ALIGNING INTERNAL AUDIT STRATEGY AND STRATEGIC PLANNING WITH THE GLOBAL INTERNAL AUDIT STANDARDS (GIAS)

PEMPAL AiP and CHU Challenges Working Groups Meeting

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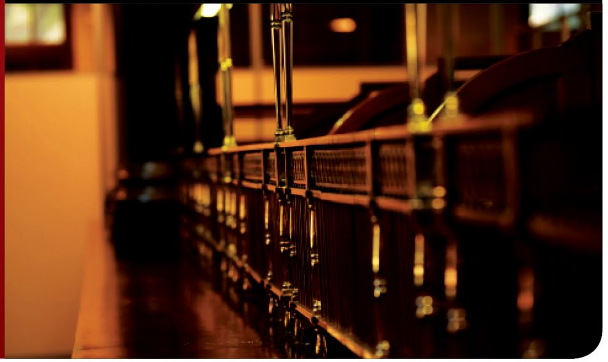

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Legislative Requirements for Strategic Plans

Aspect	Public Finance Management Act (PFMA) Institution	Municipal Finance Management Act (MFMA) Institutions
Legislative Anchor	PFMA (Sections 27, 38, 40, 51–55) Treasury Regulations 5.1–5.3	MFMA (Sections 16–24, 21, 121–129) Municipal Systems Act (Sections 25–36, 41–46)
Core Strategic Document	Strategic Plan (5 years) + Annual Performance Plan (APP)	Integrated Development Plan (IDP, 5 years) + Service Delivery and Budget Implementation Plan (SDBIP, annual)
Strategic Alignment	National Development Plan, Medium Term Development Plan, Sustainable Development Goals, Department of Planning, Monitoring, and Evaluation frameworks	IDP aligned to provincial and national plans, spatial and financial frameworks

Why It Is Important to Align With GIAS

Requirements of Treasury Regulation (3.2.6; 27.2.6) and MFMA Sec. (62(1)(c)(ii); 95(c)(ii))

Core purpose of Internal Audit Function

Ensure IA Strategy supports institutional strategic objectives.

Link IA plans to service delivery goals.

Integrate IA with Combined Assurance.

Build competencies aligned with GIAS.

Sets measurable targets, initiatives, and timelines for the IAF

Obstacles to Realising the Benefits of Aligning IA Strategy with GIAS

Limited Strategic Integration

Capacity & Resource Constraints

Weak Risk Management Linkages

Inconsistent Quality & Stakeholder Confidence

Resistance to Change & Improvement

Areas to be Covered by Strategy

Vision: the Internal Audit Function’s desired future state to fulfil its mandate of creating, protecting, and sustaining public value.

Strategic Objectives: specific results that translate the vision into measurable targets

Supporting Initiatives: concrete programs/projects to achieve each objective (with owners, budgets, timelines)

Line-of-sight: each initiative links to risks, controls, and service delivery outcomes

Next Steps

Confirm Vision-Objectives-Initiatives with the Accounting Officer and Audit Committee

Populate Objective to Initiative Map, Action Plan, and Responsible Accountable Consulted and Informed (RACI) Matrix

Integrate into rolling plan and budget; align to Annual Performance Plan cycle

Set quarterly Audit Committee reporting and Quality Assurance and Improvement Plan checkpoints

Key Performance Indicators(KPIs) for Consideration on Strategy

KPI - Plan delivery: % engagements, % top-risk coverage, cycle time

KPI - Quality: conformance rates; rework; on-time reports

KPI - Impact: repeat findings trend; action implementation; MI prevented/remediated

KPI - Value: Audit Committee satisfaction; combined assurance maturity; stakeholder feedback

KPI - Capability: skills coverage; certifications; analytics adoption; External Quality Assessment status

CHU Support Initiatives (IAF)

- Frameworks, tools, and guides
- Research in collaboration with academia
- Information sharing sessions

Thank you

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