



**ORDINARY MEETING OF THE MAYORAL  
COMMITTEE**

**GEWONE VERGADERING VAN DIE  
BURGEMEESTERSKOMITEE**

**INTLANGANISO YESIQHELO YEKOMITI  
KASODOLOPHU**

**A G E N D A**

**I-AJENDA**

**DATE / DATUM / UMHLA : 28 OCTOBER / OKTOBER /  
OKTOBHA 2021  
AUDITORIUM**

**TIME / TYD / IXESHA : 14:00**

## **MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND**

Office of the Municipal  
Manager  
Municipal Offices  
HERMANUS

**22 October 2021**

### **NOTICE TO ALL ALDERMEN AND COUNCILLORS**

**NOTICE IS HEREBY GIVEN** that an **ORDINARY MEETING** of the **MAYORAL COMMITTEE** will be held in the **AUDITORIUM, CIVIC CENTRE, HERMANUS** on **THURSDAY, 28 OCTOBER 2021** at **14:00** of which the agenda will be available on the Overstrand Website ([www.overstrand.gov.za](http://www.overstrand.gov.za)).

**D O'NEILL**  
**MUNICIPAL MANAGER**

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**22 Oktober 2021**

### **KENNISGEWING AAN ALLE RAADSHERE EN RAADSLEDE**

**KENNIS WORD HIERMEE GEGEE** dat 'n **GEWONE VERGADERING** van die **BURGEMEESTERSKOMITEE** gehou sal word in die **ODITORIUM, BURGERSENTRUM, HERMANUS** op **DONDERDAG, 28 OKTOBER 2021** om **14:00** welke agenda op die Overstrand Webtuiste beskikbaar sal wees ([www.overstrand.gov.za](http://www.overstrand.gov.za)).

**D O'NEILL**  
**MUNISIPALE BESTUURDER**

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**22 Oktobha 2021**

### **ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA**

### **INTLANGANISO YESIQHELO YEKOMITI KASODOLOPHU WE-OVERSTRAND**

**OKU KUKWAZISA** ukuba intlanganiso **YESIQHELO yeKOMITI KASODOLOPHU**, iza kuba se **I-ODITHORIYAM, kwiZiko, eHERMANUS ULWESINE UMHLA, 28 OCTOBER 2021** ngeye-**14:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha. Apho i-ajenda iya kufumaneka kwiwebhusayithi ye-Overstrand.

**D O'NEILL**  
**UMPHATHI KAMASIPALA**

**AGENDA/...**

- 1. OPENING**
  
- 2. APPLICATIONS FOR LEAVE OF ABSENCE**
  
- 3. CONFIRMATION OF MINUTES**
  - 3.1 Minutes of an **Ordinary Meeting** of the **Mayoral Committee** held on **Tuesday, 24 August 2021** at **10:00**
  
- 4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE EXECUTIVE MAYOR / DEPUTY EXECUTIVE MAYOR**

**5. REPORT OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) TO THE OVERSTRAND MUNICIPAL COUNCIL**

**3/2/3/12**

**DC Van Der Heever**

**Chief Audit Executive**

**14 October 2021**

**(028) 313 5035**

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**1. Executive Summary**

The purpose of the report is to present Council with the Reports of the Joint Audit and Performance Audit Committee (JAPAC) in terms of the reporting requirements as per paragraph 3 of the JAPAC Charter, approved by Council on 21 May 2017.

**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**

The reporting requirements as per the Joint Audit and Performance Audit Committee (JAPAC) Charter provides that the chairperson of the audit committee will report on a quarterly basis to the Overstrand Municipal Council on the operations of the Internal Audit Unit and the JAPAC.

**7. Financial Implications**

None

**8. Staff Implications**

None

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

None

**10. Annexure**

Annexure A: Report 3 of the Joint Audit and Performance Audit Committee for the 2020/21 Financial Year

**RECOMMENDATION TO THE COUNCIL:**

that the report from the JAPAC to the Overstrand Municipal Council **be noted**.

**RESPONSIBLE OFFICIAL :****DC VAN DER HEEVER****TARGET DATE FOR IMPLEMENTATION :****28 OCTOBER 2021**

Date: 13 October 2021

To: The Overstrand Municipal Council  
c/o The Speaker – Alderman A Coetzee

Copied to:

- Members of the Joint Audit and Performance Audit Committee (for information)
- The Executive Mayor (for information)
- The Municipal Manager (for information)
- Chief Audit Executive (for information)

**REPORT OF JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE MUNICIPAL COUNCIL  
REPORT 3 OF 2020/21 FINANCIAL YEAR**

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**Reporting Requirement(s)**

In terms of paragraph 3.7 of the JAPAC Charter, the chairperson of the committee is required to report to the Overstrand Municipal Council on the operations of the Internal Audit unit and the Joint Audit and Performance Audit Committee/ Audit Committee. The report should include a summary of the work performed by Internal Audit and the Joint Audit and Performance Audit Committee/ Audit Committee against the annual work plan, issues, and related recommendations.

Attached, please find the following:

Annexure A: Report of the Joint Audit and Performance Audit Committee for the period 01 March 2021 to 30 June 2021.

Yours truly



**BURTON VAN STAADEN**

*Chairman of Joint Audit and Performance Audit Committee  
Overstrand Municipality*

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84c Barnard Street, BELLVILLE, 7530

**OVERSTRAND MUNICIPALITY  
REPORT OF JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE MUNICIPAL COUNCIL  
REPORT 3 OF 2020/21 FINANCIAL YEAR**

**1. REPORT ON ACTIVITIES OF THE JAPAC**

During the period 01 March 2021 to 30 June 2021, the JAPAC convened four (4) meetings, namely:

- JAPAC Meeting held on 28 April 2021 (Virtual)
- JAPAC Special Meeting held on 25 May 2021 (Virtual) with IAS and MM *re* Interim Report on SCM investigation
- JAPAC Special Meeting held on 26 May 2021 (Virtual)
- JAPAC Meeting held on 18 June 2021 (Virtual)

The attendance of JAPAC members at the meetings of the JAPAC was as follows:

Member	JAPAC Meeting 28 April 2021	JAPAC Special Meeting held on 25 May 2021	JAPAC Special Meeting held on 26 May 2021	JAPAC Meeting held on 18 June 2021
Mr B van Staaden (Chairperson)	Attended	Attended	Attended	Attended
Mr R Kingwill	Attended	Attended	Attended	Attended
Mr. G Serfontein	Attended	Attended	Attended	Attended
Ms. M Koekemoer	Attended	Attended	Attended	Absent (Apology received)

**2. REPORT ON INTERNAL AUDIT**

During the period 01 March 2021 to 30 June 2021, the following internal audit reports/ documents were presented by the Chief Audit Executive and considered by the committee:

Meeting date	Internal Audit Reports
28/04/2021	1. Predetermined Objectives - Quarter 3 2020/21
	2. Combined Assurance (Bi – Annual) 2
	3. Evaluating the Risk Management Process
	4. Division of Revenue Audit 2021
25/05/2021	Special meeting with IAS and MM to discuss progress IAS investigation <i>re</i> Interim Report on SCM investigation
26/05/2021	Special meeting <i>re</i> Risk Assessments and Risk Register 2021/22
18/06/2021	Approval of IAS Risk Based Internal Audit Plan (RBIAP) 2021/22

The JAPAC is satisfied that adequate remedial action is being implemented by management in instances where findings of fundamental or high significance has been reported.

**OVERSTRAND MUNICIPALITY  
REPORT OF JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE MUNICIPAL COUNCIL  
REPORT 3 OF 2020/21 FINANCIAL YEAR**

### **3. INTERNAL AUDIT STAFFING**

The JAPAC noted with concern that the Internal Audit Services is operating at 50% staffing. To assist with capacitating the IA unit, the two (2) interns have been enrolled in the Internal Audit Technician (IAT) programme, this programme consist of eight (8) training models presented over two years and also includes work-based training which they are receiving through assisting the CAE and the Internal Auditor with completion of audits scheduled on RBIAP.

### **4. RESOLUTIONS OF THE JAPAC**

Copies of the minutes of the JAPAC meetings will be forwarded to Council once the minutes has been approved by the JAPAC. The approved minutes of the JAPAC meetings will contain details of all resolutions of the JAPAC.

The following minutes of JAPAC meeting(s) have been approved during this reporting period and are hereby attached:

1. JAPAC Meeting held on 28 April 2021 (Virtual) – **Annexure B**
2. JAPAC Special Meeting held on 26 May 2021 (Virtual) – **Annexure C**
3. JAPAC meeting held on 18 June 2021 (Virtual) – **Annexure D**

### **5. REPORT ON PERFORMANCE MANAGEMENT**

At the JAPAC meeting held on 28 April 2021, the following quarterly report(s) in respect of performance management were presented and considered by the JAPAC:

3 <sup>rd</sup> Quarter Reports (01 January 2021 to 31 March 2021)	1. Internal Audit Report: Predetermined Objectives (Q3)
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In reviewing the quarterly report(s) and the performance management system there were no material findings concerning the usefulness and reliability of the reported information. Where anomalies were identified, appropriate corrective action(s) were taken by management, as per Internal Audit Services recommendations, which included pro-active action by management to prevent a re-occurrence there-of. The Service Delivery and Budget Implementation Plan (Q3) was not presented to the JAPAC, however the Director: Management Services briefed the JAPAC on progress i.r.o. SDBIP Implementation plan Q3.

### **6. REPORT ON RISK MANAGEMENT**

At the JAPAC meeting held on 28 April 2021, the following quarterly reports in respect of risk management were presented and considered by the JAPAC:

Meeting dates	Risk Management Reports
28/04/2021	1. High Risk Register as at 07 April 2021
	2. Progress Report on Risk Management Activities and Implementation Plan Q3
	3. Fraud and Risk Management Committee minutes 28 January 2021
	4. Overstrand Municipality Combined Assurance Model Q3

The JAPAC commented that they are satisfied with the Risk management so far and concurred that good progress has been made in respect of a Risk register as it provides a true reflection of those key issues of the municipality.



**OVERSTRAND MUNICIPALITY  
REPORT OF JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE MUNICIPAL COUNCIL  
REPORT 3 OF 2020/21 FINANCIAL YEAR**

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**7. OTHER MATTERS**

The JAPAC notes that the next municipal elections have been scheduled to take place on 01 November 2021. We wish to express our appreciation for the support that was provided to the JAPAC by the outgoing mayor and members of the mayoral committee that attended the meetings of the JAPAC.

**8. NEXT MEETING**

Please see below the JAPAC activity calendar for the 2021/22 financial period.

No.	DATE	TIME	COMMENT(S)
<b>2021/2022 PERIOD</b>			
1.	24 Aug 2021	14h00	• Special 2020/21 draft AFS discussion
2.	28 Sept 2021	14h00	• Q4 Reports (2020/21)
3.	TBC	TBC	• Special meeting: IAS investigation re Final Report on SCM investigation
4.	28 Oct 2021	14h00	• Q1 Reports of 2021/22 RBIAP
5.	TBC	14h00	• Audit Strategy discussion with AGSA
6.	24 Feb 2022	14h00	• Q2 Reports of 2021/22 RBIAP
7.	28 April 2022	14h00	• Q3 Reports of 2021/22 RBIAP
8.	23 June 2022	14h00	<ul style="list-style-type: none"> <li>• Special JAPAC meeting for:</li> <li>• Consideration and approval of Charters or Policies</li> <li>• Consideration and approval of Fraud Prevention Plan</li> <li>• Consideration and approval of the 2022/2023 RBIAP</li> </ul>

**END**



**MEETING OF THE JOINT AUDIT AND PERFORMANCE  
AUDIT COMMITTEE**

**VERGADERING VAN DIE GESAMENTLIKE PRESTASIE  
ODUIT EN OUDIT KOMITTEE**

**MINUTES / NOTULE**

**DATE / DATUM:** 28 APRIL 2021  
(WEDNESDAY/ WOENSDAG)

**VENUE / PLEK:** VIRTUAL (*via MICROSOFT TEAMS*)

**TIME / TYD:** 15:00 HRS/UUR



**MINUTES OF THE MEETING OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) HELD VIRTUALLY (via MICROSOFT TEAMS) WEDNESDAY, 28<sup>TH</sup> OF APRIL 2021 AT 15:00**

**1. OPENING BY CHAIRPERSON**

The Chairperson, Mr B Van Staaden, welcomed everyone present to the video conference of the fourth JAPAC meeting in respect of the 2020/21 financial year.

**2. APPLICATION(S) FOR LEAVE OF ABSENCE**

Apologies received from the following official(s)/ member(s):

1. Rochelle Louw

**Person's present** - see the attached Microsoft Teams attendance list.

**3. DECLARATION OF INTERESTS**

The JAPAC members and attendees declared that they have no interests in any of the item(s) on the agenda.

**4. STATEMENTS AND COMMUNICATIONS FROM THE CHAIRPERSON:**

- The Chairperson stated that the JAPAC submitted the quarterly JAPAC report to Council.

**5. CONFIRMATION OF PREVIOUS MINUTES**

**5.1. 24 February 2021: Ordinary JAPAC Meeting**

The JAPAC considered the minutes of the JAPAC meeting dated 24 February 2021.

The JAPAC made the following change(s) to the minutes:

Page 5 – item 7.5 the second paragraph, last sentence (date) – that it should read “30 June 2022 not 30 June 2021.”.

Page 7 – item 8.1 the first paragraph, second sentence – change “socond” to be “second”

The JAPAC adopted the minutes dated 24 February 2021 with 2 minor amendments to be made.

**6. MATTERS ARISING FROM THE PREVIOUS MINUTES**

All items on the action register were noted by JAPAC as completed.

**7. STANDING ITEMS**

**7.1. QUARTERLY BUDGET STATEMENT REPORT**

**7.1.1. Third Quarter (January 2021 – March 2021) for the financial year 2020/21**

The JAPAC enquired why the report was not submitted for the JAPAC to review it.

The CFO responded that the budget statement report was included in the Council agenda, which was tabled to serve before Council on 28 April 2021, which made it difficult for Internal Audit to have the report on time for inclusion on the JAPAC agenda.

The JAPAC requested that the report be made available to the JAPAC irrespective of whether it has been tabled before Council as the report does not have to be tabled before Council for the JAPAC to evaluate the report. The JAPAC can still make their comments and assessments on the report prior to the report being tabled before Council.



The CFO responded that going forward, the report will be submitted to the JAPAC prior to the meeting, as the version of the report that is normally tabled before Council is the same as the one that the CFO ordinarily reports on.

Subsequently, the Chairperson afforded the CFO an opportunity to give a high-level verbal presentation of the report, no question(s)/ comment(s) were raised by the JAPAC.

#### **RESOLVED**

The JAPAC noted the verbal presentation of the budget statement report: Third quarter (January 2021 – March 2021) for the financial year 2020/21.

### **7.2. REPORT(S): SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The JAPAC enquired why the report was not submitted for the JAPAC to review it.

The Director: Management Services stated that the item was finalized, and it could have been included in the JAPAC agenda depending on when the agenda was distributed. The Director requested guidance from the IA office in terms of the distribution of the agenda taking into consideration the comment made by the Chairperson on the budget statement.

The Director: Management Services stated that the report only served before Council on 28 April 2021, the same day as the JAPAC meeting.

The JAPAC indicated that its expectation is to obtain all the reports on time and not after the Council review.

Subsequently, the Chairperson afforded the Director: Management Services an opportunity to present a high-level presentation of the report.

The Director: Management Services gave a high-level presentation of the service delivery and budget implementation plan report.

The JAPAC noted that a lot of KPIs relate to expenditure and budget not spent. The JAPAC asked if one can make an assessment between the current and previous year's spending and whether it would be of a similar nature or is it worse this year, as it seems like there is a little bit more of an issue this current year in terms of spending.

The CFO stated that they are in a similar situation as the previous financial year. However, the municipality has quite excessive spending on outstanding order amounts and spending that still needs to take place. The CFO added that it was discussed during the Council meeting that the actual expenditure is expected to increase dramatically over the next two (2) months compared to last year's financial year.

#### **RESOLVED**

The JAPAC noted the verbal report on SDBIP: Third quarter (January 2021 – March 2021) for the financial year 2020/21

### **7.3. DEBT COLLECTION**

#### **7.3.1. DEBT COLLECTION REPORT MARCH 2021**

The Debt Collection Report as at 31 March 2021 for the financial year 2020/21 was presented to the JAPAC for review.

The JAPAC noted with concern the growing trend in the debtors older than 90 days. The JAPAC enquired from a strategic point of view as management indicated, whether the municipality have adequate resources to deal with the increasing debt trend or are they comfortable with this current situation as it is over R51m already.



8/20

The CFO agreed that it is a concern. However, the CFO highlighted that the municipality is following-up on those legal proceedings and/ or necessary measures to prevent that from substantially increasing.

#### 7.3.2. REPORT ON DEBT COLLECTION PROCESS MARCH 2021

The CFO gave an overview of the status analysis of debtors older than 90 days, outstanding debtors and debtors that are in arrears and all other stages of debtors' collection processes.

##### RESOLVED

The JAPAC noted the Debt Collection Report and Process as at 31 March 2021 for the financial year 2020/21.

#### 7.4. CREDITORS REPORT

The Creditors Report as at 31 March 2021 for the financial year 2020/21 was presented to the JAPAC for review, no questions/ comments were raised.

##### RESOLVED

The JAPAC noted the Creditors Report as at 31 March 2021 for the financial year 2020/21

#### 7.5. AUDIT ACTION PLAN AS AT 24 MARCH 2021

The JAPAC reviewed the content of the Audit Action Plan

The CFO confirmed that specific deadlines were met in accordance with their due dates, others are still to be completed in accordance with their due dates as well.

##### RESOLVED

The JAPAC noted the Audit Action Plan as at 24 March 2021 for the financial year 2020/21.

#### 7.6. RISK MANAGEMENT

##### 7.6.1. High Risk Register as at 07 April 2021

The CRO presented and gave a high-level overview of the High Risk Register as at 07 April 2021. A few comments/ questions were raised regarding tolerance levels, which was previously raised as a matter, that is now indicated as resolved. The JAPAC requested the clarification on how this issue was resolved.

The CRO explained that the tolerance levels were not yet set in terms of the Risk Management as the guideline is silent when it comes to the establishment of and set values for tolerance levels. The CRO further alluded that during the CAE and CRO forum, a representative from National Treasury indicated that an updated Risk Management Framework will be published during the year, which she thinks might assist in this regard. When that information is available the CRO will share with the JAPAC.

##### 7.6.2. Progress Report on Risk Management Activities and Implementation Plan Q3

The CRO presented and gave a high-level overview of the Progress Report on Risk Management Activities and Implementation Plan, indicating that most activities have been completed, except for the formal trainings, they were performed informally when there is a request by specific individuals or a department, therefore Risk Management will respond and/ or attend to the request. In addition, no policy reviews were performed as the last review was done in May 2020 and no new changes were required to be made.



The CRO mentioned that she attended two (2) training sessions, which were facilitated by Provincial Treasury and IRMSA respectively. The CRO further indicated that her performance development plan was evaluated, reviewed, and rated by the MM and that the intern's personal development plan was also evaluated for the quarter.

**7.6.3. FARMCO Minutes\_28 January 2021**

The JAPAC noted the FARMCO minutes.

**7.6.4. Combined Assurance Model\_3rd Quarter 2020-2021**

The CRO presented and gave an overview of the Overstrand Municipality Combined Assurance Model.

The JAPAC indicated that whilst risk management reports are being presented by the CRO, the JAPAC needs to confirm with management whether they are still comfortable with the direction that risk management is taking within the municipality.

The JAPAC further suggested that the JAPAC should focus on the commentary around emerging risks and less about the detail of the risks themselves as the full report is there if needed.

**RESOLVED**

The JAPAC noted all the reports from Risk Management Unit.

**7.7. COMPLIANCE WITH GIFT POLICY – GIFT REGISTERS FROM DIRECTORATES**

The JAPAC reviewed the content of the Gift Register tabled in the meeting and enquired whether the Mayor was the only official who received a gift.

The MM confirmed that none from the management received any gift, and the Mayor confirmed that no other councillors received a gift other than him as indicated on the gift register.

**8. CAE STATUS Report**

**8.1. 3<sup>RD</sup> CAE status update for 2020/21**

The CAE gave a status update. The CAE further mentioned that he attended the CAE and CRO forum on 29 March 2021 held virtually, and both interns have started with their IAT programme which they attended the from 29 - 31 March 2021.

**RESOLVED**

The JAPAC noted the 3<sup>rd</sup> CAE status report.

**9. INTERNAL AUDIT REPORTS**

**9.1. Predetermined Objectives (PDO's): Third Quarter (January 2021 – March 2021) for the financial year 2020/21**

The report was presented to the JAPAC, no comments/ questions were raised regarding the report.

**RESOLVED**

The JAPAC noted the report relating to Predetermined Objectives (PDO's): Third Quarter (January 2021 – March 2021) for the financial year 2020/21.



#### 9.2. Combined Assurance 2<sup>nd</sup> BI-Annual Review

The JAPAC enquired whether the IA unit made any assessment about assurance providers which is external and internal and other assurance providers indicating their role in this regard.

The CAE responded that as from the next quarter the IA unit will perform an independent assessment on other assurance providers in terms of verifying (validating) and testing what they have indicated as per the Combined Assurance Model/ Report. This has been discussed with the CRO as well.

#### RESOLVED

The JAPAC noted the report relating to Combined Assurance 2<sup>nd</sup>BI-Annual Review for the financial year 2020/21.

#### 9.3. Evaluating Risk Management Process

The report was presented to the JAPAC, no comments/ questions were raised regarding the report.

#### RESOLVED

The JAPAC noted the report relating to Evaluating Risk Management Process for the financial year 2020/21.

#### 9.4. Division of Revenue Act

The report was presented to the JAPAC by the CAE, a few questions/ comments were raised regarding the audit findings reported. Based on the audit findings identified by Internal Audit, the JAPAC enquired whether there are any controls in place to ensure that the reports are submitted on time.

The MM responded that they normally get an email reminder from a relevant department stating that a specific report is due at a specific time, and it is also stated on the fund/ grant agreements that are signed (by certain Directors) that the reports must be submitted at the required/ specified time. Going forward management will ensure that all reports are submitted timeously as required by the legislation.

#### RESOLVED

The JAPAC noted the report relating to Division of Revenue Act for the financial year 2020/21.

#### 10. AUDIT FINDING(S) TRACKING REGISTER (FOLLOW-UP REGISTER)

The CAE presented an overview of the Audit Finding(s) Tracking Register, indicating that there are no unresolved issues, except for the newly identified audit findings in the DoRA audit.

The JAPAC suggested that the follow-up audit findings should have a specific date.

#### RESOLVED

The JAPAC noted the Audit Finding(s) Tracking Register.

#### 11. GENERAL

No items were listed for discussion.

#### 12. NEXT MEETING

11/20



Joint Audit & Performance Audit Committee Meeting  
Minutes of Meeting: 28 April 2021

The next JAPAC meeting (Special JAPAC meeting) will be held on the 26<sup>th</sup> of May 2021 at 14:00.

13. CLOSING

The meeting closed at 16:23

**BRYAN STAADEN**  
CHAIRPERSON

28 September 2021

DATE





**MICROSOFT TEAMS ATTENDANCE LIST**

AutoSave  Off Attendance List - Excel

File Home Insert Page Layout Formulas Data Review View Help

Clipboard: Paste, Cut, Copy, Format Painter

Font: Calibri, 11, Bold, Italic, Underline, Paragraph, Color, Background Color

Alignment: Wrap Text, Merge & Center

	A	B	C	D	E	F	G
1	Full Name	User Action	Timestamp				
2	S Makwetu	Joined	4/28/2021, 2:58:57 PM				
3	CFO	Joined before	4/28/2021, 2:58:57 PM				
4	Riana de Coning	Joined before	4/28/2021, 2:58:57 PM				
5	Dudley Coetzee (Guest)	Joined before	4/28/2021, 2:58:57 PM				
6	Desiree Arrison	Joined	4/28/2021, 3:00:08 PM				
7	E Essop	Joined	4/28/2021, 3:01:44 PM				
8	D Van Der Heever	Joined	4/28/2021, 3:01:50 PM				
9	Burton van Staaden	Joined	4/28/2021, 3:01:56 PM				
10	\Ronnie (Guest)\\"	Joined	4/28/2021, 3:02:01 PM				
11	Mariska (Guest)	Joined	4/28/2021, 3:02:07 PM				
12	Andrew Komani	Joined	4/28/2021, 3:02:20 PM				
13	\Gideon Serfontein (Guest)\\"	Joined	4/28/2021, 3:04:44 PM				
14	N Tsholoba	Joined	4/28/2021, 3:05:11 PM				
15	N Tsholoba	Left	4/28/2021, 4:03:30 PM				
16	N Tsholoba	Joined	4/28/2021, 4:04:01 PM				
17	N Tsholoba	Left	4/28/2021, 4:04:02 PM				
18	N Tsholoba	Joined	4/28/2021, 4:04:08 PM				
19	N Tsholoba	Left	4/28/2021, 4:04:10 PM				
20	N Tsholoba	Joined	4/28/2021, 4:04:15 PM				
21	N Tsholoba	Left	4/28/2021, 4:04:16 PM				
22	N Tsholoba	Joined	4/28/2021, 4:04:20 PM				
23	N Tsholoba	Left	4/28/2021, 4:04:22 PM				
24	N Tsholoba	Joined	4/28/2021, 4:06:43 PM				
25	Dean O'Neill	Joined	4/28/2021, 3:25:36 PM				
26	Z Mazuthu	Joined	4/28/2021, 3:51:52 PM				
27							



**MEETING OF THE JOINT AUDIT AND PERFORMANCE  
AUDIT COMMITTEE**

**VERGADERING VAN DIE GESAMENTLIKE PRESTASIE  
OUDIT EN OUDIT KOMITEE**

**MINUTES / NOTULE**

**DATE / DATUM:** 26 MAY 2021  
(WEDNESDAY/ WOENSDAG)

**VENUE / PLEK:** VIRTUAL (*via MICROSOFT TEAMS*)

**TIME / TYD:** 14:00 HRS/UUR



**MINUTES OF THE MEETING OF THE SPECIAL JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) HELD VIRTUALLY (via MICROSOFT TEAMS) WEDNESDAY, 26<sup>TH</sup> OF MAY 2021 AT 14:00**

**1. OPENING BY CHAIRPERSON**

The Chairperson, Mr B Van Staaden, welcomed everyone present to the video conference of the sixth JAPAC meeting in respect of the 2020/21 financial year.

**2. APPLICATION(S) FOR LEAVE OF ABSENCE**

**Persons present** - see the attached Microsoft Teams attendance list.

**3. DECLARATION OF INTERESTS**

The JAPAC members and attendees declared that they have no interests in any of the item(s) on the agenda.

**OPENING REMARKS FROM CHARPERSON**

The Chairperson briefly described that the purpose of this meeting was to review the risk assessment process and related risks for the preparation of the 2021/22 Risk Based Internal Audit Plan (RBIAP), pursuant to the Chief Audit Executive's (CAE) request that the JAPAC provide inputs (commentary) on the preparation of the RBIAP to ensure that the RBIAP correlates with the risks of the municipality.

The Chairperson added that this process is a new initiative and it does not necessarily have to be continued in future, it will be performed as and when deemed necessary. The Chairperson indicated that the specific benefit for this meeting and/ or process is for the new JAPAC members to get an insight into how the risk management process works in relation to the preparation of the RBIAP.

**4. STATEMENTS AND COMMUNICATIONS FROM THE CHAIRPERSON:**

No statements and communications shared.

**5. REVIEWING/ DISCUSSION OF THE RISK ASSESSMENT PROCESS AND RELATED RISKS FOR THE PREPARATION OF THE 2021/2022 RBIAP**

The Chairperson gave the CAE an opportunity to elaborate on the risk assessment process in relation to the preparation of the RBIAP for the 2021/22 financial year.

The CAE indicated that he deemed it prudent that IAS unpack the processes that will be followed in preparing the RBIAP before it is finalised. The CAE mentioned that the High-Risk register will be used as the basis to prepare the RBIAP as it is the final product of the risk assessment process which was thoroughly conducted by the CRO in consultation with various risk owners, *i.e.*, Directors and Risk Champions, and finally signed off by the Municipal Manager as the ultimate responsible person for Risk Management. Therefore, the High-risk register will be used to inform the RBIAP for the 2021/22 financial year.

The CAE continued to state that IAS will be focusing on the High-Risk areas as listed on the High-Risk register, with the focus on the inherent risk rating (prior to any controls being put in place) and residual risk rating (after the consideration and implementation of any controls by management). He pointed out that the mitigation and management of the identified risk(s) is the responsibility of management. Therefore, IAS, as the assurance provider, would assist management to assess to what extent that risk has been mitigated by performing an Assurance engagement or Consulting



15/20

engagement, depending on the overall assessment of that particular risk, considering the control environment.

The CAE gave a summary based on the High-Risk register dated 04 May 2021 which originated from the risk assessment process and how the preparation and compilation of the RBIAP will be done. The CAE alluded that in instances where specific risk(s) involves other departments IAS will suggest a consulting engagement as the suitable approach.

Management sought to understand the difference between the Assurance and Consulting engagement.

The JAPAC explained that when the inherent risk rating is HIGH and the residual risk rating is also HIGH, controls are perceived as ineffective by management, therefore IAA will provide a consulting engagement pursuant to management request because the risk is not adequately reduced by the current controls (control environment) to an acceptable level.

Furthermore, when the inherent risk rating is HIGH and a residual risk rating is LOW, IAS will provide assurance on the effectiveness and adequacy of those controls.

The Municipal Manager suggested that there should be a discussion or engagement between IAS, Directors and CRO regarding the use of the risk register to prepare the RBIAP and to attend to any questions that may arise from management, as the initial purpose of the meeting was to have an open discussion about the risk register and have the JAPAC giving their input on the risk(s) in the risk register, and not to extensively discuss the risk register.

#### RESOLVED

It was agreed that the JAPAC is going to wait for the outcome of the discussion/ engagement between IAS and management which will be presented in the next JAPAC meeting that will be held on the 18<sup>th</sup> of June 2021.

#### 6. GENERAL

No items were listed for discussion.

#### 7. NEXT MEETING

The next JAPAC meeting (Special JAPAC meeting) will be held on the 18 June 2021 at 14:00.

#### 8. CLOSING

The meeting closed at 15:17

  
**B. VAN STAADEN**  
CHAIRPERSON

28 September 2021

DATE

#### MICROSOFT TEAMS ATTENDANCE LIST



Joint Audit & Performance Audit Committee Meeting  
Minutes of Meeting: 26 May 2021

Meeting Summary

Total Number of Participants

17

Meeting Title

Meeting Start Time

Meeting End Time

Special JAPAC meeting re  
Reviewing/ discussion of risk  
assessment process and related  
risks

5/26/2021, 1:45:27 PM

5/26/2021, 3:36:01 PM

Full Name

D Van Der Heever

E Essop

S Makwetu

Burton van Staaden

N Tsholoba

V Silolo

S Muller

Z Mazuthu

CFO

Ronnie (Guest)

Mariska (Guest)

Dean O'Neill

Desiree Arrison

R Williams

Neville Michaels

S Madikane

Gideon Serfontein (Guest)

Join Time

5/26/2021, 1:45:27 PM

5/26/2021, 1:45:52 PM

5/26/2021, 1:53:33 PM

5/26/2021, 1:54:57 PM

5/26/2021, 1:56:32 PM

5/26/2021, 1:57:11 PM

5/26/2021, 1:57:58 PM

5/26/2021, 1:58:24 PM

5/26/2021, 1:58:55 PM

5/26/2021, 1:59:02 PM

5/26/2021, 1:59:06 PM

5/26/2021, 1:59:13 PM

5/26/2021, 1:59:32 PM

5/26/2021, 1:59:48 PM

5/26/2021, 1:59:51 PM

5/26/2021, 2:00:06 PM

5/26/2021, 2:01:19 PM

Leaves Tim Duration

5/26/2021 1h 32m

5/26/2021 1h 32m

5/26/2021 1h 24m

5/26/2021 1h 41m

5/26/2021 1h 21m

5/26/2021 1h 20m

5/26/2021 1h 19m

5/26/2021 1h 19m

5/26/2021 1h 18m

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5/26/2021 1h 36m

5/26/2021 1h 18m

5/26/2021 1h 19m

5/26/2021 1h 17m

5/26/2021 1h 17m

5/26/2021 1h 17m

5/26/2021 1h 34m

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smadikane@overstrand.gov.za

Role

Presenter

Organizer

Presenter

Presenter

Presenter

Presenter

Presenter

Presenter

Presenter

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**MEETING OF THE JOINT AUDIT AND PERFORMANCE  
AUDIT COMMITTEE**

**VERGADERING VAN DIE GESAMENTLIKE PRESTASIE  
OUDIT EN OUDIT KOMITEE**

**MINUTES / NOTULE**

**DATE / DATUM:** 18 JUNE 2021  
(FRIDAY/ VRYDAG)

**VENUE / PLEK:** VIRTUAL (via MICROSOFT TEAMS)

**TIME / TYD:** 14:00 HRS



18/20

**MINUTES OF THE MEETING OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) HELD VIRTUALLY (via MICROSOFT TEAMS) FRIDAY, 18<sup>TH</sup> OF JUNE 2021 AT 14:00**

**1. OPENING BY CHAIRPERSON**

The Chairperson, Mr B Van Staaden, welcomed everyone present to the video conference of the seventh JAPAC meeting in respect of the 2020/ 2021 financial year and explained that this is a special JAPAC meeting that was scheduled specifically for the purpose of approving the Operational Risk Based Internal Audit Plan for the 2021/ 2022 financial year.

**2. APPLICATION(S) FOR LEAVE OF ABSENCE**

Apologies received from the following official(s)/ member(s):

1. Ms M Koekemoer (JAPAC Member)
2. Ald D Coetzee (Executive Mayor)

**Persons present** - see the attached Microsoft Teams attendance list.

**3. DECLARATION OF INTERESTS**

The JAPAC members and attendees declared that they have no interest(s) on any of the item(s) on the agenda.

**4. STATEMENTS AND COMMUNICATIONS FROM THE CHAIRPERSON:**

The Chairperson requested a closed session between the Municipal Manager (MM), the CAE and the JAPAC, after the meeting.

**5. ITEM(S) FOR APPROVAL**

**5.1. Operational Risk Based Audit Plan & Internal Audit Program for the financial period 2021/ 2022**

- The Chairperson stated that the Risk Based Internal Audit Plan (RBIAP) was discussed in the pre-meeting.

**Action 03 of 18 June 2021**

The Chairperson further stated that the JAPAC requested the CAE to provide the JAPAC with a report of the studies that the Internal Audit Services (IAS) staff are engaged in.

- The Chairperson also stated that the JAPAC noted that because of the current COVID-19 lockdown situation, the timing of some of the audits in the RBIAP may change and in such a case, the CAE shall liaise with management and reach a consensus.
- The Chairperson, lastly, stated that there is a general expectation from the JAPAC that when a specific audit report is presented to the JAPAC that the relevant Director should be present at the JAPAC meeting where his/ her report will be presented to enable him/ her to respond to any queries/ questions that may arise from the report, and to provide clarity where it is required.
- The MM concurred and further stated that it is better when the Directors provide responses for themselves.
- The Chairperson afforded everyone in the meeting an opportunity to comment on the RBIAP prior to it being approved.
- The MM took the opportunity and stated that he does not have anything to add to the RBIAP except that the management is happy with process of preparing and finalising the RBIAP, where all Directors were given enough time to engage with and sign off the RBIAP.
- The CAE also took the opportunity to thank the MM and Directors for their cooperation and assistance in finalising and signing off the RBIAP.



- The JAPAC took the opportunity to emphasize that the RBIAP needs to be amended and adapted as things change and made a request to the management and the CAE that if any changes on the RBIAP occur, these need to be addressed swiftly rather than leaving things for the last quarter as that will not be the efficient way of dealing with them. The JAPAC also added that they look forward to the execution and implementation of the RBIAP.
- Cllr R De Coning also alluded that as the elections are also nearing, things can change at short notice and swift adaption will be required.
- The Chief Risk Officer (CRO) stated that she does not have anything to add except that the Risk Management Unit will update the risk register as per the outcome of each audit conducted by IAS for the risk register to be aligned with the information that the IAS will provide.

#### RESOLVED

That the 2021/2020 Risk-Based Internal Audit Plan (RBIAP) be approved by the JAPAC.

#### 6. GENERAL

- The MM brought to the attention of the JAPAC that the CRO, Ms Z Mazuthu, has passed all her examinations and has obtained a designation as the Professional Internal Auditor, and congratulated her on the achievement.
- The Chairperson also congratulated the CRO on her achievement.
- The CRO thanked the MM and the Chairperson.

#### 7. NEXT MEETING

The next JAPAC meeting date to confirmed in due course.

#### 8. CLOSING

The meeting closed at 14:15

  
**B VAN STAADEN**  
CHAIRPERSON

28 September 2021

DATE





### MICROSOFT TEAMS ATTENDANCE LIST

	A	B	C	D	E	F	G	H	I
1	Full Name	User Action	Timestamp						
2	N Tsholoba	Joined	6/18/2021, 1:50:16 PM						
3	CFD	Joined	6/18/2021, 1:50:43 PM						
4	V Silolo	Joined	6/18/2021, 1:56:00 PM						
5	Burton van Staaden	Joined	6/18/2021, 1:57:12 PM						
6	Riana de Coning	Joined	6/18/2021, 1:58:06 PM						
7	Z Mazuthu	Joined	6/18/2021, 1:58:08 PM						
8	Ronnie Kingwill (Guest)	Joined	6/18/2021, 1:58:25 PM						
9	S Makwetu	Joined	6/18/2021, 1:58:43 PM						
10	E Essop	Joined	6/18/2021, 1:58:49 PM						
11	D Van Der Heever	Joined	6/18/2021, 1:59:55 PM						
12	Gideon Serfontein (Guest)	Joined	6/18/2021, 2:00:27 PM						
13	Dean O'Neill	Joined	6/18/2021, 2:00:30 PM						
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