

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance *Office of the HOD*

Litiko LeteTimali

UmNgango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

Enquiries : Mr E Mbokodo x4553  
Ref No : DOF 13/5/4

### PROVINCIAL TREASURY CIRCULAR NO 14 OF 2014

TO:

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV H MBATHA)  
THE ACTING MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR S DITSHEGO)  
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR NRG NKOSI)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)  
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)  
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR E NGOMANE)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (RM C HABILE)  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR MW ZUNGU)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR L TSHABALALA)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR V NGCOBO)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR AN MAHLANGU)  
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR P MALEBYE)  
THE ACTING MUNICIPAL MANAGER: ALBERT LUTHULI LOCAL MUNICIPALITY (VN MPILA)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS M SKOSANA)  
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (WD FOUCHE)  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)  
THE ACTING MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)  
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MS RM MAREDI)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS PJ SHOBA)

### SUBJECT: SUBMISSION OF DRAFT INTERNAL AUDIT OPERATIONAL PLANS FOR THE 2014/15 FINANCIAL YEAR

This circular is issued to request all Municipalities to submit their Draft Internal Audit Operational Plans to the Provincial Treasury on or before 31 May 2014 for evaluation. The evaluations are performed to enhance the quality of the Internal Audit Operational Plan and to ensure that the Internal Audit Function adds value in the achievement of management's objectives.

The purpose of the exercise is to monitor the implementation of the provincial internal audit methodology in order to standardise internal audit processes in the Province.

1. **LEGAL MANDATES AND THE RESPONSIBILITIES AND EXPECTATIONS OF ACCOUNTING OFFICERS WITH REGARD TO RISK MANAGEMENT**

1.1 Section 165 of the Municipality Finance Management Act (MFMA), No 56 of 2003, requires that:-

- Each municipality and each municipality entity must have an internal audit unit; and
- The internal audit unit of a municipality or a municipal entity must prepare a risk-based audit plan and internal audit program for each financial year.

1.2 In terms of section 5 of the MFMA, the Provincial Treasury performs a monitoring role. In order to enable the Provincial Treasury to monitor the Internal Audit Functions in the Province, your municipality is therefore requested to submit the Draft Internal Audit Three-year Strategic Plan and Internal Audit Operational Plan for the year 2014/15.

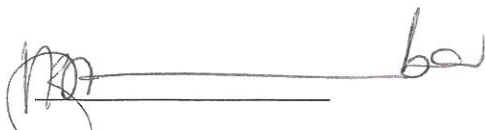
2. **THE PROCEDURE FOR EVALUATION OF THE INTERNAL AUDIT OPERATIONAL PLANS**

2.1 Provincial Treasury has developed a check list for evaluation of the draft internal audit operational plans, which will be evaluated and feedback reports will be issued to Accounting Officers with recommendations for implementation prior to approval.

**NB\*\*This circular should be brought to the attention of all the Chief Audit Executives as a matter of urgency and the submissions should be made to [embokodo@mpg.gov.za](mailto:embokodo@mpg.gov.za) on or before 31 May 2014.**

Your co-operation is appreciated.

Kind Regards,

  
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**MS NZ NKAMBA**  
**HEAD OF DEPARTMENT**  
DATE: 22/4/2014