

(9a)

5 Endumeni Municipality Audit Committee

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY, 29 JULY 2010 AT
10h00 IN THE MAIN COMMITTEE ROOM, CIVIC CENTRE, DUNDEE 3000

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PRESENT: Mr N Rajkumar, The Chairman
Mr V Mseleku, Member
Mr L Steenkamp, Member
Mr I Gridale, Chief Financial Officer
Mr S Perumall, Manager: Corporate Services
Mr A Naidoo, Gobodo Incorporated

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1. OPENING

Mr N Rajkumar, the Chairman welcomed everyone. Mr Steenkamp opened the meeting with prayer.

2. NOTICE OF MEETING

Mr N Rajkumar, read the Notice of the Meeting aloud.

3. APPLICATION FOR LEAVE OF ABSENCE / APOLOGIES

Mr Maltman who is on leave. Mr Ryaan Lahldas, Gobodo Inc.

4. OFFICIAL ANNOUNCEMENTS

None

5. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the meeting held on the 28th of June 2010 and attached to the Agenda as Annexure A was approved.

A verbal report was given by the Chief Financial Officer regarding the progress on item AC 5(6) A - D:

A. MUNICIPAL AND FINANCIAL ADMINISTRATION SERVICES

Appointed to identify possible ghost workers. Relevant information was forwarded to the service provider. Once Progress Plan is done a further report back can be given.

B. INNOVATIVE GOVERNMENT SOLUTIONS

Appointed to identify revenue enhancement opportunities. Service Provider has visited municipality and spoken to all relevant staff members. Analysis of debtors are being done etc. Presentation to be done to Audit Committee at a later stage.

C. COMMUNICATION STRATEGY PROPOSAL

The communication strategy was done and approved by Council.

D. RECOVERY OF MONIES OWED

Mr Grisdale, the Chief Financial Officer met with the district municipality and PWC. Relevant information with Umzinyathi (in the form of agreements etc.). Further discussion set to take place.

The Chief Financial Officer is to keep the Audit Committee informed of progress and a letter of agreement regarding the monies owed is to be signed by 31 August 2010.

6. STATUTORY APPOINTMENTS AND ELECTIONS

Nil

7. QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

None

8. MATTERS ADJOURNED FROM PREVIOUS MEETING, INCLUDING MATTERS TO BE RE-CONSIDERED (MOTIONS) EXCLUDING DEFERRED MOTIONS

Nil

9. PECUNIARY INTEREST

Mr Grisdale informed the members that a new Disclosure of Interest document is to be drawn up to include the members of the Audit Committee, All Staff Members and Councillors. Mr Perumall to draw document.

10. DETERMINATION OF AGENDA

AC 6(1)

INTERNAL AUDIT PLAN 2010/2011

The Chief Financial Officer commented on the comprehensiveness of the audit plan and agreed that everything is in order. Mr Perumall requested that the 2nd visit be scheduled for early February 2011.

The Audit Committee Members further requested that the Risk Management section must be added to the plan.

The Committee therefore notes and approves the Internal Audit Plan for 2010/2011, subject to changes to be made.

AC 6(2)

EXTRACTS OF MINUTES OF AUDIT COMMITTEE 29/07/2010
(copy annexed)

1. CLEAN AUDIT

Request made that Gobodo submits a report regarding an independent perspective of the public's view regarding Endumeni. The ructions surrounding heritage day that was well published - Gobodo to follow up whether the correct SCM procedures were in place etc.

2. AUDIT FINDINGS - GOBODO

Report to be finalised.

3. VISIT 2

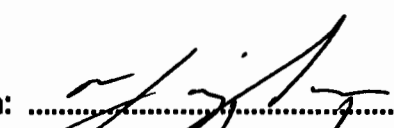
Report still outstanding, to be dealt with when submitted.

4. COMMENTS REQUESTED ON ITEMS (a) - (g)

- a) Adjustments done for year ended 30 June 2010. Planned to present Audit Committee with Financial Statements in the week of 23 August 2010;
- b) Firm appointed, presentation to be given regarding status quo and strategy;
- c) Monthly Management Accounts - ito the MFMA it is not required to submit to Council. In future the schedule submitted to National Treasury (Sec 71 Report) will be submitted to Council.
- d) GRAP - training took place. Skills & knowledge obtained for staff to perform functions required of them at this stage in the process. Further training to take place.
- e) Management Meetings to be set up - Mr Maltman to establish dates.
- f) Fraud Committee & Risk Committee to be established - part of internal audit plan. Item must be submitted to Council to establish committee.
- g) Letter from audit committee dated 19th of May 2010 - no response. Copy to be given to Surina for distribution to management.

11. CLOSURE

There being no further items to discuss, the Chairman declared the meeting closed at 10h30.

Chairperson: 

Date: 04/08/2010

EXTRACTS OF MINUTES OF AUDIT COMMITTEE - 29/07/2010

- 1) That for the purpose of a clean Audit for 2009/10 the internal auditors scrutinise all relevant news paper articles published in the local news paper pertaining to ELM as from 01/07/2009 to 30/06/2010. The findings of the internal auditors to be e-mailed to CFO, Acting MM and Audit Committee.
- 2) No response received from CFO relating to Audit findings.
- CFO did promise such findings to be discussed and finalised in first week of July 2010.
- 3) E-mails received from Gobodo Inc. stating that management comments not yet received for visit 1 and 2
- 4) CFO and Acting MM to report to audit committee on the following:
 - a) Progress of final adjustments for year ended 30/06/2010.
 - b) Whether recoverability plan towards debt collection is in place and progress thereof
 - c) Whether council has approved the drawing up of the monthly Management Accounts, that which must be discussed at monthly meetings together with monthly forecasts.
 - d) Feedback on effectiveness of GRAP training - are staff well conversant on GRAP
 - e) No date has yet been set by S57 Managers to discuss internal control processes.
* Please note this is the 3rd request.
 - f) Establishment of risk committee and fraud committee.
 - g) Response to letter from audit committee, dated 19/05/2010.



RAJKUMAR - SAIPA {SA}
CHAIRPERSON - AUDIT COMMITTEE