

Audit Committee Briefing Document
Standing Committee on Public Accounts

The Western Cape

Gambling and Racing Board

2017/18 Financial Year

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY.....	3
1.1 Introduction.....	3
1.2 Governance Arrangements	3
1.3 Our responsibilities	3
2. OVERVIEW OF AUDIT COMMITTEE ACTIVITIES.....	4
2.1 Annual Financial Statements.....	4
2.2 Accounting Policies	4
2.3 AGSA Audit Report.....	4
2.4 Internal Control	4
2.5 Internal Audit.....	4
2.6 Enterprise Risk Management	4
2.7 In-year Reports	4
2.8 Pre-determined objectives.....	5
3. CONCLUSION.....	6
3.1 General	6
3.2 Conclusion	6

1. EXECUTIVE SUMMARY

1.1 Introduction

The role of the Audit Committee is to ensure that the entity complies with best practice governance principles, complies with accounting and audit standards and monitors that appropriate risk management processes are in place.

In addition, the Audit Committee has oversight over the adequacy and reliability of the financial information provided to users of such information.

The Audit Committee is committed to assist management in discharging its responsibilities by exercising oversight over management in respect of management's system of control to safeguard its assets, operate adequate systems and controls and prepare Annual Financial Statements by:

- Improving communication between management, internal and external auditors.
- Increasing accountability by reviewing the performance of internal and external auditors.
- Strengthening the objectivity and credibility of financial reporting, and
- Supporting Internal Audit who is an important assurance provider to management and the Audit Committee.

1.2 Governance Arrangements

The Audit Committee consists of three independent members. It convenes at least quarterly, and additional meetings are convened as may be required.

All meetings for the year under review were quorate.

1.3 Our responsibilities

The Audit Committee reports that it has complied with its responsibilities arising from section 51(1)(a) of the Public Finance Management Act (PFMA) and Treasury Regulations 27.1.8.27.1.10 and 27.1.12 and functioned effectively for the year under review.

As reported in the Annual Report, the Audit Committee has adopted appropriate formal Terms of Reference as the Audit Committee charter, which has been reviewed and approved by the Board.

We have regulated our affairs in compliance with this charter, and we have discharged our responsibilities as contained therein.

2. OVERVIEW OF AUDIT COMMITTEE ACTIVITIES

2.1 *Annual Financial Statements*

The committee has reviewed the financial statements, which was tabled together with the auditor's report thereon.

There are no significant matters to highlight.

2.2 *Accounting Policies*

There were no significant changes to the accounting policies.

2.3 *AGSA Audit Report*

The Audit Committee has discussed the Audit Report and Management Report with the Auditor-General and Management; and has noted Managements' responses.

Other than the matters raised by the AGSA in their brief, there are no other significant matters to report on.

2.4 *Internal Control*

The committee deliberated the findings on control weaknesses highlighted by the Auditor-General with management.

The committee also regularly receives reports on control weaknesses from internal audit based on risks identified by management.

Any significant weaknesses reported by internal audit are highlighted in our annual audit committee report. There were no significant weaknesses reported during the year.

The status of implementation on corrective actions is a standing item on The Audit Committee agenda, and as such the committee reviews progress on a quarterly basis.

2.5 *Internal Audit*

This is an outsourced resource. We are satisfied that the internal auditors covered all high risks identified. (please find their report attached ANNEXURE A)

2.6 *Enterprise Risk Management*

Management has implemented ERM which we review quarterly. We find the processes to have operated effectively throughout the year. This is a living document and evolves continuously.

2.7 *In-year Reports*

The Audit Committee is satisfied with the content and quality of quarterly reports (IYMs and QPRs) prepared and issued during the year under review.

2.8 *Pre-determined objectives*

The Audit Committee notes that there were no significant findings raised by the Auditor-General on predetermined objectives. However, we will continue to exercise our quarterly oversight on the QPRs.

3. CONCLUSION

3.1 General

The Audit Committee continues to meet annually with the Board to discuss progress with the oversight role of the audit committee and any other matters deemed appropriate.

The Audit Committee recognises the need to promote sound relationships between all the assurance providers and management.

The Audit Committee regularly engages with internal audit, AGSA top management and any other key role players with a view to resolving any issues that may arise, to encourage proactive problem resolution and to promote combined assurance.

3.2 Conclusion

The Audit Committee noted the commitment of the Board and its team to address the control deficiencies to continue to achieve a clean audit in this Board.

Audit Committee members will continue to be available to provide support and guidance to the Board and the management team.

Thank you.

In attendance:



Guy Harris (Audit Committee Chair)

03 October 2018