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audit plan pdf

Audit Action Plan

06/07

29 October 2007



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Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

Action plan to resolve deficiencies		Progress to date
<p>Audit Action Plan in relation to Regional Audit Findings.</p>	<p>Analyse and evaluate all Internal and External audit findings per region in order to identify the cause/s of the reported audit findings.</p> <p>All transversal problem areas will be identified and discussed with the regions during scheduled visits.</p> <p>Agenda items will include – Discussion on CFO/Narrative analysis; Audit Action Plans developed by Regional Head/Branch Head and Mechanisms for regular reporting and monitoring by CFO.</p>	<p>8 Regions finalised. Outstanding region – NWest.</p> <p>Planned dates for visits: KZN – 6 Nov 2007 Gauteng – 7 Nov 2007 Limpopo – 8 Nov 2007 Mpumalanga – 12 Nov 2007</p> <p>Awaiting suitable dates for: Northern Cape Western Cape Eastern Cape Free State</p>



GDA	04/05	05/06	06/07	Main Finding
<p>Third Party Funds (MIT) should not be separately disclosed but should be part of the Vote.</p>	-	Q	Q	<p>05/06 =Completeness of receivable for departmental revenue i.r.o MIT could not be confirmed due to lack of efficient, effective financial management system in the Monies in Trust Account.</p> <p>06/07= National Treasury provided direction on 15 August 2007 - single set of Annual Financial Statements for both Vote and Third Party Funds. Third Party Funds not regarded as a separate reporting entity.</p>

LEGEND - EOM: Emphasis of Matter

Q: Qualification



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Area	04/05	05/06	06/07	Main finding
Contingent liabilities (Monies in Trust deficit).	EOM	EOM	EOM	Can not quantify deficit between cashbook balance and cash in banks due to lack of an effective and efficient financial management system.

LEGEND - EOM: Emphasis of Matter

Q: Qualification



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Action plan to resolve deficiencies		Progress to date
<p>06/07= National Treasury provided direction on 15 August 2007 that bank balances and liabilities to be included in Vote annual financial statements.</p>	<p>Meeting with National Treasury to be held to discuss the way forward with the accounting treatment. Due date: 30 Sept 2007</p> <p>Establish a Committee for formalising the accounting treatment . Due date: November 2007</p> <p>Public Private Partnership project to resolve the inadequate management of MIT accounts.</p>	<p>Meeting scheduled for 20 September 2007 did not materialise.</p> <p>CFO, COO, Alan Mackenzie, Elna Erasmus, Nico van Harmelen, Accounting Standards Board, National Treasury / Accountant-General, Auditor-General. Obtained expert advice from UCT.</p> <p>TA 1 approval: September 2004.</p> <p>Closing date for MIT PPP tender: 5 February 2007.</p>



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Action plan to resolve deficiencies	Progress to date
<p>06/07= National Treasury provided direction on 15 August 2007 that bank balances and liabilities to be included in Vote annual financial statements.</p>	<p>Evaluation completed and recommendations forwarded to DG on 20/08/07.</p> <p>DG approved RfBAFO on 15 October 2007.</p>
<p><u>January to March 2008</u></p> <ul style="list-style-type: none"> • Signing of the PPP agreement with preferred bidder. • Initiate the development of all PPP systems. • Roll-out of EFT Maintenance payment option (190 courts & 38 128 beneficiaries paid in August 2007). <p><u>April to June 2008</u></p> <ul style="list-style-type: none"> • Finalize the development of the PPP maintenance system and acceptance thereof by DOJ. 	
<p><u>July to December 2008</u></p> <ul style="list-style-type: none"> • Roll out of PPP maintenance system to all courts. 	



Area	04/05	05/06	06/07	Main Finding
Asset management.	EOM	-	Q	<p>Ineffective asset management:</p> <ul style="list-style-type: none"> •Not all additions for the year on the asset register; •Asset counts in regions not sufficient as existence of assets in regions could not be verified; •Assets in regions could not be traced to the asset register; •Asset register does not agree with closing balance.

LEGEND - EOM: Emphasis of Matter

Q: Qualification



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Action plan to resolve deficiencies		Progress to date
<p>Ineffective asset management:</p> <ul style="list-style-type: none"> •Not all additions for the year on the asset register. •Asset counts in regions not sufficient as the existence of assets in regions could not be verified. •Assets in regions could not be traced to the asset register. •Asset register does not agree with closing balance on the financial statements. 	<p>National Treasury to provide training for Asset Controllers. Due date: October 2007.</p> <p>Appointment of Asset Managers in the regions.</p> <p>Scanners to be implemented for asset verification to decrease the time spend on asset verifications and to improve accuracy. Due date : December 2007.</p>	<p>Meeting held with National Treasury to arrange for training. Training to 59 Asset Controllers on 23,24 & 25 Oct 2007. Another session to be held on 7,8 & 9 Nov 2007.</p> <p>Recommendations made to DG - appointment of Asset Managers in regions (part of organizational re-design process). Re Aga Boswa Financial Management structure provides for financial expertise in courts. DG yet to approve roll-out of Re Aga Boswa recommendations.</p> <p>Bids invited. Shortlist 15 October 2007. Testing scanners 6 Nov 2007. Award tender by 9 Nov 2007.</p>



Action Items

Ineffective

- Not added to the asset register.
- Asset register entries are not sufficient to verify assets received.
- Assets not traced to their source.
- Asset registers do not match financial statements.

Int Asset Register at high level Profiles.

By March 2008.

Indicators that the condition of the asset must be indicated in the register.

By 31 October 2007.



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Department:
Justice and Crime Prevention
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Area	04/05	05/06	06/07	Main Finding
<p>General controls on the computer environment.</p>	-	-	EOM	<p>IT security policy not approved and not adequate because not addressing physical security of resources and emergency procedures.</p> <p>Disaster recovery plan not developed.</p> <p>IT positions vacant resulting in incompatible functions due to staff shortages.</p> <p>Newly appointed consultants did not have security clearances/sign confidentiality agreements to access critical systems.</p>
			EOM	<p>JYP - Change control procedures not formally approved.</p> <p>Changes to systems not subjected to comprehensive user testing before being migrated to live production environment.</p> <p>User account management procedures not formally established.</p>

LEGEND - EOM: Emphasis of Matter

Q: Qualification



Action plan to resolve deficiencies		Progress to date
IT security policy not approved and not adequate because not addressing physical security of resources and emergency procedures.	Approval of policy. Due date: End of December 2007	The Policy Document has been formulated and distributed within ISM for comments and review. The inputs from ISM has been incorporated. The document to be submitted to Chief Directorate Risk Management and NIA for their review.
	Inadequate IT Security Policy. Due date: End of December 2007	Physical security is being addressed by the Risk management unit. Presentation at SMF for August and circulated to senior management for inputs. Physical security at the servers and emergency procedures is being incorporated in IT security policy.



Action plan to resolve deficiencies	Progress to date
<p>Disaster recovery plan not developed.</p>	<p>The Department embarked upon the first phase of the DRP Strategy, namely the Assessment Phase. During this process the following documents have been developed:</p> <ul style="list-style-type: none"> - The DRP Strategy Document - Business Impact Analysis - "AS IS Design" - Future High Level Design <p>Due date for completion of the plan: Mid December 2007.</p>

Proposals have been requested Telkom and SITA for the hosting of the DRP site. Proposals received but due to the monthly operational expenses (rental cost) neither Telkom or SITA to be utilised. Identified Randburg Magistrate Court as DRP site.

Identifying critical equipment and applications to be housed at the DRP site. This exercise is expected to be completed by mid November 2007.

The budget Opex requirements is a constraint currently, but will be addressed with CFO's office.



Action plan to resolve deficiencies		Progress to date
<p>IT positions vacant resulting in incompatible functions due to staff shortages.</p>	<p>Awaiting the approval of ISM structure.</p>	<p>BPI investigation in progress. DG involved with the structure of ISM and made some changes to the current structure.</p>
<p>Newly appointed consultants did not have security clearances/sign confidentiality agreements to access critical systems.</p>	<p>Newly appointed consultants are required to sign Non Disclosure Agreements pending the formal security vetting through the SAPS and NIA process.</p>	<p>This is a continuous process. All consultants currently in our employ have signed the Non-Disclosure Agreements if no Security Clearance exist.</p>

