

Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 30 June 2017.

Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of the members listed below, who are required to meet a minimum of 4 times per annum as per its approved terms of reference. During the current financial year the committee of JPC met 7 times.

Name of Member	Meetings Attended
Non-Executive Directors	
Mr. L Mabuza - Chairperson (appointed - 16/03/2017)	7
Prof. A Karam - (appointed - 16/03/2017)	2
Ms. M Mojapelo - (appointed - 16/03/2017)	1
Adv. M Mogale - (retired - 16/03/2017)	4
Mr. M Rabodila - (retired - 16/03/2017)	4
Independent Members	
Mr. V Mokwena	6
Mr. G Mufana	7
Mr. Y Gordhan - (retired - 16/03/2017)	4

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 166(2) (a) of the MFMA.

The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The system of internal controls applied by the company over financial and risk management are satisfactory. In line with the MFMA and the King Code on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are satisfactory. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported (besides the matters highlighted by the Auditor-General) that indicate any material deficiencies in the system of internal control or any deviations there from.

Quarterly Reporting

The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the management of the company during the year under review.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor-General recommendations;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes, if any, in accounting policies and practices;
- reviewed the entity compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs with and accept the Auditor-General of South Africa's report on the financial statements, and is of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.