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PROVINCIAL TREASURY CIRCULAR NO 3 OF 2023

TO:

**DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA
HEADS OF DEPARTMENTS
CHIEF EXECUTIVE OFFICERS OF PUBIC ENTITIES**

SUBMISSION OF DRAFT INTERNAL AUDIT PLANS FOR THE 2023/24 FINANCIAL YEAR

This Circular is issued to request all Departments and Public Entities to submit their Draft Rolling Three Year Strategic and Annual Operational Plans to the Provincial Treasury on or before **28 February 2023** for evaluation. The evaluations are performed to enhance the quality of the Internal Audit Operational Plans and to ensure that the Internal Audit Activity adds value in the achievement of management's objectives.

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.

1. LEGAL MANDATES AND THE RESPONSIBILITIES AND EXPECTATIONS OF ACCOUNTING OFFICERS WITH REGARD TO INTERNAL AUDIT

- Treasury Regulation 3.2.7 and 27.2.7 requires that an internal audit activity must prepare, in consultation with and for approval by the audit committee-
 - A rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the institution, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;
 - An annual internal audit plan for the first year of the rolling three year strategic internal audit plan;
 - Plans indicating the proposed scope of each audit in the annual internal audit plan;
 - Operating procedures, with management inputs, to guide the audit relationship; and
 - A quarterly report to the audit committee detailing its performance against the annual internal audit plan, to allow effective monitoring and possible intervention.
- The Provincial Treasury is mandated in terms of Section 18 of the Public Finance Management Act, No 1 of 1999, to monitor and assist Provincial Departments and Public Entities in capacity building where needed.

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

- 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 Internal Audit Plans for 2023/24 financial year could be submitted on or before **28 February 2023** to: kbletsoalo@mpg.gov.za or mdseale@mpg.gov.za, alternatively be delivered to the following office: Provincial Treasury, Nokuthula Simelane Building, Upper Ground, Provincial Internal Audit Unit.

Your co-operation is appreciated.

Regards



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 29/01/2023