



**Western Cape
Government**

Provincial Treasury

LG Accounting

CFO Lekgotla:

06 December 2011

COMPLETENESS OF THE FIXED ASSET REGISTER

A Comaf was raised to a municipality on completeness of FAR the details are summarised as follows:-

- Certain properties registered in the name of the municipality as per the valuation roll were not included as assets on the FAR
- The main reasons that these items were not being recorded on the FAR included the following:-
 - Some of these assets were registered in another name other than the name of the municipality per the title deed
 - Some were assets which were transferred from various government departments in the past but the ownership not updated on the records

EXTRACT FROM THE COMAF

ERF #	Owner per valuation roll	Description per valuation roll	Value per valuation roll	Value per FAR	Difference
2210	KNYSNA MUNICIPALITY	LINDSAY STREET	1,000.00	-	1,000.00
2234	MUNICIPALITY	STREETS MELLVILLE T/S	1,000.00	-	1,000.00
2672	MUNICIPALITY	PLOVER ROAD	10,000.00	-	10,000.00
2673	MUNICIPALITY	NATIONAL ROAD	10,000.00	-	10,000.00
2675	MUNICIPALITY	NATIONAL ROAD	10,000.00	-	10,000.00
2676	MUNICIPALITY	NATIONAL ROAD	10,000.00	-	10,000.00
2677	MUNICIPALITY	NATIONAL ROAD	20,000.00	-	20,000.00
2678	MUNICIPALITY	ASSEGAAI ROAD	5,000.00	-	5,000.00
2679	MUNICIPALITY	MILKWOOD DRIVE	150,000.00	-	150,000.00
2681	MUNICIPALITY	MILKWOOD DRIVE	150,000.00	-	150,000.00
2683	MUNICIPALITY	STINKHOUT CRESCENT	125,000.00	-	125,000.00
2684	MUNICIPALITY	MAIN ROAD	64,000.00	-	64,000.00
2685	MUNICIPALITY	MAIN ROAD	10,000.00	-	10,000.00
2714	MUNICIPALITY	REMAINING EXT. STREET	5,000.00	-	5,000.00
2730	MUNICIPALITY	GEORGE REX DRIVE	200,000.00	-	200,000.00
2731	MUNICIPALITY	GEORGE REX DRIVE	340,000.00	-	340,000.00
2732	MUNICIPALITY	OLD PLACE	100,000.00	-	100,000.00
2737	MUNICIPALITY	ASSEGAAI ROAD	10,000.00	-	10,000.00
2795	MUNICIPALITY	PLATBOS	100,000.00	-	100,000.00
2817	MUNICIPALITY	MAIN ROAD	30,000.00	-	30,000.00
3101	MUNICIPALITY	THE HEADS VIEWPNT PARKING	100,000.00	-	100,000.00
3247	MUNICIPALITY	GLADSTONE STREET	85,000.00	-	85,000.00

STEPS TAKEN TO RESOLVE THE FINDINGS

- a comprehensive review of the entire populations of both the Valuation Roll and the Fixed Asset Register
- Determination of the value for properties that were identified during the review and added to the FAR
- Corrections required to the Annual Financial Statements were then performed

LESSONS LEANT FROM THIS COMAF

- Municipalities to ensure that their FAR is updated with all assets from the different records particularly internal records
- Municipalities to follow up on assets (properties and land) that are not registered with the Deeds office
- Year-end assets counts to include completeness tests of all assets on various municipal records

FUTURE LG ACCOUNTING SUPPORT ACTIONS

Below are some of the initiatives planned for 2012/13:-

- Detailed analysis of financial results of 2010/11 which will form part of other processes within PT (LGMTEC 3 engagements)
- A comprehensive GRAP 17 training mid February 2012 together with ASB update on latest Accounting Standards
- Engagements on audit action plans related to accounting issues raised by AG for the selected municipalities
 - This will include review of reasons that lead to late submissions of AFS
 - Discussion and review of detailed action plans with clear timeframes
 - Regular follow up on the actions plans
- Standard Operating Procedures Project: this will include documentation, workshop or training on Accounting Cycles procedures.
- We still welcome requests on Accounting related issues from the municipalities

QUESTIONS AND COMMENTS

THANK YOU

ENKOSI

DANKIE