

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance *Office of the MEC*

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Departement van Finansies

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

#### FOR INFORMATION:

THE PREMIER MPUMALANGA PROVINCE (MR DD MABUZA)

THE SPEAKER PROVINCIAL LEGISLATURE (MR SW LUBISI)

THE MEC FOR FINANCE (MS YN PHOSA)

THE MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR MB MASUKU)

THE MEC FOR AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION (MS C MASHEGO-DLAMINI)

THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (MR N MOKOENA)

THE MEC FOR EDUCATION (MS MR MHAULE)

THE MEC FOR PUBLIC WORKS, ROADS & TRANSPORT (MS DG MAHLANGU)

THE MEC FOR SAFETY, SECURITY & LIAISON (MR V SHONGWE)

THE MEC FOR HEALTH AND SOCIAL DEVELOPMENT (DR RC MKASI)

THE MEC FOR CULTURE SPORTS AND RECREATION (MS S MANANA)

THE MEC FOR HUMAN SETTLEMENT (MR S MASANGO)

CHAIRPERSON: SELECT COMMITTEE ON PUBLIC ACCOUNTS (MS NS MTSWENI)

CHAIRPERSON: PORTFOLIO COMMITTEE: EDUCATION, SPORTS, ART AND CULTURE (MS NC MAMABOLO)

CHAIRPERSON: PORTFOLIO COMMITTEE: HEALTH AND SOCIAL SERVICES (MS P NGOBENI)

CHAIRPERSON: PORTFOLIO COMMITTEE: HUMAN SETTLEMENTS; COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR SPD SKHOSANA)

CHAIRPERSON: PORTFOLIO COMMITTEE: AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION; ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (MS RC MAHLOBOGOANE)

CHAIRPERSON: PORTFOLIO COMMITTEE: PUBLIC WORKS, ROADS AND TRANSPORT; SAFETY AND SECURITY (MR JL MAHLANGU)

CHAIRPERSON: PORTFOLIO COMMITTEE: LEGISLATURE OVERSIGHT; PREMIER'S OFFICE AND FINANCE (MR VV WINDVOEL)



**MPUMALANGA**  
A Pioneering Spirit

## 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,



MRS. YN PHOSA (MPL)  
MEC FOR FINANCE  
DATE: 4/8/2011