

MPUMALANGA PROVINCIAL GOVERNMENT

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Department of Finance Office of the HOD

Litiko LeteTimali

UrnNgango weZemali

Departement van Finansies

Kgoro ya Matlotlo

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Ref No : DOF 13/6/1/2

PROVINCIAL TREASURY CIRCULAR 3(a) OF 2014

TO:

THE CHIEF EXECUTIVE: MPUMALANGA GAMBLING BOARD (MR B MLAMBO)
THE CHIEF EXECUTIVE: MPUMALANGA ECONOMIC GROWTH AGENCY (ADV B MKHIZE)
THE ACTING CHIEF EXECUTIVE: MPUMALANGA TOURISM AND PARKS AGENCY (MR BJ MODIPANE)
THE ACCOUNTING AUTHORITY: MPUMALANGA REGIONAL TRAINING TRUST (MR ND MOROPANE)

AND TO:-

THE CHIEF FINANCIAL OFFICER: MPUMALANGA GAMBLING BOARD (MR L MASEKO)
THE CHIEF FINANCIAL OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR V MQHUM)
THE ACTING CHIEF FINANCIAL OFFICER: MPUMALANGA TOURISM AND PARKS AGENCY (MS LINDIWE MATHIBE)
THE CHIEF FINANCIAL OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR MG JAFTA)

2013/14 YEAR END REPORTING REQUIREMENTS

The financial year-end is approaching. According to the Public Finance Management Act of 1999 (PFMA) Section 55 (c), the Accounting Authority for a public entity –

“(c) must submit the financial statements within two months after the end of the financial year to –

- (i) the auditor of the public entity for auditing.
- (ii) If it is a business enterprise or other public entity under the ownership control of the provincial government, to the relevant treasury”

The latter is meant to enable the Provincial Treasury to prepare consolidated financial statements in terms of section 19.

AUDIT PROCESS

- Public Entities should ensure that the Audit Steering Committees are established at the beginning of the audit process. The terms of reference and the constitution of the Audit Steering Committee are outlined in Annexure A

PREPARATION OF FINANCIAL STATEMENTS

- A template to prepare the annual financial statements has been issued to the entities and is also available on the website <http://oag.treasury.gov.za>. This will assist in ensuring that the financial statements are properly and timely compiled.
- All suspense accounts should be cleared by 31 March 2014 to enable the entities to provide complete financial information on expenditure and revenue.
- Stock counts and reconciliation of control accounts must be performed.
- All misallocation should be corrected to minimise material misstatement.
- All the supporting documentation for all the transactions, and other important records, should be made available for audit purposes.

FIRST SUBMISSION OF PERFORMANCE INFORMATION

The Auditor-General will be engaging in performance information audit reviews for the financial year ended 31 March 2014. Public Entities are therefore required to submit the performance information as well as Annual Financial Statement and Human Resource oversight report, to the Office of the Auditor-General by 31 May 2014 to enable the auditors to perform the necessary audit procedures before 31 July 2014.

SUBMISSION OF ANNUAL REPORT

The PFMA sec 55 (1) (d) requires that the Accounting Authority for a public entity to submit within five months of the end of a financial year to the relevant treasury, to the executive authority:-

- (i) an annual report on the activities of the entity during that financial year
- (ii) the financial statements for that financial year after those statements have been audited, and
- (iii) the auditor's report on those statements.


TABLING OF ANNUAL REPORT

Section 65 (1) (a) requires that the executive authority responsible for a public entity must table in the provincial legislature:-

- (a) The annual report, financial statements and audit report on those statements, within one month after the accounting authority for the public entity received the audit report.

It is crucial that the above issues be taken in a very serious manner, to ensure adherence of legislation.

Regards



MS NZ NKAMBA
HEAD OF DEPARTMENT

DATE: 3/3/2014

ANNEXURE A

AUDIT STEERING COMMITTEE

TERMS OF REFERENCE

The aim of the Audit Steering Committee is to establish a formal communication channel between the Entity and the Office of the Auditor-General, in this way to accomplish a sound co-operation between the parties. Matters that may be discussed during the meetings of the Audit Steering Committee are, *inter alia*;

- Audit planning for the year -in other words which activities will be subjected to an audit and the reasons.
- Estimated audit costs.
- The estimated costs of the auditing for the year must be furnished, as the Department must budget for the expenditure;
- Any deficiencies or irregularities revealed during audits.
- The Audit Steering Committee gives the parties the opportunity to discuss problems and in this way to prevent any unnecessary written communication, which can be time consuming and costly.
- Discussion of audit reports, Management letters and queries of a serious nature to obtain unanimity on the contents and to expedite the finalisation thereof.
- Problems emerging during audits, e.g. availability of records, etc.
- Create the opportunity for the Entity to give inputs in good time.
- The identification of contact persons for enquiries and mutual communication.

CONSTITUTION OF COMMITTEE

In order to ensure the efficient functioning of the Audit Steering Committee, the committee should consist of the following members:

- Chief Executive Officer
- Chief Financial Officer
- Departmental Managers
- Head of Internal Audit
- Representatives from the Office of the Auditor-General;
- Secretary - in order to ensure that proper minutes are taken of the meeting and are distributed to all members.