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PROVINCIAL TREASURY CIRCULAR NO. 32 OF 2025

TO:

MUNICIPAL MANAGERS

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE
THE CHIEF DIRECTORATE: ASSESTS AND LIABILITIES MANAGEMENT

**SUBJECT: SUBMISSION OF DRAFT INTERNAL AUDIT PLANS FOR THE 2025/26
FINANCIAL YEAR**

1. PURPOSE

The purpose of the exercise is to evaluate the submitted Draft Internal Audit plans to provide recommendations working towards a standardized Internal Audit methodology in the Province

2. BACKGROUND

Section 165 of the Municipal Finance Management Act (MFMA), No. 56 of 2003, requires that:

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

In terms of Section 5 of the MFMA, Provincial Treasury is mandated to monitor and assist municipalities in the Province in capacity building where needed. In order to enable the Provincial Treasury to monitor the Internal Audit Activity (IAA) in the Province, your Municipality is therefore requested to submit the draft Internal Audit Operational plan for the 2025/26 financial year.

3. DISCUSSION

This Circular is issued to request all Municipalities in the Province to submit their Draft Rolling Three-year Strategic and Annual Operational Plans to the Provincial Treasury for evaluation. The evaluations are performed to enhance the quality of the Internal Audit Plans and to ensure that the Internal Audit Activity adds value in the achievements of management's objectives.

The Provincial Treasury has developed a checklist for the evaluation of submitted Internal Audit Plans, which will culminate in providing feedback reports to the Accounting Officers/ Authorities with recommendations for implementations prior approval.

It will be appreciated if the Internal Audit Plans for 2025/26 financial year could be submitted on or before **06 June 2025** to: mdseale@mpg.gov.za or MndaweBE@mpg.gov.za, alternatively be delivered to the following office: Provincial Treasury, Nokuthula Simelane Building, Upper Ground, Provincial Internal Audit Unit



MS. GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 20-05-2025