

# Endumeni Municipality

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON MONDAY, 20 JULY 2009 AT 09h00  
IN THE SMALL COMMITTEE ROOM, CIVIC CENTRE, DUNDEE 3000

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PRESENT: Mr MS Ismail, The Chairman  
Mr DAD Wade, Member  
Mr V Mseleku, Member  
Mr BD Cebekhulu, The Municipal Manager  
Mr JB Maltman, Manager Technical Services

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1. OPENING

The Chairman, Mr MS Ismail, welcomed everyone present.

2. APOLOGIES

Mr I Grisdale, The Chief Financial Officer and Mr S Perumall, Manager Corporate Services, who are both on leave.

3. ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM  
2009/2010

IT WAS RESOLVED THAT

1. The departmental scorecards of the Manager Corporate Services, The Chief Financial Officer and the Manager Technical Services be noted by the Endumeni Audit Committee in terms of the Endumeni Organisational framework for the period 1 July 2009 to 30 June 2010;
2. The Endumeni Organisational Scorecard be noted by the Endumeni Audit Committee in terms of the Endumeni Organisational framework for the period 1 July 2009 to 30 June 2010;
3. The performance agreements and performance plans in respect of The Municipal Manager, Manager Corporate Services, Chief Financial Officer and Manager Technical Services for the fiscal year 2009/2010 be noted by the Endumeni Audit Committee.

4. MATTERS ARISING

I. GOBODO INC. - INTERNAL AUDITORS

Mr Ismail has spoken to Mr Ryaan Lahidas from Gobodo and was informed that the Internal Audit Plan for Endumeni Municipality needs to be approved by the Audit Committee and then by Council before Gobodo can proceed.

Mr Ismail requested that this item be added to the Agenda of the Audit Committee Meeting scheduled to take place on Wednesday 29 July 2009 and that Mr Lahidas from Gobodo be invited to attend.

II. AUDITOR GENERAL VISIT

Mr Ismail has spoken to a member of the Auditor General's Office who informed him that the Audit Committee needs to invite the Auditor General to conduct an audit on the activities of the Audit Committee.

Mr Ismail requested that this item be added to the Agenda of the Audit Committee Meeting scheduled to take place on Wednesday 29 July 2009. Upon scrutinising the Audit Plan, the committee will then enquire from the Internal Auditors when they envisaged the Audit Committee should invite the Auditor General to conduct their audit.

5. CLOSURE

There being no further matters to discuss, the meeting was adjourned at 10h10.

Chairperson: *Mahmud A. Harisi* .....

Date: *21 July 2009* .....

**MINUTES OF AN AUDIT COMMITTEE MEETING HELD IN THE SMALL COMMITTEE  
ROOM, CIVIC CENTRE,  
VICTORIA STREET, DUNDEE, 2ND APRIL 2009 AT 15:00**

**PRESENT:**

Chairman	-	Mr. M S Ismail
Member	-	Mr. V Mseleku
Member	-	Mr. D A D Wade
Municipal Manager	-	Mr. BD Cebekhulu
Manager Finance Services	-	Mr. I Gridale
Manager Corporate Services	-	Mr. S Penning

**1. OPENING**

The Chairperson, Mr. Ismail, welcomed everybody present.

**2. APOLOGIES**

Manager Technical Services – Mr. Maltman

**3. AUDIT COMMITTEE FUNCTIONS**

The Audit Committee has resolved to approach council on several serious matters relating to the MFMA and matters of governance. Council is to be informed that in terms of several meetings with council the audit committee made several requests which council has not responded to.

Kindly note that in terms the MFMA section 166 (2) the audit committee has several responsibilities. Council needs to address these matters.

- (a) We require that at least four meetings be convened within each financial year
- (b) Quarterly reports by the managers have to be tabled at these meetings
- (c) Quarterly reports on performance management needs to be implemented
- (d) The financial officer must inform the Audit Committee of any serious factors which can affect the municipality.
- (e) A secretariat must be appointed to take minutes and liaise with the audit committee on administrative work.
- (f) Remuneration in terms of the National Treasury Regulation 20. 2. 2 is R 2484 for the chairperson and R 1508 per each member. This excludes disbursements.
- (g) The municipal manager agenda, monthly reports and resolutions to be tabled must be sent at the same time as council receives them.
- (h) Attached please find an example of the audit committee planner as requested by treasury.
- (i) In terms of legislation the municipality is requested to urgently form an oversight committee.

**4. CLOSURE**

There being no further business to discuss. The meeting is adjourned at 16:15.

CHAIRMAN: .....

*M S Ismail*

DATE: .....

*9 April 2009*

# Example Audit Committee Meeting Planner

This audit committee meeting planner can be used to maintain regular ongoing contact with internal and external auditors, to coordinate activities related to overall expectations. This planner provides an example of the format that may be used to coordinate communications and may be modified for each audit committee to include applicable activities.

Frequency: Q-Quarterly, AN-Necessary	Frequency			Planned Timing			
	A	Q	AN	Q1	Q2	Q3	Q4
<b>Financial Management</b>							
Agreement on responsibilities, expectations, and needs	X						
Annual Report on Form 10-K [10-KSB] and proxy statement	X						
Quarterly Reports on Form 10-Q		X					
Assessment of internal control	X						
Now accounting and financial reporting requirements	X						
Status of critical accounting policies	X						
Status of significant accounting estimates and judgments (e.g., reserves) and special issues (e.g., major transactions, related party transactions, accounting changes)			X				
Executive session with management			X				
Other matters (e.g., adequacy of staffing)			X				
<b>Independent Auditors</b>							
Agreement on responsibilities, expectations and needs	X						
Client service team and expertise	X						
Engagement letter	X						
Results of interim reviews and annual audit	X						
Determination that audit fees are sufficient to perform a quality audit	X						
Pre approval of nonaudit services exceeding the agreed upon threshold			X				
Results of annual audits (including required communications)	X						
Results of timely quarterly reviews (including required communications)*		X					
Report on internal control weaknesses and other recommendations and management responses	X						
Required written communication and discussion of independence	X						
Current developments in accounting principles, auditing standards, independence standards, or reporting practices			X				
Executive session with independent auditors			X				
Areas requiring special attention			X				
Results of special work or procedures			X				
Other matters (e.g., adequacy of financial staff)			X				

\* Note that the chair of the audit committee may represent the entire committee in order to facilitate conducting these reviews on a timely basis

A - Annually, Q - Quarterly, AN - As Necessary	Frequency			Planned Timing			
	2008	2009	2010	2008	2009	2010	2011
<b>Internal Auditor</b>							
Agreement on responsibilities, expectations, and needs	X						
Resources and expertise	X						
Review of internal audit charter	X						
Scope of internal audit plan for upcoming year	X						
Internal auditing costs (budget/actual)	X						
Coordination with independent auditors	X						
Fraud, errors, and illegal acts				X			
Compliance review: business conduct policy	X						
Compliance review: director and executive officer perquisites and expenses	X						
Summary of significant audit findings and status update relative to annual plan		X					
Executive session with director of internal auditing				X			
<b>Other Members of Management</b>							
Information systems matters (IT Director)				X			
Tax matters (Tax Director)				X			
Others				X			
<b>Audit Committee</b>							
Report results of annual independent audit to the board	X						
Recommend to the board the appointment of independent auditors	X						
Review annual proxy statement audit committee report and charter	X						
Evaluate audit committee effectiveness (i.e., self-assessment)	X						
Reassess the adequacy of the audit committee charter and obtain board approval	X						
Approve audit committee meeting planner for the upcoming year and confirm mutual expectations with management and the auditors	X						
Evaluate performance of internal audit	X						
Approve minutes of previous meeting		X					
Re: significant matters to the board		X					
Executive session of committee members				X			
Orientation of new members and continuing education (e.g., current accounting, and financial topics)				X			
Other matters				X			

The audit committee meeting planner contemplates audit committee chair leadership (with input from management and the auditors) in developing a detailed agenda for each meeting and keeping lines of communications open among the board, auditors, and the committee members.

# ENDUMENI MUNICIPALITY - AITHE DANCE REGISTER

**Meeting:** August Comm Meet: Organizational AMS **Date:** 20/07/2009 **Time:** 09h00

Initial & Surname	Organization	Physical Address	Tel No.	Fax No.	Signature
1. M.S. /SMAE	FRUIT COMPANY	47 GARDNER STREET BUNDE	082310098	0342125300	<i>[Signature]</i>
2. D.B. /P.D.P.	"	Jimmy Koshi Street	034-2124171		<i>[Signature]</i>
3.					
4. B.D. /C.B.C.H.I.L.U	EMBROIDERY MUM	64 VICTORIA ST	0793404798	034-2125856	<i>[Signature]</i>
5. T.D. /M.A.T.I.S.A	2000 WINDY MOUNTAIN	64 VICTORIA ST	0825807827	034-2122709	<i>[Signature]</i>
6. V.M. /M.S.I.C.A	1000 WINDY MOUNTAIN	100 Victoria St. Bunde	0792584322		<i>[Signature]</i>
7. S.C. /V.I.C.	64 VICTORIA STREET	64 Victoria Street			<i>[Signature]</i>
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Approved for Payment: *[Signature]*  
 20/07/2009 *[Signature]*