



Internal & External Audit Findings

06

Section 1: Results of Internal Audits

Nexia SAB&T (hereinafter referred to as SAB&T) is the appointed internal audit services provider for the Joburg Property Company (SOC) Ltd. The three year rolling internal audit plan is reviewed and approved annually by the Audit and Risk Committee after taking into account both strategic and operation risks of the entity.

Progress Made on the Annual Plan

Control Environment (CE) Rating	Preventative or detective controls are in place	😊
	Control environment requires improvement	😐
	Internal controls are not in place and intervention is required to design and implement appropriate controls	😞



Riverside View Housing Development Phase 1, Along the R54

Audit Performed for the Quarter	Status	Comment
Pre-determined Objectives	Completed	😊
Contract Management	Completed	😊
Supply Chain Management	Completed	😊
Human Resources	Completed	😊
Anti-Fraud & Corruption	Completed	😊
Information TechnologY	Completed	😊
Contract Management	Completed	😊
Supply Chain Management	Completed	😊
Revenue Management	Completed	😊
Asset Management	Completed	😊
Employee verification	Completed	😊
AFS Review	Completed	😊

Section 2: Progress on Resolution of Internal Audit Findings

All findings raised by internal auditors were cleared and resolved by the JPC.

Section 3: Progress on Resolution of External Findings

The Auditor General of South Africa (AGSA) finalised the 2015/16 audit and issued their audit and management report letter on 30 November 2016. The AGSA findings indicated that the financial statements presented were fair in all material respects, including the financial position of the City of Joburg Property Company (SOC) Ltd as at 30 June 2016 and its financial performance and cash flows for the specified year that ended. No material findings identified the usefulness and reliability of the reported performance information. There were also no instances of non-compliance where key legislation was concerned, as set out in the general notice issued in terms of the Public Audit Act.

The two findings raised by the auditors were rectified and certified as correct by the AGSA; therefore, as at June 2017 we do not have any unresolved audit findings to follow up on.

Section 4: State of the Internal Controls

The control environment of the organisation is improving; this was affirmed by AGSA during the planning of the 2015/16 audit cycle where JPC was selected as a pilot entity for their new methodology for auditing municipal entities in Gauteng. The previous reports by both AGSA and the outsourced internal auditors indicate a sound control environment.

The AGSA issued another “clean audit outcome” for the 2015/16 audit cycle, this indicates a sound control environment at JPC.

