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ISSUE	INTERNAL CONTROL DEFICIENCY	CORRECTIVE ACTION	PROGRESS	TARGET DATE	RESPONSIBILITY
PURCHASES AND PAYABLES					
1. Payments are made later than 30 days of receiving the invoice					
<p>To test compliance, a sample of 90 expenses was selected and we noted that 28 out of 90 (31%) were not paid within 30 days of receiving the invoice. This constitutes non compliance with Treasury Regulation</p> <p>8.2.3. In addition interest could be charged by the suppliers for late payment and this would result in fruitless and wasteful expenditure being incurred.</p>	<p>The CFO has not designed controls to ensure that the different divisions within ICASA receive the invoices and submit them to finance for payment on a timely basis.</p>	<p>Supply Chain Management (SCM) is sending reminders to users who have not released payments within stipulated timeframes.</p> <p>Suppliers are simultaneously instructed to submit invoices directly to SCM when Offer Letters are issued.</p>	<p>SCM has implemented a schedule to track the payment process during November 2010. Monitoring commenced in December 2010. Suppliers are also simultaneously instructed to submit invoices directly to SCM when Offer Letters are issued.</p>	<p>Completed</p>	<p>Chief Financial Officer</p>
2. Transactions recorded in the incorrect accounting period					
<p>To verify cut off, we selected a sample of 60 payment packs and traced the transactions to the general ledger to confirm that they were recorded in</p>	<p>The accounts payable officer records the transaction as it is paid and not when the transactions occur.</p>	<p>These invoices were received after the 2008/9 financial year was closed.</p> <p>The order period</p>	<p>Orders in respect tenders awarded for the 2010/11 financial year will be closed at the end of February 2011 to avoid</p>	<p>Completed</p>	<p>Chief Financial Officer</p>

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the correct accounting period. We noted that 8 out of 60 (13%) were not recorded in the correct accounting period. The payment date was used rather than the invoice date to record the transactions.		for the financial year will now close at the end of February to avoid invoices being received late.	unfunded commitments. A Circular was issued to staff in this regard.		
ACCOUNTS RECEIVABLES					
3.1 Auditors unable to verify the valuation and existence of Spectrum trade receivables and corresponding payable to National Revenue Fund (NRF)					
The audit team was unable to obtain sufficient appropriate audit evidence and perform alternative audit procedures that are necessary to satisfy ourselves as to the existence and valuation of the opening balance at the beginning of the year of the Spectrum trade receivable balance and the corresponding payable to NRF amounting to R24.4 million.	<ul style="list-style-type: none"> • The CEO did not implement corrective actions based on the qualified audit opinion in the prior year to address the short comings experienced in verifying the valuation of trade receivables. • The CFO did not ensure that the download of 	Provide the details of opening balance	Information in respect of opening balances were not provided in time to the Auditor General for auditing as a result of delays experienced in finalising the first phase of the transfer of Spectrum Debtors to JDE. However, the Auditor General verified the closing balances as at 31 March 2010.	In Progress	Chief Financial Officer

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	<p>information from Spectrum to JDE was completed timeously to ensure the data was available for audit purposes.</p>				
<p>3.2 Non compliance with Treasury Regulation 17: Uncleared revenue suspense account at year end</p>					
<p>Through inspection of the annual financial statements, we noted that there was a suspense account included in trade and other payables representing an unresolved suspense account at year end. Through enquiry of the CFO, and Revenue Manager, we noted that the controls established to clear the suspense account on a monthly basis are not adequate, resulting in a potential misstatement of the trade receivable and trade payable balance at year end. The existence of an uncleared suspense account at year end constitutes non compliance</p>	<p>The CFO and Revenue Manager are not adequately monitoring the clearing of the revenue suspense account on a monthly basis to ensure that the account balance is minimised to an acceptable amount.</p>	<p>The suspense account is being reviewed on a monthly basis. Processes have been developed to clear suspense items timeously.</p>	<p>Controls have been implemented to ensure that the suspense accounts are cleared on a monthly basis.</p> <p>In addition, Nedbank has been instructed to reject customer deposits unless the correct reference number has been quoted.</p>	<p>28 February 2011 (Monthly Activity)</p>	<p>Chief Financial Officer</p>

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with Treasury Regulations.					
PREDETERMINED OBJECTIVES					
4.1 Indicators disclosed in the business plans are not well defined					
<p>We selected and evaluated indicators in the 2010 business plan for the marketing, competition, licensing and compliance. We noted that indicators disclosed are not clear, ambiguous and easy to understand.</p>	<p>The CEO does not exercise adequate oversight responsibility over reporting, compliance with laws and regulations and internal controls over performance information.</p>	<p>Performance indicators will be clearly defined</p>	<p>The Auditor General conducted a workshop at the Authority on the Audit of Performance Information (AoPI) on 8 October 2010 to ensure compliance in the current year.</p> <p>The Authority is currently reviewing its 2010/11 performance indicators and will revise data where necessary.</p> <p>Council approved the Management of Performance Information Policy on the 18th of January 2011, in line with National Treasury Regulations.</p>	<p>28 February 2011</p>	<p>Chief Executive Officer</p>
4.2 Variances between targets and actual not					

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explained in the annual performance report.					
Through review of the performance report we noted that the differences between actual outcome and targets were not explained. Management provided the explanations at very late stage and we had insufficient time to review and satisfy ourselves as to the adequacy of the explanations provided.	The CEO does not exercise adequate oversight responsibility over reporting, compliance with laws and regulations and internal controls over performance information.	Management concurs that whilst the treasury framework was considered, certain challenges still exist. Management will therefore be engaging the Auditor General to attend a workshop with Council and EXCO to ensure that the 2011 strategic plan complies with the Auditor-General's review processes.	The Auditor General conducted a workshop at the Authority on the Audit of Performance Information (AoPI) on 8 October 2010 to ensure compliance in the current year. Variances between actual and targets, for both financial and performance reporting, will be clearly defined in the Performance Information that will be submitted to the AG together with the 2010/11 annual financial statements.	31 May 2011	Chief Executive Officer
CASH AND BANK					
5. Bank reconciliations not performed daily					
Through discussions with CFO and review of the bank reconciliations we noted that bank reconciliations are not performed on a daily basis. Cash could be	Lack of enforcement of the compliance with laws and regulations by the CFO.	Bank reconciliations will be prepared on a daily basis.	Bank reconciliations have been prepared on a daily basis in respect of the ICASA Main Account and NRF. The bank statements are	Completed (Daily Activity)	Chief Financial Officer

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misappropriated and that could lead to an adverse cash flow position.			received electronically a on daily basis.		
COMMITMENTS					
6. Controls are not in place to ensure complete and accurate disclosure of commitments.					
The financial statements submitted for audit purposes did not include any disclosure with regards to commitments.	The CFO did not design and implement an adequate contract management system to ensure that the commitments at year end are complete and accurate.	Management accounting section and SCM will reconcile the commitments on monthly basis.	Commitments have been analysed on a monthly as from November 2010.	Completed (Monthly Activity)	Chief Financial Officer

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PREDETERMINED OBJECTIVES					
1.1. No consolidated strategic plan for 2009/10					
The Authority did not prepare a consolidated strategic plan for the year under review.	The CEO does not exercise adequate oversight responsibility over reporting, compliance with laws and regulations and internal controls over performance information.	The Authority will prepare a consolidated strategic plan for the 2010/2011 financial year.	The strategic plan for 2010/11 has been consolidated and tabled at PCC on the 22 nd of March 2010.	Completed	Chief Executive Officer
1.2 No approved policy for organisational performance reporting system					
The Authority did not have an approved policy with regard to performance information.	The CEO does not exercise adequate oversight responsibility over reporting, compliance with laws and regulations and internal controls over performance information.	The performance information policy will be developed.	Council approved the Management of Performance Information Policy on the 18 th of January 2011, in line with National Treasury Regulations.	Completed	Chief Executive Officer
PURCHASES AND PAYABLES					
2.1. Advances not reconciled after 14 days of returning					

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<p>To verify compliance with the travel and subsistence policy, we selected a sample of 30 advances to confirm that they are reconciled within 14 days of returning from the business trip. 19 out of 30 (63 %) advances were not reconciled within 14 days of returning from the business trip. Money due by the employees might not be recovered when the staff member resigned. It was further noted that advances are approved and paid to employees without reconciling the outstanding advances.</p>	<p>Line Managers are not following up the outstanding advances granted to staff members when embarking on official trips.</p>	<p>Travel advances not reconciled within 14 days of returning from a business trip will be deducted from the employee's salary in the following month.</p>	<p>The subsistence and travel policy has been reviewed, amongst others, to reconsider the practical application of reconciling advances within fourteen (14) days of returning from business trips and implementing deductions via payroll in the event of non compliance. The revised policy will be approved during March 2011</p>	<p>15 March 2011</p>	<p>Chief Financial Officer</p>
<p>2.2 Purchase orders were authorised after the invoice date</p>					
<p>Supply chain management policy states that the requisition form and the purchase order must be authorised before it is sent to the respective supplier. From a sample of 30 Training and Conference expenditure it was noted that 14 (47%) purchase orders were authorised after</p>	<p>Supply Chain Manager does not enforce compliance with procurement policy.</p>	<p>Human Resources action requests for temporary staff through placement with recruitment agencies and process the invoices thereafter on receipt. This will</p>	<p>All procurement requests are now processed through the supply chain management process.</p>	<p>Completed</p>	<p>General Manager: Human Resources</p>

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the invoice date. Goods and services that the Authority did not procure might be paid and this will lead to overspending of the budgeted allocation and the possibility of ICASA paying for goods and services not ordered.		be rectified by using term contracts.			
PROPERTY, PLANT AND EQUIPMENT					
3.1 Unable to verify existence of assets					
To verify the existence of assets, we selected a sample of 60 assets from the asset register and traced them to the floor (Port Elizabeth and Cape Town region). 27 (45%) could not be found. This could lead to misstatement of property, plant and equipment balance in the annual financial statements.	Inadequate monitoring and review of the asset register for accuracy and completeness by the Manager: Management Accounting and the CFO.	To locate these assets.	These assets were later verified and confirmed by the Regional Managers. Each division has a person responsible for asset verification.	Completed	Senior Manager: Regions

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3.2 Assets confiscated due to non payment of licence fees included in asset register					
Assets which were confiscated by ICASA due to non compliance by the user with the Electronic Communications Act are included in the fixed asset register; this could lead to overstatement of property, plant and equipment.	Inadequate monitoring and review of the asset register for accuracy and completeness by the Manager: Management Accounting and the CFO.	These assets will be removed from asset register	Confiscated assets are stored separately from operational assets.	28 February 2011	Senior Manager: Regions
3.3 The asset was not bar-coded					
We inspected the following asset, and noted that the asset was not bar-coded: HP Communication Test Set – Cape Town	The assets may be lost because they are not bar coded.	The original barcode is 004257 but it came off the asset, Cape Town now affixed replacement barcode is 023947	Resolved	Completed	Senior Manager: Regions
3.4 Bar-code per the asset is different to that in the asset.					

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<p>We inspected the following asset, and noted that the bar code on the physical asset differs from the bar code number recorded for the same asset in the asset register: Wood rectangle desk</p> <p>Bar Code per Asset Register: 001504 Bar Code per Asset: 15104</p>	<p>Inadequate monitoring and review of the asset register for accuracy and completeness by the Manager: Management Accounting and the CFO.</p>	<p>This asset was duplicated, the asset with an incorrect barcode 001504 has now been written-off the asset register.</p>	<p>Resolved</p>	<p>Completed</p>	<p>Chief Financial Officer</p>
<p>3.5 We noted assets that were bar-coded twice</p>					
<p>GPS power supply (Cape Town) Bar Code 1: 017831 Bar Code 2: 004460</p> <p>Cylink (Cape Town) Bar Code 1: 021500 Bar Code 2: 017839</p> <p>Black chair low back no arms (Cape Town) Bar Code 1: 177726 Bar Code 2: 015172</p>	<p>Inadequate monitoring and review of the asset register for accuracy and completeness by the Manager: Management Accounting and the CFO.</p>	<p>Barcode 017831 relates to the TV which is part of the above list of assets that could not be verified.</p> <p>Barcodes are affixed for future referencing.</p>	<p>The old bar codes were removed</p>	<p>Completed</p>	<p>Chief Financial Officer</p>
<p>3.6 Assets expensed less than R5, 000</p>					

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Assets with the purchase value less than R5000 are expensed in full and this accounting treatment is contrary to GRAP 17. The balance of the assets expensed in full in prior year was R188 079 and in the current year was R 244 492. This has resulted in the opening and closing balance to be misstated.	Inadequate monitoring and review of the asset register for accuracy and completeness by the Manager: Management Accounting and the CFO.	Assets with a value less than R5 000 is expensed in terms of the ICASA Asset Management Policy. These assets are also bar-coded and recorded. This is in line with GRAP17.	Not Applicable	Resolved	Chief Financial Officer
EMPLOYEE COST					
4. Control weakness identified around capturing of leave					
The Remuneration Assistant is responsible for capturing all leave submitted and there is no second person reviewing the accuracy and completeness of the information captured to ensure that leave forms agree with the system. Leave could be captured incorrectly and this would lead to misstatement of leave	In adequate monitoring of the Remuneration Assistant by the Remuneration Manager to ensure that leave is captured accurately on VIP.	As at 01 December 2009 all leave is captured by individual employees through "Employee Self Service" and approved by Line Managers.	All leave requests, viz. annual, sick, etc, are captured electronically effective 1 December 2009.	Completed	General Manager: Human Resources

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provision balance in the financial statements.					
5. Monthly payroll certificates not submitted by management					
<p>According to procedure at HR, a monthly clearance certificate is sent to all divisions within ICASA so that all divisional heads could confirm completeness and existence of employees and their salaries.</p> <p>Through review of monthly payroll clearance certificates for January, it was noted that only 45% of them had been submitted. Fictitious employees could be paid and this would result in fruitless and wasteful expenditure being incurred by ICASA.</p>	<p>The GM HR does not adequately monitor that divisions are complying with the control designed to address external audit findings raised in the prior year.</p>	<p>Manager Compensation and benefits shall ensure return of monthly payroll certificates and attend to any deviations.</p>	<p>Processes are being reviewed to ensure that monthly clearance certificates are signed before the payroll run.</p> <p>The monthly clearance certificates for February 2011 were confirmed by divisions on the 16th of February 2011 which is four days (4) before finalisation of payroll.</p>	<p>Completed (Monthly Activity)</p>	<p>General Manager: Human Resources</p>
6. Cell phone allowances granted to staff members who do not qualify					

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<p>A comparison of the cell phone allowance and an employee job description revealed inconsistencies in the way the policy has been applied. Through discussion with the CFO and GM: Risk and Compliance and review of a memorandum approved by Council we noted that cell phone and data cards limits were increased, however the limits in the policy were not updated</p>	<p>Lack of review of policies by the CFO and the GM administration.</p>	<p>The policy is currently being reviewed to accommodate other identified areas of cell phones management, including monthly limits.</p>	<p>The criteria for the granting of cellphone allowances have been reviewed and the revised policy will be approved by the Council during March 2011.</p>	<p>15 March 2011</p>	<p>General Manager: Administration</p>
ACCOUNTS RECEIVABLE					
7. Fees not collected from licensees					
<p>No revenue was collected by ICASA from Sentech and Orbicom since registration due to uncertainties in the IBA Independent Broadcasting Act. The Authority is still using /referring to the IBA Act to collect fees</p>	<p>Oversight by management to amend the broadcasting act.</p>	<p>Regulations will be drafted to define a "high site"</p>	<p>During March 2009, the Authority published the General License Fee Regulations, as result of which the relevant licensees have begun paying license fees.</p>	<p>Completed</p>	<p>General Manager: Licensing and Compliance and General Manager: Engineering and Technology</p>

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for broadcasting signal distribution.					
INFORMATION SYSTEMS					
8. IT security policy outdated					
Although an IT security policy existed it was likely to be outdated as it was last reviewed at its inception in 2006. If the IT security policy is not updated regularly it is unlikely that the actions carried out by staff would support the ICASA security objectives and this could result in confidentiality, integrity and/or availability problems.	IT control not identified or considered by management.	IT Security Policy was updated and presented to IT Review Committee (ITRC). Changes will be effected and re-tabled at next ITRC for approval.	This policy has been updated and discussed at ITRC and will be approved during March 2011.	15 March 2011	Senior Manager: IT
9. Inadequate of change control process					
Although change control management procedures existed it was found to be outdated. Without updated procedures or a formal change management process	IT controls poorly performed by personnel.	Regular updates from VIP will be implemented using normal change control procedures as these are standard changes	This policy has been updated and discussed at ITRC and will be approved during March 2011.	15 March 2011	Senior Manager: IT

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<p>non-compliance with management's requirements and unintended consequences may result. Furthermore 4 (four) application changes were made on the VIP application system however no request for change forms were completed.</p> <p>Also a change made on the domain controller was selected and a request for change form was completed for this change; however the form also has another form attached to it which indicates that when impact assessment of the change is on level "3" or "4" a fall back plan should be completed; which was not completed in this case.</p>		<p>that are applicable due to legislative changes and are standard across all users of VIP. Any specific ICASA requested change (parameter or configuration) on the VIP application to be coordinated with the IT department.</p> <p>IT staff to ensure that change control forms are completed and signed off by HR for any VIP change requests.</p> <p>IT management also to ensure that fall back plans are documented in the event that any change is on</p>			

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		level "3" or "4".			
10. Lack of back up process					
There is no Business Continuity Plan as well as a Disaster Recovery plan in place.	Management has not yet developed recovery plans.	A Backup Register will be created and maintained daily.	<p>A Backup Register was created and is updated daily.</p> <p>The Business Continuity Plan and Disaster Recovery Plan are being compiled</p> <p>The Master IT Plan has been approved by Council and it will guide the finalisation of the Business Continuity Plan and the Disaster Recovery Plan policies.</p>	31 March 2011	Senior Manager: IT
11. Inadequate physical and environmental controls					
<ul style="list-style-type: none"> • The generator had not been maintained. • The server room was found to be untidy, as papers and computer equipment in the server room were not kept neat 	IT controls not performed by personnel.	<p>The Server room will be cleaned up within 2 weeks.</p> <p>A register will be created and maintained for access to the server room and</p>	<p>SLA for routine generator maintenance is now in place.</p> <p>The Server room was cleaned up.</p> <p>The cabling layout has been corrected to safety</p>	Completed	Senior Manager: IT

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<ul style="list-style-type: none"> The cabling layout did not adhere to safety regulations, as the cables were not properly placed. The UPS was not working at the time of the audit A register as well as access logon reports of people who entered the server room was not kept and subsequently monitored. Physical plans were not in place. 		<p>access will be revoked for all except the Manager and System Administrators.</p>	<p>Regulations.</p> <p>The UPS has been repaired and is currently functioning.</p> <p>A register was created and is maintained and all contractors' access is recorded.</p> <p>The access was revoked for all except the Manager and System Administrators.</p> <p>Network diagrams of the fibre infrastructure as well as the server farm has been documented.</p>		
<p>12. Shortcomings in password controls</p>					
<ul style="list-style-type: none"> The <i>password</i> setting was not defined which allowed passwords of 0 (zero) characters to be used. The <i>password history</i> setting was not set 	<p>Migration from Novell to Microsoft.</p>	<p>The Novell / GroupWise environment will be decommissioned and the password control will be implemented in</p>	<p>The Novell / GroupWise environment was decommissioned.</p> <p>Password settings completed.</p> <p>Password history setting</p>	<p>Completed</p>	<p>Senior Manager: IT</p>

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<p>which allowed users to use the same passwords</p> <ul style="list-style-type: none"> • The <i>password complexity</i> parameter was not set, which effectively allowed users to use trivial passwords. • Logout threshold was set to 5 invalid passwords. • Passwords are used to authenticate users who require access to the system. If password discipline is poor, passwords might become known to other users who could use them to gain unauthorised access to the application. 		<p>line with the policy. This will address and rectify all three issues as highlighted above.</p>	<p>has been enabled.</p> <p>Logout threshold set to 3 invalid attempts.</p>		
<p>13. Lack of user account management process-VIP</p>					
<ul style="list-style-type: none"> • There was no formal process in place to 	<p>Lack of user account management</p>	<p>IT and HR to Develop a user</p>	<p>The Guidelines and Procedure for User</p>	<p>15 March 2011</p>	<p>Senior Manager: IT</p>

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<p>create, amend or password resets users on the application, the VIP IT indicated that they either receive e-mails or verbal communication to create, amend of password resets the users on the application.</p> <ul style="list-style-type: none"> • There was no formal process in place to review the access and privileges on the system still commensurate with their job responsibilities • Audit trails on VIP were not reviewed. • There was no segregation of duties maintained as the IT Administrator who was responsible for creating users on the network was also responsible to create users on the VIP application system; 	<p>process.</p>	<p>account management procedure manual.</p>	<p>Account Management has been included in the IT security policy which will be approved during March 2011.</p>		

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<p>furthermore there was no one monitoring the activities of the administrator.</p> <ul style="list-style-type: none"> Without properly documented user account management procedures and process, users might be granted inappropriate access to information resources and inappropriate user activity might not be detected timely. 					
<p>14. Lack of user account management process-SPECTRUM</p>					
<ul style="list-style-type: none"> There was no formal process in place to create and amend users on the application, the Spectrum system controller indicated that they receive e-mails but do not keep them for audit purposes. 	<p>Lack of user account management process.</p>	<p>The process on account management will be developed.</p>	<p>The application to access the system has been created and access control is being approved by Manager: Spectrum.</p> <p>The system administrator controls the allocation and resets passwords. The administrator has developed user profiles.</p>	<p>Completed</p>	<p>General Manager: Engineering and Technology</p>

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<ul style="list-style-type: none"> • Password resets were done by emails where the user sends an email to the system controller indicating that they've forgotten their passwords, the system controller sends them an e-mail back an e-mail indicating that their password has been changed. • Audit trails were not reviewed. • There was no formal process in place to review the access and privileges on the system still commensurate with their job responsibilities. • User profiles for users were requested for audit purposes however they were not received. • Users had more than one user ID, user IDs were being shared 			<p>The audit trail is being reviewed the Manager: Spectrum.</p>		

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and certain accounts had no ownership.					
15. Lack of service level agreement					
<p>A Service level agreements with VIP and Metrofile were not provided for audit purposes.</p> <p>Although management indicated that an IT risk register existed none could be provided a risk register is a management tool through a review and updating process that identifies, assesses and manages risks down to acceptable levels.</p>	<p>IT controls not indetified or considered by management.</p>	<p>A submission was made on Metrofile and the Service Level Agreement (SLA) will be in place once approved.</p> <p>A contract / SLA is in place with VIP and is available from the Supply Chain department</p>	<p>Metrofile contract is in place.</p> <p>VIP SLA is in place and was submitted to AG.</p>	<p>Completed</p>	<p>Senior Manager: IT</p>

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PURCHASES AND PAYABLES					
1. Invoices only signed to effect tender payments					
<p>All project invoices are signed prior to payment being effected, however more details should be provided in a milestone or deliverable form for all the projects with signed contracts or agreements.</p> <p>We selected a sample of 30 tender payments and confirmed that invoices were signed by project managers; however no milestone or deliverable forms were signed to provide more details with regard to the project.</p>	Supply Chain Manager did not design and implement adequate controls over payment of service providers.	SCM will ensure that the progress report is attached to each tender payment.	SCM designed the progress report, including project milestones, which is included in each tender payment.	Completed (Monthly Activity)	Chief Financial Officer
2. Lack of review of contracts					
Through enquiry with the GM: Administration and review of the contract between MTN and ICASA, we noted that the contract expired and it was not	The Supply Chain Manager does not identify potential risk areas where fruitless and wasteful expenditure could be	The contract will be drafted.	The existing contract clearly stipulates an initial contract period of 24 months and will continue indefinitely thereafter until	Not Applicable	General Manager: Administration

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terminated or re-negotiated.	avoided and cost savings made.		terminated by either party upon sixty (60) days.		
EMPLOYEE COST					
3. Recruitment form not authorised prior to advertisement of post					
Through review of the staff requisition form, we noted that it is only partially completed as there were no signatures that authorised signatories. We noted that the request was subsequently approved after the recruitment process was initiated.	The Head of HR should ensure compliance with policies and procedure before the recruitment process is initiated.	Recruitment staff shall ensure appropriate approvals prior to advertising.	Recruitment requisitions are done and approved on line by all parties involved.	Completed	General Manager: Human Resources
4. Overtime not approved by the CFO					
Inspection of the overtime file revealed a deviation from the overtime policy. This constitutes non compliance with the overtime policy, and could result in unauthorized expenditure being incurred.	Finance staff is not confirming compliance by staff members with the provisions of overtime policy prior to effecting payments.	Manager Compensation and Benefits will ensure compliance to policy; no overtime will be paid without CFO approval.	Overtime is not processed without prior approval by the CFO.	Completed	General Manager: Human Resources

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5. No pay progression in place					
ICASA does not have a pay progression system in place. ICASA could fail to retain experienced and knowledgeable staff, and this could lead to poor service delivery by the Authority which could have a negative impact on the overall performance of ICASA.	ICASA have not identified the risks associated with staff retention and continuity.	The remuneration philosophy including pay for performance is being investigated. The matter will be taken up with REMCO and Council in this financial year.	The CTC (Cost to Company) approach has been adopted. Managers were engaged during current salary negotiations to migrate from the bargaining unit to a CTC salary structure.	30 April 2011	General Manager: Human Resources
6. Performance reviews not complete					
Through review of periodic performance reviews for September 2009 we noted deficiencies in the completion of staff members' performance reviews. As a result of these deficiencies, incorrect bonuses could be paid, or staff could be paid bonuses without appraisals being completed, and this would result in fruitless and wasteful expenditure being incurred.	Quality control is not enforced by the GM Human resource.	Quality assurance of all performance appraisals is conducted by HR, and audited by internal audit.	Quality assurance of all performance appraisals were conducted by HR, and audited by Internal Audit.	Completed	General Manager: Human Resources

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CASH AND CASH EQUIVALENTS					
7. Non compliance with the petty cash policy					
Through comparison of the petty cash amount held by the office to the authorized amount, we noted that the petty cash balance exceeded the petty cash limit. This constitutes non compliance with the Petty Cash policy. In addition, petty cash could be misappropriated.	Management at regional offices are not enforcing compliance with the petty cash policy.	The regions have been informed to use the catering companies to pay for their special meeting or functions and not use petty cash.	Regions were notified to use catering companies for special functions. In addition, the policy has been reviewed to increase the limit of petty cash to R1000. The policy will be approved by Council during March 2011.	15 March 2011	Chief Financial Officer