

### Main resolutions or matters recommended to Council for approval

1. At its meeting on 1 March 2017, the Committee:
  - a. Considered a report on student debt and the status of debt collection to 31 December 2016;
  - b. Considered the proposed charter for the Finance Committee, noting that the remuneration aspect of the existing committee would move to the Human Resources Committee;
  - c. Requested changes to the format of the Management Accounts report;
  - d. Requested Management to provide reports on supply chain management, third-stream income, contracts management, maintenance projects, and alignment of the budget with university strategy.
2. At its special meeting on 17 March 2017, the Committee:
  - a. Recommended the charter of the Finance Committee to Council for approval;
  - b. Considered the proposed Budget Policy and the proposed Supply Chain Management Policy, to replace the existing Tender Policy.
3. At its meeting on 30 May 2017, the Committee:
  - a. Requested amendments to the format of the Management Accounts report;
  - b. Requested changes to the format of the Annual Procurement Plan;
  - c. Made recommendations regarding Council's role in the university's annual strategic planning processes.
4. At a joint meeting with the Audit and Risk Committee on 27 June 2017, the Committee:
  - a. Recommended that the Annual Report for 2016 be presented to Council for approval.
5. At its meeting on 6 September 2017, the Committee:
  - a. Expressed concern at the unavailability of the Contracts Management report;
  - b. Resolved that a workshop should be convened to finalise the alignment of the budget with the strategy;
  - c. Noted that the university had received R77-million in grants from the DHET and recommended the Management Accounts, subject to some changes, for consideration by Council;
  - d. Supported Management's submission on the delegation of authority for endorsement by Council.
6. At its meeting on 28 November 2017, the Committee (now the Finance and Investment Committee):
  - a. Noted the Acting Vice-Chancellor's report on a successful alumni roadshow;
  - b. Resolved that Management should create a register of all existing contracts, indicating the expenditure;
  - c. Recommended the Supply Chain Management Policy for approval by Council, with Council approval required for any tenders above a threshold of R15-million;
  - d. Recommended the 2018 Budget for consideration and approval by Council, including an 8 percent increase in tuition and accommodation fees and a 7,5 percent staff increment;
  - e. Approved the Management Accounts to 30 September for forwarding to Council for consideration and noting;
  - f. Approved a list of mandated reports from the Committee, with amendments, for submission to Council for its consideration.

### 3.3.2.2 Audit and Risk Committee (Audit, Risk and Compliance Committee)

The Audit and Risk committee considers all issues of risk which may result in some form of exposure for a public higher education institution and not just financial risk. The Audit and Risk Committee, consists of members of MUT Council, relevant MUT line managers responsible for finance, audits and risk management as well as members of the internal and external auditors. There is also one representative from the Auditor General's office.

Both the internal and external auditors have unrestricted access to the Audit and Risk Committee, which ensures that their independence is in no way impaired. Meetings are held at least four times a year and are attended by the external and internal auditors and appropriate members of the executive management. The Audit and Risk Committee operates in accordance with written terms of reference, confirmed by Council.

#### Number of meetings held by the Audit and Risk Committee and dates of meetings

The Audit and Risk Committee held seven meetings in 2017, including a joint meeting with the Finance and Remuneration Committee, on the following dates:

1. 3 March 2017
2. 13 March 2017
3. 11 April 2017
4. 2 June 2017
5. 27 June 2017 (joint meeting)
6. 6 September 2017
7. 10 November 2017

### Main agenda items

The Audit and Risk Committee deliberated on the following main agenda items during its seven meetings:

1. Status report on contracts management
2. Appointment of external auditors
3. Reported cases of alleged fraud and irregularities
4. Risk management reporting
5. Costing and pricing of research contracts policy
6. Budget policy
7. Internal audit reports
8. External audit reports
9. Progress report on internal audit plan
10. Charter of the Audit, Risk and Compliance Committee
11. Anti-Fraud Working Group report
12. Internal audit summary report
13. Presentation of audited financial statements for 2016
14. Risk register 2016
15. Risk register 2017
16. Mandated Audit, Risk & Compliance Committee reports
17. MUT Internal Audit Plan 2018-2020
18. External Audit Plan
19. Engagement letter for external auditors

### Main matters recommended to Council for approval

Below is a summary of the main resolutions taken by the Audit and Risk Committee and the matters it recommended to Council for approval:

1. At its meeting on 3 March 2017, the Committee:
  - a. Considered the process for appointment of external auditors;
  - b. Considered a report on cases of alleged fraud and irregularities;
  - c. Resolved that the top ten risks to the university be reviewed;
  - d. Recommended the revised Budget Policy to Council for approval.
2. At its meeting on 13 March 2017, the Committee:
  - a. Resolved to forward the matter of the appointment of external auditors to Council.
3. At its meeting on 11 April 2017, the Committee:
  - a. Reconsidered the appointment of external auditors and recommended that the office of the Auditor General be approached regarding the seconding of external auditors for MUT for a period of one year.
4. At its meeting on 2 June 2017, the Committee:
  - a. Noted the appointment by the Executive Committee of Council of KPMG as external auditors to undertake the 2016 financial audit;
  - b. Recommended amendments to the revised charter of the Committee, including its responsibility for the appointment of external auditors;
  - c. Noted that a preliminary investigation into all cases of alleged fraud was underway;
  - d. Considered an internal audit progress report, including shortcomings in Supply Chain Management;
  - e. Considered an audit update report from the external auditors.
5. At a joint meeting with the Finance Committee on 27 June 2017, the Committee:
  - a. Recommended that the Annual Report for 2016 be presented to Council for approval.
6. At its meeting on 6 September 2017, the Committee:
  - a. Recommended to Council that Sondlo Chartered Accountants be reinstated as external auditors for a period of three years;
  - b. Reviewed and revised the charter for the Committee (changing its name to the Audit, Risk and Compliance Committee) and recommended the charter to Council;
  - c. Noted a report on the activities of the Anti-Fraud Working Group;
  - d. Considered a report by the internal auditors on financial discipline and on conditional grants and subsidies;
  - e. Noted a report on the MUT Annual Report and 2016 Annual Financial Statements.
7. At its meeting on 10 November 2017, the Committee (now the Audit, Risk and Compliance Committee):
  - a. Requested Management to provide a report on progress with regard to the 2016 risks;
  - b. Referred the 2017 Risk Register to the Executive Committee of Council for further deliberation and approval;
  - c. Resolved to submit a report on alleged fraud and irregularities to Council for information and noting;
  - d. Resolved that proposed mandated reports to the Committee be submitted to Council for information and noting;
  - e. Resolved that the internal audit summary report be submitted to Council for consideration and approval;
  - f. Resolved that the external audit plan be submitted to Council for consideration and approval;
  - g. Approved the letter of engagement of the external auditors, Sondlo Chartered Accountants.