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Provinsiale Tesourie

Enquiries : Ms KB Chembeni X4082
Ref : MPT13/4/2

PROVINCIAL TREASURY CIRCULAR NO. 4 OF 2016

TO:-

THE ACCOUNTING OFFICER (ACTING): VOTE 1: OFFICE OF THE PREMIER (MR T MDAKANE)
THE ACCOUNTING OFFICER (ACTING): VOTE 2: PROVINCIAL LEGISLATURE (MR L MWALE)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS NZ NKAMBA)
THE ACCOUNTING OFFICER (ACTING): VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR G NTOMBELA)
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS SP XULU)
THE ACCOUNTING OFFICER (ACTING): VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR JS MGIDI)
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MR KM MOHLASEDI)
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W MTHOMBOTHU)
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (DR AM MORAKE)
THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR W MNISI)
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR K MASANGE)

THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR XGS SITHOLE)
THE CHIEF EXECUTIVE OFFICER: MPUMALANGA GAMBLING BOARD (MR BJ MLAMBO)
THE CHIEF EXECUTIVE OFFICER (ACTING): MPUMALANGA TOURISM AND PARKS AGENCY (MR A SIBIYA)
THE CHIEF EXECUTIVE OFFICER (ACTING): MPUMALANGA REGIONAL TRAINING TRUST (MR R OOSTHUIZEN)

THE CHIEF DIRECTOR FINANCIAL GOVERNANCE: PROVINCIAL TREASURY (MS J BEZUIDENHOUT)
THE CHIEF DIRECTOR ASSETS AND LIABILITIES MANAGEMENT (ACTING): PROVINCIAL TREASURY (MS E VISSER)
THE CHIEF DIRECTOR SUSTAINABLE RESOURCE MANAGEMENT (ACTING): PROVINCIAL TREASURY (MR NM MADIKE)

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Historically, there has often been a very long lead time between the formal reporting of internal and external audit recommendations and their eventual implementation. It is not general practice in an organisation to allow audit recommendations to remain outstanding for lengthy periods of time, particularly where the level of risk involved is assessed as being high.

This circular is intended to provide a process to ensure that agreed management actions to audit findings are implemented within an acceptable time frame and/or all outstanding action plans are promptly followed-up.

LEGISLATIVE MANDATE

Section 38(1) of the Public Finance Management Act, No. 1 of 1999, states that the accounting officer for a department, trading entity or constitutional institution must ensure that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

IMPLEMENTATION PROCEDURE

Management must ensure that an official response is prepared and submitted to the Internal Audit Activity for each recommendation contained in Internal Audit Reports. Management must approve the corrective action taken/planned, including the completion dates for actions already taken and target dates for completing planned action. A maximum of 5 working days will be allowed to complete the response.

Management must establish prompt, but reasonable time frames to resolve and implement internal and external Audit recommendations. For any planned corrective action that will take more than 12 months to complete, management will prepare and submit a report with justification with the target dates, which must be approved by the Accounting Officer.

Management will be required to provide written status until recommendations on internal or external audit reports are reported complete. If the original target date on an internal and external audit recommendation cannot be met, the Accounting Officer will approve any proposed extensions until all corrective actions are reported complete.


Using the template provided by the Provincial Treasury, the Internal Audit Activity supported by the Accounting Officer will request the status report with evidence supporting the progress every quarter on open recommendations based on target dates shown in the official response which will serve as a standing item in all Management and Audit Committee meetings.

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The Internal Audit Activity will, within one month after the end of every quarter submit the progress report endorsed by the Audit Committee to the Provincial Treasury for assessment on the rate of implementation as well as provide a consolidated feedback report on the areas of improvement.

Your co-operation is appreciated.

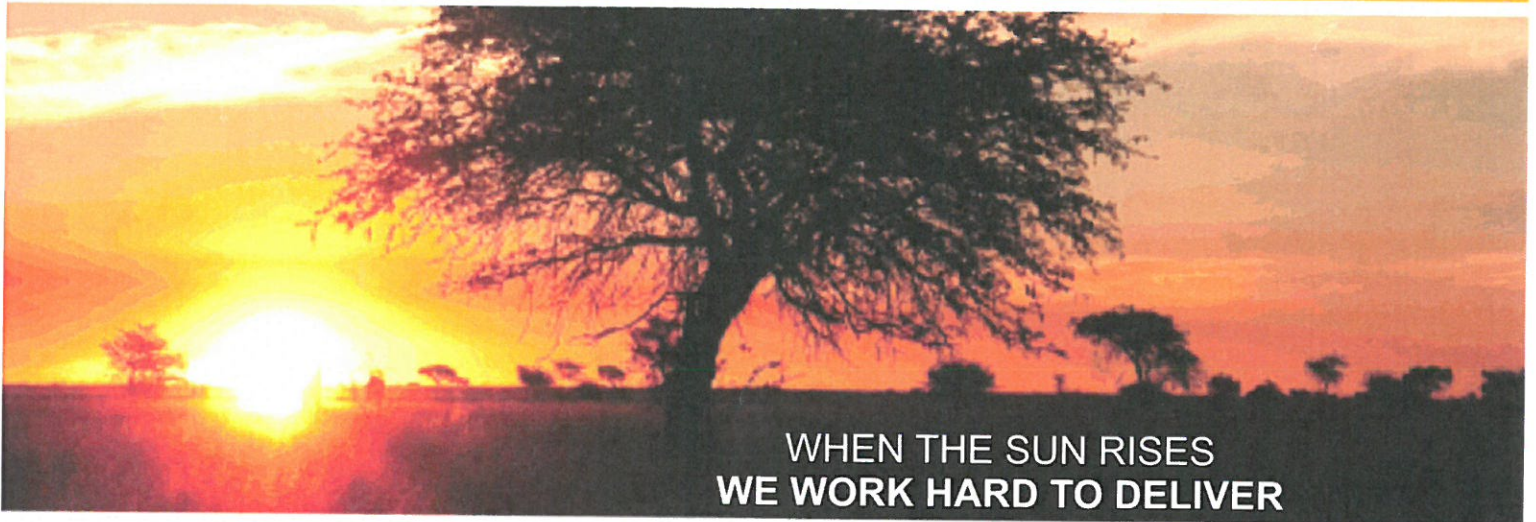
Regards


MS NZ NKAMBA
HEAD OFFICIAL
DATE: 20/11/2016



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

IMPLEMENTATION OF AUDIT RECOMMENDATIONS



IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS REGISTER

NO.	FOCUS AREA	AUDIT FINDING	ROOT CAUSE / INTERNAL CONTROL DEFICIENCIES	AGREED ACTION PLANS TO BE TAKEN	DUE DATE	RESPONSIBLE PERSON	PROGRESS TO DATE	INTERNAL AUDIT COMMENT

ACCOUNTING OFFICER
 DATE: _____