

APPENDIX A
ANNUAL AUDIT PLAN 2014/2015

	external audit process															
	Follow-up on 2013/2014 Auditor General Queries	In-house	160							X	X	X				
	Review and follow-up on Quarterly Dashboards	In-house	200			X			X		X				X	
			6870													

	PROJECT FOCUS AREA	SCOPE
A	<i>FOLLOW-UP AUDITS FOR 2013/2014</i>	<ul style="list-style-type: none"> - To assess the extent of implementation of corrective and agreed upon actions following the internal audit performed - To Assess whether the implemented action addressed the original findings adequately - To Monitor the outcomes of Internal Audit Effort
B	<i>AUDIT OF PERFORMANCE MANAGEMENT SYSTEMS, IDP, AND SDBIP</i>	<ul style="list-style-type: none"> - Review compliance of the IDP, SDBIP and Performance Agreements in terms of activity, content and timeframes - Review compliance of the KPA's and KPI's in terms of the SMART principles - Review performance contracts (linked to IDP) for all Executive Directors and the Municipal Manager; - Review the link between PMS, IDP, SDBIP and Budgets; - Review credibility of POE files; - Conduct physical verification of projects.
C	<i>RISK BASED AUDITS AND STATUTORY AUDITS</i>	
	Review of Risk Management and Assessment	<ul style="list-style-type: none"> - Review of Risk and Control Identification and Assessment - Review of Risk Management Strategy - Review of Risk Management Methodology
	2013/2014 Financial Statement Review	<ul style="list-style-type: none"> - Review Accounting Policies and compliance with GRAAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness - Review working paper file and ensure that it agrees to information on the AFS , TB and GL
	2014/2015 Mid-term Financial Statement Review	<ul style="list-style-type: none"> - Review Accounting Policies and compliance with GRAAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness - Review working paper file and ensure that it agrees to information on the AFS , TB and GL
	Audit of the adjustments budget 2014/2015	<ul style="list-style-type: none"> - Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
	Audit of the budget 2015/2016	<ul style="list-style-type: none"> - Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
	Audit Supply Chain Management	<ul style="list-style-type: none"> - Review daily procurements - Review tender process

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		<ul style="list-style-type: none"> - Review contract register and contract payments - Review compliance with SCM policy, SCM Regulations and MFMA Circular 68
	Audit Monthly Unauthorised, Irregular, Fruitless and Wasteful Expenditure	<ul style="list-style-type: none"> - Review the Register's maintained - Review compliance and reporting requirements in terms of SCM policy, SCM Regulations and MFMA Circular 68 - Review processes in place for corrective action or recovery thereof
	Audit Asset Management	<ul style="list-style-type: none"> - Review monthly asset reconciliations - Ensure asset reconciliation balances to general ledger and trial balance - Review fixed asset register - Test for existence of assets - Review depreciation calculations - Review compliance with GRAAP
	Audit Payroll Management	<ul style="list-style-type: none"> - Review new appointments - Review employee's exiting the system - Review Overtime Payments - Review Standby allowances - Review Housing & Third Party payments - Review Staff deductions
	Audit Cash, Bank and Bank Reconciliations	<ul style="list-style-type: none"> - Review all cash and receipting processes - Review the bank reconciliations - Ensure that all reconciling items are valid and have adequate supporting documentation - Ensure that the bank reconciliation agrees to the bank statements, bank confirmations, and to the financial system
	Audit of Grants and Project Management	<ul style="list-style-type: none"> - Review the Grants Register - Recalculate balances and ensure that it agree to the Financial System - Ensure compliance with the expenditure process and SCM policy and SCM Regulations - Ensure compliance with all grant conditions
	Audit of Inventory Management	<ul style="list-style-type: none"> - Attend Quarterly Stock Counts - Observe Stock Count Procedures - Test for existence of Stock Items - Confirm quantity of stock items from physical stock to bin cards - Confirm quantity of stock items from bin cards to the financial system
	Audit of Electricity Losses	<ul style="list-style-type: none"> - Verify, recalculate, validate and analyse the electricity losses reported by comparing the electricity purchased from the Eskom Accounts to the electricity sales - Review processes in place to reduce losses
	Audit of Human Resource Management	<ul style="list-style-type: none"> - Review of Recruitment Process - Review of Leave Management - Review of Training Process - Review of Employment Equity Plan

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		<ul style="list-style-type: none"> - Review of IOD and Pension Claims - Review compliance with HR Policies
	Audit of Fleet Management	<ul style="list-style-type: none"> - Conduct physical verification of fleet - Review of Fuel Consumption - Review of Vehicle log sheets and C-Track system - Review of expenditure for repairs and maintenance of fleet
	Audit of Traffic Management	<ul style="list-style-type: none"> - Review administration of fines - Review administration of camera offences
	Audit of Licencing Processes	<ul style="list-style-type: none"> - Review of learner licence applications - Review of licence applications - Review of renewal of drivers licence - Review vehicle registrations
	Audit of Community Facilities	<ul style="list-style-type: none"> - Review administration and maintenance of parks and gardens - Review administration and maintenance of sports grounds and fields - Review administration and maintenance of cemeteries - Review administration and maintenance of halls - Review administration and maintenance of libraries
D	ADHOC REVIEWS	
	Special Requests & Investigations	- At the request of the Municipal Manager, the Audit Committee, or MPAC certain special assignments / projects will be undertaken
E	AUDITOR GENERAL	
	Co-ordination of 2013/2014 external audit process	
	Follow-up on 2013/2014 Auditor General Queries	
	Review and follow-up on Quarterly Dashboards	

NOTE THAT THE TABLE SERVES AS A GUIDE IN TERMS OF THE TIMING OF THE AUDIT AND MAYBE SUBJECT TO CHANGE DEPENDING ON VARIOUS CIRCUMSTANCES SUCH AS REQUESTS FROM THE AUDIT COMMITTEE AND MUNICIPAL MANAGER, AND STAFF / CLIENT AVAILABILITY. ETC