

25 May 2023

To : The Speaker  
Cllr M. Davies

## **2022/23 AUDIT ACTION PLAN - MANGAUNG METROPOLITAN MUNICIPALITY**

### **1. PURPOSE**

As required by section 121 (3)(g) of the Municipal Finance Management Act No 56 of 2003 management of the municipality and the municipal entity have developed corrective actions to be implemented in response to issues identified in the Auditor General's audit report for the financial year 2021/22 to the Mangaung Metropolitan Municipality's Council.

### **2. BACKGROUND AND DISCUSSION**

The Mangaung Metropolitan Municipality has obtained a qualified audit opinion from the Auditor General on the Financial Statements of Mangaung Metropolitan Municipality for the year ending 30 June 2022.

The Municipality has developed an Audit Action Plan detailing the corrective measures and actions geared towards resolving the remaining Auditor-General's findings and most importantly ensuring that they do not recur.

The Acting Accounting Officer and the Acting CFO have convened working session for the items remaining which have a financial impact to critically review the audit action plan and to ascertain whether the proposed actions will yield the anticipated results. The ensuing discussions, inputs from the above working session were used in finalising the Audit Action Plan for the Municipality (Annexure A) (a copy of the Action Plan is hereto attached as Annexure).

Further discussions are envisaged to be held with the Municipal Public Accounts Committee to deliberate and discuss proposed corrective actions in pursuit of further refining them.

### **Implementation and Monitoring of the Audit Action Plan**

Municipal administration has established task teams and project leaders to assist in the implementation and monitoring of the proposed corrective measures which are to be undertaken. Specific time-frames have been agreed upon in the Executive Management Team to ensure that the issues as identified by the Auditor-General are resolved in an efficient and effective manner.

Progress reports on implementation of corrective actions contained in the Audit Action Plan will be submitted to Council on a quarterly basis.

### **3. LEGAL IMPLICATIONS**

Municipal Finance Management Act 56 of 2003

### **4. FINANCIAL IMPLICATIONS**

No Financial Implications.

### **5. RECOMMENDATIONS**

1. That Council takes note of the Audit Action Plans of the City;

**Submitted by:**

  
Mr L Denge  
Acting Chief Financial Officer

**Recommended by:**

  
Ms N Dumalisile  
Acting City Manager

**Approved by**

  
Cllr G Nthatsi  
Acting Executive Mayor

**Ratified by**

  
Ms G Malaza 26/06/2023  
National cabinet representative

The Audit Action plan must be presented to the audit committee of MPAC.