving risk management maturity level
 - Enterprise risk management
 - Improved risk management culture
 - Business continuity planning and management

Threats (External environment)

- Ever-changing GRAP standards;
- Change in MSCOA versions;
- Unemployment (increase in number of indigent beneficiaries);.
- Unauthorised movements of assets.
- Illegal connections on water and electricity.
- Inadequate cascading of risk management to all levels of the municipality.
- Inadequate physical risk management awareness's to other units of the municipality.
- High levels of unauthorised expenditure.
- Lack of 100% implementation of Internal Audit and Audit and Performance Committee Recommendations.
- Lack of available budget to provide training relevant to the Internal Audit function
- Inadequate cascading of risk management to all levels of the municipality.
- Inadequate physical risk management awareness's to other units of the municipality.



ENABLING LEGISLATIONS

- ▶ The Constitution of the Republic of South Africa, 1996
- ▶ Municipal Finance Management Act, No.26 of 2003
- ▶ Municipal Systems Act, No. 32 of 2000
- ▶ Municipal Structures Act, No. 117 of 1998
- ▶ Division of Revenue Act, as amended annually
- ▶ Municipal Property Rates Act, No. 6 of 2004
- ▶ Inter governmental relations
- ▶ Treasury regulations
- ▶ MFMA Circulars
- ▶ Global Internal Standards for the Professional Practice of Internal Auditing (SPPIA)
- ▶ Public Sector Risk Management Framework
- ▶ King V Report
- ▶ COSO Framework

PROGRESS ON PREVIOUS LEKGOTLA

RESOLUTION	PROGRESS
<p>1. That all Budget related Policies be reviewed and aligned with the GRAP Standards and other Regulations for implementation in the 2025/2026 financial year</p>	<p>Budget related Policies were reviewed and aligned to GRAP Standards and other Regulations. Grap 104 has been considered integrated to the Credit Control and Debt Management Policy and Financial Impairment Policy as per the recommendations of AG.</p>
<p>2. The department should fully monitor and implement the Budget funding plan</p>	<p>The Budget funding plan is being monitored and implemented e.g. the introduction and implementation of Revenue Enhancement Strategy as well as reporting challenges and ways to deal with those challenges, e.g appointment of a Debt Collector, implementation of the Minimum Payment Blocking, installation of prepaid electricity smart meters, reducing the zero purchase list.</p>
<p>3. All managers in other departments participate in the updating of the audit action plan, monitoring and any other reports required to be populated by the budget and treasury office.</p>	<p>The Audit Action Plan is updated and uploaded on the Web-based Audit Action Plan.</p>
<p>4. Correct alignment of consumer accounts and meters number to ensure effective blocking of non-paying consumers.</p>	<p>Meters have been aligned with correct account number to ensure effective blocking. 5110 meters which were not linked to account number have been corrected and uploaded to the system.</p>
<p>5. Indigent registers should be monitored, to check if the consumers are paying for their current account and utilize cross check to verify status changes of indigents.</p>	<p>Indigents are monitored through the blocking system and failure to pay for any excess use of water leads to a consumer being blocked until the excess use is settled as other services charged there is a 100% rebate</p>

PROGRESS ON PREVIOUS LEKGOTLA

RESOLUTION	PROGRESS
<p>6. Implementation of correct tariffs to be charged on rental rooms, guest houses and other accommodation related entities (residential 1, residential 2 (< 5 rooms), residential 3 (>5 rooms) and residential 4 (Guesthouses)</p>	<p>Consumers are currently billed as per the land use of the property and per number of units per toilet, refuse bins, prepaid electricity meters. The new 2025-2030 GVR has taken into consideration the developments in properties and increase the values which leads to more rates revenue being billed.</p>
<p>7. Centralization of credit control functionality to the main office to ensure accountability of Clerks on their contribution on revenue collected.</p>	<p>The creation of the cut-off lists for all units is done in eMakhazeri by the Senior Credit Control Clerk and the implementation and verification of the disconnections is left with the unit offices where the credit control clerks will report on daily basis the progress made and revenue collected</p>
<p>8. The vacant stands that are not being paid for rates, should be submitted to the Debt collectors, so that they can be attached.</p>	<p>The entire debtors book has been handed over to the debt collector for implementation of the credit control policy. The vacant stands form part of the debtors handed over older than 90 days</p>
<p>9. Install cameras that will work effectively at all the cashier points within the municipality for monitoring the operations at the cashier points</p>	<p>The installation of cameras was delayed due to cash flow constraints</p>
<p>10. Detector machines should be utilized to monitor tempering of meters</p>	<p>The municipality is currently utilizing the hand held devices where smart meters have been installed to monitor tempering. The DCU is currently offline due to vandalism.</p>
<p>11. The municipality should embark on a program to visit all households to check the functionality of all electricity and water meters.</p>	<p>PeoGlobal has been appointed by the municipality for the data collection purposes. Part of the data to be collected includes the status/functionality of both water and electricity meters, properties without meters to measure consumption and any development that has not been registered with the municipality.</p>

PROGRESS ON PREVIOUS LEKGOTLA

RESOLUTION	PROGRESS
<p>12. Implementation of the Cost of Supply study to ensure that the electricity charges are cost reflective and the 18% under billing as per Cost of supply Study is corrected.</p>	<p>The recommendations of the Cost of Supply Study to phase in the 18% undercharge was implemented effective the 1st July 2025 and the average electricity sales has improved from R3.1 million to R4.4 million on prepaid electricity and R625000 to R810000 on conventional electricity meters</p>
<p>13. SOP's and workflow be reviewed</p>	<p>SOP and workflow was reviewed.</p>
<p>14. Finance and Technical departments should convene a meeting to resolve the issues that are overlapping from their departments and a report be submitted to Council by April 2025</p>	<p>Finance and Technical departments did meet and this resulted in Technical producing a report on faulty meters monthly. Technical also does meter audits which is continuous.</p> <p>The Finance Electricity Cut Off Team deals with the verification of the Zero Purchase Listing, Whistleblowing Complaints and disconnection of non paying consumers</p>
<p>15. A progress report should be submitted by the pilot project on the issue of the 3phased meters that were installed at uSave Emgwenya and TVET College.</p>	<p>The report has been submitted and the municipality is generating more electricity revenue compared to previously where the municipality was using the old electricity meters which were not calibrated correctly and contributed to energy losses.</p>
<p>16. Indigent registers should be monitored, to check if the consumers are paying for their current account and utilize cross check, to verify status changes of indigents</p>	<p>Indigents are monitored through the blocking system and failure to pay for any excess use of water leads to a consumer being blocked until the excess use is settled as other services charged there is a 100% rebate</p>

DEPARTMENTAL ANALYSIS

- To enhance operational efficiency, the Revenue Section requires an enabling structure to effectively execute its functions.
- With a staff complement of 38, the section can be better structured by splitting it into two specialized sub-sections, each managed by a dedicated manager.
- Splitting the department into (1) Billing and Valuation Roll Section and (2) Credit Control and Revenue Collection Section will significantly improve municipal revenue management.
- The municipality is currently unable to adopt a funded budget, leading to the contravention of MFMA practices, thereby creating going concern uncertainties.
- Invoices submitted late in Finance Department creates room for Unauthorised Expenditure as makes budget management impossible.
- The municipality with the assistance of provincial treasury has developed a budget funding plan and revenue enhancement strategy.

DEPARTMENTAL ANALYSIS Cont...

- The preparation of AFS requires all sections in Finance to have the required level of skills and knowledge to prepare reconciliations monthly
- The Municipality continues to face a complex challenge regarding the non-payment for municipal services.
- The asset module on the Munsoft system is fully operational.
- The inventory module is not yet fully operational, and it is being partially utilized.
- The verification of assets is done on quarterly basis and unauthorised movement of assets creates challenges in executing this task.
- The Internal Audit unit is fully capacitated and has unrestricted and full access to all functions, records, property and personnel of the Municipality, however the unit lacks Individuals with specialised skills and experience in the IT environment and fraud investigation
- There is Lack of 100% implementation of Internal Audit, and Audit and Performance Committee Recommendations by management and this leads to AGSA raising findings based on our reports.

DEPARTMENTAL ANALYSIS Cont...

- Risk Management Unit experienced difficulties in developing and finalizing the risk register of the municipality on time.
- The unit will strive to invite role players in time by utilizing all the resources in place to ensure that the municipality develops a credible risk register.
- The municipality now has functional Risk Management Unit, Risk Management Committee in place and work transparently with all stakeholders in all municipal processes.
- Over the past 6 consecutive audits by Auditor General, the Risk Management Unit has had no audit findings.
- All the risk management enabling documents are reviewed and approved on an annual basis.

Turnaround Strategy

- The municipality will implement a strategic restructuring of the Revenue Section, splitting its 38-person staff into two specialised units. Billing and Valuation Roll and Credit Control and Revenue Collection, to drive accountability and maximise inflows
- To address going concern uncertainties and the unfunded budget the department will strictly implement the Provincial Treasury-supported Budget funding Plan and Revenue Enhancement Strategy,
- The department will institutionalise monthly reconciliations and upskill staff to meet Annual Financial Statement (AFS) requirements.
- Lastly, we will intensify debt collection efforts to address the high rate of non-payment, ensuring improved, accurate billing, and strict adherence to MFMA practices to stabilize the municipality's financial position

Turnaround Strategy Cont...

- Quarterly Dashboard reports on the implementation of internal audit findings and Audit Committee Resolutions.
- Ensure there is consequence management for the lack of implementation of Internal Audit and Audit Committee recommendations.
- Internal Audit officials to undergo courses and training in fraud investigation and IT Audits.
- Internal Audit officials to undergo training to ensure deep understanding of applicable laws, regulations, and government policies to ensure audits are relevant and comprehensive.

Turnaround Strategy Cont...

- Reporting on all risk registers will be done on a monthly basis and an assessment on the impact of the mitigated actions will be conducted quarterly.
- A schedule of dates for the Risk assessment and identification workshops will be developed and circulated to all role players in time for them to prepare.
- All Risk assessment and identification workshops will be conducted at the beginning of the 3rd quarter and concluded by 30 June 2026.
- A schedule of dates of risk monitoring reports submission, risk committee meetings will be circulated at the beginning of the new financial year.



BUDGET FUNDING PLAN

Key Activities	Responsible Person	Start Date	End Date	Baseline	Target	YTD Actual Revenue	Variance
Monitor Progress made by the Debt collector on a monthly basis	Chief financial officer	01/07/2025	30/06/2026	464,047,620	4,200,000	3,623,665	576,335
The Municipality to reduce amparage for all indigent consumers with smart meters.	Chief financial officer	01/07/2025	30/06/2026	3,256	2,000,000	-	0
Investigate Zero and Low buys on prepaid electricity take appropriate action, including cut offs and cable removal for meter tempering or illegal connection.	Chief financial officer and Senior Manager technical services	01/07/2025	30/06/2026	1,926	1,500,000	146,880	1,353,120.00
contact the top 100 consumer on the debtors book	Chief Financial Officer and Senior Manager technical services and Revenue Manager	01/07/2025	30/6/2026	464,047,620	5,000,000.00	5,856,164	-856,163.54



BUDGET FUNDING PLAN Cont...

Focus Area	Key Activities	Responsible Person	Start Date	End Date	Baseline	Target	YTD Actual Expenditure	Variance
Contracted Services	The Municipality will prepare interim Financial statement internally in the 2025 financial year	Chief financial officer	01/07/2025	continuous	3,500,000	2,900,000	0	

DEPARTMENTAL BUSINESS PLAN

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
FINANCIAL VIABILITY	Number of quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter	4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter by 30 June 2027	Effective monitoring by the Executive Mayor on MFMA Compliance to ensure credible data and timely reporting.	None	4	4
	Number of quarterly section 52(d) MFMA reports submitted to MPAC within 30 days after the end of each quarter	4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter by 30 June 2027	Monitored and assessed performance and compliance with legislation, policy and regulations.	None	4	4
	Number of monthly section 71 MFMA reports submitted to the Executive Mayor within 10 working days after end of each month	12 x monthly S71 MFMA reports submitted to Executive Mayor within 10 working days after the end of each month by 30 June 2027	Effective monitoring by the Executive Mayor on MFMA Compliance to ensure credible data and timely reporting.	None	12	12
	Number of monthly section 71 MFMA reports submitted to MPAC within 10 working days after end of each month	12 x monthly S71 MFMA reports submitted to MPAC within 10 working days after the end of each month by 30 June 2027	Monitored and assessed performance and compliance with legislation, policy and regulations	None	12	12
	Number of financial ratios submitted within	12 x monthly financial Ratios submitted to	Effective monitoring by the	None	12	12

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
FINANCIAL VIABILITY	Number of Section 72 (midyear) MFMA reports submitted to the Executive Mayor	1 x Section 72 (midyear) MFMA reports submitted to the Executive Mayor by 30 June 2027	Effective monitoring by the Executive Mayor on MFMA Compliance to ensure credible data and timely reporting.	None	1	1
	Number of Section 72 (midyear) MFMA reports submitted to the MPAC	1 x Section 72 (midyear) MFMA reports submitted to the MPAC by 30 June 2027	Monitored and assessed performance and compliance with legislation, policy and regulations.	None	1	1
	Number of Final Budgets approved by Council	1 x Final Budget approved by Council by 30 May 2027.	Approved Budget	None	1	1
	Percentage collection rate attained	80% Collection rate attained by 30 June 2027	Achieved 80% Collection Rate.	None	80%	80%
	Number of Finance related policies reviewed	15 x Finance related policies reviewed by 30 June 2027	Reviewed Policies	None	15	15

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
FINANCIAL VIABILITY	Number of Interim financial statements prepared and submitted to Provincial Treasury	1 x Interim financial statements prepared and submitted to Provincial Treasury by 30 April 2027	Training of Finance Personnel to produce AFS internally.	None	1	1
	Annual Financial Statements (AFS) submitted to Auditor General on or before 31 August	Submission of AFS before or on 31 August to AGSA.	AGSA received AFS for Auditing on time.	R-----	1	1
	Procurement/demand management plan compiled and approved by the Accounting Office	1 x Procurement/demand management plan compiled and approved by Accounting Officer by 30 June 2027	Approved Procurement Plan ready for implementation.	None	1	1
	Number of quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days after the end of each quarter	4 x quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days by 30 June 2027	Effective monitoring by the Executive Mayor and meeting of deadlines.	None	4	4
	Number of days taken to conclude and award tenders above R200 000.	Conclude and award tenders above R200 000 within 90 days by 30 June 2027	Tenders concluded on time to speed up service delivery.	None	90 days after closure	90 days after closure

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
FINANCIAL VIABILITY	Number of asset verifications conducted	2 Asset verification conducted	All assets recorded in the Asset Register.	None	2	2
	Number of monthly billing reports submitted to Council	12 x monthly billing reports submitted to Council by 30 June 2027.	Monitored Billing reports	None	12	12
	Number of supplementary valuation rolls developed	1 x Supplementary Valuation developed by 30 June 2027.	Property classification or reclassification and values updated.	None	1	1
	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to Council.	Reduction of Unauthorized, Irregular, Fruitless and wasteful expenditure.	None	12	12
	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to MPAC.	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to MPAC.	Report under investigation.	None	12	12
	Number of indigent registers approved by Council	1 x indigent register approved by Council by 30 June 2027	Indigents to enjoy free 6KL of water and 50 KW of electricity.			

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
MTDP- Priority – Any of the 3 Priorities						
Good Governance and Public Participation	Develop a risk based three year rolling plan and annual plan	Internal Audit Plan approved by the Audit and Performance Committee	An Internal Audit Plan to be approved by the Audit and Performance Committee	None	1	1
	Develop and periodically update the Internal Audit Charter	Internal Audit Charter approved by the Audit and Performance Committee	Internal Audit Charter to be approved by the Audit and Performance Committee	None	1	1
	Develop and periodically update the Internal Audit Methodology	Internal Audit Methodology approved by the Audit and Performance Committee	Internal Audit Methodology to be approved by the Audit and Performance Committee	None	1	1
	Develop and periodically update the Combined Assurance Framework	Combined Assurance Framework approved by the Audit and Performance Committee	Combined Assurance Framework to be approved by the Audit and Performance Committee	None	1	1
	Implementation of the approved internal audit plan	Number of audits conducted and submitted to the Municipal Manager	15 Audits to be concluded	None	12	15
	Submission of quarterly progress reports submitted to Audit and Performance Committee, and Council	Number of Internal Audit quarterly progress reports submitted to the Audit and Performance Committee	4 progress reports to be submitted to the Audit and Performance Committee	None	4	4

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
MTDP- Priority – Any of the 3 Priorities						
Good Governance and Public Participation	To review the Risk Management Enabling Documents	Number of Risk Management Charter approved by Council	Risk management Charter approved by Council	None	1	1
	To review the Risk Management Enabling Documents	Number of Risk Management Policies approved by Council	The Risk management Policy, Whistle Blowing Policy Fraud and Prevention Policy approved by Council	None	4	4
	To review the Risk Management Enabling Documents	Number of Risk Management Strategies approved by Council	Risk management Strategy, Fraud and Corruption Prevention Strategy approved by Council	None	2	2
	To review the Risk Management Enabling Documents	Number of Risk Management Plans approved by Council	Risk Management Plan, Fraud Prevention Plan & Fraud Response Plan and Assurance Plan approved by Council	None	3	3
	To conduct risk assessment workshops with the aim of minimizing organizational risks	Number of risk assessment workshops conducted	6 Risk assessment workshops were conducted.	None	6	6
	To review the Risk Management Enabling Documents	Number of Risk registers reviewed	6 Risk Registers were reviewed	None	6	6

DEPARTMENTAL BUSINESS PLAN Cont...

PRIORITY AREA	KPI	KPI INDICATOR		ANNUAL BUDGET	ANNUAL BASELINE	ANNUAL TARGET 2026/2027
		OUTCOME	IMPACT			
MTDP- Priority – Any of the 3 Priorities						
Good Governance and Public Participation	Submission of quarterly progress reports to Risk Management Committee	Number of Risk Management, Anti-fraud and Anti- corruption Committee meetings held	4 Risk Management Committee meetings held	None	4	4
	To conduct risk assessment workshops with the aim of minimizing organizational risks	Conduct Fraud and Corruption Awareness Workshops.	1 Risk workshop conducted	None	1	1
	To conduct risk assessment workshops with the aim of minimizing organizational risks	Conduct Whistle Blowing Awareness Workshops.	1 Risk workshop conducted	None	1	1
	To conduct risk assessment workshops with the aim of minimizing organizational risks	Conduct Risk Management Awareness Workshops.	1 Risk workshop conducted	None	1	1
	To conduct risk assessment workshops with the aim of minimizing organizational risks	Number of Risk action plans implemented to address Identified Strategic and Operational Risk	mitigation measures implemented	None	200	200

AUDIT MATTERS RAISED BY AGSA

FINDING RAISED	PROGRESS
<ul style="list-style-type: none">Receivables from exchange transactions	Received the policy for impairment and credit control and debt collection policy to address this matter. Data cleansing project underway.
<ul style="list-style-type: none">Receivables from non-exchange transactions	Received the policy for impairment and credit control and debt collection policy to address this matter. Data cleansing project underway.
<ul style="list-style-type: none">Service charges	Data cleansing project underway to verify all properties for billing purposes.
<ul style="list-style-type: none">Bad debt written-off	Process to correct is in progress.
<ul style="list-style-type: none">Prior-period errors	Calculations to go back three years after the

Recomendations

- That the department strictly monitor the service provider assisting with alignment of the GVR and system GVR (data cleansing) (project funded by Provincial Treasury);
- That the municipality strictly implement the Credit Control and Debt Collection Policy;
- That all departments strictly implement of the Budget Funding Plan;
- That the municipality must subject Finance officials to Continued Professional Development (ever changing GRAP Standards);
- That the position of a VAT Specialist be created to assist in preparing the VAT 201 returns internally in order to reduce reliance on consultants;
- That the municipality strictly implement the Audit Action Plan to achieve an improved audit opinion;
- That the internal control environment be improved.
- That Revenue Section be re-structuring into two sections
- That Internal Audit officials be subjected to training on fraud investigation and IT Audits.
- That additional permanent personnel be appointed in Risk Section

Thank you

