

N O.	COMPONENT	TITLE	FINDING	STATUS ON FINDING	AFFECTED THE AUDIT REPORT (YES/NO)	ROOT CAUSE	AG'S PROJECTED MISSTATEMENT	AUDIT ACTION PLAN	RELEVANT GRAP STANDARD / LEGISLATIVE REQUIREMENT	POE (FOR AUDIT PURPOSES)	RESPONSIBLE PERSON	STAR T DATE	COMPLETION DATE
1	PROPERTY, PLANT AND EQUIPMENT	Property plant and equipment	Disagreement between amounts as per fixed asset register and amounts as per AFS.	Unresolved	YES	Due to management not reviewing the supporting schedules adequately and ensuring that they agree to financial statements.	R3 071 954,34	1. Perform monthly reconciliations. 2. Conduct detailed reviews by Management and Internal Audit will also assist in insuring that financial statements are free from error.	Section 62(1) (b) of MFMA	1. System proof 2. Verification reports 3. Align the AFS, GL/TB and FAR. 4. Detailed review of item 3 5. Check logs 6. Reconciliation reports	MANAGER SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 28 February 2 -7 Ongoing monthly reporting
2	PROPERTY, PLANT AND EQUIPMENT	Property plant and equipment Impairment	Difference in impairment calculations	Unresolved	YES	This is due to lack of proper review by management of the fixed asset register and ensuring the condition assessments agrees to the calculated impairments.	R2 571 510,37	1. Quarterly, asset verification process be performed whereby all assets are physically assessed to determine their condition.	Section 62(1) (b) of MFMA AND GRAP 1 AND 21	1. System proof 2. Verification reports 3. Align the AFS, GL/TB and FAR. 4. Detailed review of item 3 5. Clear assessment indicator that are in line with the condition of assets on the ground (Very good, good,poor and very poor) and impairment be in line with the methodology to only impair assets with poor, very poor	MANAGER SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 31 March 2 -6 Ongoing monthly reporting
3	PROPERTY, PLANT AND EQUIPMENT	Limitation of impairment assessment related to PPE	Limitation misstatement on PPE.	Unresolved	YES	This is due to lack of proper record keeping in ensuring that complete, relevant and accurate information is accessible in a timely manner.	R17 905 334,56	1. Project Management Unit to compile monthly reports on all active projects. 2. Facilitate a meeting with the Service Providers to ascertain reasons for projects still on WIP. 3. Close Projects ( Close out report)	Section 62(1) (b) of MFMA AND GRAP 1 AND 21	1. System documentation 2. Control procedures 3. Reconciliation reports 4. Training records 5. Monitoring and correction of adjustments for misstatement identified in relation to prior year.	MANAGER SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 31 March 2 -6 Ongoing monthly reporting
4	PROPERTY, PLANT AND EQUIPMENT	Property plant and equipment: WIP Transfers	Transferred WIP items without supporting completion certificate.	Unresolved	YES	Lack of proper review of the WIP register and ensuring the accuracy of the amounts capitalised agrees to the appropriate GRAP standards.	R16 741 296,80	1. Follow up with the Service Provider - Completion Certificate . 2. Close Project ( Close Out Report ) 3.Develop a Standard Operating procedure for assets from Expenditure, WIP, capitalisation and depreciation. 4. On completion of projects submit the completion certificates to the Asset Management Unit and Capitalise asset	Section 62(1) (b) of MFMA AND GRAP 1 AND 17	1. Framework document 2. System proof 3. Review reports 4. Prior period error corrections on assets that were incorrectly classified between WIP and Infrastructure	MANAGER PMU	Immediately	1. 28 February 2 -5 Ongoing monthly reporting
5	PROPERTY, PLANT AND EQUIPMENT	Various issues	Prior-year adjustment differences identified.	Unresolved	YES	The cause of the finding is due to management due care in preparation of the AFS due to not disclosing a note for a material line item in the Statement of Financial Performance.	R379 974	1. Develop GRAP compliance checklist.	Section 62(1) (C) of MFMA AND GRAP 1 AND 17	1. System documentation 2. Control procedures 3. Reconciliation reports 4. Training records 5. Monitoring logs	MANAGER SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 28 February 2 -7 Ongoing monthly reporting
6	PROPERTY, PLANT AND EQUIPMENT	Compliance issues(SCM and Asset Management )	Material non-compliances on Asset Management.	Unresolved	YES	Lack of management oversight in ensuring that quotations are properly maintained.	NONE	1. Implement project classification system - Automated validation checks - GRAP compliance controls - Monthly verification process 2. Establish review controls - Pre-posting verification - Classification validation - Documentation requirements 3. Monthly reconciliation procedures - WIP balance verification - Classification accuracy checks - Exception reporting 4. Staff training program - GRAP requirements - Classification guidelines - System usage 5. Regular compliance monitoring - Monthly classification audits - Performance tracking - Exception handling. 6. SAMRAS training to be attended to clearly understand the M-SCOA compliant asset register module.	Section 63(2) (a and b) of the MFMA	1. Framework document 2. System proof 3. Review reports 4. Audit findings 5. Training records	MANAGER SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 28 February 2 -7 Ongoing monthly reporting

7	PROPERTY, PLANT AND EQUIPMENT	Prior year Uncorrected misstatements	Prior year uncorrected misstatements.	Unresolved	YES	This is due to management not correcting some of the misstatements identified in the previous financial year.	R25 275 411	1. Create reconciliation system 2. Monthly balance verification 3. Adjustment tracking procedures 4. Documentation requirements 5. Regular compliance checks	Section 62(1) (C) of MFMA AND GRAP 1	1. Prior period error corrections on assets that were incorrectly classified between WIP and Infrastructure and where it is noted to be necessary. 2. Align the AFS, GL/TB and FAR. 3. Clear assessment indicator that are in line with the condition of assets on the ground (Very good, good, poor and very poor) and impairment be in line with the methodology to only impair assets with poor, very poor condition. 4. Correct calculations of depreciation and impairment and ensuring that any prior period adjustments are corrected with supporting evidence/reports	MANAGER: SCM AND ASSETS, ACCOUNTANT: ASSETS, CONSULTANT ON ASSETS	Immediately	1. 28 February 2-7 Ongoing monthly reporting
8	RECEIVABLES FROM NON-EXCHANGE	Debt impairment and Receivables	Government debtors not impaired	Unresolved	YES	Lack of review of internal policies to ensure alignment with the applicable GRAP requirements for government.	R24 576 556	1. Conduct assessment for billing and impair the government debt. 2. Report on debt impairment on a monthly basis 3. GRAP 104 - Develop checklist of GRAP standards to be implemented while compiling AFS and APR.	Section 122(1) (a) of MFMA AND GRAP 104	1. Review month records (age analysis, debtors statement) to ensure that correct billing was done and send statement to the customer. 2. Update the policies 3. Conduct stakeholder engagements 4. For GRAP compliance government debtors will be impaired in accordance with the municipality's policy.	MANAGER: REVENUE AND EXPENDITURE ; ACCOUNTANT: REVENUE	Immediately	
9	RECEIVABLES FROM NON-EXCHANGE	Debt Impairment, Receivables (Non-Exchange and Exchange transactions)	Difference between Age Analysis and AFS.	Unresolved	YES	Lack of proper review of the financial statement and ensuring the accuracy of the amounts for receivables from exchange transactions agree to the age analysis debtors balance.	R1 884 207	1. Create reconciliation system: - Daily matching - Variance analysis - Exception reporting 2. Monthly reviews: - Age analysis accuracy - Statement verification - Documentation updates 3. Regular audits: - Process effectiveness - Data accuracy - Compliance checks. Follow ups with the state debtors	Section 62(1) (C) of MFMA AND GRAP 1 AND 17	1. Review reports 2. Updated records 3. Audit findings	MANAGER: REVENUE AND EXPENDITURE ; ACCOUNTANT: REVENUE	Immediately	
10	CASHFLOW	Misstatements identified - Statement of cashflows	Misstatement of cash flows	Unresolved	YES	Lack of adequate review of financial statements and underlying records by the appropriate level of management.	NONE	1. Implement cash flow monitoring system (Feb 2026): - Monthly reconciliations - Exception alerts 2. Movement analysis - Supporting documentation - Variance investigation 3. Regular compliance reviews: - Calculation accuracy/standardize template - GRAP compliance 4. Detailed reviews will be conducted by Management and Internal Audit will also assist in insuring that financial statements are free from error.	Section 62(1) (b) of MFMA AND GRAP 1 AND 2	1. Review reports 2. Check records	MANAGER: FINANCIAL REPORTING AND ACCOUNTANT: FINANCIAL AND REPORTING		
11	CASHFLOW	Misstatement identified - Statement of Cash flows corresponding figures	Misstatement of cash flows - 2024.	Unresolved	YES	The cause of the finding is due to	NONE	1. Implement cash flow monitoring system (Feb 2026): - Monthly reconciliations - Exception alerts 2. Movement analysis - Supporting documentation - Variance investigation 3. Regular compliance reviews: - Calculation accuracy/standardize template - GRAP compliance 4. Detailed reviews will be conducted by Management and Internal Audit will also assist in insuring that financial	Section 62(1) (b) of MFMA AND GRAP 1 AND 2	1. To align the MSCOA and GRAP template. For AFS to adopt the AG methodology and for PT to align with the MSCOA chart accounts 2. Check and verify the movement and closing balance to the bank balance as at end of each month.	MANAGER: FINANCIAL REPORTING AND ACCOUNTANT: FINANCIAL AND REPORTING		