



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Minutes of meeting

Name of meeting: Audit Steering Committee Meeting

Date: 06 December 2018

Venue: Matjhabeng Local Municipality

Points of discussion	Person responsible
1. Opening and welcome Mr Panyani (CFO) commenced the meeting at 10:15am and welcomed everyone present to the meeting	Chairperson
2. Presence and Apologies The following apologies were noted: <ul style="list-style-type: none">- Mr Tsoaeli T- Ms Masheane D- Ms Mochochoko- Mr Makofane- Ms Tindleni- Mr Mbandazayo L Please refer to the attendance register for the list of attendees.	AGSA/ Matjhabeng
3. Adoption of Agenda The agenda was amended to include a point of discussion on the status of records (Draft Management Letter) It was then concluded that the agenda be adopted with the following amendment: <ul style="list-style-type: none">• Agenda point number 5.2 draft management letter	AGSA/ Matjhabeng
4. Minutes of previous meeting Due to the strike that took place, the minutes of the previous meeting were not adopted as most of the audit steering committee members were not present	AGSA/ Matjhabeng
5. 5.1 Communications of audit findings register	AGSA/ Matjhabeng

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<p>Mr Mohorosi mentioned that currently, no communication of audit findings is overdue. He mentioned that there are three that were issued but not due because management requested an extension due to the strike that took place. Also there are findings that were not resolved. Management stated that they will only be able to respond once they have access to the premises. He advised management to look at those respective findings. The total number of the findings issued is 125.</p> <p>The CFO asked that Matjhabeng management look at those audit findings that they haven't responded to due to the strike that took place.</p> <p>Mr Paradzai requested to sit with the Auditor General to discuss some audit findings, he mentioned they need clarity on some findings.</p> <p>Mr Khangale mentioned that the other audit findings could only be responded to and concluded on once we had access to Solar System and municipal documents.</p> <p>The CFO requested that the Auditor General and Matjhabeng management remain behind after the meeting in order to look at the audit findings that have not been resolved.</p> <p>The CFO asked if there will still be audit findings to be issued.</p> <p>Mr Khangale explained that the team was almost done with the execution phase of the audit before the strike took place and if there are any findings that the audit team identifies they will be communicated and discussed with management. He also mentioned that the findings may not necessarily lead to adjustments to the financial statements.</p> <h2>5.2 Discussion of draft management letter</h2> <p>Mr Khangale explained to management that it is important to know how far they are with the necessary adjustments that need to be done in order for a management representation letter to be updated.</p> <p>The CFO answered that management can only be able to give the adjusted financial statements once they are certain that no audit findings will still be issued.</p> <p>Mr Khangale proposed the 12th of December 2018 for draft management letter and the draft audit report for second week of January 2019. He mentioned that the audit report should be signed by 18 January 2019. The dates were agreed to.</p> <p>Mr Khangale also mentioned that the audit team will be in Welkom starting from the week of 10 December 2018.</p>	

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<p>6. Standing matters</p> <p>6.1 Fraud considerations</p> <p>Mr Mbebe requested that if anyone is aware or becomes aware of any instances of fraud or fraud indicators, they should not hesitate to make the senior audit team members aware</p> <p>6.2 Independence of the engagement team/auditee</p> <p>Mr Mbebe indicated that if management has concerns with the independence of the engagement team they can notify the senior management of the engagement team.</p> <p>6.3 Related party transactions</p> <p>Mr Mbebe indicated that if anyone is aware of related party transactions that were not disclosed in the annual financial statements, they are also urged to make the audit team aware</p> <p>6.4 Audit fees</p> <p>Mr Mbebe indicated that the outstanding audit fee is R8 million</p> <p>The CFO mentioned that they are in a process of paying third parties. The Auditor General will be paid after payments have been made to the third parties.</p>	
<p>7. Closure</p> <p>The chairperson then closed the meeting at 10:31 AM.</p>	

Signatures:

Chairperson

Date

Secretary

Date

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