

Endumeni Municipality

Audit Committee

**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON MONDAY, 28 JUNE 2010 AT 09h00
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 JB Maltman, The Acting Municipal Manager
Mr I Grisdale, Chief Financial Officer
Mr S Perumall, Manager: Corporate Services

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1. OPENING

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

2. NOTICE OF MEETING

Mr JB Maltman, read the Notice of the Meeting aloud.

3. APPLICATION FOR LEAVE OF ABSENCE / APOLOGIES

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

4. OFFICIAL ANNOUNCEMENTS

Auditor General was invited to today's meeting.

5. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the meeting held on the 23rd of June 2010 and attached to the Agenda as Annexure A was approved.

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

None

10. DETERMINATION OF AGENDA

AC 5(1)

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

That the Audit Committee notes the Management Letter and Report of the Auditor General for the Financial Year ending 30 June 2009 as well as the response of the Chief Financial Officer to this report.

A discussion regarding the audit findings will be set-up to be done at a later stage.

AC 5(2)

RISK MANAGEMENT POLICY

It be noted by the Committee that the Policy was circulated to the Internal Audit Unit, Gobodo and that to date no comments were received, the assumption then being made that they are satisfied.

That the Audit Committee notes and approves the Risk Management Policy and recommends that Council adopts it.

AC 5(3)

FRAUD PREVENTION STRATEGY AND PLAN

Whistle Blowing Policy to be attached to Plan. Copies to be circulated to all staff members.

It be noted by the Committee that the Policy was circulated to the Internal Audit Unit, Gobodo and that to date no comments were received, the assumption then being made that they are satisfied.

That the Audit Committee notes and approves the Fraud Prevention Strategy and Plan and recommends that Council adopts it.

AC 5(4)

AUDIT COMMITTEE CHARTER AND CODE OF GOOD PRACTICE FOR AUDIT COMMITTEE MEMBERS

That the Audit Committee Charter and Code of Good Practise for the Audit Committee Members be noted and approved and it be recommended that Council adopts it. The signing of this charter to take place after close of this meeting.

AC 5(5)

INTERNAL AUDIT CHARTER

That the Internal Audit Charter be noted and approved and it be recommended that Council adopts it. The signing of this charter to take place after close of this meeting.

AC 5(6)

UNSPENT GRANTS – APPOINTMENT OF COMPANIES IN TERMS OF SECTION 35 OF COUNCIL'S SUPPLY CHAIN MANAGEMENT POLICY

It be noted that Mr JB Maltman was appointed to act as Municipal Manager as from 31 May 2010. After appointment he requested the Chief Financial Officer, Mr I Gridale to submit details regarding the unspent grant money that was to be returned to National Government if not utilised by 30 June 2010.

To aver such a situation, 3 companies were appointed by the Acting Municipal Manager in terms of Section 35 of Council's Supply Chain Management Policy.

A. MUNICIPAL AND FINANCIAL ADMINISTRATION SERVICES

Appointed with grant money received from the Municipal Finance Management Grant to identify possible ghost employees and the identification of councillors and employees whose accounts are in arrears, to the amount of R62,200.00 including disbursements but excluding vat.

B. INNOVATIVE GOVERNMENT SOLUTIONS

Appointed with grant money received from the Municipal Finance Management Grant to identify revenue enhancement opportunities and deciding on optimal solutions, to the amount of R191,251.00 (including vat and disbursements).

C. COMMUNICATION STRATEGY PROPOSAL

Appointed with money received from Provincial Government to develop communication and ward committees to develop a communication strategy, to the amount of R60,000.00 including vat and disbursements).

D. RECOVERY OF MONIES OWED

The Acting Municipal Manager further reported that a proposal from PriceWaterHouseCoopers PTY LTD would be received prior to the end of the fiscal year for the recovery of R21 million for the Umzinyathi District Municipality / Uthukela water and the audit committee supports the appointment of said

service provider and the foregoing appointment be reported to the Endumeni Municipality in terms of the Supply Chain Management Policy. Cost related thereto will be apportioned from National Grants received.

The Audit Committee are to be kept up to date with progress made by these companies.

It be further noted, that Council has on previous occasions dealt with these reputable companies and their work are of excellent standard. The Audit Committee after considering the report of the Acting Municipal Manager pertaining the appointment of the above service providers support said appointments and recommends the Endumeni Municipality note such appointments in terms of the Supply Chain Management Policy.

11. CLOSURE

There being no further items to discuss, the Chairman declared the meeting closed at 09h45.

Chairperson: 

Date: 28/06/2010

