



Building No.4, No. 7 Government Boulevard, Riverside Park, Ext 2, Mbombela, 1200  
Private Bag X 11205, Mbombela, 1200  
Tel: 013 766 4572, Fax: 013 766 4604, Int: +27 (13) 766 4572, Int: +27 13 766 4604

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

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

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## PROVINCIAL TREASURY CIRCULAR NO. 5 OF 2016

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**TO:-**

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV H MBATHA)  
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)  
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)  
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR N SEANEGO)  
THE MUNICIPAL MANAGER (ACTING): THABA CHWEU LOCAL MUNICIPALITY  
(MR L MOKOENA)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS M SKOSANA)  
THE MUNICIPAL MANAGER (ACTING): STEVE TSHWETE LOCAL MUNICIPALITY  
(MR M MNGUNI)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)  
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)  
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)  
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR MJ MAHLANGU)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)  
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
(MR P MALEBYE)  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR TS SHONGWE)  
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR VN MPILA)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR LB TSHABALALA)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MJS MABUZA)  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR VD NCGOBO)

THE ACCOUNTING OFFICER (ACTING): OFFICE OF THE PREMIER (MR T MDAKANE)  
THE ACCOUNTING OFFICER (ACTING): COOPERATIVE GOVERNANCE AND TRADITIONAL  
AFFAIRS (MR G NTOMBELA)

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 62(1) (c) of the Municipal Finance Management Act, No. 56 of 2003, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality 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.

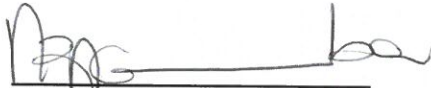
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The Internal Audit Activity will, within one month after the end of every quarter submit the progress report endorsed by the Audit Committee to the Provincial Treasury for assessment on the rate of implementation as well as provide a consolidated feedback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

Your co-operation is appreciated.

Regards



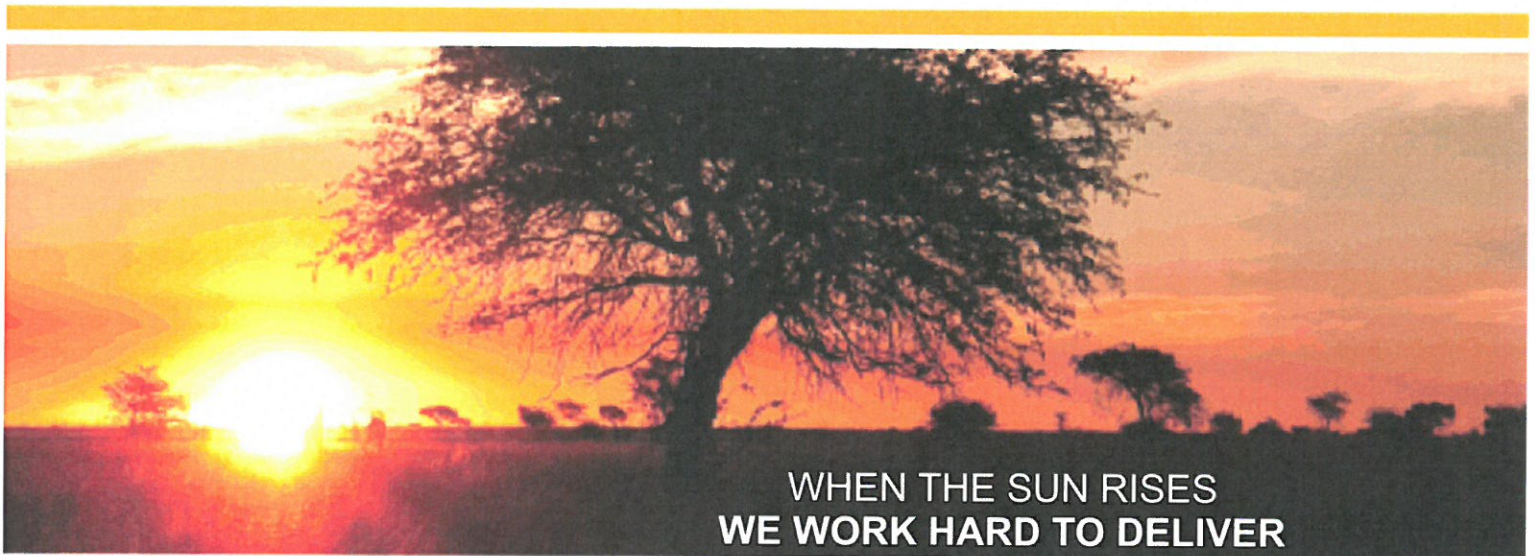
**MS NZ NKAMBA**  
**HEAD OFFICIAL**

DATE: 27/1/2016



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: \_\_\_\_\_