

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE (ARC)



WJ GEYSER (56)

QUALIFICATIONS:

BCompt (Hons)
BCompt, CA (SA)



J MAHLANGU (48)

QUALIFICATIONS:

BCom (Acc), BCompt
(Hons), CTA and CA (SA)



R TALJAARD (56)

QUALIFICATIONS:

BEcon, FCII, FIISA

The audit and risk committee (ARC) ensures the integrity of information conveyed to stakeholders by applying a combined assurance model comprising of internal and external assurance providers.

Internally, ARC satisfies itself of the expertise and experience of the group's finance function, the internal audit function and the risk management process. Externally, ARC recommends the appointment of the external auditor and oversees the external audit process. ARC recommends the annual financial statements for approval to the board and ensures disclosure of reliable information on sustainability issues. ARC fulfils its function in accordance with a board-approved charter and is satisfied that all duties were fulfilled in compliance with the charter and good corporate governance.

ARC MANDATE

The duties of ARC include those assigned to it by the board and which have been documented in its charter. ARC has, in the year under review, fulfilled their duties which includes, but are not limited to:

- Nominated a registered, independent auditor for appointment and determined the fees to be paid as well as the terms of their engagement;
- Ensured that the appointment of the auditors complies with applicable statutory provisions relating to the appointment of the auditors;
- Determined, subject to applicable statutory and regulatory provisions, the nature and extent of any non-audit services to be provided, or services that the auditor must not provide to the group or a related party and pre-approved any proposed agreement for the provision of non-audit services to the group;
- Prepared a report, addressing the items as prescribed in the applicable statutory and regulatory provisions;
- Made submissions to the board, where applicable, on any matter concerning the group's accounting policies, financial controls, records and reporting;
- Approved the annual internal audit plan;
- Maintained oversight over the internal audit function; and
- Reviewed and approved the amended ARC charter.

ARC MEETINGS AND ATTENDANCE:

Director	10 June 2015	26 October 2015	9 March 2016
WJ Geysler (Chairman)	✓	✓	✓
R Taljaard	✓	✓	✓
J Mahlangu	✓	✓	✓

✓ Present ✗ Absent

The committee meets a minimum of three times per year. The group managing director, financial director and members of management, as appropriate, together with representatives from the external and internal auditors are in attendance, by invitation at ARC meetings. The board is satisfied that the members collectively possess the knowledge and experience to exercise oversight of the group's financial management, internal and external auditors, the quality of financial controls, the preparation and evaluation of financial statements and financial reporting.

INTERNAL AND EXTERNAL AUDITORS

The internal and external audit functions are independent from management and are overseen by ARC. As an internal assurance provider, internal audit is responsible for review of the effectiveness of the internal controls in the group and to report thereon to ARC. The head of internal audit has unrestricted access to ARC and *vice versa*, which is conducive to an open and productive relationship for purposes of monitoring the effectiveness of internal controls. ARC approves the internal audit charter and the internal audit plan and forms an integral part of the internal risk management process. The internal and external audit functions differ in their scope and purpose and ARC encourages cooperation between the two in order to optimise the combined assurance so obtained.

CORPORATE GOVERNANCE CONTINUED

ARC satisfied itself that the appointed external auditors are independent, objective and effective and that the firm and audit partners possess the required qualifications, expertise, skills and resources. ARC is satisfied that all relevant legislation relating to the independence of auditors has been complied with.

No non-audit services were rendered by the external auditors for the period under review. ARC nominated BDO as the external audit firm for the group for the 2016/2017 FYE. Mr J de Vos was nominated by ARC as the individual auditor responsible for performing the functions of auditor and Mr J Schoeman as the JSE accredited partner.

After consultation with management and the internal and external auditors, ARC has duly considered all information gathered and is satisfied that the internal financial controls of the group are effective and a basis for the preparation of reliable financial statements. ARC further confirms compliance with its legal and regulatory responsibilities.

FINANCIAL DIRECTOR

ARC has assessed the performance of the financial director, Mr Ryan McDougall, and found his capabilities and performance satisfactory.

FINANCIAL STATEMENTS

ARC has reviewed the separate and consolidated financial statements of the company and is satisfied that the statements comply with IFRS, SAICA financial reporting guides as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia.

WHISTLE BLOWING

ARC is satisfied that adequate and appropriate provision is made for whistle blowing. No instances requiring action were encountered during the year under review.

SUSTAINABILITY REPORTING

ARC oversaw the integrity of the integrated annual report and is satisfied that the disclosure of information pertaining to sustainability issues are reliable and consistent with the financial results and other information within the knowledge of the members of ARC.

ARC is satisfied that all responsibilities assigned to it have been discharged satisfactorily. (Refer to the chairman of the ARC's report)

