

FINAL MANAGEMENT REPORT
SOUTH AFRICAN BROADCASTING
CORPORATION (SOC) LIMITED (SABC)
Incorporating an Action Plan to resolve audit
matters

31March 2013

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
Property Plant and Equipment							
1	Assets in the fixed asset register not valued correctly				Reconfiguring the structure to centralise control of the Asset management accounting function in the CFOs office		
1.1	Assets with negative book values						
1.2	Assets with zero and R1 book values						
1.3	No evidence of the review of assets for impairment			1;1.1;41;45	Asset verifications, a review of their condition and updates of the fixed asset register to be performed		
3	Completeness of land and buildings						
41	Retired/ Redundant assets not removed from fixed asset register						
42	Incorrect calculation of depreciation on Property, Plant and Equipment			1;1.3	All assets to be identified by bar codes & title deeds to be traced and safeguarded		
43	Asset under construction (AUC) expense clearing account un-cleared						
44	Reconciling items between the fixed asset register and the general ledger not adjusted.			1;1,3	Regular reconciliations between asset register and GL to be performed		
45	Computer software incorrectly recognized as still in use in the financial statements.			1.1;1.2	Review of asset accounts and the asset register to identify and eliminate or correct assets with credit balances, nil and negative amounts.		
46	Incorrect inclusion of foreign exchange differences in maintenance and repairs account.						

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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47	Maintenance and repairs expenses include VAT.			1.2;1.1;43	Credit balances and other anomalies in accounts (AUC) and asset register to be investigated and eliminated		
				42	Completed projects capitalized & depreciated in time		
				42	Useful lives of assets and residual values assessed		
				41	Redundant assets disposed of.		
				45	Write and execute policies and procedures to control assets with specific focus on implementation of monitoring controls and compliance with IAS16 requirements for componentization of assets; review of residual values and useful lives at year end.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
				44	Review of processes regarding retrieving of SABC assets on resignation or death of staff members.		
				46;47	Training of staff on PFMA and IFRS requirements relating to this area (sec 51, 83 & 86 of PFMA and IAS16, 17, 36,8 & IFRIC4)		
				42;45; 47	Prior year errors to be corrected, journals to be processed and disclosure note prepared		
				45; 46	Inclusion of asset management as a KPI on performance contracts of all staff.		
Intangible Assets							
2	Intangible Assets in the asset register not valued correctly				Reconfiguring the structure to centralise control of the Asset management accounting function in the CFOs office		
2.1	Assets with negative book values						
2.2	Assets with zero and R1 book values						
2.3	No evidence of the review of assets						

Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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for impairment			2;	Review of the records to determine software and other intangible assets that should be or should have been capitalized and accounted for as intangible assets		
			2 2.3	Intangible asset verifications and updates of the intangible asset register to be performed		
			2.1 2.2	Review of asset accounts and the asset register to identify and eliminate or correct assets with credit balances, nil and negative amounts.		
			2.1 2.2	Regular reconciliations between intangible asset register and GL to be performed		
			2;	Write and execute policies and procedures to control and account for intangible assets with specific focus on implementation of monitoring controls to ensure compliance with IAS 38		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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				2; 2.3	Training of staff on PFMA and IFRS requirements relating to this area (sec 51, 83 & 86 of PFMA and IAS 38, 36, 8)		
				2.1 2.2	Prior year errors to be corrected, journals to be processed and disclosure note prepared		
				2;2.1 2.2	Inclusion of intangible asset management as a KPI on performance contracts of IT staff		
Revenue							
4	TV license revenue incorrectly accounted for on a cash basis			4	Determine mechanisms to determine all potential license fee holders		
49	Grant reconciliations not reviewed			4;51	Develop action plan to obtain this information and verify the authenticity.		

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50	Radio advertising spots not invoiced			50	Group Sales action by 31 October 2013: <ul style="list-style-type: none"> ▪ Radio advertising logs to be aligned with output of off-air monitoring system being implemented. ▪ Relevant Supervisor to sign off on daily reconciliation of logs. ▪ All log entries to be accounted for including transmission disruptions, and non-billable promos. 		
51	Inadequate authorisation of advertising commitment deals			53	Group Sales input before interim audit: Another engagement with AG on accounting for 16.5% agency commission, taking into account established South African Advertising Media practices. Reporting Gross Revenue will inevitably lead to an audit qualification in future in the absence of revenue source documents.		
52	Trade exchange contracts not accounted for in the general ledger			4;49	Review and update of the data base of TV license holders		

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53	Revenue disclosed net of agency commissions			50;52	Contact potential license fee defaulters to establish actual amounts owing, payment dates and record the information.		
				53	Implement a robust inspectorate service to continuously validate the data base and aid in recovery of license fees due		
				51;52;53	Write and execute policies and procedures to control TV license revenue with specific focus on updating of the database, collection of revenue, accounting for revenue, debtors and impairments.		
				51	Training of staff on PFMA and IFRS requirements relating to this area (sec 51, 57 83 & 86 of PFMA and IAS 1, 8,18 and 36)		
				50	Prior year errors to be corrected, journals to be processed and disclosure notes prepared		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
				51	Implementation of a robust performance management regime to enforce accountability and address non-performance in this area		
Programme and Film Rights							
5	Programme, film and sports rights additions listing not consistent with movement in the general ledger accounts			5	Reconfiguring the structure to centralise control of the program' film and sports rights accounting function in the CFOs office		
6	Local and Education content Additions listing provided for audit does not agree to Local and Education Additions as per Note 13 to the Annual Financial Statements						
7	Local and Education additions of Programme, film and sports rights in AUC account not capitalised to the respective Media Assets accounts.			6;7	All programme, film and sport rights are enforceable by written contracts before broadcasts.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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55	Programme, film and sports rights asset not recorded on movement by title schedule ("asset register")			6;7	All contracts are centrally kept and rights, expenses and obligations arising from these contracts are determined and accurately accounted for.		
55;56				Reconfiguring the current processes to ensure that all tapes and storage devices that hold these rights are received in a central place; recorded and the devices are stored in a central, secure place before and after broadcasting.			
56	Incorrect amortisation rule applied in amortising the titles.			56	Update the current amortisation policy to include Children – Live as a genre		
7;55				Prepare a position paper on the reasons for the non-capitalisation of import duties to assets			
58				Introduce a review process to identify assets that have expired to ensure these are removed from the asset register.			
57	Import charges not capitalised to the			7	Transactions relating to the		

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	titles of the content acquired by the SABC			55	acquisition, broadcast and impairment are recorded accurately, in time and documentary evidence is stored in as secure place.		
58	Expired Media assets rights are included in the media asset register with book values			55	Programme, Film and Sports rights asset verifications and updates of the stock register to be performed		
				55 56 57 58	Regular reconciliations between stock records, broadcast schedules, and the GL are done, reviewed and evidence, properly stored in a secure place.		
59	The amortisation per the Annual Financial Statements does agree to the amortisation as per the profitability report “amortisation listing”.						
61	Reduction in the number of episodes is not reflected on Contract Rights Management System			59;60;63 67;69;70 71	Review the relevance to management decisions at the SABC as a whole of the practice of internal charges and their impact on accurate financial reporting.		

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62	A different exchange rate was used for the valuation of titles which were acquired on the same date.			60	Derecognition of programme, film and sports rights with nil or negative values.		
63	Business Plan not signed by the Finance manager						
				59;60;62	Prior year errors to be corrected, journals to be processed and disclosure note prepared		
				5;6;7;55; 64	Inclusion of control aspects of programme, film, sports rights management as a KPI on respective performance contracts of staff		
64	Media asset acquired capitalized at an amount below the contract value.			5;7;56; 59;62;63 64;65;66 67;68;69 70;71	Appointment of a CA or equivalent to oversee the control of the program' film and sports rights accounting function in the CFOs office.		
				5;7;56; 59;62;63 64;65;66 67;68;69 70;71	Appointment of consultants to document policies and procedures, retrain staff on the revised processes & IFRS, complete stock counts, resolve errors on the opening balances and prior year movements		

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					and prepare disclosure notes (IAS8, IAS 38, IAS 36)		
65	Pre-payments on different dates made using the same exchange rate that is higher than rates supplied by treasury			66 67;68;69 70;71	Train staff. Monitor adherence to policies and procedures		
66	Inaccurate number of seconds and value of exposure given to sponsors						
67	Non- submission of trade exchange contract						
68	Trade exchange request forms not signed by the commissioning editor						
69	Trade exchange request forms not signed by the channel programme manager						
70	Trade exchange contracts not signed by the sponsor						
71	Trade exchange request forms not signed by the production house						

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Trade Receivables							
9	Provision for Impairment of Trade Receivables not provided for in terms of IAS 39				Reconfiguring the structure to centralise control of the debtors accounting function in the CFOs office		
72	The Down payment-local account is long outstanding			9	Group Sales input by : Implement consistent credit management policy and procedures regardless of where debtors accounting functions are located within the SABC.		
73	Cash Accounts with debit balances are included in the age analysis						
74	Provision for Settlement Discount not written back to Revenue						
75	No supporting documents received from the client						
76	Clearing accounts not cleared			73	Group Sales action: Implement SOP by 31 October to govern inter-unit activities for cash clients. This will eliminate cash accounts with debit balances.		

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			74	Group Sales action: Management is working with SAP CCC to clear the provision account during F2013-2014.		
			72;75	Group Sales action: Records will be maintained to ensure a three-way match for all entries between order specifications, payment received, and goods delivered.		
			76	Group Sales action: Management is working with SAP CCC to clear the provision account during F2013-2014.		
			72 73	Postings of payments to debtors are done daily and debtor's statements sent out monthly.		
			72	Monthly reconciliations between the control accounts and the individual debtors account to be done.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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				72 73 74	Review of all the SABC debtors aging schedules to identify long outstanding debtors and to identify actions to handover, impair/ write off.		
				76	Review debtors accounts for anomalies e.g. credit balances; duplicate debtor's accounts linked to SABC staff members and clean up the debtor's ledger.		
				9 75	Write and execute policies and procedures to control debtors with specific focus on implementation of monitoring controls to effect early collection. This is to balance cash outflows arising from compliance with government directives to settle accounts within 30 days.		
				75	Centralisation of receipt and processing of revenue and debtor transactions		
				9;72;73;75;76	Training of staff on PFMA, debtors reconciliations and IFRS		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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				72;73;74;75;76	Implementation of a robust performance management regime to enforce accountability and address non-performance		
Taxation							
10	Withholding tax			10	Reconfiguring the structure to centralise control of taxation management and reporting thereon in the CFOs office		
				10	Matter has been resolved with SARS. There are processes implemented going forward.		
11	TV License Provision For Doubtful Debt			11	An application for a ruling from SARS has been submitted and on-going meeting has been taking place between SABCO and SARS		
86	Incorrect VAT paid to SARS						
87	Wear and tear allowance						
88	VAT control accounts not cleared on a monthly basis			10;11;86 88	Recruitment of CAs with tax knowledge to oversee tax issues associated with significant balances/ transactions.		

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				86	Vat paid to SARS has been correct proper reconciliation was not done by AG during the last year’s audit. This was resolved with auditors it was not a qualification issue.		
				87	Fixed assets project is in progress.		
				88	VAT clearing accounts are cleared on a monthly basis now. This was resolved with auditors it was not a qualification issue.		

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				89	As far as we know there's no difference between AFS and VAT201 returns. Vat paid to SARS has been correct proper reconciliation was not done by AG during the last year's audit. This was resolved with auditors it was not a qualification issue.		
89	Difference between the turnover per the financial statements and the sales per the VAT201 returns			10;11;86 ;87;88; 89	Engagement of external resources to perform a company- wide tax audit, assist with the development of a system to account for all tax matters, training of staff and writing of Standard Operating Procedures (SOPs).		
88;89				Make it mandatory in SOPs for a tax review of all significant transactions before they are entered into.			
10;11;86 ;88;89				Audit Committee to focus risk, management and internal audit efforts on Taxation and IFRS reporting.			

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					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
				10;11;86;87;88;89	Implementation of a robust performance management regime to enforce accountability and address non-performance		
Employee Benefits							
12	Post-retirement medical liability valuation			12	Determine, verify and regularly update the records of employees who qualify for each category of post-retirement benefits.		
90	Payroll master file not updated timeously						
91	Employee files are not updated timeously and are not complete			90	Checklists containing critical information for employee files to be developed and each employee requested to submit missing documentation		
92	Controls relating to long service rewards are ineffective						
93	Employees appointed in acting positions						
94	Vacancies not filled for more than a year			90 91	SAP master files to be updated with data included in manual files		
95	Executive personnel do not have performance agreements						
96	No code of ethics			92	Revised process is developed, approved and implemented		
97	Weaknesses in the control environment of Human Resource						
98	Unclaimed salaries account not cleared			91;93;98	Monthly reconciliation between the payroll and the GL to be performed.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
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99	Balance as per AFS do not agree to trial balance						
95				Performance agreements have been signed by all Executive Personnel			
96				Code of Ethics is already developed and approved by Board			
97				Document and implement SOPs that incorporate regular updates of records, segregation of functions between preparers and reviewers and the requirement that internal audit verify the accuracy of such data before submission to external consultants.			
99				Training of staff on PFMA & IFRS requirements relating to this area (sec 51, 83 & 86 of PFMA and IAS 19, 8)			
12	Submission of updated records of staff entitled to post-retirement medical benefits to determine the accurate liability at 31 3 2013.						

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
				98;99	Prior year errors to be corrected, journals to be processed and disclosure note prepared		
				92	Implementation of a robust performance management regime to enforce accountability and address non-performance		
Irregular Expenditure							
13	Inadequate disclosure of irregular expenditure			13	Appointment of key staff in procurement		
14	Non-compliance with Procurement Policy – Non submission of RFQ and RFP information			14	AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate specifically to the SABC.		
15	Non-submission of tax clearance certificates						
16	Non-submission of TV Licence with tenders			14;15;16 17	Review of all processes that result in the acquisition of goods and services for compliance with applicable laws and regulations		
17	Non-compliance with SABC procurement policy – allocation of B-BBEE points						
115	Inadequate Tender register						
116	Tender register not complete						

Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
				Green: Complete / Continuing	Brown: In Progress	Red: Not Started
			14;15;16 17	Training of staff on PFMA (sec 51, 83 & 86), National Treasury Regulations, Practice Notes and the reporting, requirements relating to this area		
			17	Enforcing annual mandatory declarations of interest in companies on the vendor list.		
			17	Perform CAATS on a regular basis to “red flag” companies on the vendor list that employees and free lancers have interests in.		
			13	Develop monthly reporting mechanisms per division to track irregular, fruitless and wasteful expenditure		
			14;15;16 17	Implementation of a robust performance management regime to enforce accountability and address non-performance		
			115;116	The tender register to be reviewed by Finance and Governance manager on monthly basics (Finance)		

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				115;116	<p>To finalise the cleaning of the vendor master system and maintain the vendor master, grouping suppliers according to material groups, and do an annual re-registering of vendors (Finance)</p> <p>To finalise the cleaning of the vendor master system and maintain the vendor master, grouping suppliers according to material groups, and do an annual re-registering of vendors (Finance)</p>		
				115;116	<p>To maintain an effective contract management system on SAP, to ensure that all SABC contracts are registered and managed on that system (Finance)</p>		

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Outstanding Information – Limitation of Scope							
18	Limitation of scope - Supporting documents not available for audit			18	AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate specifically to the SABC.		
				18	Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and Tax/ PFMA/ IFRS compliant policies, procedures and guidelines.		
				18	Implementation of a robust performance management regime to enforce accountability and address non-performance		
				18	This exercise has been done and implemented, training provided already (Finance)		

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Audit of Predetermined Objectives							
19	Significant number of targets not achieved			19	Meeting of managers and EXCo to determine the strategic direction of the SABC		
20	Trading subsidiaries – Corporate plan not compiled and shareholder’s compact not entered into with the executive authority			20			
21	Reliability of reported achievements not determinable			39	The objectives, targets and indicators are predetermined and the cost of implementation budgeted for		
22	Presentation – Reasons provided for the non-achievement not supported by adequate and reliable corroborating evidence						
23	Indicators not well-defined and verifiable						
24	No formal documented policy and standard operating procedures exists governing predetermined objectives and activities relating to it			20;21	EXCo and the Board review the corporate plan and budgets		
25	Amendments to tabled Corporate Plan and shareholder’s compact during the year not appropriately	COSEC		20	Approved plan is presented by the Board and discussed with the Shareholder.		

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	approved						
35	Technical indicator descriptions not compiled			21;35	Corporate plan is approved by the shareholder and signed by the Board		
36	Targets not adhering to SMART criteria			22;24;36 37	The Corporate plan is shared with all staff and divisional action plans that are aligned to the Corporate plan are developed and reporting framework/ protocols determined.		
37	Reported objectives, indicators and targets not consistent when compared to the tabled plan						
38	Quarterly reporting processes ineffective						
39	Budget and actual expenditure not linking to targets contained in the tabled plans			22;36;38	Achievement against the targets are measured regularly and reported per the reporting framework and evidence stored		
				23	Individual Performance Contracts that align to the Corporate plan is developed for all levels of staff.		

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Non-Compliance with Laws and Regulations							
26	Non-compliance – Broadcasting Act of 1999			26	AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate specifically to the SABC.		
27	Broadcasting of sports programmes without contracts			27			
28	Debtors Age analysis not reviewed			28	Sport management has put together a 3 year Sport schedule and presented it to Channels to prevent situation where broadcast happen without a contract and minimise schedule disruption (Finance) Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and Tax/ PFMA/ IFRS compliant policies, procedures and guidelines. Internal audit are in the process to develop the Internal Control Framework		
29	Non-compliance with Procurement Policy – Declaration of interest not submitted for audit						
30	Supplier database not functioning						
31	Procurement – Exceptions noted on SABC data using CAATS (Computer Assisted Audit Techniques)						
32	Ineffective audit committee						
101	No reconciliation is prepared for trade debtors			29	Implement a robust compliance monitoring function that incorporates		
102	No credit acceptance/rejection letter is sent to the cash term debtors						

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103	Age analysis of creditors not provided for audit				experts in key compliance areas – Labour law, Income Tax, VAT, PFMA, PPPFA etc.						
104	The credit authorization letter is not available for audit for certain trade and staff debtors										
105	No acknowledgement of debt and cession form			30;32	Implementation of a robust performance management regime to enforce accountability and address non-performance						
106	Long outstanding debtors in legal										
107	Debtors balance exceed their credit limit										
108	Creditors Reconciliation not performed			31;101; 103;104 105;109 112;113	Perform an independent contractor statutory test in order to establish who an employee is and whom an independent contractor and categorize them accordingly. Train personnel who make the decision on who is regarded as an independent contractor. This will assist in establishing the correct tax to be charged. (Finance)						
109	Incorrect Tax deducted in respect of independent contractors										
110	Non-compliance with long service awards policy										
111	Ineffective Risk Committee										
112	Documented policies and procedures not in place throughout the financial year										
113	Internal Control Weaknesses										
114	Policies and procedures not reviewed regularly							106;107 108;109 110;111; 113;114	Review the tax compliance in the SABC long service award policy (Finance)		
								HR has prepared the new policy			

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					awaiting approval		
Information Systems Audit							
33	Weaknesses in information technology security management			33;34	Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and PFMA compliant policies, procedures and guidelines.		
34	Weaknesses in information technology user access control						
Annual Financial Statements							
40	Financial statements do not comply with IFRS			40	Prepare a schedule of all Group companies and entities indicating the type of entity; accounting framework; domicile; the auditors; the year end. In terms of the subsidiaries most them will be liquidated but would still be audited for 2014, there will still be		

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					some non compliance as they are dormant and no Board meetings are held etc.		
				40	Design a year end plan for the compilation of group and individual financial statements detailing the information requirements and deadlines for each entity and for each major cycle.		
				40	Communicate this plan to all external and internal parties responsible for accumulating / preparing this information i.e. accountants; auditors; lawyers.		
				40	Design standard schedules or forms that need to be completed to facilitate the preparation of the individual and group financial statements and performance reports		

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				40	Document and implement detailed processes to determine and collate all necessary information that culminates in credible year-end processes for AFS, Performance Reporting and compilation of the Annual Report.		
				40	<p>Workshop with staff where necessary to ensure that schedules are completed as expected, within the time frames and in compliance with IFRS, the requirements of National Treasury and the PFMA.</p> <p>Perform a dry run to test the efficacy of the year end procedure.</p>		
				40	<p>Review of the current chart of accounts for relevance and alignment to the reporting requirements.</p> <p>some are complete, the full review is part of long term plan for 2014/2015</p>		
				40	Review the SCOA for duplicate accounts, redundant accounts and clean up the accounts.		

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			40	Design an account map to facilitate the creation of lead schedules that assist in preparing accurate financial reports that comply with IFRS and other National Treasury reporting requirements (Part of AFS on SAP)		
			40	Review contents of accounts to be expunged and transfer details to the relevant accounts.		
			40	Document and workshop account descriptions for the revised SCOA with finance staff and EXCo.		
			40	Write and execute policies and procedures to control recording in SCOA: additions and reductions of SCOA; with specific focus on implementation of monitoring controls around journal entries		

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				40	Training of staff on mapping accounts to IFRS compliance reporting software and on PFMA & IFRS requirements relating to this area (sec 51, 57,83 & 86 of PFMA and IAS 1)		
				40	Prior year errors to be corrected, journals to be processed and disclosure note prepared. Part of audit clean up project, in progress		
Investment Property							
48	Prior period error relating to investment property incorrectly disclosed as a transfer to Property plant and equipment			48	Reconfiguring the structure to centralise control of the Asset management accounting function in the CFOs office		
				48	Review of the PPE records to determine assets that should be accounted for as investment properties		
				48	Asset verifications and updates of the fixed asset register to be performed		

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				48	Review of asset accounts and the asset register to identify and eliminate or correct assets with credit balances, nil and negative amounts.		
				48	Regular reconciliations between asset register and GL to be performed		
				48	Write and execute policies and procedures to control and account for investment properties with specific focus on implementation of monitoring controls		
				48	Training of staff on PFMA and IFRS requirements relating to this area (sec 51, 83 & 86 of PFMA and IAS 40 and IAS 8)		

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				48	Prior year errors to be corrected, journals to be processed and disclosure note prepared.		
Expenditure							
54	Leased vehicles incorrectly classified as an operating lease			54	AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate specifically to the SABC.		
18	Limitation of scope - Supporting documents not available for audit						
18.1	Expenditure - Supporting documentation not received for the audit of Journals			18; 18.1 18.2;54	Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and Tax/ PFMA/ IFRS compliant policies, procedures and guidelines.		
18.2	Trade Payables - No supporting documents for Foreign Revaluation Payables account						

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
					Process has been put in place since September 2013 to force supporting documentation to be attached to journals via SAP		
				18; 18.1 18.2	Implementation of a robust performance management regime to enforce accountability and address non-performance		
Trade Payables							
77	Trade Payables as per the Trial balance do not agree to the Annual Financial Statements			77	Reconfiguring the structure to centralise control of the creditors accounting function in the CFOs office		
78	Long outstanding amounts in the GR/IR clearing account			77	Postings of payments to creditors are done daily and creditor's statements requested monthly.		
				77;78	Monthly reconciliations between the creditor's statements and the individual creditors accounts and the creditors ledger to the Control account/ GL to be done.		

Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
				Green: Complete / Continuing	Brown: In Progress	Red: Not Started
			77;78	Review creditors accounts for anomalies e.g. debit balances; duplicate accounts, creditor's accounts linked to SABC staff members and clean up the creditor's ledger.		
			77;78	Write and execute policies and procedures to control creditors with specific focus on implementation of monitoring controls to detect errors and long outstanding payments. This is to ensure compliance with government directives to settle accounts within 30 days.		
			77;78	Training of staff on PFMA, creditors reconciliations and IFRS Training on IFRS has been completed.		
			77;78	Prior year errors to be corrected, journals to be processed and disclosure note prepared		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
					Implementation of a robust performance management regime to enforce accountability and address non-performance		
Provisions							
79	Other Provisions debit account could not be explained			79	Review of the current chart of accounts for relevance and alignment to the reporting requirements.		
80	Incorrect Estimate allocated for Provisions						
81	Provisions not raised			80	Document and workshop account descriptions for the revised SCOA with finance staff and EXCo.		
				81	Review the SCOA for duplicate accounts, redundant accounts and clean up the accounts.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
				79;80;81	Write and execute policies and procedures to control recording in SCOA: additions and reductions of SCOA; with specific focus on implementation of monitoring controls around journal entries Write and execute policies and procedures to control Programme,		
				79;80;81	Training of staff on PFMA and IFRS requirements relating to this area (sec 51, 83 & 86 of PFMA and IAS 37, and 8)		
				79;80;81	Implementation of a robust performance management regime to enforce accountability and address non-performance		
Cash and Equivalents							
82	Bank accounts not recorded in the general ledger				AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate		
83	Suspended employees not removed						

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
	from list of signatories				specifically to the SABC.		
84	No proper control over petty cash			83; 85	Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and Tax/ PFMA/ IFRS compliant policies, procedures and guidelines.		
				82	Completed		
				84	In progress and in consultation with the AG and affected business units. Should be completed by year end.		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
85	Bank clearing accounts not cleared at the end of the year			83;84; 85	Implementation of a robust performance management regime to enforce accountability and address non-performance In progress and should be completed by year end		

	Findings	Qualification Area	Non – Compliance	Findings Addressed	Action Plan		
					Green: Complete / Continuing	Brown: In Progress	Red: Not Started
Directors Remuneration Disclosure							
100	Senior Management Disclosure			100	AGSA to conduct a debriefing session to sensitize SABC staff on the PFMA, IFRS and Auditing issues that relate specifically to the SABC.		
				100	Implementation of an Internal Control Integrated Framework exercise that will result in proper strategy formulation, Risk management, leadership accountability, documented processes and Tax/ PFMA/ IFRS compliant policies, procedures and guidelines.		
				100	Implementation of a robust performance management regime to enforce accountability and address non-performance		