



Education Labour
Relations Council

External Audit Management Report Management Action Plan Progress Report

Second Quarter 2016-17
01 July – 30 September

Internal Audit Report

SECTION A: Executive Summary

1. BACKGROUND

- 1.1. As part of the Accountable Officer duties the General Secretary is responsible for ensuring that the Council has in place effective systems to safeguard public funds. This responsibility includes the requirement to follow up concerns raised by the external and internal auditors, which includes reviewing implementation of Action Plan recommendations.
- 1.2. This responsibility is discharged on a day-to-day basis on behalf of the General Secretary by the Senior Managers.
- 1.3. The Audit Committee monitors management action taken in response to the audit recommendations through the follow-up process described below.

2. OBJECTIVE AND SCOPE

- 2.1. The objective of the follow up is to report on action the entity has taken in response to audit findings and recommendations contained in 2016-17 annual audit management report, and on the progress made toward the implementation of these actions.
- 2.2. The process focused on the progress in resolving the issues or the degree of success in fully implementing of open audit findings at the end of the second quarter.
- 2.3. During the review, we interviewed management, examined relevant documentation, and reviewed follow-up actions for fully implemented issues.

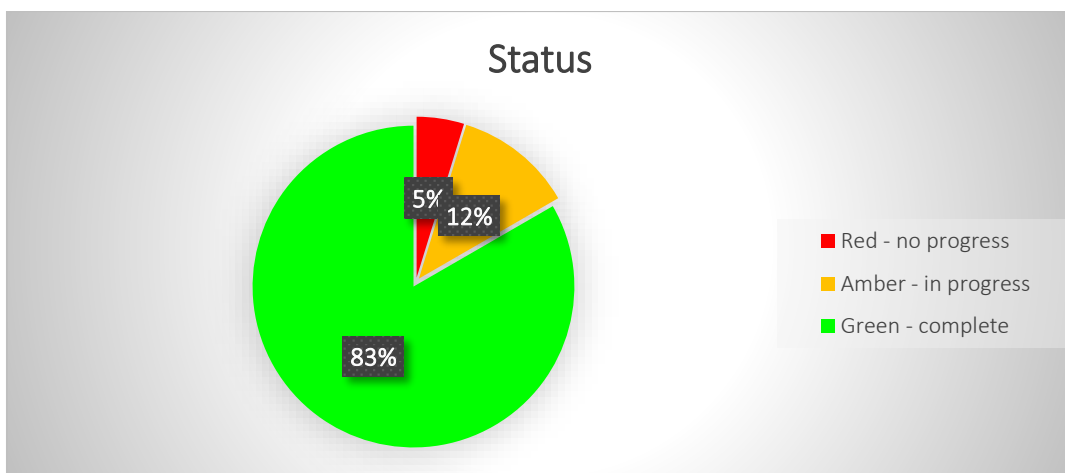
3. MANAGEMENT FOLLOW-UP ON EXTERNAL AUDIT REPORT

- 3.1. The Internal Auditor co-ordinates the follow-up process on External Audit Management report.
- 3.2. An issues log / register is maintained by the Internal Auditor of agreed management action listing the :
 - Individual recommendations arising from each Action Plan;
 - Dates by which the actions are due to be completed; and
 - Responsible Manager for each.
- 3.3. At the outset, the Annual Audit Management Report identifies the Responsible Person. The onus for confirming that recommendations have been actioned by the due date is placed firmly on the Responsible Person, who is expected to be proactive in confirming action rather than reacting to reminders.
- 3.4. The role of the Internal Auditor is therefore one of monitoring and reporting on the process. The need to remind those due to take action on their obligations should be the exception, not the norm.
- 3.5. The management follow-up process for Internal Audit reports follows:
 - The Internal Auditor will present all External Audit Action Plans to the Management Team.
 - The Action Plans will roll forward for each quarter at which progress and completion are due to be noted until all outstanding actions are completed.

3.6. The Internal Auditor will present a report on progress to the Audit Committee in each quarterly meeting.

4. Summary

Area	Red	Amber	Green
Performance Information	0	0	8
Finance	0	1	13
Supply Chain Management	1	3	11
Information Communication Technology	0	1	2
Human Resources	1	0	1
Total	2	5	35
Percentage Complete	5%	12%	83%



5. Overall Conclusion

- 5.1. There is a substantial level of improvement in the implementation of the external audit agreed management action plan.
- 5.2. Failure by management to implement agreed action plans without a valid reason is a non-compliance issue and should be dealt with in line with section 8.4 of the Compliance Management policy

SECTION B: Detailed Management Action Plan

Area: Performance Information

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
1.	Targets not reported consistently	The management will look into them and align all of them as per the recommendations. Consistent reporting of target are corrected in the APP for 2016/17 financial year.	Senior Manager Dispute Management Services	<i>Mid-term review of the 2016-17 APP</i>	The mid-term review of the 2016-17 APP has addressed SMART principles issues. The reviewed document will tabled at the upcoming EXCO meeting, scheduled for November 2016 for approval Internal Audit Comment Noted and satisfied with the changes effected on the revised APP	Green - completed		
2.	Indicators not reported consistently	The management will look into them and align all of them as per the recommendations. Consistent reporting of target are corrected in the APP for 2016/17 financial year.	Senior Manager Collective Bargaining Services	<i>Mid-term review of the 2016-17 APP</i>	The mid-term review of the 2016-17 APP has addressed SMART principles issues. The reviewed document will tabled at the upcoming EXCO meeting, scheduled for November 2016 for approval Internal Audit Comment Noted and satisfied with the changes effected on the revised APP	Green - completed		
3.	Targets planned not specific	Targets have been reviewed to accommodate the SMART principles in the 2016/17 financial year	Senior Manager Dispute Management Services Senior Manager Collective Bargaining Services	<i>Mid-term review of the 2016-17 APP</i>	The mid-term review of the 2016-17 APP has addressed SMART principles issues. The reviewed document will tabled at the upcoming EXCO meeting, scheduled for November 2016 for approval Internal Audit Comment Noted and satisfied with the changes effected on the revised APP	Green - completed		

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
4.	Conciliation cases within 30 days issues	The calculation of days was done manually without considering that the other months end on the 31st. We have since requested the Auditor to give us the formulas for calculation of days so that same errors cannot be repeated.	Senior Manager Dispute Management Services	30/10/2016	All cases are monitored on monthly basis. Management verifies the accuracy of dates in jurisdiction and dates of conciliation and arbitration to ensure that they are within the regulated timeframes Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter	Green – completed		
5.	Arbitration cases within 45 days issues	The calculation of days was done manually without considering that the other months end on the 31st. We have since requested the Auditor to give us the formulas for calculation of days so that same errors cannot be repeated.	Senior Manager Dispute Management Services	30/10/2016	All cases are monitored on monthly basis. Management verifies the accuracy of dates in jurisdiction and dates of conciliation and arbitration to ensure that they are within the regulated timeframes Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter	Green – completed		
6.	Awards recorded in the incorrect financial year	Management will ensure that only awards received on the same quarter are reported on	Senior Manager Dispute Management Services	31/08/2016	To strengthen the current control, the CMOs submit the awards received to the Admin Officer who populate them on the template. Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter	Green - completed		
7.	Wording incorrect in the annual report	Going forward we will not repeat the same.	Senior Manager Collective Bargaining Services	Mid-term review of the 2016-17 APP	The mid-term review of the 2016-17 APP has addressed SMART principles issues. The reviewed document will tabled at the upcoming EXCO meeting, scheduled for November 2016 for approval Internal Audit Comment	Green - completed		

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
					Noted and satisfied with the changes effected on the revised APP			
8.	Indicators not well defined in the Annual Performance Plan	Management has ensured that the performance indicators for the 2016/17 APP conforms to the SMART criteria	Senior Manager Collective Bargaining Services	<i>Mid-term review of the 2016-17 APP</i>	The mid-term review of the 2016-17 APP has addressed SMART principles issues. The reviewed document will tabled at the upcoming EXCO meeting, scheduled for November 2016 for approval Internal Audit Comment Noted and satisfied with the changes effected on the revised APP			Green - completed

Area: Finance

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
1.	Performance Bonus	<p>Performance bonus were reported in the financial statements when they are paid. Accrual basis of accounting only becomes applicable when an obligation (liability) arises.</p> <p>The Council's obligation in respect of performance bonus only arise when the Executive Committee has evaluated the results of the performance evaluation committee and satisfied themselves that funds are available to pay the bonus.</p> <p>Subsequent to EXCO's approval of the performance bonus in July 2016, financial statements and records were adjusted to record the liability.</p>	Chief Financial Officer	31/08/2016	<p>This is performed once a year at year end and the entry was performed after year end as follows:</p> <p>6. Dr Performance bonus 7. Cr Performance bonus payable (Liability)</p> <p>And record the following entry for payment in the next financial year:</p> <ul style="list-style-type: none"> • Dr Performance bonus payable (Liability) • Cr Bank <p>This will, again be performed at year end 31/03/2017</p> <p>Internal Audit Comment This is year-end activity and will be evidenced at the end of fourth quarter</p>	Green - completed		
2.	Annual bonus	<p>Accrual basis of accounting requires that a liability be reported in the financial statements when an obligation arises and a related expense also be recorded in the statement of financial performance.</p> <p>Annual bonus liability must be recorded in the financial statements at the end of each completed month of services as the obligation has arisen.</p> <p>Management have subsequently adjusted the financial statements and</p>	Chief Financial Officer	Year-end Activity	<p>Corrective action plan has been implemented for the year-ended 31/03/2016.</p> <p>The following entry was processed for 13th cheque provision for the three months at the end of the year.</p> <ul style="list-style-type: none"> • Dr: Annual Bonus Expense • Cr: Annual bonus provision <p>This exercise will be performed again at the year ending 31st March 2017</p>	Green - completed		

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		records to report the liability and the related expense.			Internal Audit Comment This is year-end activity and will be evidenced at the end of fourth quarter			
3.	Accruals - Dispute Prevention	<p>DMS must attach to the invoice payment checklist, the order linked to the invoice or claim.</p> <p>Finance department standard operating procedure requires that all invoices prepared for payment should be linked to open purchase orders on the Pastel system. An accrual list will be prepared incorporating all open orders for which services or goods have been received.</p> <p>We acknowledge that procedures were not followed. Management have subsequently adjusted the financial statements and records to reduce the accruals with the orders paid and enforce that DMS and finance procedures be followed.</p>	Chief Financial Officer	15/11/2016	<p>The review and updating of the SCM standard operating procedure manual is in progress and will address this process. The anticipated completion date is mid-November 2016.</p> <p>To enhance the current process, SCM, DMS and Finance has been established and effected the three way matching system</p> <p>Internal Audit Comment</p> <ul style="list-style-type: none"> The above is an on-going activity and will be evidenced at the end of each quarter A follow-up on the review and update of the SOP will be closely monitored to ensure compliance with the set timeframe. 			Amber – in progress
4.	Accruals - Retained income	<p>Finance department standard operating procedure requires that all invoices prepared for payment should be linked to open purchase orders on the Pastel system.</p> <p>An accrual list will be prepared incorporating all open orders for which services or goods have been received.</p>	Chief Financial Officer	30/09/2016	<p>Accrual listing for panellists and suppliers is prepared on a monthly basis</p> <p>Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter</p>			Green - completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		We acknowledge that procedures were not followed. Management have subsequently adjusted the financial statements and records to reduce the accruals with the orders paid and enforce that finance procedures be followed.						
5.	Leave pay accrual calculation inputs	<p>Pastel payroll system basic salary figure are used to calculate leave accrual. The figures used in the calculation had taken into account an adjustment for unpaid leave made on the salary.</p> <p>Finance/ payroll standard operating procedure will be augmented to ensure that the figures to be used in the leave accrual liability is clearly specified.</p>	Chief Financial Officer	30/09/2016	<p>Comprehensive Payroll SOP has been developed and implemented. Processes are expected to be executed in terms of the SOP which includes, amongst other controls, the review of the monthly calculations and inputs for payroll by:</p> <ul style="list-style-type: none"> ▪ Senior Manager CS ▪ Chief Financial Officer <p>Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter</p>			Green - completed
6.	Late payment of PAYE, SDL & UIF as well as reconciliations not being performed	<p>Reconciliations were not performed on the employees' tax liability which resulted in the liability remaining unpaid.</p> <p>Reconciliations are now being performed on SARS statements documents against the payroll records.</p>	Chief Financial Officer	30/09/2016	<p>Reconciliations are performed monthly, by the 7th</p> <p>Payments are to be made to SARS before the 7th of each month.</p> <p>Internal Audit Comment This is an on-going activity and will be evidenced at the end of each quarter</p>			Green - completed
7.	Acting allowance – policy non-compliance	Enforcement of HR and Finance policies is being ensured by management through reviews of payroll records prior to payment made to employees.	Chief Financial Officer	31/10/2016	Payroll standard operating procedures guideline developed and implemented. Management to continuously monitor and enforce compliance to ensure the effectiveness of control systems.			Green - completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
					Internal Audit Comment Compliance management is an on-going activity and will be evidenced at the end of each month			
8.	Acting allowance - delegation of authority	Enforcement of HR and Finance policies delegation of authority will be ensured by management.	Chief Financial Officer	<i>Continuous activity</i>	The current practice is that approval of payment transactions is done by one level up. The existing control is adequate to eliminate the existing risk The task will be performed as the need arises. Internal Audit Comment This is an on-going activity and will be evidenced as and when it happens			Green - completed
9.	Reconciliations between pastel payroll, the general ledger and the trial balance	Reconciliations were not performed on the payroll and general ledger records. Financial statements and records have been adjusted to correct the misallocations. Reconciliations are now being performed on a monthly basis.	Chief Financial Officer	<i>Continuous activity</i>	Monthly reconciliations between pastel payroll to general ledgers and trial balance are being performed (May to September 2016). Internal Audit Comment This is an on-going activity and will be evidenced as the end of every month			Green - completed
10.	Cut-off (timing) of recording of expenses	Management will ensure that finance officers adhere to the finance standard operating procedures. Financial statements and records have been adjusted.	Chief Financial Officer	<i>Year-end Activity</i>	This is performed once a year at year end. Financial statement and records of the preceding year end have been adjusted accordingly Internal Audit Comment This is year-end activity and will be evidenced at the end of fourth quarter			Green - completed
11.	Unrecorded liabilities	The computer equipment should have been recorded as assets and the	Chief Financial Officer	<i>Year-end Activity</i>	This is performed once a year at year end. Financial statement and records of			Green - completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		related liability be raised as at year end. Financial statements and records have been adjusted.			the preceding year end have been adjusted accordingly Internal Audit Comment This is year-end activity and will be evidenced at the end of fourth quarter			
12.	Shop stewards liability	Management will ensure that all calculations and supporting documents are reviewed by a senior official prior to accounting entries being posted in the accounting books. The shopsteward liability has been corrected in the financial records and financial statements.	Chief Financial Officer	31/03/2017	Once off activity performed at year end. The next activity will be done 31/03/2017. The shopsteward liability for the preceding year has been corrected in the financial records and financial statements. Management review of supporting documents and for all accounting entries for shop steward liability Internal Audit Comment This is year-end activity and will be evidenced at the end of fourth quarter			Green - completed
13.	Administrator activities and audit logs for Pastel Partner system and Pastel Payroll system are not reviewed	This finding will be addressed by the migration from pastel partner to pastel evolution. The anticipated "go live" date is 30 September 2016.	Chief Financial Officer	<i>Continuous activity</i>	The audit log function is activated on Evolution and VIP systems to enable the Administrator to maintain a record of system activity both by system and application processes and by user activity of systems and applications. In conjunction with appropriate tools and procedures, audit trails will assist in detecting security violations, performance problems, and flaws in applications.			Green - completed
14.	Review of user access rights for Pastel Partner system and Pastel Payroll system is not performed	This finding will be addressed by the migration from pastel partner to pastel evolution. The anticipated "go live" date is 30 September 2016.	Chief Financial Officer	<i>Continuous activity</i>				Green - completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
					Internal Audit Comment This is month-end activity and will be evidenced at the end of each month. The system went live on the first week of October, therefore the effectiveness of the this activity will be tested at the end of October 2016			

Area: Supply Chain Management

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
1.	Tracking of Assets – projector	Enforcement of SCM policies is being ensured by management through reviews of fixed asset management reports on a monthly basis, asset verification will also be conducted on a quarterly basis	Chief Financial Officer	No deadline as this is on-going and will be evidenced at the next audit	Management reviews of fixed asset management reports on a monthly basis. Asset verification will also be conducted on a quarterly basis. The 2 nd quarter verification was performed on the 30 th September and the FAR was updated accordingly Internal Audit Comment The SCM should continue monitoring the FAR to ensure that its accurate and complete and the process conforms to business policies	Green - completed		
2.	Tracking of Assets - laptop	Enforcement of SCM policies is being ensured by management through reviews of fixed asset register on a regular basis, asset verification will also be conducted on a quarterly basis. SCM will ensure compliance to the asset tracking form.	Chief Financial Officer	No deadline as this is on-going and will be evidenced at the next audit	Management reviews of fixed asset management reports on a monthly basis. Asset verification will also be conducted on a quarterly basis. The 2 nd quarter verification was performed on the 30 th September and the FAR was updated accordingly Internal Audit Comment The SCM should continue monitoring the FAR to ensure that its accurate and complete and the process conforms to business policies	Green - completed		
3.	Rental expense	Management will ensure that all contracts are concluded prior to receipt of goods and services. We	Chief Financial Officer	No deadline as this is on-going and will	Contract has been reviewed and to be signed by both parties	Amber – in progress		

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		have engaged the landlord in an effort to conclude the lease agreement.		evidenced at the next audit				
4.	Assets disposed of have not been removed from the fixed asset register	Enforcement of the SCM policies will be ensured by management through reviews of fixed asset register on a regular basis, asset verification will also be conducted on a quarterly basis.	Chief Financial Officer	No deadline as this is on-going and will be evidenced at the next audit	Assets referred to in the findings were subsequently removed from the FAR. 2 nd quarter verification was performed on the 30 th September, additional assets were identified for disposal and will be submitted the General Secretary and Executive Authority for approval in the 3 rd quarter Internal Audit Comment SCM Manager should finalise the draft Assets Disposal policy to ensure proper management of disposals within the Council.			Green - completed
5.	Supplier database not updated	The SCM policy will be amended to ensure that it does not become a requirement to add suppliers that will not be used. Management are enforcing SCM policies to ensure that all suppliers are registered on the ELRC database before services or goods are procured from them.	Chief Financial Officer	No deadline as this is on-going and will be evidenced at the next audit	The review of the SCM SOP is underway and the anticipated completion date is end of October 2016. The review and update of the supplier database is a monthly exercise and reports on changes on the database are submitted to Manager every month end			Amber – in progress
6.	Specifications not compliant with the policy	The specification for the procurement of the 40 Laptops for the Council members was brand specific because the specification was extensively discussed at the EXCO meetings and approved.	Chief Financial Officer	No deadline as this is on-going and will be evidenced as and when there is a	No bids have been held in this financial period. CFO will ensure that:			Amber – in progress

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		EXCO members requested that the same brand and model as that of the General Secretary be procured for them without providing written reasons. BAC will in future ensure that all procedures are followed.		tender procurement	<ul style="list-style-type: none"> A BSC is set up for every tender process BAC is work shopped on acceptable bid documents and the appropriate procurement processes. <p>In the meantime, SCM continue to ensure that all procurement processes complies with the policy and trail exist and clearly documented for all steps</p>			
7.	MWEB	A request for a new contract has been requested from the service provider, as termination was only meant for a telephone. In the discussion with IT Manager, it was discovered that the termination was only for telephone and that the service provider understood that, hence the payment after March 2016.	Chief Financial Officer	30/08/2016	<p>Contract was renewed</p> <p>Internal Audit Comment Noted that a valid contract exist</p>			Green - completed
8.	Contract reporting	The reports will be prepared at the end of each month.	Chief Financial Officer	30/09/2016	<p>Contract reports are prepared on a monthly basis, reviewed by SCM Manager and approved by the CFO</p> <p>Internal Audit Comment Noted that contract management reports are prepared monthly, As a continuous activity, IA will verify the effectiveness of the process in the next audit</p>			Green - completed
9.	Only one supplier was written on the requisition form	The requisition form is completed by the requesting user division. After approval by the requesting manager, SCM then receives the form and sign	Chief Financial Officer	31/10/2016	The Pastel Evolution system's configuration separates processes between normal RFP and tender. The system generates audit trail for all			Green - completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		<p>it on the day of receipt and ensures that all the relevant parties sign it. Proposals / Bids / Quotations are then sourced.</p> <p>Upon receipt of proposals / bids / quotations, evaluation processes where applicable (bids) are followed and subsequently the same is done for the adjudication processes. Only after the awarding or appointment of the successful service provider, the relevant SCM official completes the list of suppliers with the prices they quoted. This part is more applicable to quotations and sometimes proposals and bids, depending on the number of responses.</p> <p>For tenders (bids), only the successful bidder with the tender price is written because a list of bids received is kept in the tender file.</p>			processes and the control will assist in detecting security violations, performance problems, and flaws in applications.			
10.	Policy on delegation of authority not aligned with SCM policy	Policies will be reviewed and updated accordingly to ensure alignment.	Chief Financial Officer	30/11/2016	An exercise of comparing both policies will be undertaken and results effected accordingly	Red – no progress		
11.	Recording of expenditure	Prior to current financial year, payment certificates were not prepared by the SCM unit for lease contracts. SCM SOP for contract management, requires that accurate and up to date payment certificates be prepared for each contract. The SCM	Chief Financial Officer	No deadline as this is on-going and will evidenced at the next audit	<p>Payment certificates are being prepared on the contract.</p> <p>Internal Audit Comment Noted that payment certificates are prepared monthly, as a continuous</p>	Green - completed		

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		Manager and CFO must review and attach their signatures as evidence of review on a monthly basis. Payment certificates must be updated with the supplier invoices for services rendered of goods received upon receipt of the same. Subsequently, payment certificates are being prepared for all contracts of lease nature.			activity, IA will verify the effectiveness of the process in the next audit			
12.	Accruals Conciliations -	<p>SCM standard operating procedures require that orders be cancelled subsequent to written confirmation of the end-user instructing the SCM manager to cancel orders. Finance department standard operating procedure requires that accruals be raised for all open orders for which services or goods have been received.</p> <p>Management have subsequently adjusted the financial statements and records to reduce the accruals with the cancelled orders.</p>	Chief Financial Officer	No deadline as this is on-going and will evidenced at the next audit	<p>SCM receives order cancellation requests and continue to cancel orders as they receive (manual and online).</p> <p>SCM keeps manual records of cancelled orders.</p> <p>An additional control, Senior Managers follow up on open orders vs the commitment schedule on a monthly basis, and submit to IA for verification.</p>			Green – completed
13.	Accruals - Legal costs	<p>SCM standard operating procedures require that orders be prepared for all services or goods required subsequent to receipt of the written request from the end-user.</p> <p>Finance department standard</p>	Chief Financial Officer	No deadline as this is on-going and will evidenced at the next audit	SCM receive a written requisitions for an order to be created and continue to cancel orders as they receive request for cancellation.			Green – completed

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
		<p>operating procedure requires that accruals be raised for all open orders for which services or goods have been received.</p> <p>We acknowledge that procedures were not followed. Management have subsequently adjusted the financial statements and records to reduce the accruals with the cancelled orders and enforce that SCM procedures be followed.</p>						
14.	Capitalisation and recording of fictitious assets	Fixed asset register has been corrected to ensure that all items recorded are verifiable and existing assets.	Chief Financial Officer	31/08/2016	<p>Management reviews of fixed asset management reports on a monthly basis. The verification was conducted on the 30/09/2016.</p> <p>Internal Audit Comment The SCM should continue monitoring the FAR to ensure that its accurate and complete and the process conforms to business policies</p>	Green - completed		
15.	Irregular and fruitless and wasteful expenditure registers	Management will ensure that registers for irregular, fruitless and wasteful expenditure are maintained and updated monthly.	Chief Financial Officer	30/09/2016	<p>The register has been created and is being updated on an ongoing basis. The update for the ended quarter has been done.</p> <p>Audit Comment This is on-going and will evidenced at the end of each term</p>	Green - completed		

Area: Information Communication Technology

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
1.	ELRC IT policies and procedures are not approved	The policy will be submitted to EXCO for approval	ICT Manager Senior Manager: Corporate Services	27/10/2016	The ICT policies have been developed and will be presented at the next EXCO scheduled to sit in the month of November 2016	Amber – in progress		
2.	The network topology in place does not show other important network devices	The network layout was updated on the 8th July 2016 and was submitted to the external auditors.	ICT Manager Senior Manager: Corporate Services	08/07/2016	The network layout was updated on the 8th July 2016 and was submitted to the external auditors. Internal Audit Comment The network topology was submitted to the external auditor before the finalisation of the audit	Green - completed		
3.	No password parameter settings for Pastel Partner system and Pastel Payroll system	We would like to bring to your attention that Pastel partner does not have provision for password parameters and this was also confirmed by SAGE. Further note that we are in the process of migrating from pastel partner to pastel evolution the anticipated “go live” date is 30 September 2016.	ICT Manager Senior Manager: Corporate Services	30/09/2016	Password parameters have been configured on the new system: <ul style="list-style-type: none"> • Minimum password length is 6 • Password archive limit is 12 months • Enabled password complexity (password to contain a minimum characters (numbers, letters, symbols, upper and lower case) • Enable lock out attempts (3 times) then it locks. Internal Audit Comment System configurations were verified	Green - completed		

Area: Human Resources

No.	Finding Name	Management Comment / Management Action Plan (MAP)	Responsible Person	MAP Target Date / Milestone	Progress To Date	Status		
						Red	Amber	Green
1.	Changes to payroll master data	Management will correct record keeping and standard operating procedures in relation to requests and authorisation for payroll and HR master file changes.	Senior Manager Corporate Services	30/09/2016	Payroll SOP has been developed and implemented. Management will continuously monitor and enforce proper compliance with the SOP Internal Audit Comment The effectiveness of payroll process is monitored on a monthly basis	Green - completed		
2.	Termination documentation and procedures	The employee had been in employment for a period of less than one week therefore it was impractical to conduct an exit interview. The employee was still undergoing an induction process and had not received any tools of trade. Therefore we could not have had an asset handover register completed.	Senior Manager Corporate Services	31/10/2016	An addendum addressing the audit finding will be added on the HR policy	Red – no progress		

