



**OFFICE OF THE HEAD OF DEPARTMENT**

Steve Vukile Tshwete Complex, Zone 6 Zwelitsha, 5608, Private Bag X0032, Bisho, 5605 REPUBLIC OF SOUTH AFRICA:

Enquiries: N. Ngcingwana. Tel: 040 608 4753 . Fax :040 608 4690. Email: [nokuthula.ngcingwana@ecdoe.gov.za](mailto:nokuthula.ngcingwana@ecdoe.gov.za)

Website: [www.ecdoe.gov.za](http://www.ecdoe.gov.za)

**AUDIT CIRCULAR 01 OF 2024**


**TO :** OFFICE OF THE MEMBER OF THE EXECUTIVE COUNCIL (MEC)  
OFFICE OF THE HEAD OF DEPARTMENT  
ALL DEPUTY DIRECTORS-GENERAL  
ALL CHIEF DIRECTORS  
ALL DIRECTORS  
ALL CIRCUIT TEAM MANAGERS  
ALL CHIEF EDUCATION SPECIALISTS  
ALL HEADS OF EDUCATION INSTITUTIONS  
ALL SCHOOL PRINCIPALS  
ALL SUPPORT EMPLOYEES

**FROM :** HEAD OF DEPARTMENT

**SUBJECT :** 2023/24 REGULARITY AUDIT MANAGEMENT CIRCULAR

1. The Public Finance Management Act 1 of 1999 (PFMA) regulates financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.
2. Section 40 (1) (a-c) of the PFMA provides that the Accounting Officer for a department, trading entity or constitutional institution—
  - (a) must keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards;
  - (b) must prepare financial statements for each financial year in accordance with generally recognized accounting practice;
  - (c) must submit those financial statements within two months after the end of the financial year to—
    - (i) the Auditor-General for auditing; and
    - (ii) the relevant treasury to enable that treasury to prepare consolidated financial statements in terms of section 8 or 19;

**2023/24 REGULARITY AUDIT MANAGEMENT CIRCULAR**

- 
- (d) must submit within five months of the end of a financial year to the relevant treasury and, in the case of a department or trading entity, also to the executive authority responsible for that department or trading entity—
- (i) an annual report on the activities of that department, trading entity or constitutional institution during that financial year;
  - (ii) the financial statements for that financial year after those statements have been audited; and
  - (iii) the Auditor-General's report on those statements.
3. The audit process commenced on the 08 January 2024, with the office of the Auditor-General (AGSA) reviewing the Business Processes of the Department and performing walkthroughs to the Departmental confirmed processes.
4. The AGSA has indicated that the previous financial year's Engagement Letter which was signed is still in force until a new engagement letter is issued and agreed upon during the current audit process.
5. To improve audit outcomes, indicated below are the few operational arrangements that must be adhered to:

**a. Administration of the audit process**

To manage the audit process, Mr. Andrew Gideon, Mr Siyabonga Qhomfo and Mr Lumko Nkuzo have been appointed as the Departmental Audit Controllers for the 2023-24 audit process and the contact person between the office of the Auditor-General and the Department is Mr. Lumko Nkuzo. The Chief Financial Officer (CFO) and Senior Leadership Management Committee (SLMC) members have agreed that each Chief Directorate will nominate an Audit Controller within the directorate(s) that will be responsible for all audit related matters in each Chief Directorate.

The process followed in prior year(s) remain the same i.e. distribution of Requests for Information (RFIs) and Communication of Auding Findings (COAFs) electronically. Responses must be submitted through the Audit Controller office for the attention of Mr. Lumko Nkuzo, inclusive of all required supporting evidence and must be done in electronic format unless the AGSA specifically directs otherwise for example an original copy of a contract or a payment voucher, etc.

Senior Managers are expected to interact with one-another as and when required, so that responses are coordinated when specific information is required from more than one unit.

**b. Quality Assurance of Information presented for audit purposes**

It is however, stress upon all managers and officials that audit management is not the sole responsibility of the CFO, but of each and everyone involved in any service delivery, financial management and administration processes. The CFO is responsible for compiling the financial report based on financial activities during the year and the additional information supplied by yourselves at year-end.

Similarly, as it is the responsibility of the Deputy Director-General: Corporate Services for compiling the report measuring actual performance and achievement against the predetermined objectives based on the information and evidence to be supplied by the relevant officials and programme managers.

Branches will be required to report on the status of Audit Improvement Plans (AIP), additional risk areas and the strategies implemented to improve audit outcomes. Thus, ALL Chief Directorates must have the AIP as a standing item in their Chief Directorate meetings where progress-to-date will be reported on.

Finally, note must be taken of the prescribed three-day turnaround time to respond to audit requests and findings and a 5-day turnaround time for information requested from Districts.

The Auditor-General has reported in the previous years a concern that the department is defaulting in this regard. Compliance will be closely monitored and analysed through the weekly Audit Steering Committee meetings. It should be noted that, the office of the Auditor-General require notification of the possible delays that may be encountered in submission of the required information on the first day the RFI is issued.

It is responsibility of each and every Chief Director to ensure quality assurance of the information and responses submitted to AGSA for audit purposes.

**c. Monitoring audit progress, performance and challenges**

To ensure that all stakeholders are informed of progress and challenges experienced during the audit on an ongoing basis, the following meetings are structured:

**i. Weekly Audit Steering Committee meetings**

Every Friday, the Audit Steering Committee with the office of the Auditor-General formed by the Head of Department (HOD) as a Chairperson, CFO, DDGs, Chief Directors, Directors and Audit Controllers will review the audit progress and discuss any audit challenges experienced. The HOD and the chairmanship has been delegated to the CFO or her nominee in her absence. These meetings are scheduled to commence weekly on Fridays at 09h00 from 01 March to 31 July 2024.

Whilst it is acknowledged that the business of the department is not paused for 6 months during the audit process, formal written apologies must be sent to the Audit Controller (serving as Secretariat) well in time should you for exceptional circumstances not be able to attend. It is however your responsibility to ensure that a suitable representative is identified and duly briefed to attend on your behalf.

i. Weekly Departmental Audit Accountability Session

Due to the start of the Audit Steering Committee meetings, these meeting will be held on Thursday at 09H00 or any other time that will be communicated by the Audit Controller's office. Attendance is compulsory by all Departmental Top Managers and Audit Controllers.

Yours in quality Education.



Ms SA MAASDORP  
A/HEAD OF DEPARTMENT

19/02/2024  
DATE