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Provinsiale Tesourie

Enquiries : Mr X Shongwe EXT: 4553  
Ref : MPT 13/5/6/3

## PROVINCIAL TREASURY CIRCULAR NO. 28 OF 2018

TO:

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)  
THE MUNICIPALMANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR TMP KGOALE)  
THE ACTING MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR S SIBOZA)  
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY  
(MR B KHENISA)  
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)  
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR RS RIBA)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)  
THE ACTING MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)  
THE ACTING MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR MF MONKOE)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)  
THE ACTING MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
(MR MA DLAMINI)  
THE ACTING MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MRS TC MAMETJA)  
THE ACTING MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
(MR P THWALA)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNIPALITY (MR BM MHLANGA)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MRS G MHLONGO NTSHANGASE)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MM KUNENE)  
THE ACTING MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY  
(MR DI MALULEKE)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR TP NYONI)  
THE PROVINCIAL EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION:  
(MS GA LANGA)  
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE: PROVINCIAL TREASURY  
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT: PROVINCIAL TREASURY  
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT: PROVINCIAL TREASURY

**SUBMISSION OF DRAFT INTERNAL AUDIT OPERATIONAL PLANS FOR THE 2018/19 FINANCIAL YEAR**

This Circular is issued 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 2018 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 the Municipalities' 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**

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 performs a monitoring role. 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 Rolling Three Year Strategic and Internal Audit Operational plans for the 2018/19 financial year.

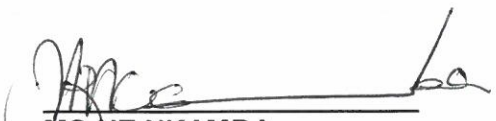
**2. THE PROCEDURE FOR EVALUATION OF THE INTERNAL AUDIT OPERATIONAL PLANS**

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 implementations prior approval.

This Circular should be brought to the attention of all the Chief Audit Executives and submissions should be forwarded to [kbletsoalo@mpg.gov.za](mailto:kbletsoalo@mpg.gov.za) or [mdseale@mpg.gov.za](mailto:mdseale@mpg.gov.za) on or before **31 May 2018**.

Your co-operation in this regard is appreciated.

Regards

  
**MS NZ NKAMBA**  
**HEAD: PROVINCIAL TREASURY**  
**DATE: 17/04/2018**