

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1631 [NW1836E]

DATE OF PUBLICATION: 17 JUNE 2011

Mr M Swart (DA) to ask the Minister of Finance:

- (1) Whether (a) government departments, (b) provincial administrations and (c) municipalities are required to have independent internal audit committees; if so, what steps are being taken to ensure compliance with this requirement; if not,
- (2) Whether the National Treasury intends introducing legislation that will enforce the appointment of such committees; if not, why not; if so, what are the relevant details?

NW1836E

REPLY:

Yes. In this regard, sections 38(1)(a)(ii) and 51(1)(a)(ii) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) require national and provincial departments and public entities respectively to have and maintain systems of internal audit under the control and direction of auditing committees. Similarly section 166 of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) requires all municipalities and municipal entities to have audit committees.

It is therefore not necessary to introduce legislation requiring the establishment of audit committees in departments (national and provincial) and municipalities (including municipal entities) since current provisions in the PFMA and MFMA are considered sufficient.