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NORTHERN CAPE PROVINCIAL TREASURY

Office of the Provincial Accountant General (PAG) – Municipal Accounting Services

Feedback on Monitoring Tool, Audit Action Plan & 2016/17 Audit Outcomes

Presenter

Mr. H Salome

Outline

1. Purpose
2. Submission Rate
3. Overall Audit Opinions 2013-2017
4. Overall Audit Opinions 2016/17
5. Overall Status Year to Year
6. Audit Qualifications

1. Purpose

Monitoring Tool:

- The tool was designed to measure financial compliance in municipalities to accomplish good corporate governance as required by the Municipal Finance Management Act
- The minimum financial management performance indicators contained in Annexure's A-K3 will assist municipalities to improve monthly, yearly reporting, closure of financial records and audit outcomes as well as to assist Provincial Treasury in identifying the type of assistance required by municipalities

Audit Action Plan:

- To address all audit findings raised by the Auditor General in the final management report of the municipality
- The municipality provide corrective plans, detailing how they intend correcting the matters raised.

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2. SUBMISSION RATE

MONITORING TOOL	
DUE DATE	SUBMISSION
15-Jan-17	77%
15-Apr-17	70%
15-Jul-17	70%
15-Oct-17	53%
15-Jan-18	53%

AUDIT ACTION PLAN	
DUE DATE	SUBMISSION
15-Jan-17	73%
15-Apr-17	60%
15-Jul-17	50%
31-Jan-18	67%



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2. SUBMISSION RATE (CONTD)

Audit Action Plan:

- Submission of the audit action plans is very poor overall (73%, 60%, 50) for the 2015/16 submissions.
- Submission dates for the 2016/17 year are as follow:
 - 31 January 2018
 - 15 April 2018
 - 15 July 2018
- Municipalities must appoint a champion to coordinate the implementation and monitoring for the audit action plan.
- The Plans must be signed-off, if not signed it will be seen as a non-submission.
- Submitted plans must be reviewed and updated with progress made on a regular basis.

N.B.: The lack of review and progress of the audit action plan result in overall poor provincial audit outcomes for 2017/2018 FY.

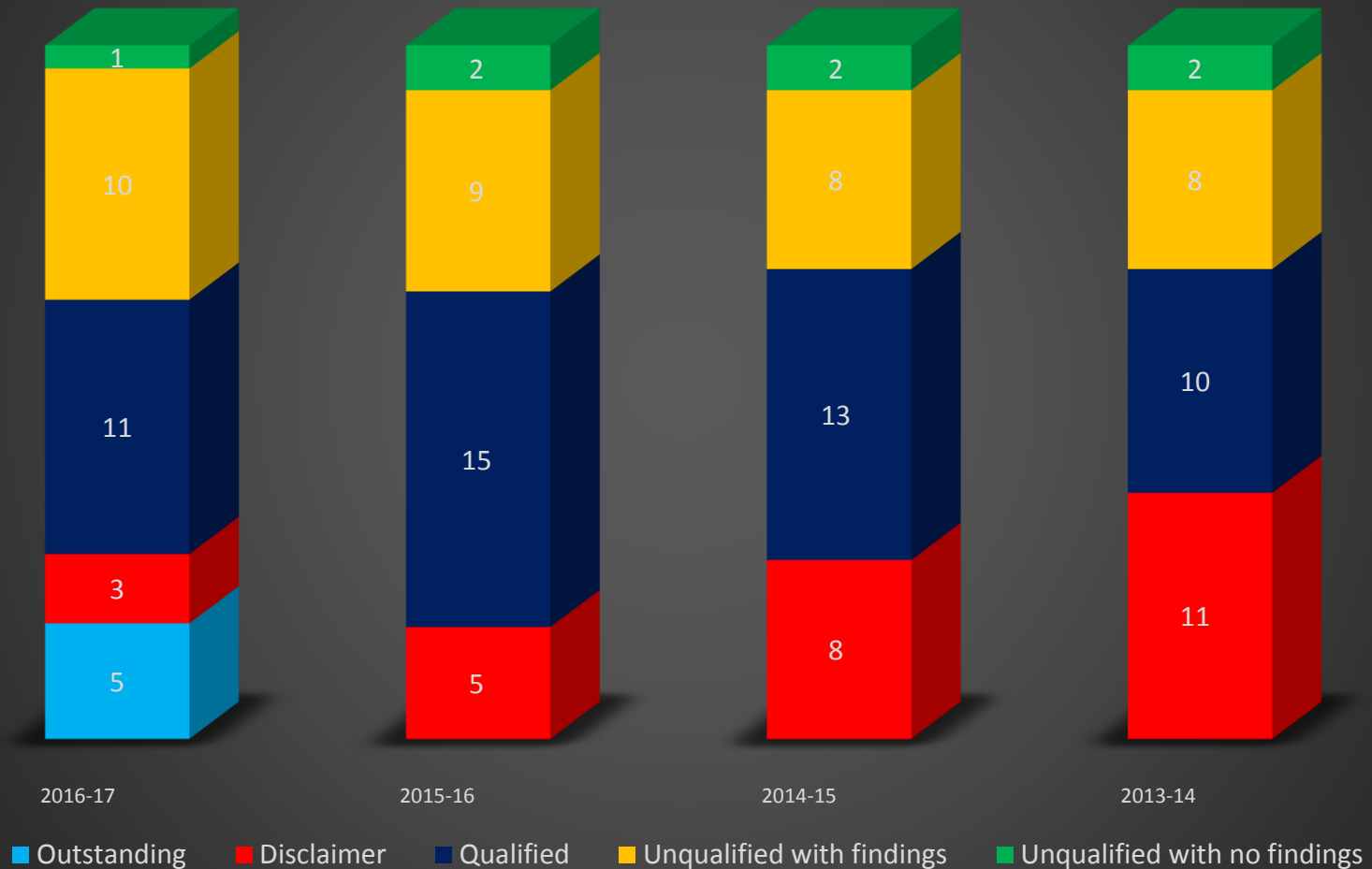


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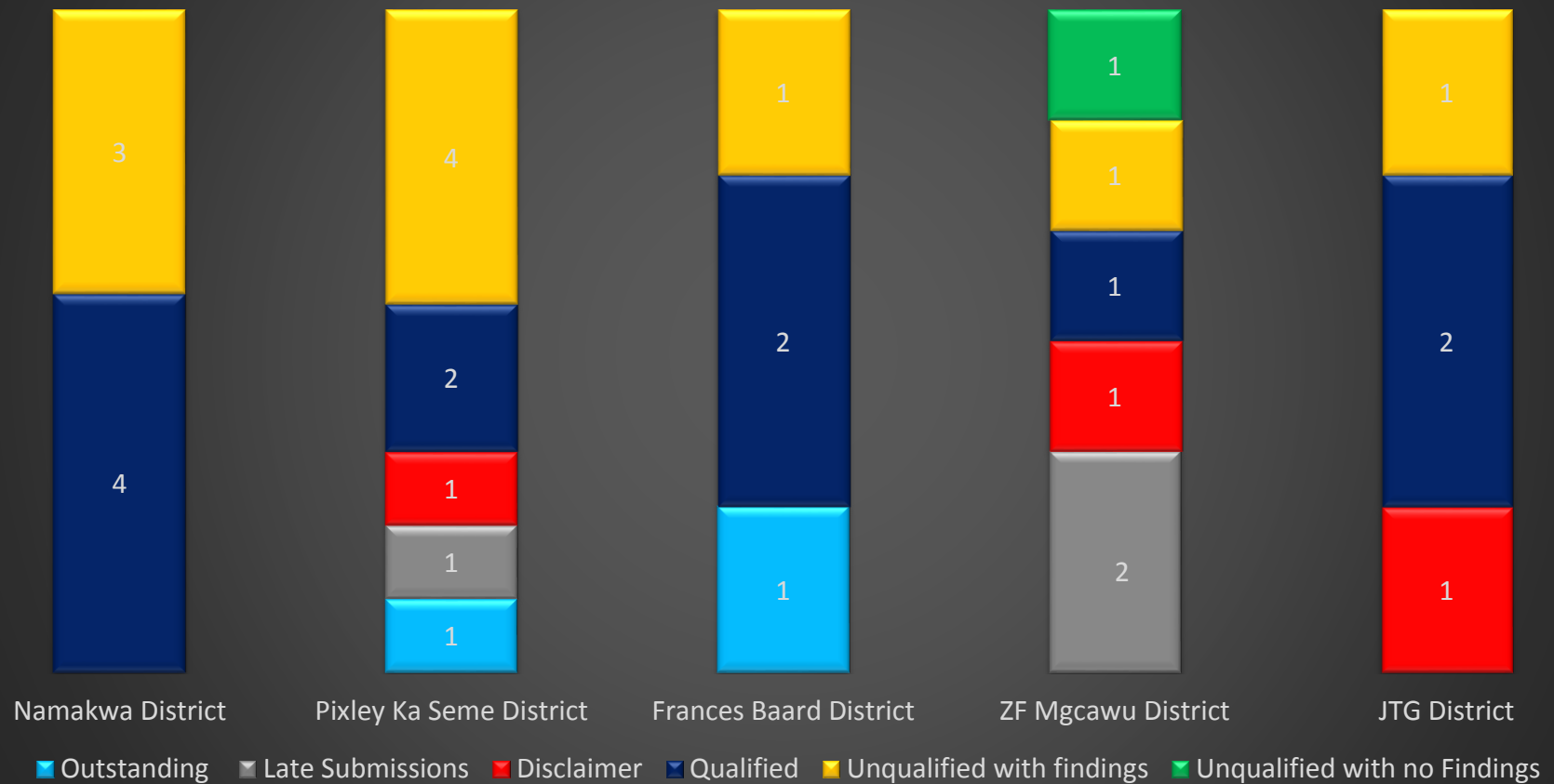
3. OVERALL AUDIT OPINIONS FROM 2013-2017

AUDIT OUTCOMES



4. OVERALL AUDIT OPINIONS PER DISTRICT 2016/17

Overall Audit Opinions Per District



4. OVERALL AUDIT OPINIONS PER DISTRICT 2016/17 (CONTD)



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Pixley Ka Seme District			ZF Mgcawu District		
Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion	Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion
Siyancuma Local Municipality	Qualified	Qualified	ZFM District Municipality	Unqualified with no findings	Unqualified with no findings
Ubuntu Local Municipality	Disclaimer	Late submission	Dawid Kruiper Local Municipality	N/A	Unqualified with findings
Umsobomvu Local Municipality	Unqualified with findings	Unqualified with findings	//Khara Hais Local Municipality	Unqualified with findings	Unqualified with findings
Pixley Ka Seme District Municipality	Unqualified with findings	Unqualified with findings	Mier Local Municipality	Qualified	Qualified
Kareeberg Local Municipality	Unqualified with findings	Unqualified with findings	!Kheis Local Municipality	Qualified	Qualified
Renosterberg Local Municipality	Qualified	Outstanding AFS	Kgatelopele Local Municipality	Qualified	Disclaimer
Siyathemba Local Municipality	Disclaimer	Disclaimer	Kai! Garib Local Municipality	Qualified	Late Submission
Thembelihle Local Municipality	Qualified	Qualified	Tsantsabane Local Municipality	Qualified	Late Submission
Emthanjeni Local Municipality	Unqualified with findings	Unqualified with findings			
John Taolo Gaetsewe District			Namakwa District		
Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion	Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion
John Taolo Gaetsewe District Municipality	Unqualified with findings	Unqualified with findings	Namakwa District Municipality	Unqualified with findings	Unqualified with findings
Gamagara Local Municipality	Unqualified with findings	Qualified	Richtersveld Local Municipality	Qualified	Qualified
Ga-Segonyana Local Municipality	Disclaimer	Qualified	Kamiesberg Local Municipality	Qualified	Unqualified with findings
Joe Morolong Local Municipality	Disclaimer	Disclaimer	Nama Khoi Local Municipality	Qualified	Qualified
			Hantam Local Municipality	Qualified	Qualified
			Karoo Hoogland Local Municipality	Qualified	Qualified
			Khaima Local Municipality	Unqualified with findings	Unqualified with findings
Frances Baard District					
Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion	Municipalities	2015-16 Audit Opinion	2016-17 Audit Opinion
Frances Baard District Municipality	Unqualified with no findings	Unqualified with findings	Phokwane Local Municipality	Disclaimer	Outstanding AFS
Dikgatlong Local Municipality	Qualified	Qualified	Magareng Local Municipality	Qualified	Qualified

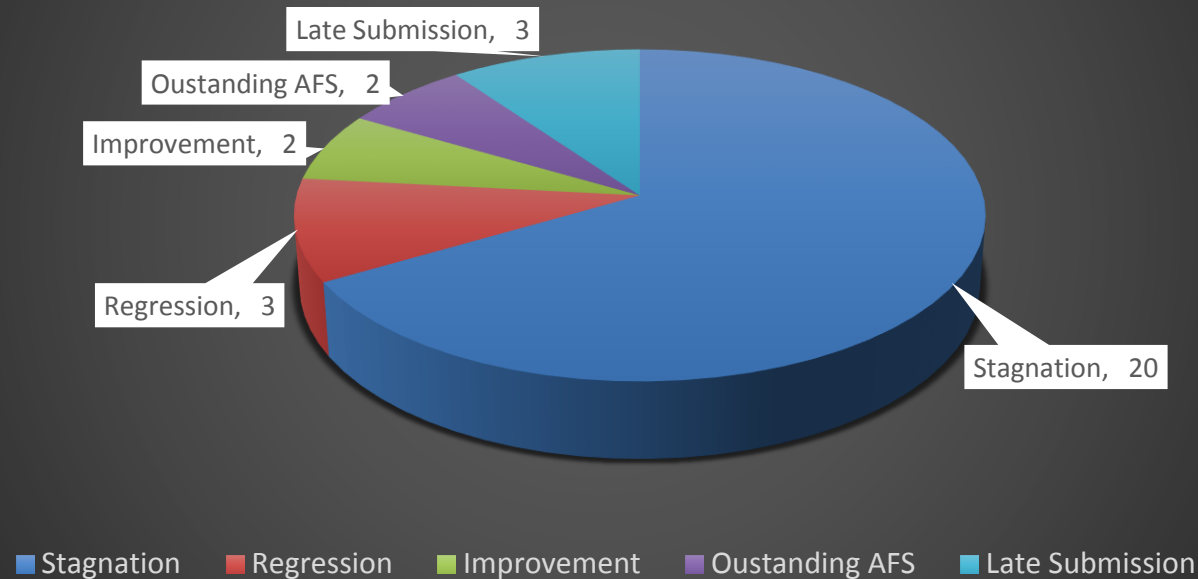


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5. OVERALL STATUS YEAR TO YEAR

Overall Status Year to Year



Regressions	Improvements	Outstanding/Late Submissions
Gamagara Municipality	Ga-Segonyana Municipality	Renosterberg Municipality
Frances Baard District Municipality	Kamiesberg Municipality	Ubuntu Municipality
Kgatelopele Municipality		Phokwane Municipality
		Tsantsabane Municipality
		Kai! Garib Municipality

6. AUDIT QUALIFICATIONS

- Property, Plant & Equipment
- Investment Property
- Trade & Other Receivables from Exchange Transactions
- Receivables from Non-Exchange Transactions
- Payables from Exchange Transactions
- Revenue from Exchange Transactions
- Revenue from Non-Exchange Transactions
- Expenditure
- Commitments
- Provisions
- Employee Benefit Obligations
- Irregular Expenditure
- Unauthorised Expenditure

7. WAY FORWARD



- Oversight units to continuously provide inputs on audit action plans.
- Oversight units to continuously report back to the oversight committees and relevant stakeholders on the progress made on the audit action plans.

“Good governance is not fire-fighting or crisis management. Instead of opting for ad-hoc solutions the need of the hour is to tackle the root cause of the problem”

THANK YOU