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Provinsiale Tesourie

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Ref : MPT 13/5/6/3

PROVINCIAL TREASURY CIRCULAR NO. 30 OF 2017

TO:

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR N SEANEGO)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR L E MALUNGANA)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR MJ MAHLANGU)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE ACTING MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR M DLAMINI)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR SL NETSHIVALE)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY
(MR PB MALEBYE)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR L TSHABALALA)
THE ACTING MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MM NKONYANE)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR ZT SHONGWE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
(MR TP NYONI)

THE PROVINCIAL EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
(MS G LANGA)

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

1. IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Historically, there has often been a very long lead time between the formal reporting of internal and external audit recommendations and their eventual implementation. It is not general practice in an organization 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.

2. 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.

3. IMPLEMENTATION PROCEDURE

Management must ensure that an official response is prepared and submitted to the Internal Audit Unit for each recommendation contained in the Internal Audit Reports. Management 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 5 working days will be allowed to complete the response.

Management 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, management will prepare and submit a report with justification with the target dates, which must be approved by the Accounting Officer.

Management 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 will approve any proposed extensions until all corrective actions are reported complete.

Using the template provided by the Provincial Treasury, the Internal Audit Unit supported by the Accounting Officer will request the status report with evidence supporting the progress every quarter on open recommendations based on target dates shown in the official response which will serve as standing item in all Management and Audit Committee meetings.

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The Internal Audit Unit will, within one month after the end of every quarter submit the progress report endorsed by the Audit Committee to the Provincial Treasury for assessment on the rate of implementation as well as provide a consolidated feedback report on the areas of improvement.

Your co-operation is appreciated.

Kind regards,



MS NZ NKAMBA
HEAD: PROVINCIAL TREASURY
DATE: 06/05/2017