

MPUMALANGA PROVINCIAL GOVERNMENT

No. 7 Government Boulevard
Building No. 4
Riverside Park Extension 2
Nelspruit
1201



Private Bag X 11205
Nelspruit
1200
Tel: (013) 766 4572
Fax: (013) 766 4604
E-mail : hodfinance@mpg.gov.za

Department of Finance

Litiko LeteTimali	UmNyango weZeemali	Departement van Finansies	Kgoro ya Matlotlo
Enquiries	:	<i>Nancy Molenaar</i>	
Tel	:	(013) 766 4573	

PROVINCIAL TREASURY CIRCULAR 21 OF 2011

TO:

THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY: MR. TC MAKOLA
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY: ADV. H MBATHA
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY: MR. MA NGCOBO
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY: DR. LH MATHUNYANE
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY: MR. WD FOUCHE
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY: MR. ON NKOSI
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY: MR. A MNISI
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY: MR. MR MKHATSHWA
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY: MS. SF MNISI
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY: MR. LCB RALEBIPI
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY: MRS. NP MTHEMBU
THE MUNICIPAL MANAGER: PIXLEY KA SEME LOCAL MUNICIPALITY: MR. WJM MNGOMEZULU
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY: MR. TBW DLAMINI
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY: MR. KE MPUNGOSE
THE MUNICIPAL MANAGER: THEMBSILE LOCAL MUNICIPALITY: MR. V KUBHEKA
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY: MR. PB MALEBYE
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY: MR. V MPILA
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY: MR. L SINDI
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY: MR. BS RIBA
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY: MR. BTJ MABENA
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY: MR. DR MUKONDELELI

1. IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Historically, there has often been a very long lead time between the formal reporting of internal and external 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.


1.1 LEGISLATIVE MANDATE

In terms of 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.

1.2 IMPLEMENTATION PROCEDURE

- Each Senior Manager must ensure that an official reply is prepared and submitted to the Audit Activity for each recommendation contained in Internal and External Audit Reports. The Senior Manager 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 10 working days will be allowed to complete reply.
- Managers 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, Senior Managers will prepare and submit a report with justification with the target dates, which must be approved by the Municipal Manager.
- The Internal Audit Activity supported by the Audit Committee will request a status report every quarter on open recommendations based on target dates shown in the official reply. Senior Managers 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 Municipal Manager supported by council will approve any proposed extensions until all corrective actions are reported complete.

Regards,


MR JB MBATHA
ACTING HEAD OF DEPARTMENT
DATE: 3/8/2011