

**18.****APPOINTMENT OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) MEMBERS****3/2/3/12****DC Van Der Heever****(028) 313 5035****Internal Audit Services****22 August 2022**

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**1. Executive Summary**

The purpose of this report is to obtain permission from Council to appoint the Audit Committee members of the Overberg District Municipality as the members of the Joint Audit and Performance Audit Committee (JAPAC) of Overstrand Municipality.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Office of the Municipal Manager  
Internal Audit Services

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

Section 166 of the Local Government: Municipal Finance Management Act, No 56 of 2003

Regulation 14(4)(a) of the Municipal Planning and Performance Regulations  
Overstrand Municipality Joint Audit and Performance Audit Committee Charter

**6. Background/Discussion**

Section 166 (1) of the Municipal Finance Management Act prescribes that each municipality must have an audit committee and subsection (5) requires that the council of the municipality must appoint the members of the audit committee. The term of office of all 4 (four) members who served on the JAPAC expired during June 2022.

During April 2022, a process was started whereby the JAPAC member vacancies were advertised in various newspapers, with the closing date for applications being 20 May 2022. In total, 21 applications were received, and the Chief Audit Executive (CAE) submitted the applications (including a summary thereof) to the Municipal Manager and Executive Mayor on 31 May 2022. After working through these 21 applications, both the Municipal Manager and

Executive Mayor were of the opinion that there were not sufficient suitable candidate applications to consider for selection to serve on the JAPAC, as four members need to be appointed.

Based on the above, the Municipal Manager requested the CAE to proceed with the re-advertising process, which began on 04 July 2022. As a result of the Municipal Manager's request and with the approval of the Municipal Manager, the re-advertisement of the JAPAC member vacancies were duly advertised with the closing date being 22 July 2022 for applicants to submit their applications for consideration and selection.

A total of 18 applications were received by the closing date *to wit* 22 July 2022. The CAE submitted the 18 applications to the Municipal Manager and Executive Mayor on 26 July 2022 and again it was found that the number of suitable candidates was not sufficient to fill all vacancies on the JAPAC.

On 27 July 2022, the CAE, directed an email (Refer to **Annexure A**) to the Western Cape Government Provincial Treasury (Ms Melissa Van Niekerk: Director Financial Governance & Mr Cedric Herrendoerfer: Assurance Services) to ascertain whether it will be permissible to appoint the Audit Committee members of the Overberg District Municipality as members of the JAPAC. On the 19 August 2022, Mr Cedric Herrendoerfer telephonically confirmed with the CAE that in the circumstances it will be permissible to make such an appointment.

Based on the above, and in order to comply with the letter and spirit of the above-mentioned legal requirements, Council should consider the appointment of Overberg District Municipality's Audit Committee (members) in the circumstances. The following independent persons currently serve as the Audit Committee (members) of the Overberg District Municipality:

Mr D Smith  
Mr T Blok  
Mr P Strauss  
Mr C Pieterse

Furthermore, the CAE did confirm with Mr F Coetzee (CAE: Overberg District Municipality) that none of the above-mentioned persons currently serve on more than three local government audit committees.

## **7. Financial Implications**

None

## **8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexure**

Annexure A: Email directed to the Western Cape Government Provincial Treasury

**RECOMMENDATION TO THE COUNCIL:**

1. that Council grants permission and appoints the current Audit Committee members of the Overberg District Municipality as the members of the Joint Audit and Performance Audit Committee (JAPAC) of Overstrand Municipality; and
2. that a Chairperson be appointed by Council.

**RESPONSIBLE OFFICIAL :****DC VAN DER HEEVER****TARGET DATE FOR IMPLEMENTATION :****29 AUGUST 2022**

**D Van Der Heever**

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**From:** D Van Der Heever  
**Sent:** Wednesday, 27 July 2022 15:01  
**To:** Cedric.Herrendoerfer@westerncape.gov.za;  
Melissa.vanNiekerk@westerncape.gov.za  
**Subject:** Audit Committee

Good afternoon colleagues,

Kindly advise, in circumstances where a municipality has twice advertised for applications to serve as members of the Audit Committee but did not receive suitable applications, can a municipality consider the appointment of the AC of the District Municipality, obviously if

- the members agree,
- there is no conflict, and
- such members are not serving on more than 3 local government AC's etc.

Kind regards

**DOMINIC VAN DER HEEVER**  
**CHIEF AUDIT EXECUTIVE**  
**OVERSTRAND MUNICIPALITY**  
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