

AUDIT ACTION PLAN

No.	Finding	Action	Responsible official	Due date
1.	Collective Leadership and Management related challenges (oversight and supervision, Project & Contract Management, SOP, internal control processes, reporting and M&E)			
	CWP leadership instability evidenced in poor oversight and weak monitoring of payments to agents and participants.	<ul style="list-style-type: none"> ▪ Stabilize the program by appointing suitably qualified personnel to manage the CWP. ▪ The areas of interest will be finance, legal services and programme management. The following are the key personnel identified: <ul style="list-style-type: none"> ○ National Programme Manager – Deputy Director-General; ○ Legal Services; ○ Program Manager; and ○ Finance. ▪ Develop a standard operating procedures to deal with oversight and monitoring of payments to agents and participants. 	Director-General	31 st March 2020
	<u>Consequence management:</u> Disciplinary steps were not taken against the officials who had incurred or permitted irregular expenditure.	Prioritize and categorize all irregular expenditures and implement disciplinary steps against officials who incurred irregular expenditure.	Director-General / Deputy Director-General / Chief Director: Internal Audit & Risk Management	15 May 2020
	Previous action plans did not address the root causes of the issues raised and slow progress towards implementation.	<ul style="list-style-type: none"> ▪ Revise action plans to ensure that they are addressing real root causes of the audit findings. 	Director-General and direct reports All Senior Managers	28 March 2020

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		<ul style="list-style-type: none"> ▪ Compile, review and submit complete draft set of Annual Financial Statements for review by the Internal Audit unit as per the detailed agreed action plan and recommendations for correction before submission of the final draft set of Financial Statements to the Audit Committee. ▪ Internal Audit to verify and confirm amendments were effected as per their recommendations as well as that of the Audit Committee before final sign-off and submission to AGSA and National Treasury as prescribed. 	<p>CFO</p> <p>Internal Audit</p>	<p>May 2020</p> <p>29 May 2020</p>
	<p>Goods and services: Payments to CWP project management and participants not supported.</p> <ul style="list-style-type: none"> ▪ Moveable tangible capital assets: Could not verify assets on the floor as well as confirm the inclusion of assets in the register. 	<ul style="list-style-type: none"> ▪ No pre-payment will be effected to the NPOs for Project Management Fees without adequate supporting documents. Compile and agree on description of Project Management Fee, outlining what supporting evidence are required for expenditure items. ▪ Quarterly asset verification process conducted to verify all assets procured by the department in line with the approved Asset Management Policy. Automate the verification process of assets in order to eliminate manual process. Update asset register on a regular basis. 	<p>CFO and National Programme Manager</p> <p>CFO and National Programme Manager</p>	<p>Monthly, effective from February 2020</p> <p>Quarterly</p>

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	<ul style="list-style-type: none"> ▪ Effective internal controls were not in place for approval and processing of payments. ▪ Payments were not made within 30 days or an agreed period after receipt of an invoice. 	<ul style="list-style-type: none"> ▪ Enforce centralization of receipt of invoices at the SCM Unit. 	CFO	Weekly
	<p><u>Supply chain management</u></p> <p>Most common findings on supply chain management</p> <ul style="list-style-type: none"> ▪ Deviations not properly supported. ▪ Local content requirements not met. ▪ Payment made for goods not delivered. ▪ Proper procurement processes not followed. <p>The irregular expenditure balance has not been updated to reflect the departure as some CWP irregular was included in the year-end balance and still has to be removed as the departure was received from National Treasury October 2019.</p>	<ul style="list-style-type: none"> ▪ Verify all departmental files for 2019/20 where procurement deviations were granted and ensure records are complete. ▪ Verify and confirm procurement done by CWP NPOs to ensure compliance to their supply chain management policies to be in line with section 271 of the constitution as per deviation approved by National Treasury. 	<p>Director: Supply Chain Management and National Programme Manager</p> <p>National Programme Manager</p>	<p>April 2020</p> <p>Monthly</p>
	Payment made to the wrong entity	<p>The following 6 employees have been subjected to an independent disciplinary process:</p> <ul style="list-style-type: none"> ○ CFO; ○ Acting Director: Accounting Services; ○ Deputy Director: Accounting Services; ○ Senior State Accountant; ○ Accounting Clerk; 	Deputy Director-General: Corporate Services	31 st March 2020

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	<p><u>Timesheets</u></p> <ul style="list-style-type: none"> ○ Certain timesheets of participants requested could not be provided. ○ Timesheets were not signed by the relevant Wage Clerk or Site Manager. ○ Participants paid without evidence that they have worked. <p><u>Contracts</u></p> <ul style="list-style-type: none"> ○ Contracts not signed by either the participants or Implementing Agent representative. ○ Contracts invalid as they were signed by one party, either by the participant or the implementing agent representative. ○ Contract end date before start date. ○ Contracts signed after start date. ○ Certain contracts and registration forms for participants requested could not be provided <p><u>Participants could not be verified</u></p> <p>Certain participants selected for the audit could not be verified during the audit.</p>	<p>communicated to all implementing agents.</p> <ul style="list-style-type: none"> ▪ Timesheets are documented and kept up to date at all sites. ▪ Ensure that timesheets and participants are available when audit is conducted <ul style="list-style-type: none"> ▪ Contracts are signed by the necessary parties, and are correctly completed. ▪ The implementing agents clearly understand their roles and responsibilities, and that such are executed as required. <p>Coordinate the verification of participants with Auditor-General to ensure that all participants selected for audit are available for verification when they are required.</p>	<p>National Manager Programme</p> <p>National Manager Programme</p> <p>National Manager Programme</p>	<p>Weekly</p> <p>Monthly</p> <p>April 2020</p>
4.	Systems (record keeping, asset register, personnel information management system, integrated information management system and GIS)			
	Lack of adequate record keeping, internal control processes and supervision and monitoring.	Explore partnerships with other government agency with a view of implementing a biometric systems to manage attendance of participants.	National Manager and Programme Chief Information Officer	Linked to the remodelling targets