



# HANTAM MUNISIPALITEIT

Setel	Munisipale kantore		
<b>Calvinia</b>	<b>Brandvlei</b>	<b>Loeriesfontein</b>	<b>Nieuwoudtville</b>
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## REPORT ON AUDIT REPORT AND ACTION PLAN, OF THE AUDIT COMMITTEE TO THE COUNCIL OF HANTAM MUNICIPALITY

### Introduction

The audit report and action plan were discussed during the audit committee meeting held on 23 January 2012.

### Basis for Qualified opinion and actions planned thereon

**Paragraphs 7, 8 and 9** – As the municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board in March 2009. The 2010/2011 financial year was the last year for these provisions council should note that the action plan needs to provide for full compliance on the following standards:

- Property, Plant and equipment GRAP 17 - breaking down of infrastructure assets in recognisable components.
- Investment property GRAP 16 – Determination of fair value of all investment properties.
- Provision GRAP 19 – Identification of all landfill sites and calculation of adequate provision for rehabilitation.

**Paragraph 10** - Debtors with payments exceeding 12 months

- Agree with actions identified

**Paragraph 11** - Accrual basis of accounting

- Commonage rental needs to be calculated from inception of rental agreement.

**Paragraph 12** – Irregular Expenditure no system of control

- The audit committee would like to suggest that all deviations be report and submitted to council on a monthly basis.

**Paragraph 13** – Commitments and contract management system

- Note 27 of the financial statements indicate that these commitments will be financed from government grants, information of this grants are set out in notes 4 and 14 of the financial statements.

**Conclusion**

The audit committee took note of all above mentioned matters and all of these matters will be included in the internal audit program. Progress on actions and remedial steps taken will be reported to council.

A Boltman  
Chairperson

Date:.....