

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1085 [NW1177E]
DATE OF PUBLICATION: 20 APRIL 2018**

1085. Mrs H O Mkhali (EFF) to ask the Minister of Finance:

Whether he took any action on the correspondence of employees of the Internal Audit division of the Department of Defence that was directed to the National Treasury on 11 September 2017 regarding the dysfunctional internal audit division of the Department of Defence that is failing to implement the internal audit framework and guidelines; if not, why not; if so, what action has he taken?

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REPLY:

The Minister of Finance had not previously seen the correspondence referred to but as a result of the parliamentary question has become aware.

The Minister notes that it raises a number of issues regarding the manner in which the Internal Audit function is managed. It is also clear in the letter that the internal audit staff have correctly escalated their concerns to the Accounting Officer, Audit Committee and the Executive Authority of the Department of Defence. These are the appropriate authorities to address their concerns. It is Minister's humble representation that the leadership of the Department of Defence should respond to this parliamentary question, considering that:

The Accounting officer of the department is responsible per s38 (1) of the PFMA to establish and maintain an effective internal audit function, and to appoint an audit committee to control and direct the internal audit function.

Notwithstanding the aforementioned, the Minister further notes that the grievances were raised in September 2016 and that the staff are understandably anxious for answers. The National Treasury will consult the leadership of the Department of Defence to determine if and how assistance can be offered to speed up the resolutions to the problems that the staff have raised.