

ANNEXURE A

Magalies Monster and FNB Trail Run entries open!

Buffelspoort – Taking place at the ATKV Buffelspoort on Saturday, 2 and Sunday, 3 June, entries are officially open for the 16th annual FNB Magalies Monster MTB Classic and the 6th annual FNB Platinum Trail Run.

"The FNB Magalies Monster MTB Classic and the FNB Platinum Trail Run provide adventurous families with the ideal mid-year breakaway," says Michael Meyer, managing director of Stillwater Sports. For more information on the FNB Magalies Monster MTB Classic or FNB Platinum Trail Run contact Stillwater Sports on 082-991 0045 or email entries@stillwatersports.com.



Excited trail runners in action at the 2017 FNB Platinum Trail Run.
Photo Credit: David Jarpey



PUBLIC NOTICE 12 /2018

The Rustenburg Local Municipality's Annual Report 2016/2017 was tabled to Municipal Council meeting on the 30th January 2018 per item 54, and which minutes were adopted on 13th February 2018 in terms of section 127 of the Local Government: Municipal Finance Management Act 56 of 2003.

Pursuant to provisions of the Act mentioned above, members of the local community within the jurisdictional area of Rustenburg Local Municipality are hereby invited to submit representations specifically in connection with the annual report 2016/2017.

The Municipal Public Accounts Committee (MPAC) invites the Public / Local communities to participate in a series of meetings regarding the Annual Report 2016/2017 of the Rustenburg Local Municipality, in terms of the Municipal Finance Management Act (Act no 56 of 2003, Section 127 (5) which states "immediately after annual report is tabled in the council in terms of subsection (2), the Accounting Officer of the Municipality must: -

- In accordance with Section 21A of the Municipal System Act
 - Make public the Annual Report; and
 - Invite the local community to submit representations in connection with the Annual Report; and
- Submit the Annual Report to the Auditor General, the relevant Provincial Treasury and the provincial department responsible for Local Government in the Province.

The purpose of this meetings is to obtain inputs from the public on the Annual Report 2016/2017. The schedule of meetings is indicated below:

MPAC PROPOSED PUBLIC PARTICIPATION SCHEDULE 2016/2017

DATE	TIME	ACTIVITY	INVITEES	CLUSTERS	WARDS	VENUE
26/02/2018	09H00	Launching of the public participation on the Annual Report 2016/2017 by the Executive Mayor.	Councillors, ward Committees, Government Departments Business, Churches, Magosi, NGO's, Members of the Community and Media houses.			Civic Centre/Old Town Hall
26/02/2018	17H00	Public Participation Meeting	Community Members	A	36	Syferburg
27/02/2018	17H00	Public Participation Meeting	Community Members	B	29 & 30	Ward 29 Rankelengane Tribal Offices (SASSA Paypoint)
28/02/2018	17H00	Public Participation Meeting	Community Members	C	27	Lelthabong Community Hall
01/03/2018	16H30	Public Participation Meeting	Community Members	D	44, 25 & 26	Rehseugle High School
02/03/2018	17H00	Public Participation Meeting	Community Members	E	31, 32, 33 & 34	Ward 31 Marikana West Community Hall
05/03/2018	16H30	Public Participation Meeting	Community Members	F	01, 02, 03 & 04	Ward 01 Boshoeck Church
06/03/2018	16H30	Public Participation Meeting	Community Members	G	05, 06 & 07	Ward 05 Mosoeu Church
07/03/2018	17H00	Public Participation Meeting	Community Members	H	08	Ward 08 Tlhabane West Primary School
					09, 10 & 11	Tlhabane Community Hall
					13	Ward 13 Rustenburg North Laer Skool
08/03/2018	16H00	Public Participation Meeting	Community Members	I	12, 19, 20, 21, 22, 23, 24, 37, 38, 39, 40, 41 & 43	Extension 23: Paardekraal Community Hall
09/03/2018	18H00	Public Participation Meeting	Community Members	J	14, 15, 16, 17, 18 & 42	Old Town Hall
12/03/2018	10H00	MPAC Questions to Management on the Annual Report	MPAC members & Senior Management			Civic Centre, Council Chamber
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Written comments should be submitted on or before 15 March 2018 to the office of the MPAC. Copies of the 2016/2017 Annual Report will be available from 19 March 2018 at the following offices.

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- Municipal Regional Centres (RCC's) situated at Tlhabane, Monakato, Lelthabong, Phatsima, Marikana, Freedom Park, Ikageng, Rankelengane and Boitekong.
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Also available on the Municipal website: www.rustenburg.gov.za. Enquiries to be directed to: - Office of MPAC 014-590-3793/3808/3684/3437. Or call MPAC Chairperson at 082 592 3001: Email Cllr De Wet Nel at dewetnel10@gmail.com or fmamumola@rustenburg.gov.za or farie.marumola@gmail.com or mtlhareng@rustenburg.gov.za. Note: people who cannot write or read may visit the Municipal Office at Office Number 706/7/8/9 where assistance will be given to such.

MS N. SITHOLE - MUNICIPAL MANAGER

We need your blood!

Donate blood at the South African National Blood Service (SANBS) Rustenburg, situated at the Lifestyle Square centre in Beyers Naude Drive, Rustenburg. Pop in before you do your shopping! Your blood can save up to three lives! You can donate blood every 56 days.

For more information visit www.sanbs.org.za or give SANBS Rustenburg a call at 014-594 2771.



PLATINUM PUBLISHERS

JOURNALIST NEEDED

Platinum Publishers has an exciting opportunity at its Rustenburg office for an enthusiastic senior journalist. Attractive salary awaits the right candidate. An understanding of what constitutes newsworthy copy... news, business, sport, lifestyle and entertainment.

Requirements:

- Must have at least 2 years of experience in the newspaper/communications industry.
- 1st Language: English
- Must have basic computer skills and knowledge.
- MUST have a driver's licence & own transport.

Please forward your CV to myrtle@platinumweekly.co.za

Enquiries: Tel: 014 592 8290

CLOSING DATE: 23 FEBRUARY 2018

Should you not have heard from us within a period of 14 days after the closing date, please regard your application as unsuccessful.

INFO PERSONNEL

Tel: 014 592 1791/4

Address: 40A Heystek Street, Rustenburg
PLEASE SEE OUR WEBSITE FOR FULL DETAILS

Fire Master (Rtb) R40 000 per month. Urgently looking for a FIRE Master. Must be available immediately. Working Hours 05:00am - 14:00pm. Certificate in Mine Environmental Control, issued by the Chamber of Mines of SA. Must have 10 yrs trackless mining, conveyor and ventilation exp. FULLY bilingual. Ensure full compliance with the MHSA, OHSA Minerals Act & MPRDA. Must be able to work underground. RST000880

Miners (Rtb). Permanent Miners position on a very well established mine. 5 Years experience with relevant certificates. Must be medically fit. RST000884

Bookkeeper (Rtb) R6 000 - R12 000 per month. At least 3 years debtors & creditors experience with Accpac. Prepared to go for training.

Daily reports, cashbook. Running of statements. Follow up on accounts. General admin duties. RST000891

Receptionist (Rtb) R5 000 per month. Client looking for a Receptionist to work from 17:30 - 23:00 - Sundays 13:30 - 20:00. Must be able to do bookings, payments, filing, all other admin work. At least 3 years reception / switchboard experience. Computer literate with Pastel. Valid drivers license with own transport. To start ASAP. Must be 100% fluent in Afrikaans & English. RST000900

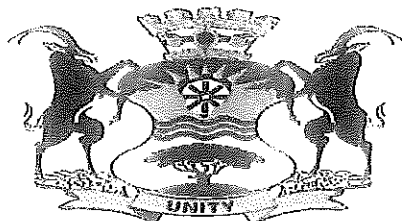
Internal Sales Rep (Rtb) R4000 + comm. At least 3-4 years sales experience. Valid drivers & own transport. Growth potential. Need to start asap. RST000904

Info Personnel has the opportunity to offer 24 candidates a Learning Intervention, for unemployed youths whom would like to commit to a 1 year contract and receive a National Certificate for Information Technology End User Computing. Please bring your Cv by appointment into our offices - 014 592 1791/4

Please submit ALL CV's via our website www.infopersonnel.co.za or email application to cv@infopersonnel.co.za with relevant reference number. Please note that Info Personnel will UNDER NO CIRCUMSTANCES charge candidates a fee for placements.



RUSTENBURG LOCAL MUNICIPALITY



OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

P.O. Box 16, Rustenburg 0300, North West Province, Tel: (014) 590-3684/ 014. 590-3838 Fax (014) 590-3776

Email: pmarumola@rustenburg.gov.za, mtihareseng@rustenburg.gov.za

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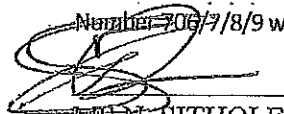
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Number 706/7/8/9 where assistance will be given to such.



M.S.N. SITHOLE
MUNICIPAL MANAGER

ANNEXURE B

COR No.	Issue No.	Finding Summary	Description	Reported in previous year(s)	Responsible Official(s)	Root cause	Recommendation from the AG	Management's action plan - key tasks that need to be performed
31	135	Completeness - Buildings	Certain parts of buildings verified by AG not included in the FAR	No	Asset Manager	Inconsistent referencing of assets in the FAR	Management should implement a proper asset management system whereby responsible employees take ownership of their daily duties	The FAR will be reviewed and updated to ensure that all significant components are easily identifiable through distinct asset numbers and descriptions
32	231	Completeness of land	Land found in the valuation roll and deed search not in the FAR	No	Asset Manager	Lack of an all round review of the FAR completeness	Management should ensure that they implement controls over the recording of assets on a regular basis. All sources of information, such as the valuation roll and deed search should be utilised	Management will utilise the additional tools (valuation roll and deed search) to verify completeness of the FAR
31	9	Property, plant and equipment Useful lives and Residual value	Revision of useful lives of assets not in line with GRAP guidance and the assets have no residual values	No	Asset Manager	Different interpretation of GRAP and National Treasury guidelines	Management should ensure that management perform a formal assessment of the useful lives and residual value, must consider the assets individually as well as the categories of assets	Management will ensure that reasonably tests are performed to assess reasonability of useful lives
27	75	Infrastructure Assets - Assets register useful lives not aligned to the accounting policy	It was noted that management used the useful lives in the asset register which are not aligned to the accounting policy disclosed in the AFS	No	Asset Manager	Lack of review of the AFS in comparison to supporting documentation	It is recommended that management update the policy when there is sufficient evidence that the estimated useful life have changed	The accounting policy has been updated for the 2016-17 AFS as approved by the AG. Management will ensure a proper review of AFS disclosure in comparison to the FAR in the current year to avoid re-occurrence.
27	139	Infrastructure Assets - Depreciation, accumulated depreciation and CV	Auditor's recalculation of depreciation identified differences with the depreciation in the FAR	No	Asset Manager	Lack of monthly reporting and review of the depreciation charge against each asset in the FAR	It is recommended that management put in place, a proper system that allows for proper recalculation of each asset	Management will review the monthly depreciation through the monthly tax assets reconciliations
32	249	Infrastructure assets - Prior period errors - Limitation of scope	Auditor could not obtain sufficient evidence that supported prior period correction	No	Asset Manager	Lack of managerial review of corrections made in prior year financials	It is recommended that going forward when management make corrections, there should be an appropriate register where mistakes were identified and a register were corrections were effected. This process should allow proper recalculations of this corrections	Management will ensure that all corrections in the financial records are properly supported. This will be monitored monthly.
27	173	Infrastructure assets - Projects recognised in the incorrect accounting period (Cut off)	Projects recognised as additions in the current year whilst they were completed in the prior year	No	Asset Manager	Lack of attention to detail from the preparers and reviewers of the FAR and PPE note	It is recommended that management consider the date of completion before recognising the assets, if certificate relating to prior years but only received in current FY, prior period error should be recognised	Management will ensure that monthly fixed assets reconciliations are performed and proper supporting documentation is attached
27	174	MIP - Incorrect classification of invoices	Invoices were classified into incorrect project and incorrect project phases	No	Asset Manager	Lack of consistent tracking of project phases and lack of review of invoices to identify if the invoices belong to the correct phase and project	It is recommended that management properly allocate invoices to correct phases	Management will ensure that monthly fixed assets reconciliations are performed and proper supporting documentation is attached

17	97	Service charges. Completeness of billing 2015/16	During the previous financial year, the auditor concluded that service charges were not complete as consumers were identified that were not billed for all services delivered to them. In the current financial year, management did not adjust the corresponding figure in order to correct the prior period misstatement.	Yes	Revenue Manager	lack of review process to ensure that the system is billing every account correctly every month	1. Management has to ensure that all consumers are billed for all services delivered to them 2. Management should implement an action plan to address previous year audit findings	To fall away in the 17-18 financial year because finding was cleared in 2016-17 financial year. Process improvement to be incorporated with the Revenue enhancement team.
31	215	Sale of water & electricity completeness	Some properties were identified to be without billings in the current year	Yes	Revenue Manager	poor reporting on the non billed accounts	Management is requested to provide detail (reasons) on the non-billing of accounts as identified	Monthly reporting - exception reports. Physical verifications will be performed monthly. A tender has been advertised for a service provider to assist with exceptions. These reports will be reviewed monthly and filed for ease of management presentations and audit trail.
32	234	Service charges. Prior year adjustment of Xstrata (under billed)	Management made a correction to Xstrata billing for previous financial years as disclosed under note 46 to the financial statements. The auditors re-performed management calculation for the adjustment and noted differences	Yes	Revenue Manager	Management oversight. Lack of detailed review how correcting journals affect the AFS.	It is recommended that management recover the difference from Xstrata for the under billing and correct the journal for the differences identified. Management is further encouraged to review the invoices against their supporting document before billing Xstrata and the person performing this function should sign as evidence	Management will ensure that correction of billing is based on complete and accurate supporting information
19	118	Non-admission of information RFI 97 on grants	Supporting documentation was requested for revenue: government grants and subsidies as part of RFI 97 issued on 16 October 2017. The extended due date was 27 October 2017, by then the information had not been provided	Yes	Budget Manager	Poor record keeping	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Management will invest in effective record keeping system
27	255	RFI 154 - information not submitted	Supporting documentation requested not submitted in time	Yes	Expenditure - Unit and Section Managers	Poor record keeping	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Management will invest in effective record keeping system
31	208	Commitments not accurate	A number of commitments were identified where the contract period has ended before the end of the current and/or previous financial years	Yes	SCM - Unit and Section Managers	Lack of a contract management system and Poor communication between the various departments that are responsible for the projects	The municipality has to implement a system to record commitments. The current manual system that is in place is not sufficient to properly track and management commitments.	Process improvement through implementation of a contracts management system. Assets and other affected departments to ensure that the commitments are accurately disclosed.
23	154	Critical invoices not accounted for	The amount due to Citicell is a valid payable at year end. The municipality has to account for the outstanding payable as well as related asset/expenditure incurred as a result of this. Management will have to assess (and provide sufficient evidence) the classification of the actual meters in the AFS - either as Pre/expense/receivable. The auditors are unable to conclude on the correct classification as it will depend on management's assessment of the risks and rewards attached to the meters as well as whether consumers are charged for the meters or not.	Yes	Expenditure - Unit and Section Managers	Poorly crafted SLA and lack of performance review and reconciliation for management to clearly understand levels of performance and obligations from each party	Management has to implement controls and procedures to ensure that proper creditor reconciliations are performed on a monthly basis to identify instances where goods or services were delivered but not accounted for. This should include a process whereby monthly statements are requested from all suppliers in order to reconcile the accounting records to external service provider information	Management will clear the terms of the contract through a legal process and ensure that a clear understanding is reached on which party is owing the money and also perform the risk and rewards assessment to determine if the meters are the property of the municipality or the service provider during the period of servicing the repayment.

Usefulness - DA 1 & DA 2		The following information was requested and not submitted for audit.						
29	39	List that support the 1229 achievement disclosed in the annual performance report and supporting documents to confirm that the employees on the list actually worked for the municipality as indicated in Key performance indicator number 10	No	LED Director	Management does not keep and review monthly reports for all targeted indicators planned for the quarter and for the year.	Management should ensure that all information requested are honoured as agreed upon in the engagement letter, response time has been set at 3 working days	Management will develop monthly reports that will support all the indicators that were achieved every month. These reports will be reviewed by the director of section on the monthly basis. The report will also be supported by evidence (e.g. budget for the jobs created, Advert for the job, Appointment letter for employee/contractors appointed if any) Monthly meeting to be held by management to discuss the progress and challenges encountered (if any) to achieve their quarterly targets for the indicators.	
		Reliability- DA1: Efficient provision of quality basic services and infrastructure within a well-planned spatial structure	Key performance indicator description: Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. The employment equity plan's aim is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workplaces. As per the technical indicator description, the method for calculation should be based on the following: 1. Disabled= 2% of the total employees 2. Female employees= 50% of the total employees 3. Employees younger than 35= 20% of total employees 4. Female employed in the first 3 levels= 50% of total employees. The following as per the employment equity plan is the required economically active population:	Yes	PMU Manager	Management did not ensure that the reported performance information is in accordance with the technical indicator description and the correct calculation is carried out.	It is recommended that the reported performance information for KPI 8 is compiled in accordance with the employment equity plan.	Management will review the indicators included on the SDBIP and APR and take into consideration the approved employment equity plan when developing these indicators relating to the plan to ensure that they are specific and consistent with this plan. Management will also ensure that the reported information in the APR is accurate and relates to the correct financial year.
29	114							

		AOP: DAS: Usefulness	<p>1) Two indicators included on development area 3: Ensure municipal financial and management, were found not to be relevant, as the spending of money is not a mandate of the municipality, but rather a result of performing service delivery.</p> <p>* KPI 11: Percentage of the municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality</p> <p>* KPI 12: Percentage expenditure on the approved operational budget not exceeding budget amount.</p> <p>2) In addition 1 target from 1 indicator was marked as achieved, whilst inspection of the reported results indicated that this target was not achieved:</p> <p>* KPI 13: Percentage achievement of positive financial ratios and targets: Collection rate (target: R2 000 000 000) (Achievement: R245 288 000), indicating that the municipality did not collect all the funds that they were planning on</p> <p>3) In addition the following consistency issue was identified to KPI 13:</p> <p>Target of KPI 13 Target in SDBIP Target in APR Current ratio 1:1.5 1:1 Debt coverage 45% 43% Collection rate 85% R2 000 000 000</p> <p>3) In addition the following consistency issue was identified to KPI 13:</p>					<p>Review of the of Quarterly reports and the APR will be done prior to submission for approval to ensure that targets and indicators recorded in the APR are consistent with targets and indicators recorded in the SDBIP.</p> <p>Management will hold monthly meetings to discuss progress and challenges on the achievement of indicators that were targeted and planned for the quarter and for the year. Minutes and reports for these meetings will be kept and provided for audit trail.</p> <p>Management will also indicate reasons for not achieving its planned targets and indicators for the year (if any). The reasons will then be supported by these reports mentioned above.</p> <p>The mandate of the municipality will be taken into consideration when developing the objectives/programmes and indicators to ensure that these objectives are relevant to the mandate.</p>
29	116		Yes	PMU Manager	Quarterly reports and APR were not reviewed to ensure that targets and indicators recorded in the APR are consistent with targets and indicators recorded in the SDBIP	Management should ensure that all indicators are consistently reported and all are relevant		
18	117	RFI 129 Limitation of scope	Yes	Expenditure Manager	Lack of proper record keeping of information by management	Management should ensure that all information requests are honoured as agreed upon in the engagement letter, response time has been set at 3 working days.	Improve record management keeping to ensure that all documents are accessible	In future, The municipality will introduce the electronic system where the records of documents will be kept and easily accessible when required
28	51	Compliance - Strategic Planning and Performance Management	No	PMU Manager	1) Due to lack of understanding of the requirements of the legislation 2) Management oversight	1. Annual performance objectives and indicators should be established for RWST and included in its multi-year business plan as required by the legislation. 2. The performance of RWST should be monitored and reviewed as part of annual budget process as required by the legislation.	Annual performance objectives and indicators will be developed and monitored for RWST and included in its multi-year business plan	

		Completeness of irregular expenditure	Non-compliance on the attached transactions was identified for ongoing contracts from the current year contract register which resulted in irregular expenditure (as communicated in previous exceptions)					Irregular expenditure register will be revisited and ensure that all payments made to each contract or quotation that is irregular are recorded in the irregular expenditure.
32	225		These contracts were found to be irregular and could not be traced to the irregular expenditure register. Therefore, the register of irregular expenditure is not complete.	Yes	SCM Manager	Failure to implement a proper system to record and track payments made on contracts. Secondly, management failed to monitor compliance with laws and regulations to timeously identify irregular expenditure.	Management should ensure that compliance with SCM regulations is monitored continuously to enable timeous detection of irregular expenditure and also to prevent re-occurrence of these transgressions.	Monthly review of the irregular expenditure register will be performed ensure that all payments made to each contract or quotation that is irregular are recorded in the irregular expenditure. Improve record management keeping to ensure that all bid documents and quotations are available to support the information disclosed as irregular expenditure.
31	226	Statement of comparison between budget and actual - Adjustments to the budget neither disclosed nor explained	When reviewing the indicated adjustments made to the approved budget, we identified that these adjustments were neither disclosed nor explained in the disclosure of the AFS.	No	Financial Planning Manager	The AFS were not reviewed properly by management and compliance with GRAP was followed.	It is recommended that management disclose the adjustments made to the original approved budget when applicable.	Management will include all the reasons for adjusted the budget on the statement of comparison and adhere the GRAP requirement.
31	150	Non-disclosure of accounting policies	The accounting policies related to the sections below were not disclosed in the annual financial statements (AFS): • Guarantees • Licences and permits • Other income	No	Financial Planning Manager	The municipality does not keep a checklist that indicates all accounting policies for all significant line items in the annual financial statements.	Management should implement the following controls: • Make use of a checklist ensuring that the accounting policy is disclosed for each line item • Tailor the standard Caseware disclosure to suit the municipality's needs • Correct the current disclosure to reflect the accounting policy for all line items	Management will create a checklist that will indicate all accounting policies for all significant line items in the annual financial statements
31	41	Disclosure Other MFMA disclosures	Differences between the amounts per disclosure note number 54 and amounts per the Payroll were identified in the disclosure of Payee and UIF.	No	Financial Planning Manager	Lack of management oversight over the calculation of the information used to determine the Other MFMA disclosures.	Management should ensure that they always perform the necessary calculation accurately and completely for Other MFMA disclosures.	Proper review of all schedules supporting the AFS will be performed to ensure accuracy of information disclosed.

Compliance - Contract management						
16	113	Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5, (irregular expenditure) [24]	Yes	SCM Manager	Lack of storage space in the municipality. The municipality does not implement the controls to monitor their contractors on the monthly basis to confirm the progress of the service that is delivered by these contractors. Management should ensure that the necessary documentation prepared for contract management is properly filed and readily available.	Improve record management keeping to ensure that all bid documents are available to support the information recorded in all registers and SCM information The municipality will implement the controls to monitor their contractors on the monthly basis to confirm the progress of the service that is delivered by these contractors and ensure that payments made for the service that is delivered.
		The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year. (Non-compliance) [25]				
		The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA (Non-compliance) [26]				
16	107	Supply chain management - Awards to suppliers	Yes	SCM Manager	No system controls in place in the municipality to identify suppliers whose directors were in service of other state institution.	The municipality must create system controls which will be used to verify whether the directors of suppliers were not in service of the other state institution.
		Awards were made to providers whose directors were in the service of other state institutions, in contravention of MFMA 112(d) and SCM regulation 44			Management should ensure that they adhere to SCM reg at all times.	
		1) Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the MSA (AR)				
		2) The acting period of senior managers were not always limited to maximum period of 3 months if more than 3 months the extension was approved by the MEC local government for a further period that did not exceed three months as required by MSA 54(2A) and 56(1)(c), (MR)				
		Evidence for the finding			1) There are no SOPs in place to measure and evaluate staff performance.	
		a) Inspected the acting appointment letter and confirmed that the employee acted as director planning and human settlements and received an acting allowance for 4 consecutive months and the extension was not approved by the MEC. The appointment was however approved by the council through council resolution 194.	No	HR Director	2) Lack of proper communication between auditor and Municipality.	1) The Standard Operating Procedures will be drafted that will assist Municipal employees in their daily operations.
		b) Inspected the acting appointment letter and confirmed that the employee acted as a director community development and received an acting allowance of 4 consecutive months and the extension was not approved by the MEC. The appointment was however approved by the council through council resolution 192.			3) There are no SOPs in place that will guide employees on the appointment process. No checklist is maintained of all documents that must accompany an application for a position.	2) Checklist of all minimum mandatory documents needed for all activities will be compiled and this will be an annexure to the SOP.
		3) Candidates did not always submit an official application form when applying for the vacant manager municipal/senior manager post as required by Regulations on appointment and conditions of employment of SMs reg 11(1) (MR)			4) Lack of proper document management system.	3) A workshop on document management will be held to assist Municipal employees.
		Evidence for the finding				
		The employee file for employee number 7343 Z Mbolekwa-Pupuma did not contain an official application form.				
		4) The annual report of the municipality or municipal entity did not reflect the information on compliance with				
28	38	Compliance: Human resources management				

		Infrastructure assets - Invoice incorrectly classified	Phatima roads and stormwater drainage phase 3 - 425/14/2949			There is no review of invoice allocations being done for each project phase to ensure correct allocations.	It is recommended that management split projects in the WIP register per phase as documented in the contracts to avoid such misclassifications from happening.	1) There will be a proper review of all invoices by management before finalisation to ensure correct allocations. 2) An SOP will be drafted that will include all activities or processes to guide Municipal employees on their daily tasks.
27	127	Infrastructure assets - Additions amount overstated by retention + Additions understated	It was noted that the retention amount for the WIP transaction was duplicated in both retention column and additions column. It was noted that the WIP addition amount was understated as the grant expenditure does not agree to the amount included in the WIP register.	No		1) There is no review of the WIP register against additions invoices to ensure accuracy. 2) WIP register not subjected to reviews for all transactions updated. 3) Lack of effective communication with the auditor to resolve audit queries.	It is recommended that management implement controls to detect errors and prevent them from happening.	1) All transactions added in the WIP register will be reviewed before being processed. 2) WIP register will be reviewed on a monthly basis.
27	60	WIP - Interest included in the cost of additions and old invoices included as additions	Management recorded total amount payable as reflected in the court order without scrutinising the breakdown of invoices which made up the total amount determined by the court. 1. Overstatement of infrastructure assets by a projected misstatement of R 9 870 840,46 2. Overstatement of VAT input by an amount of R143 217,20 3. Understatement of the opening balance by an amount of R146 346,30	No		1) Additions invoices were not thoroughly reviewed before being captured in WIP. 2) Lack of management oversight 3) Lack of understanding of the procedures in place for recording fruitless and wasteful expenditure.	It is recommended that management do the following for the instances identified: 2. Management should expense the interest charged due to late payments and also disclose it as fruitless and wasteful expenditure. 3. Management should not recognise VAT on interest as this is a financial transaction as defined in the VAT act and does not meet the definition of taxable supply and therefore not subject to VAT. 4. Management should have treated the prior years invoice as a prior period error and only affect the opening balance instead of including it as additions to WIP	1) Additions invoices will be subjected to management reviews before being finally captured in WIP register or FAR. 2) An SOP for financial misconduct will be drafted and the clearly indicate the meaning of fruitless and wasteful expenditure and how this is to be reported and then investigated.
32	250	Infrastructure assets - Unbundling of assets	1. The following differences were noted between the expenditure used to calculate the unbundling and the total cost incurred to complete the asset. 2. The unbundling calculations were not submitted for the following project below as requested in RFI 122. 3. It was further noted that the unbundling calculations submitted for "Taseeng Roads and Stormwater Drainage Phase 3" were for an incorrect phase (Taseeng Roads and Stormwater Drainage Phase 4).	No		1) Lack of proper document management system that will ensure ease of retrieval of documents when needed. 2) No proper review of responses to RFI were done to ensure correct information is provided 3) Management oversight	It is recommended that management use the correct acquisition amount to unbundling assets	1) A workshop on document management will be held with Municipal employees. 2) A thorough review of all information to be submitted to the auditors will be done to ensure responses are appropriate for the RFI.

27	141	Bins and containers	During the audit of 2016/17 the following was identified: -That the bins and containers forming part of movable assets are not bar-coded. That is there is no system of internal control in place to specifically identify the bins of the municipality. As such the auditors cannot test the completeness and existence of the bins and containers to the value of R1 500 635 as we cannot verify a specific asset, nor select a specific asset to trace it back to the FAR. Lack internal controls taking into account the nature of the bins and containers in terms of bar coding Limitation of scope on the bins and containers of R1 500 635.	No		1) Lack of proper asset acquisition policies 2) Lack of proper sale guarding controls and policies of Municipal assets. 3) No proper physical verification is done on Bins and containers	It is recommended that the municipality design and implement a bar coding internal control system that takes into account the special nature of the bins and containers.	1) Management will draft a policy to cater for assets less than R5000 which will provide guidance on how Bins and containers will be treated. 2) A process will be put in place to verify, tag and account for all the bins in the asset register.
22	181	Non- submission of requested information_ RFI 150	The information below was requested as part of RFI 150 on 02 November 2017, and was not provided: The supporting documentation for other changes movement for electrical equipment (e.g Register) to the value of R4 457 000. On the 03 November information was submitted in the form of stock count register for the prior year and current year however the registers are not sufficient as they do not account for the movement of R4467000. This will result in a limitation of R4 467000	No		1) No reconciliation of the electrical equipment is performed on a monthly basis. 2) No proper audit trail of all movements of the Electrical Equipment balances. 3) There is no effective record management system that will enable ease retrieval of documents or records. 4) Non adherence to audit time frames	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	1) The Reconciliation of Electrical equipment will be performed on a monthly basis, clearly making all the movements i.e. additions, write off, etc. 2) All stock movements will be recorded and approved by the stores manager.
22	182	Non- submission of requested information_ RFI 154	The information below was requested as part of RFI 154 on 03 November 2017, and was not provided: Please provide the following with regards to the disposed assets as per Annexure A 1. Assets disposed at an auction - The council resolution to dispose the asset through an auction - The auction documents indicating sales price of the disposed asset, the date and auction related costs - The list of assets that were auctioned	No		1) There is no effective record management system that will enable ease retrieval of documents or records. 2) There is no proper reconciliation of asset movement 3) There is no proper listing of disposals that is agreed to the fixed asset register.	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	1) A listing of all disposals will be kept and reconciled on a monthly basis to the overall fixed asset register. 2) A file will be kept with all supporting documents for all disposals.
10	14	Inventory: obsolete stock	The municipality disclosed an amount of R868,670 as an impairment in disclosure note 34 relating to obsolete stock. This amount is the net amount of surpluses at the stock count as well as the obsolete items written off. From the above, the following findings were identified: 1. The total loss due to the write off of inventory should have been disclosed as R1,516,694 2. The surplus should have been separately accounted for, after investigating the reason for the surplus and correcting the relevant accounts in that regard	No		1) Management oversight. 2) Proper review of the audit file against financial statements was not done	Management should ensure that adjustments made to inventory are accurately accounted in the financial statements.	1) Disclosure of impairment will be updated to reflect both impairment and reversal in the interim financial statements for the period ended 31 December 2017 and going forward.
23	145	Inventory: physical stock count	The following differences were identified between the final stock list of items disclosed in the APS and the actual stock count sheets which were recorded during the physical stock take:	No		Lack of reconciliation between final stock list and physical inventory counts	Management should ensure that the physical stock count is properly reconciled to stock records at year end.	Final stock listing after the count will be agreed to the final count sheet to ensure that the stock records have been adjusted for correctly.

7	30	Service charges_Reconciliation between GL and CB item dump	A reconciliation was performed between the general ledger and the CB item dump for service charges, to ensure that all billing to consumer accounts have been included in the general ledger. Differences were identified.	No	Unit and section manager : Billing	Reconciliation not performed by management between the GL and the CB item dump to ensure that billing is complete.	Management should ensure that the billing data is accurately captured in the general ledger by performing reconciliations on a case level for each type of service.	Management should perform monthly reconciliations between the GL and CB item dump to ensure the revenue billed complete and accurate.
32	53	Refuse removal: misstatements identified	During the audit of service charges - refuse removal, the following were noted: Property could not be found in the valuation roll therefore we are unable to confirm whether the correct tariff was applied based on the classification of the property. Debtor was billed incorrectly for refuse removal using the 2014/15 tariff and not 2016/17 tariff.	Yes	Unit and section manager : Billing	No review that all the properties that are being billed are included in the valuation roll and no review of the tariff applied to bill the relevant customers.	It is recommended that management should ensure that proper review processes are in place to ensure that service charges from refuse removal is accounted for correctly and that the Valuation roll is updated accordingly.	Management should review all the properties being billed against the valuation roll and investigate any discrepancies. The rates applied should be reviewed as well to ensure that the correct rate is applied.
15	66	Service charges_Estimated billing 2015/16	1. A sample of items were identified where evidence indicated the estimated readings are not reasonable 2. A sample of transactions were identified where no evidence is available to prove that the estimate is reasonable (no actual readings could be found in the 12 months preceding/ following the estimate):	Yes	Unit and section manager : Billing	Management does not regularly read the meters resulting in estimates being based on estimates which makes them unreasonable and there is no review of the estimates to determine their reasonableness.	The policy which govern estimation should be amended to limit estimation periods to a period shorter than one year. Furthermore, the policy should be adhered to, in order to ensure that consumers are not estimated for extended periods. The calculation of estimates should be revisited to ensure that estimated billing is reasonable when compared to actual readings.	Management will strengthen a dedicated team to do actual readings of meters regularly and review the estimates to determine their reasonableness. There should atleast be 1 actual reading in the financial period for each consumer account.
23	82	Service charges_Estimated billing 2016/17	1. A sample of items were identified where evidence indicated the estimated readings are not reasonable 2. A sample of transactions were identified where no evidence is available to prove that the estimate is reasonable (no actual readings could be found in the 12 months preceding/ following the estimate):	Yes	Unit and section manager : Billing	Management does not regularly read the meters resulting in estimates being based on estimates which makes them unreasonable and there is no review of the estimates to determine their reasonableness.	The policy which govern estimation should be amended to limit estimation periods to a period shorter than one year. Furthermore, the policy should be adhered to, in order to ensure that consumers are not estimated for extended periods. The calculation of estimates should be revisited to ensure that estimated billing is reasonable when compared to actual readings.	Management will strengthen a dedicated team to do actual readings of meters regularly and review the estimates to determine their reasonableness. There should atleast be 1 actual reading in the financial period for each consumer account.
24	131	Service charges_Reversal of estimates 2015/16	1. Reversals were done which relate to estimates made in the previous financial year (2014/15). The reversal was compared to subsequent actual readings, and significant differences were identified between the reversal and the subsequent actual reading. This indicates that the original estimate (as well as the subsequent reversal) was not reasonable 2. Items were identified where the previous estimated readings were reversed, however no actual reading was captured on the date of the reversal. The auditor is unable to conclude whether the original estimate (related to the reversal) is reasonable due to the absence of actual readings to substantiate this.	Yes	Unit and section manager : Billing	Management does not regularly read the meters resulting in estimates being based on estimates which makes them unreasonable and there is no review of the estimates to determine their reasonableness.	Management should implement design procedures whereby age/unusual transactions are tracked through an exception report on a monthly basis. These transactions should be followed up and corrected throughly.	Management should have a dedicated team to do actual readings of meters regularly and review the estimates to determine their reasonableness. There should atleast be 1 actual reading in the financial period. An exception report should be drawn out for meters that do not have an actual reading in 12 months and those should be investigated.

		Service charges: Journal 29242.1	During the 2016/17 financial year, management has assessed the entire population of consumers to identify those which have not been billed for basic charges. A correction was made through Journal 29242.1 to account for the underbilling of basic charges - the total amount of the Journal is R25,239,440.62						
24	166		Detail testing was performed on the journal to ensure that the corrections made are valid and accurate, based on the initial error which occurred. The following was identified: 1. Consumers were initially not billed. However, this was not a misstatement as basic services are not available in this area, therefore they were correctly not billed. Management incorrectly included them in the correcting journal and incorrectly billed them for the year under review. 2. The following correction was made where the consumer was in fact correctly billed for 12 months 3. The following correction was calculated incorrectly based on the number of months for which the error has occurred	Yes	Unit and section manager : Billing	- No review of completeness of billing is done by management. - Management does not investigate why certain customers were not billed to determine whether the system is correct for not billing that certain customer. - Management does not review the corrections that are being passed to ensure that the adjustments are correct.	Management should ensure that consumers are billed accurately for services which are provided to them.	- Management should review the accuracy and completeness of billing on a regular basis and investigate any discrepancies. - Management should review the adjustments before they are accounted for to ensure that there are no errors.	
27	167	Service charges: Pre-paid electricity, overall recon	A reconciliation was performed between the Cigital data for electricity prepaid sales and the total sales as per the municipality. Difference were identified.	Yes	Unit and section manager : Billing	No reconciliation is performed and reviewed between the revenue as per municipality and Cigital and no investigations are done on the differences/discrepancies	Management should ensure that, on a monthly basis, Cigital submits reports of total sales (on individual transaction level). This has to be reconciled to the summary reports and to the amount ultimately recognised in the VSDR/GL.	- Management should do a monthly reconciliation on the report from Cigital, amount received from Cigital and any amounts withheld by Cigital due to non payment. - Any differences should be investigated.	
32	205	Service charges: Bulk consumers	- Recalculations difference were found during the audit of other bulk consumers as a result of incorrect tariffs used on the system resulting in differences upon application of the NERSA tariffs - The following Reconciliation difference were found during the audit of Time of Use bulk consumers as a result of the following: 1. The reading units are correct, however the split between the peak, standard and off peak from the system reading was not the same as the split on the invoice resulting in the following differences	Yes	Unit and section manager : Billing	There is no update and review of the tariffs used to bill customers.	System controls needs to be checked to ensure that the calculation is correctly calculated.	Management needs to implement internal controls to ensure that the tariffs used are updated and reviewed.	
32	206	Service charges: Incorrect classification	During the arrangement of population for services charges: revenue, the accounts relating to different categories of services were obtained from the VSDR and used to sort out the population divided into different categories. Therefore the sample was selected from the different population and it was found the following classification issues were found: 1. Bulk consumers were classified as sale of electricity and upon applying the correct tariffs no differences were found	Yes	Unit and section manager : Billing	- Incorrect capturing of classification in the system. - No review is done to ensure that the classifications are correct.	Management needs to ensure that capturing on the system is done correctly and consumers are classified correctly.	Management need to review regularly the classification of customers to ensure that the consumer and service types are correct.	

21	143	Other income: insufficient information submitted	Supporting documents for items of other income was requested in RFI 141 of 2017. The information was due at close of business 02 November 2017	Yes	Revenue Manager	Improper 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 should ensure that the amounts disclosed in the AFS can be linked to the relevant supporting documents.	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance
27	3	Employee related cost - overtime payments differences	It has been noted that there is differences in overtime payment, the payment recorded in the timesheet is differ with the one that is recorded in the system.	No	HR Manager	This has been caused by improper record of timesheet.	It is recommended that management perform reviews between what is in the actual timesheets and what has been captured in the system.	Relevant manager will review overtime records to ensure the accuracy of overtime recorded in the system.
3	18	Limitation of scope 2	The following information was not obtained from the client during the audit. 1. Timesheets for overtime paid 2. Timesheets for shift allowances paid. 3. Physical verifications.	No	HR Manager	Improper record review of information.	It is recommended that management put a process in place to monitor the response rate to requests from the auditor and take action where information is not being submitted within 3 days.	Information will be kept safe and make show that the information is available for the municipality.
12	19	Employee related cost_Section 57 employees	It was noted that the annual remuneration for the director Local Economic Government was understated	Yes	HR Manager	Improper record review of information.	It is recommended that management perform a reconciliation between the PAYDAY data and the information disclosed in the financial statements, to ensure that employee cost are accurately disclosed.	There will be a proper reconciliation and review of the Annual financial statement.
27	195	Employee related cost_overall reconciliation	Differences were identified in the reconciliation that was performed between the payroll data from the PAYDAY system and the general ledger to ensure that all salaries paid for the year have been accounted for.	Yes	Financial Planning	Improper record review of information.	Management should continue to perform reconciliations between the payroll data and the general ledger to also resolve smaller differences on a monthly basis.	Management will perform reconciliations to ensure that payroll reconcile with general ledger.
22	122	Operational expenditure: Limitation of scope RFI 137	It has been noted that payment voucher relating to General expenditure, Contracted services and Repairs & maintenance were not obtained.	Yes	Expenditure Manager	Improper record review of information.	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Information will be kept safe and make show that the information is available for the municipality.
23	146	Operating expenditure: Consumption expenditure	Incorrect recognition of revenue generated from municipally owned properties.	Yes	Revenue Manager	The management did not review the prior year finding and implement proper recommendation as it was suggested.	Internal consumption charges which is subsequently written off should not be disclosed as revenue. If management bills these charges on a monthly basis then the reversal should be done against the same income vote in order to ensure that the revenue is not recognised in the AFS.	Management will restate prior year revenue and expenditure accordingly and ensure that the correct GRAP principles are applied into the current year.
22	165	Limitation of scope RFI 151	The requested information on RFI 151 was not available during the audit of the financial year ended 30 June 2017.	Yes	Expenditure Manager	Improper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
27	180	Repairs and maintenance- incorrect classification	Auditor identified 7 properties that are classified as repairs and maintenance instead of capitalisation to PPE	no	Assets Manager	Improper review of information recorded in the PPE and repairs and maintenance.	Management should implement controls whereby all payments on asset related expenditure and contracts are reviewed for correct capturing on a regular basis.	Proper review and of repairs and maintenance contracts to ensure that expenditure contracts are captured and reviewed on regular basis.

16	110	Compliance - Competitive bidding and deviations	<p>1) Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R500 000 were procured by inviting competitive bids or that deviations approved by the accounting officer were only if it was impractical to invite competitive bids, as required by SCM regulations 19(a) and 36(1). (Irregular expenditure) [5]</p> <p>2) Sufficient appropriate audit evidence could not be obtained that contracts that were made to bidders other than those recommended by the bid evaluation committee were ratified by the accounting officer, as required by SCM regulation 23(5)(b), (Irregular expenditure) [11]</p>	No	SCM Manager	Weakness in the record keeping system	Management should ensure proper records keeping of all ongoing tenders and ensure that they adhere to the regulations of SCM.	Management will implement controls to ensure that some documents are safely guarded and readily available when needed (e.g. Checklists and registers will be used)
28		Compliance: budget	<p>1) The adjustment budget that was submitted to National Treasury did not agree with the budget as approved by council</p> <p>Evidence of finding The council minutes approved an adjustment budget with a total surplus of 18mil, whereas the budget submitted indicated a surplus of R22mil, the difference was determined to be a R6mil that council order to be added to repairs and maintenance line item. (Council minutes dated 7th of March 2017 resolution 55.2)</p> <p>2) Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph.</p> <p>Evidence of finding Through inspection of the management calculation of unauthorised expenditure for the current year, it was determined the calculation indicates unauthorised expenditure of R2 484 031 was incurred during the year.</p>	No		Lack of review on the approval of the adjustment budget	Management should ensure that they adhere to legislation at all times.	Management will implement controls over the budget process and ensure that reasonable steps are taken to prevent unauthorised expenditure.
16	112	Compliance - CIDB & Local Content	<p>1) a) Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A). (Irregular expenditure) [20]</p> <p>b) That the tender invitation for a construction works contract stipulated the minimum category which the bidders must be registered at with the CIDB in order to qualify evaluation as required by CIDB regulation 25 (1) (Non-compliance)</p> <p>c) That where quality was evaluated at least three persons who are fully conversant with the technical aspects of the requirements/ procurement undertook the evaluation of quality as required by CIDB SFRU 4.3.5 (Non-compliance)</p> <p>d) That the winning contractor is not known to be insolvent, in receivership, bankrupt or being wound up, or has its affairs administered by a court or a judicial officer, has suspended its business activities, or is subject to legal proceedings in respect of any of the foregoing as required by CIDB Inform PN 5 par 3.6 (Non-compliance)</p> <p>2) a) Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement</p>	No		Weakness in the record keeping system Lack of review to ensure that treasury regulations are adhered to.	Management should ensure that when commodities of local content requirements are procured that the Preferential Procurement Regulation is	Management will ensure that the record keeping system is improved and all documents will be readily available. Management will also ensure that preferential procurement regulations will be adhered to.

		Overall: Internal control finding	The following internal control deficiencies were identified during the course of the audit: 1) Infringement of User access rights occurred without proper authorisation to change vendor banking details 2) Policies and procedures do not reflect expectations of competency necessary to support the achievement of the entity's objectives 3) Employees skills and competencies are not confirmed in order to establish whether the employees have actually obtained the indicated skills and competencies. 4) Employees' performance is not monitored and evaluated based on predetermined criteria and signed performance agreements in order to identify areas of improvement and areas where employees are performing well. 5) No central custodian of municipal policies, no control over the periodic review for all policies. 6) Some municipal consumer accounts go for extended periods on estimations without actual readings taking place. 7) No all water owned by the municipality, the water in the pipe network is recognised as inventories: Example of control breakdown: Inspected account number 442993 only had estimation charges for water for the entire year under review.				Proper action plans not done to address internal control deficiencies	Management should ensure that proper action plans are developed and implemented to correct these internal control deficiencies that were identified.	Management is in the process of re-engineering the standard operating procedures to strengthen the internal control environment. Proper action plans will be developed also to correct internal control deficiencies that were identified.
26		ACPI - Presentation and disclosure	The following administrative issues were identified in regards to the presentation of the Annual Performance Report (APR): 1) The development priority as identified on the SDBIP was not disclosed for any of the development priorities on the APR, instead the APR only disclosed the Programme, Strategic objective and the objectives, this is applicable to the entire APR. 2) Development priority 1: Efficient provision of quality basic services and infrastructure within a well-planned spatial structure 3) Development priority 2: Drive diverse economic growth and job creation	No			Lack of review to ensure that what is on the SDBIP is disclosed on the APR	We recommend that the information disclosed be disclosed in separate columns instead of part of the budget and actuals.	Management will ensure that the information disclosed is free from confusion and monetary values will be expressed as additional information under general statement.
29		ACPO - Completeness of indicators	1) Key projects were not found as indicators on the SDBIP 2) Not all the indicators as required by MSA sec 43 has been planned in the SDBIP or disclosed in the annual performance report of the municipality	No			Lack of oversight by management	Management should ensure that all service delivery items are monitored and reported on in the APR, these indicators can be identified through legislative requirements, mandate requirements or strategic goals set by the municipality, provincial government.	Management will ensure that all key projects are verified and included as part of the SDBIP

		RRT project- Delays experienced during the initial phase 1 of the RRT project				
26	246	<p>1.1 Even though the initial plans completed during 2010 envisaged that phase 1 of the RRT project (a fully-fledged BRT system) will go-live in December 2016, it was not achieved. As at 7 November 2017, 11 months after the planned milestone, no official launch date for the BRT system has been promulgated.</p> <p>1.2 As part of the initial plans, the RRT project was divided into four phases and it was envisaged that 100000 passengers would be transferred per day on 13 routes, with 240 bus stops and 15 bus stations using 288 buses after the completion of phase 1 of the RRT project in December 2016.</p> <p>1.3 Since the initial planning, there have been numerous changes in the economic environment in Rustenburg and in South Africa which had a negative impact on the funding of all municipal infrastructure projects, including the RRT project. The unexpected economic changes led to substantial decreases in grants received from the National Treasury which prompted the municipality to review the entire RRT project.</p> <p>The municipality appointed extra capacity in May 2016 to assist with the rationalizing of the RRT project. The initial plans and projections were reviewed and a new technical operational plan was drafted during 2017 to be aligned with the current economic environment. The new technical operational plan referred to the following:</p> <ul style="list-style-type: none"> - An incremental approach to phasing of the RRT project was implemented. Phase 1 of the initial plans was further divided into sub-phases A, B and C, each with updated objectives, scope of works and timelines. According to the new technical operational plan, phase 1A include a 5.3 kilometre trunk route, nine feeder routes, six stations and one Central Business District (CBD) shelter two stop. Phase 1B include 6.5 kilometre 	No	<p>Lack of oversight by management</p> <p>Underperformance and breach of contracts by contractors</p>	<p>1.5 During the demand management process when needs assessments and initial plans are being developed, the staff responsible for the Supply Chain Management (SCM) process (together with the staff responsible for infrastructure) should, inter alia, ensure that:</p> <ul style="list-style-type: none"> - When needs assessments and initial plans for a project are being done, all the current and future needs are included, communicated and understood by all the relevant stakeholders. Management should identify all the relevant stakeholders timely and improve communication between all - The project specifications are determined prior to the completion of the initial plans for submission to the National Treasury when requesting a conditional grant - The project requirements are linked to the budget or the conditional grant allocation from the National Treasury - The need forms part of the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality - An analysis of historical expenditure would assist in determining the manner in which the municipality (or other municipalities in South Africa) fulfilled this need in the past - The optimum method to satisfy the need is considered 	<p>Managements will ensure that contractors replacing those that were terminated are appointed to continue with the project. Management will also continue to source funding that will allow the project to move forward and be complete.</p>

32	228	Traffic fine tickets could not be traced to the traffic fine recon_completeness and cut-off	Requested information for the revenue completeness could not be obtained and cut-off, this was communicated in COF 32.	No	Traffic Manager	Improper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	<ul style="list-style-type: none"> Management should implement the following controls: <ul style="list-style-type: none"> - That fines are timeously captured and independently reviewed by an independent employee - That fine books are labelled/ marked when fully captured - That a register of all fine books and their capture status is kept - That the sequence of issue numbers on the fines listing is monitored and any exceptions followed up 	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
23	153	Traffic fines selected were not found on the traffic fine recon schedule	Traffic transactions could not be traced to the fines listing that ties up to the annual financial statements (AFS).	No	Traffic Manager	Improper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The accountant should implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting. A reconciliation of traffic fines and the schedules should be performed to ensure that all the traffic fines are recorded.	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
14	65	Information not submitted	The information below was requested as part of RFI 65 and has not been provided: <ul style="list-style-type: none"> a. Managements documented intention with regards to the land held for sale b. Supporting documents for cost recognised relating to land held for sale 	No	Revenue Manager	Improper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
27	186	Non-submission of requested information _RFI 183	Information relate to the following was not obtained. <ol style="list-style-type: none"> 1. Policy for the recognition and measurement of revenue from traffic fines. The policy should cover, inter alia: <ul style="list-style-type: none"> a. Fines issued in terms of the AARTO Act b. Traffic fines where reductions are available and this is within the discretion of the entity c. Traffic fines where reductions are available but this is not within the discretion of the entity d. Fines where the amount is not specified thereon and will only be determined by a judicial process 	No	Revenue Manager	Improper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The municipality should implement an effective record management system headed by one individual that will enable them to retrieve and provide information in a timely manner	Management will ensure put internal control process in place to ensure that proper record keeping is available in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
25	155	Heritage assets_Paul Kruger statue	The heritage asset was included in the heritage asset register at RO	No	Asset manager	No review of FAR to ensure that all assets are carried at cost as per accounting policy.	<p>Management should revise the accounting policy on heritage assets to ensure all heritage assets can be measured in accordance with GRAP 103. The replacement cost for the statue should then be determined and the correction made to heritage assets on a retrospective approach.</p> <p>- Management should review the FAR to ensure that all assets are carried at either cost or replacement cost.</p>	Management should revise the accounting policy on heritage assets to ensure all heritage assets can be measured in accordance with GRAP 103. The replacement cost for the statue should then be determined and the correction made to heritage assets on a retrospective approach.