

# Endumeni Municipality

## Audit Committee

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY, 10 JUNE 2010 AT 10h00 IN  
THE MAIN COMMITTEE ROOM, CIVIC CENTRE, DUNDEE 3000

ooOoo

**PRESENT:** Mr N Rajkumar, The Chairman  
Mr V Mseleku, Member  
Mr L Steenkamp, Member  
Mr JB Maltman, The Acting Municipal Manager  
Mr I Grisdale, Chief Financial Officer  
Mr S Perumall, Manager Corporate Services

ooOoo

**1. WELCOME**

Mr Maltman welcomed everyone and briefly explained the purpose of the presentation by ESP Consultants who was appointed by Province to assess all municipalities performance assessment.

**2. APOLOGIES**

NONE

**3. PRESENTATION BY ESP CONSULTANTS**

A copy of the presentation is annexed hereto marked Annexure A.

**4. DATES OF FUTURE MEETINGS**

The following dates were proposed for future Audit Committee Meetings to take place:

23 June 2010 Third Quarter PMS (individual)

24 June 2010 Auditor General Report

1<sup>st</sup> Report 2010 issued by Gobodo

Audit Plan 2010 (Presentation by Gobodo)

Draft Fraud Prevention Plan (Presentation by Gobodo)

28 July 2010

Presentation: Revenue Enhancement Strategy

**5. CLOSURE**

There being no further matters to discuss, the meeting was adjourned at 10h55.

Chairperson: .....

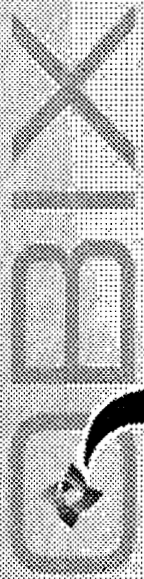
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Department of Co-operative Governance  
and Traditional Affairs

KwaZulu - Natal Provincial Government

**esp**  
ENGINEERING SUPPORT PROJECTS

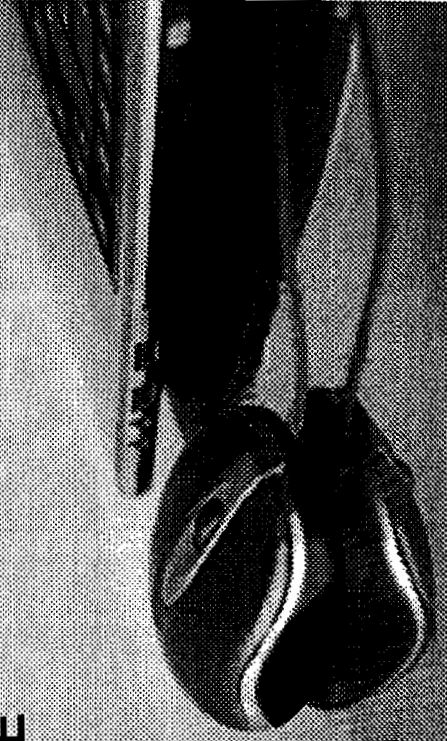


# **MUNICIPAL SUPPORT IN THE IMPLEMENTATION OF ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)**

**ENDUMENI MUNICIPALITY**

**AUDIT COMMITTEE**

**10 JUNE 2010**



1. Introduction
2. Project Objectives
3. Help Desk
4. Reminders for looming deadlines
5. Requirements from municipalities for audit readiness
6. 3 day on-site support
7. Templates Perusal
8. Conclusion

1. **Benchmark OPMS in KZN: legally compliant & best practice.**

- 1.1 Diagnostic Assessment Tool;
- 1.2 Compliance Checklist & Risk Log;
- 1.3 Action Plan & Implementation through spot-checks quarterly;
- 1.4 NQF 6 PMS in Local Government Training;
- 1.5 OPMS Planning:** (provision of templates and guidance/facilitation)
  - Organisational & Departmental Scorecards
- aligned with IDP, SDBIP, Regulated KPI's, Vuna Award KPI's, Cogta KPI's for reporting.



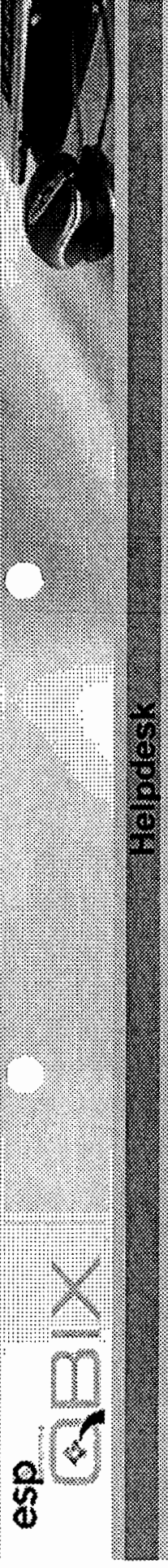
## 1.6 ***OPMS Implementation:*** (templates & provincial reporting)

- Reporting Template aligned to Scorecards: mid-year & APR.
- Mid-Year and End Year Performance reporting for Cogta; datasheets, populated into QBIX system, provincial performance report.

## 1.7 ***DTAC or PMS Forum:*** establishment/attendance/guidance.

## 1.8 ***Audit Readiness***

- AG ito MSA S45(b) provide assessment of controls implemented by municipality to implement & manage its OPMS.
- Compliance Checklist
- Audit Working Paper File Index (2009/2010 & 2010/2011) **POE.**
- Auditor General Checklist



- ❖ A Muni-PMS Call Centre for municipal officials to receive expert advice by email has been established
- ❖ Send your question to [info@espconsulting.co.za](mailto:info@espconsulting.co.za)
- ❖ We will respond by email within 3 days of receiving your question
- ❖ A register of all emails with response times will be maintained and reported on at the quarterly DTAC's
- ❖ A schedule of frequently asked questions (FAQ's) will be circulated at the DTAC's and posted on the Department's website in the future

- ❖ A calendar of key dates that will ensure compliance with the legal prescripts will be distributed shortly.
- ❖ Bulk SMS's/emails will be sent two weeks before the deadline

## Requirements from Municipalities Audit Readiness

No.	Activity	Deadline
1	Internal Audit to complete the Compliance Checklist annually	Before 30 June
2	Copy/ insert relevant information from IDP/ SDBIP into the Organisational Scorecard and ensure completeness	IDP, SDBIP & Budget Process
3	Departmental Managers to copy relevant information for their Departments from the Organisational Scorecard/ IDP/ SDBIP	
4	Insert outputs, performance measures and quarterly targets in Departmental Scorecards	
5	Copy relevant information from Departmental Scorecards onto the Performance Report	
6	Complete and submit DLGTA Datasheet and Statistics: Mid year	11 January
7	Complete actual achievements for Quarter 1 and 2	11 January
8	Complete actual achievements for Quarter 3	15 April
9	Complete actual achievements for Quarter 4	15 July
10	Complete Annual Performance Report	15 August
11	Complete and submit DLGTA Datasheet and Statistics	15 August



Assist with the implementation of Action Plans with OPMS Manager/Champion and Officials

Item	Activity	Responsible Official (s)	No. of Hours
Day 1	Develop organisational scorecards aligned to IDP for 2009/2010 and 2010/2011	MM, S57 Managers, PMS Manager / Champion	8
Day 2	Complete Datasheets for 2008/2009 and at December 2009	S57 Managers, PMS Manager / Champion	4
	Prepare Audit Working Paper File and Portfolios of Evidence	Internal Auditor, S57 Managers, PMS Manager / Champion	4
Day 3	Conduct meeting with Performance Audit Committee and Internal Auditors	Internal Auditor, Performance Audit Committee, PMS Manager / Champion	1
	Implement a Document Management System for Performance Information	PMS Manager / Champion	4
	Verification of OPMS System and obtain examples of reports produced.	IT Manager/Official, PMS Manager / Champion	2
	Obtain sign-off	MM, PMS Manager / Champion	1

1. Compliance Checklist
2. AG Supporting Documentation Required
3. Working Paper File Index

**Endumeni Local Municipality  
Performance Management Systems  
Third Quarter Review – 2009 / 2010**

**1. KEY PERFORMANCE INDICATORS (KPIs) NOT BASED ON "SMART" PRINCIPLE**

***Finding:***

Threat: High

Effort: Medium

*Key performance indicators and key performance targets should be developed according to the "SMART" principle and in a manner that enables ease of review and mapping of evidence to support achievement of such indicators and targets.*

During the detailed testing of the third quarter Performance Management System (PMS) reports at the Endumeni Local Municipality on the 03/05/2010, it was revealed through inspection of the third quarter assessment report of the Section 57 employees that the following KPI's were not based on the SMART principal i.e. the target dates of the KPI's were not defined.

**Chief Financial Officer:**

Key Performance Area	KPI	Target
Sound Management	Monthly meeting of Senior Finance Staff	Minutes

**Manager Technical Services:**

Key Performance Area	Key Performance Indicators	Target
Waste Management	% of households with a weekly refuse removal service	80%
Financial Management	Answer all queries relevant to Department in the report of the AG	100% compliance
	Execution of general financial management responsibilities as per section 78 of the MFMA	Continuous
Sound management	% Of posts that have formal job descriptions	100 %

**Manager: Corporate Services**

Key Performance Area	KPI	Target
Endumeni Libraries	Number of books, magazines and audio visual material issued	12 reports
	Number of educational programmes conducted	6 programmes
Talana museum	Number of visitors recorded	12 reports
	Number of events	3
	Board of trustees meetings held	6

NB: The above will also be for the Municipal Manager since he is evaluated based on the performance of the individual departments.

**Endumeni Local Municipality  
Performance Management Systems  
Third Quarter Review – 2009 / 2010**

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***Implication:***

- Key performance target does not comply with the "SMART" principle;
- It may not be possible to evaluate the evidence supporting the performance target.

***Recommendation:***

- Management should review and revise the KPI and performance targets for the 2009/2010 financial year in compliance with the "SMART" principle, where required;
- These should then be adopted ex-post facto and approved by the Mayor and the Municipal Manager.

***Management Comment: Noted.***

***Action Plan: To be implemented in terms of prior report as at 1 April 2010.***

***Responsible Person: Municipal Manager***

***Implementation Date: 1 April 2010***



**2. MINUTES OF MEETINGS NOT SIGNED**

***Finding:***

Threat: Medium

Effort: Low

*Section 78 (1) (a) of the Municipal Finance Management Act No. 56 of 2003 states inter alia "that senior officials must take reasonable steps to ensure that the system of financial management and internal control is carried out diligently."*

During the detailed testing of the Performance Management System (PMS) at Endumeni Local Municipality on the 09/06/2010, it was noted through inspection of the 3rd quarter PMS report for the Manager: Corporate Services that there were 10 Council and ExCo meetings held for the 3<sup>rd</sup> quarter ending March 2010. Inspection of the minutes of the meetings revealed that it was not signed by the chairperson.

***Implication:***

- The minutes of the meetings may not be valid, accurate and complete.

***Recommendation:***

- Minutes of all meeting should be signed and dated by the chairperson to ensure that the minutes are complete, accurate and valid.

***Management Comment: Noted.***

***Action Plan: All minutes in future to be signed by responsible officials.***

***Responsible Person: Municipal Manager***

***Implementation Date: 1 April 2010***

3. **THIRD QUARTER PERFORMANCE REPORT NOT PREPARED FOR MUNICIPAL MANAGER**

***Finding:***

Threat: High  
Effort: Medium

*Section 28 (1) of the Municipal Performance Regulations states inter alia that "The performance of the employee in relation to his or her performance agreement must be reviewed on with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory.*

During the detailed testing of the Performance Management System (PMS) at Endumeni Local Municipality for the 3rd quarter testing, it was noted through enquiry from Mr JB Maltman that the 3<sup>rd</sup> quarter PMS report for the Municipal Manager was not available as he had resigned effective February 2010.

***Implication:***

- Pro-rata payment of performance bonus may be incomplete, inaccurate and invalid.

***Recommendation:***

- The performance report for the Municipal Manager should be prepared up until the last day of employment at the municipality.

***Management Comment: Noted***

***Action Plan: Request to be made to previous MM to complete report***

***Responsible Person: Municipal Manager***

***Implementation Date: 1 April 2010***



**ENDUMENI LOCAL MUNICIPALITY**

**INTERNAL AUDIT REPORT**

**PERFORMANCE MANAGEMENT SYSTEMS REVIEW**

**JUNE 2010**

**DISTRIBUTION LIST:**

<b>Name of Responsible Personnel</b>	<b>Designation of Responsible Personnel</b>
N. Rajkumar	Chairperson: Audit Committee
D.B. Cebekhulu	Municipal Manager
I. Grisdale	Chief Financial Officer

**GLOBODO**



14 June 2010

The Municipal Manager  
**ENDUMENI LOCAL MUNICIPALITY**  
PO Box 1965  
Dundee  
3000

Dear Sir,

In terms of the Audit Committee meeting that was held in January 2010, it was noted that the Annual Internal Audit Plan for the year ending 30 June 2010 that was presented for approval to the Audit Committee and management be approved at the next Audit Committee meeting to enable the new Audit Committee members to peruse the Audit Plan. The Performance Management Systems review for the third quarter was conducted during May / June 2010.

All the matters raised have been discussed with senior officials and we would like to express our appreciation to the various members of staff who have assisted us in carrying out our work.

It is the responsibility of the Endumeni Local Municipality management to ensure adherence to good corporate governance practices, to assess potential risks within Endumeni Local Municipality's operations and to implement an appropriate system of internal control to address such risks. Furthermore, it is the responsibility of Endumeni Local Municipality management to ensure that there is an effective control system in place to prevent and detect fraud.

The attached report records the result of our Internal Audit findings and possible recommendations on how the controls could be improved to overcome the identified weaknesses. The attached report has been set out in three sections:

- |                  |  |
|------------------|--|
| <b>Section A</b> | An executive summary documenting the mandate, audit objectives, scope of project, audit approach, sources of information, fraud and internal control and risk / threat rating. |
| <b>Section B</b> | Executive summary of detailed findings.  |
| <b>Section C</b> | This contains the detailed findings, recommendations and management comments.  |



This report has been prepared for the sole use of Endumeni Local Municipality's management. We do not accept responsibility to any other party to whom it may be shown or who of their own volition may decide to rely on it. It should be clearly understood by third parties that they enjoy such receipt for information only and that we accept no duty of care to them in respect of this report.

If you have any queries pertaining to the contents of this document, please contact:

**Mahendra Naicker:**

Office: 031 539 4800

Cell: 083 799 1243

E-mail: mahendra.naicker@gobodo.co.za

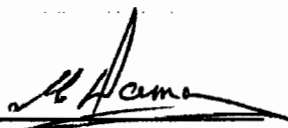
**Ryaan Lahidas:**

Office: 031 539 4800

Cell: 082 563 9344

E-mail: ryaan.lahidas@gobodo.co.za

Yours faithfully,



**Mahendra Dama**

Director

Gobodo Inc.

**ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010**

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**SECTION A**

**1. MANDATE**

In terms of the Audit Committee meeting that was held in January 2010, it was noted that the Annual Internal Audit Plan for the year ending 30 June 2010 that was presented for approval to the Audit Committee and management be approved at the next Audit Committee meeting to enable the new Audit Committee members to peruse the Audit Plan. The Performance Management Systems review for the third quarter was conducted during May / June 2010.

**2. AUDIT OBJECTIVES**

The primary objectives of the review were to assess the adequacy and effectiveness of the Performance Management System for the third quarter of the 2009 / 2010 financial year at the Endumeni Local Municipality's and assess whether they are working as intended.

**3. SCOPE OF PROJECT**

***Business processes:***

**(1) Performance Management Systems (PMS)**

***Sub processes within business processes:***

- Section 57 management contracts, Quarterly internal audit review of Performance Management Systems information.

The fieldwork was conducted from 05 May 2010 to 11 May 2010 and covered the period 01 January 2010 to 31 March 2010. No audit work was performed outside of this audit period (01 January 2010 to 31 March 2010) and subsequently changes to systems/processes have not been audited.

**4. AUDIT APPROACH**

- The audit approach was based on the following key procedures:
- Compliance to Municipal Planning Management Regulations;
- PMS - Section 57 management contracts, quarterly Internal Audit reviews of PMS information;
- Raise findings where control deficiencies were noted;
- Obtain management comments for findings raised;
- Compile Internal Audit report for Performance Management Systems.

**5. SOURCES OF INFORMATION**

Discussions were held with appropriate management. Audit evidence was obtained through observation and inspection of key documents and reports. It should be recognized that controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other personal factors. Control procedures can be circumvented by collusion or by management override.

Our report has been prepared for your information and that of management of the Endumeni Local Municipality. We do not accept responsibility to any other party to whom it may be shown, or who, on their own volition, may decide to rely on it.

#### **6. FRAUD AND INTERNAL CONTROL**

While we have identified certain key controls, internal audit procedures alone, even when carried out with due professional care, do not guarantee that all fraud and errors will be detected. We have ensured that all internal audit work conducted is planned with a reasonable expectation of detecting significant control weaknesses in the specific areas reviewed. However, our reviews and investigations as internal auditors should not be relied upon to disclose all matters of fraud, defalcation or other irregularities which may exist. Management's attention is drawn to the inherent limitations in the reliance on internal controls and procedures mentioned above.

#### **7. RISK / THREAT RATING**

We have assigned potential risks to all of the findings that have been identified during this review. We have rated the risks according to the following ratings:

Key to risk/threat ratings:

- HIGH:** Key exposure identified has a potential for major impact on the municipality and should be resolved as a priority.
- MEDIUM:** Exposure identified is unlikely to have a major impact on the municipality, but should be resolved as soon as possible
- LOW:** Exposure identified does not have a major impact on the municipality, but should be resolved in due course

In assessing the actual or potential impact of our findings, the following factors were considered:

- The financial risk;
- The operational risk;
- The impact on the municipal image;
- The impact on third parties;
- The impact on employee morale.

For further explanation, we define the above-mentioned audit terms as follows:

**Financial** risks are those risks, which have an impact on the reliability and integrity of the financial information and the safeguarding of assets.

**Operational** risks are those risks, which have an impact on the ability to comply with policies, procedures, laws and regulations, achievement of established goals and objectives and the efficiency in the use of the municipality's resources.



**ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010**

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**SECTION B**

**1. EXECUTIVE SUMMARY OF DETAILED FINDINGS**

The following weaknesses were noted:

Process	Ref	Finding		Medium	
Performance Management Systems	1	Key Performance Indicators (KPI's) not based on "SMART" principle	√		
	2	Minutes of meetings not signed	√		
	3	Third quarter performance report not prepared for municipal manager	√		

ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010

SECTION C

1. PERFORMANCE MANAGEMENT SYSTEMS

1. KEY PERFORMANCE INDICATORS (KPIs) NOT BASED ON "SMART" PRINCIPLE

**Finding:**

Threat: High

Effort: Medium

*Key performance indicators and key performance targets should be developed according to the "SMART" principle and in a manner that enables ease of review and mapping of evidence to support achievement of such indicators and targets.*

During the detailed testing of the third quarter Performance Management System (PMS) reports at the Endumeni Local Municipality on the 03/05/2010, it was revealed through inspection of the third quarter assessment report of the Section 57 employees that the following KPI's were not based on the SMART principal i.e. the target dates of the KPI's were not defined.

**Chief Financial Officer:**

Key Performance Area	KPI	Target
Sound Management	Monthly meeting of Senior Finance Staff	Minutes

**Manager Technical Services:**

Key Performance Area	Key Performance Indicators	Target
Waste Management	% of households with a weekly refuse removal service	80%
Financial Management	Answer all queries relevant to Department in the report of the AG	100% compliance
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**Manager: Corporate Services**

Key Performance Area	KPI	Target
Endumeni Libraries	Number of books, magazines and audio visual material issued	12 reports
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NB: The above will also be for the Municipal Manager since he is evaluated based on the performance of the individual departments.

**ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010**

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***Implication:***

- Key performance target does not comply with the "SMART" principle;
- It may not be possible to evaluate the evidence supporting the performance target.

***Recommendation:***

- Management should review and revise the KPI and performance targets for the 2009/2010 financial year in compliance with the "SMART" principle, where required;
- These should then be adopted ex-post facto and approved by the Mayor and the Municipal Manager.

***Management Comment:***

Audit finding noted.

***Action Plan:***

To be implemented in terms of the prior Internal Audit report as at 1 April 2010.

***Responsible Person:***

Municipal Manager

***Implementation Date:***

01 April 2010

**ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010**

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**2. MINUTES OF MEETINGS NOT SIGNED**

***Finding:***

Threat: Medium

Effort: Low

*Section 78 (1) (a) of the Municipal Finance Management Act states inter alia "that senior officials must take reasonable steps to ensure that the system of financial management and internal control is carried out diligently."*

During the detailed testing of the Performance Management System (PMS) at Endumeni Local Municipality on the 09/06/2010, it was noted through inspection of the 3rd quarter PMS report for the Manager: Corporate Services that there were 10 Council and Executive Committee meetings held for the 3<sup>rd</sup> quarter ending March 2010. Inspection of the minutes of the meetings revealed that it was not signed by the chairperson.

***Implication:***

- The minutes of the meetings may not be valid, accurate and complete.

***Recommendation:***

- Minutes of all meeting should be signed and dated by the chairperson to ensure that the minutes are complete, accurate and valid.

***Management Comment:***

Audit finding noted.

***Action Plan:***

All minutes in future to be signed by the responsible officials.

***Responsible Person:***

Municipal Manager

***Implementation Date:***

01 April 2010



ENDUMENI LOCAL MUNICIPALITY  
PERFORMANCE MANAGEMENT SYSTEMS REVIEW  
JUNE 2010

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**3. THIRD QUARTER PERFORMANCE REPORT NOT PREPARED FOR MUNICIPAL MANAGER**

***Finding:***

Threat: High

Effort: Medium

*Section 28 (1) of the Municipal Performance Regulations states inter alia that "The performance of the employee in relation to his or her performance agreement must be reviewed on with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory.*

During the detailed testing of the Performance Management System (PMS) at Endumeni Local Municipality for the 3rd quarter testing, it was noted through enquiry from Mr. JB Maltman that the 3<sup>rd</sup> quarter PMS report for the Municipal Manager was not available as he had resigned effective February 2010.

***Implication:***

- Pro-rata payment of performance bonus may be incomplete, inaccurate and invalid.

***Recommendation:***

- The performance report for the Municipal Manager should be prepared up until the last day of employment at the municipality.

***Management Comment:***

Audit finding noted.

***Action Plan:***

Request to be made to the previous Municipal Manager to complete report

***Responsible Person:***

Municipal Manager

***Implementation Date:***

01 April 2010

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# ***Endumeni Municipal Council***

**AUDIT COMMITTEE**

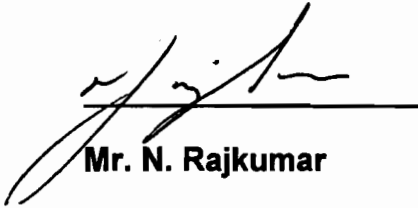
**AGENDA**



**28 JUNE 2010**

**AUDIT COMMITTEE MEETING TO BE HELD ON THE 28 JUNE 2010**

Notice is hereby given in terms of section 166(4) of the Municipal Finance Management Act no.56 of 2003 that an Audit Committee Meeting will be held on Monday the 28 June 2010 commencing at 09:00 am at Endumeni Municipality Main Committee Room.



**Mr. N. Rajkumar**

**Chairperson**

**Date**

**24 June 2010**

**TO:**

**MEMBERS: Mr. N. Rajkumar**

**Mr V Mseleku**

**Mr L Steenkamp**

**Chairman: Audit Committee**

**Audit Committee Member**

**Audit Committee Member**

**OFFICIALS: Mr JB Matlman**

**Mr I Grisdale**

**Mr S Perumall**

**Mr R Lahidas**

**Acting Municipal Manager**

**Chief Financial Officer**

**Manager Corporate Services**

**Gobodo Inc.**

1. **OPENING/WELCOME (Mr. Rajkumar)**
2. **NOTICE OF MEETING**
3. **APPLICATION FOR LEAVE OF ABSENCE /APOLOGIES**
4. **OFFICIAL ANNOUNCEMENTS**
5. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**  
That the Minutes of the Audit Committee Meeting held on the 23<sup>rd</sup> of June 2010 attached as Annexure "A" to the Agenda be approved as a true reflection of proceedings.  
  
**For Consideration**
6. **STATUTORY APPOINTMENTS and ELECTIONS**  
Nil
7. **QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN**
8. **MATTERS ADJOURNED FROM PREVIOUS MEETING, INCLUDING MATTERS TO BE RE-CONSIDERED (Motions) EXCLUDING DEFERRED MOTIONS**  
Nil
9. **PECUNIARY INTEREST (To be by Officials)**
10. **DETERMINATION OF AGENDA (Sequence of discussion of agenda items)**  
  
As presented on the agenda.

#### **MATTERS TO BE DISCUSSED**

##### **AC 5(1)**

**MANAGEMENT LETTER AND REPORT OF THE AUDITOR GENERAL  
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009**

**REPORT: CHIEF FINANCIAL OFFICER**

**The management letter (Annexure "B") and the report of the Auditor General (Annexure "C") for the financial year ending 30 June 2009 are attached.**

**The Chief Financial Officer's response to the audit report is also attached (Annexure "D").**

**AC 5(2)**

**RISK MANAGEMENT POLICY**

**REPORT: CHIEF FINANCIAL OFFICER**

**Attached is a draft Risk Management Report for perusal and approval (Annexure "E")**

**AC 5(3)**

**FRAUD PREVENTION STRATEGY AND PLAN**

**REPORT: CHIEF FINANCIAL OFFICER**

**Attached is a draft Fraud Prevention Strategy and Plan for perusal and approval (Annexure "F").**



**AC 5(4)**

**AUDIT COMMITTEE CHARTER AND CODE OF GOOD PRACTISE FOR  
AUDIT COMMITTEE MEMBERS**

**Attached is the draft Audit Committee Charter and Code of Good  
Practise for Audit Committee Members for approval (Annexure "G").**

**AC 5(5)**

**INTERNAL AUDIT CHARTER**

**Attached is the draft Internal Audit Charter for approval  
(Annexure "H").**