



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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PROVINCIAL TREASURY CIRCULAR NO. 60 OF 2023

THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR W KHUMALO)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR R MAKWAKWA)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (DR NP MAHLALELA)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR T MASHABELA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR W SHABANGU)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR L CINDI)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR EN MASEKO)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR M LAMOLA)
THE ACTING MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR SW NKOSI)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M KUNENE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR M MAMPURU)
THE HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR S NGUBANE)
THE ACTING PROVINCIAL CHIEF EXECUTIVE OFFICER: SALGA (MS D MATUMBA)

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

REGRESSION IN THE 2022/23 MUNICIPAL AUDIT OUTCOMES IN MPUMALANGA PROVINCE

The Auditor-General has completed the 2022/23 audits of Municipalities in Mpumalanga Province.

It is noted with great concern that there was an overall regression in audit outcomes as auditees with qualified audit opinions increased from 7 in the 2021/22 financial year to 9 during 2022/23 financial year.

One Municipality received an Adverse audit opinion.

The Head: Provincial Treasury provided a high level overview of the audit outcomes during the Chief Financial Officer's Forum convened on the 12th of December 2023 and re-iterated that municipalities must implement corrective actions to improve the audit outcomes.

The CFO forum resolved that:

- a) Municipalities, with immediate effect submit all Audit and Management reports to the Provincial Accountant-General
- b) Municipalities who received Unqualified audit opinions with matters, Qualified and Adverse Audit Opinions must immediately develop web enabled Audit Action Plans. Municipalities must ensure that progress is captured on the system to monitor ongoing progress in implementation of the remedial actions. The effective monitoring in a timely manner by all users through all stages of the Web Based Audit Action plans is essential as it also promotes accountability.
- c) Chief financial Officer's Forum to be convened during January 2024, and thereafter on a monthly basis to track progress on issues identified in the audit action plans and to also discuss the coordinating departments' targeted hands-on support.
- d) Management and the Internal Audit units must ensure effective and rigorous monitoring of the Web Based Audit Action plans.

It should further be noted that the Provincial Treasury has established multi-disciplinary teams to provide hands-on technical support. The pre-condition for this support is subject to municipalities filling critical vacancies to ensure capacitation and transfer of skills.

The Provincial Treasury will coordinate and collaborate with all role-players in the accountability ecosystem to ensure improved audit outcomes in the Province.

Furthermore, failure by municipalities to effectively implement the audit action plans and related reporting requirements, will be construed as an act of financial misconduct in terms of section 171 of the Municipal Finance Management Act, No. 56 of 2003 read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Kind regards

MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 13/12/2023