

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance

Litiko LeteTimali

UmNyango weZeemali

Departement van Finansies

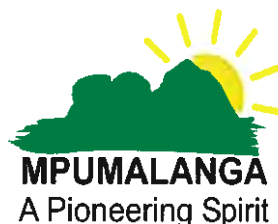
Kgoro ya Matlotlo

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### PROVINCIAL TREASURY CIRCULAR 20(A) OF 2011

**TO:**

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR JM RABODILA)  
THE ACCOUNTING OFFICER: VOTE 2 (ACTING): PROVINCIAL LEGISLATURE  
(MR LB TSHABALALA)  
THE ACCOUNTING OFFICER (ACTING): VOTE 3: FINANCE (MR JB MBATHA)  
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL  
AFFAIRS (MR D MAHLOBO)  
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT AND LAND  
ADMINISTRATION (MS NL SITHOLE)  
THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND  
TOURISM (DR DV DLAMINI)  
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)  
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT  
(MR KM MOHLASEDI)  
THE ACCOUNTING OFFICER: VOTE 9: SAFETY, SECURITY & LIAISON (MR ST SIBUYI)  
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (DR JJ MAHLANGU)  
THE ACCOUNTING OFFICER: VOTE 11: CULTURE SPORTS AND RECREATION (MS SP MJWARA)  
THE ACCOUNTING OFFICER (ACTING): VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)  
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR D DUBE)  
  
THE GENERAL MANAGER: SUSTAINABLE RESOURCE MANAGEMENT (PT) (MS N NKAMBA)  
THE GENERAL MANAGER (ACTING): ASSETS AND LIABILITIES MANAGEMENT (PT)  
(MR R MASAMBO)  
THE GENERAL MANAGER: FINANCIAL GOVERNANCE (PT) (MS J BEZUIDENHOUT)



## 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.

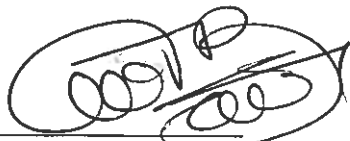
### 1.1 LEGISLATIVE MANDATE

In terms of sec 38(1) of the Public Finance Management Act, No.1 of 1999, 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.

### 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 Accounting Officer.
- 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 Accounting Officer supported by the Executive Authority will approve any proposed extensions until all corrective actions are reported complete.

Regards,



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