

SWARTLAND MUNICIPALITY

Report of the **Financial** Audit Committee for the period ended 30 June 2011

The audit committee has pleasure in submitting this report, as required by section 166 of the Municipal Finance Management Act (MFMA) Act No 56 of 2003.

1. Functions of the audit committee

The audit committee has discharged its functions as follows:

- 1.1 Reviewed the year-end financial statements and reports as at 30 June 2011, culminating in recommendations to Council

In the course of its review the committee:

- (a) took appropriate steps to ensure that the financial statements are prepared in accordance with generally recognized accounting practice prescribed in terms of section 91(1)(b) of the Public Finance Management Act.

Considered;

- (a) when appropriate, made recommendations on internal financial controls and internal audit;
- (b) the adequacy, reliability and accuracy of financial reporting and information;
- (c) performance management.

Dealt with concerns and or complaints relating to:

- (a) accounting policies;
- (b) the auditing or content of annual financial statements;
- (c) internal financial controls.

- 1.2 Reviewed the external audit report by the Auditor-General on the annual financial statements;
- 1.3 Reviewed the risk management reports, and where relevant, made recommendations to Council;
- 1.4 Considered and discussed the effectiveness of risk management, controls and the governance processes;
- 1.5 Verified the independence of the external auditors;

1.6 Approved the audit fees, after negotiations for a lower rate and engagement terms of the external auditors.

2. Members of the audit committee

2.1 The members of the audit committee comprise three independent persons, duly appointed in terms of section 166(4) of the MFMA Act, being Mr JM Becker, Mr CB de Jager, Me F Allie and Mr J Scholtz (Municipal Manager) acting in his official capacity as an fourth member.

2.2 The audit committee has at all times acted in an independent manner.

3. Frequency of meetings

The audit committee met four times during the financial year under review.

29 July 2010

4 November 2010

1 March 2011

13 May 2011

4. Attendance

The External auditors attended and reported to the meeting of the audit Committee. Relevant Senior managers and Council members attended meetings on invitation.



JM Becker

Chairman

31 January 2012