



PROVINCIAL TREASURY CIRCULAR NO. 13 OF 2019

TO:

THE ACTING MUNICIPAL MANAGER: PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY
(MR P THWALA)
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR ON NKOSI)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR T KHUBEKA)
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS CN NKUNA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA MUNICIPALITY (MR N DIAMOND)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MS GJ MAJOLA)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY
(MS S MATSI)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY
(MR MV MAGQAZA)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY
(MR MA DLAMINI)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR IP MUTSHINYALI)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR SF MNDEBELE)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY
(MR G MHLONGO NTSHANGASE)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MM KUNENE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR P NYONI)
THE ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR KM MOHLASEDI)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT
THE CHIEF DIRECTOR: PROVINCIAL ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

SUBMISSION OF DRAFT INTERNAL AUDIT OPERATIONAL PLANS FOR THE 2019/20 FINANCIAL YEAR

The purpose of this Circular is to request all Municipalities to submit their draft Rolling Three Year Strategic and Annual Operational Plans to the Provincial Treasury on or before 31 May 2019 for evaluation. The evaluations are performed to enhance the quality of the Internal Audit Operational Plans and to ensure that the Internal Audit Function 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, THE RESPONSIBILITIES AND EXPECTATIONS OF ACCOUNTING OFFICERS WITH REGARD TO INTERNAL AUDIT

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

- (a) Each municipality and each municipal entity must have an internal audit unit; and
- (b) 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 Function in the Province, your Municipality is therefore requested to submit the Draft Internal Audit Operational plan for the 2019/20 financial year.

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 be evaluated and feedback reports will be issued to Accounting Officers with Recommendations for implementation prior approval.

This Circular should be brought to the attention of all the Chief Audit Executives and submissions should be forwarded to bemndawe@mpg.gov.za or mdseale@mpg.gov.za on or before **31 May 2019**.

Your co-operation in this regard is appreciated.



MS GUGU MASHITENG
ACTING HEAD: PROVINCIAL TREASURY
DATE: 3 / 04 / 2019