



CAPE AGULHAS MUNICIPALITY

REPORT OF THE PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Performance Audit Committee has pleasure in submitting its annual report for the 2019/20 financial year, as required by section section 14(2) of the Municipal Planning and Performance Regulations, 2001 (Regulation 796 of 2001).

1. PERFORMANCE AUDIT COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Audit Committee (Committee) is governed by formal terms of reference, which is reviewed on an annual basis. The Committee fulfils its responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) (MFMA) and its terms of reference. The Committee has an independent role with accountability to both the Council and the stakeholders. It does not assume the functions of management, which remain the responsibility of the Mayor, Municipal Manager, the directors, and other members of management. The committee acts in an advisory and oversight capacity and makes objective and independent recommendations to Council on internal control, risk management and governance processes in order to assist the municipality in achieving its objective; it does not relieve management of its responsibilities.

2. COMPOSITION OF THE COMMITTEE

2.1 The approved Committee composition consists of four independent external members with appropriate qualifications and experience that was duly appointed by Council. However, during the year under review there was one vacant position on the Committee. The position was filled from 26 August 2021.

2.2 As at 30 June 2021 the Committee consisted of the following members:

- a) Mr. P Strauss (Chairperson)
- b) Mr. R Mitchell
- c) Mr. D Miller
- d) Vacant

3. REMUNERATION OF THE COMMITTEE MEMBERS

The Committee is remunerated in terms of the National Treasury guide on the "Remuneration of non-official Members: Commissions, Committees of Inquiry and Audit Committees" issued on an annual basis.

4. FREQUENCY OF MEETINGS OF THE COMMITTEE

The Committee held three meetings (two required) during the 2019/20 financial year. The dates of the meetings and attendance by the members are indicated in the table below:

Meeting dates	Member	Meeting attendance			
		24/7/'20	16/10/'20	22/1/'21	19/4/'21
• 24 July 2020	Mr. P Strauss - Chairperson	√	√	√	√
• 16 October 2020	Mr. R Mitchell -	√	√	√	√
• 22 January 2021					
• 19 April 2021	Mr. D Miller	√	√	√	√

The committee is satisfied that it has fulfilled its obligations in this regard.

5. FUNCTIONS OF THE COMMITTEE

The committee has discharged its functions in terms of section 14 of the Regulations as follows:

5.1 Evaluation of and advising the Council, political office-bearers, accounting officer and management on the following items:

- a) Its review of the quarterly performance reports submitted to Council;
- b) Its review of the municipality's performance management system and reports submitted to Council;
- c) Oversight on the performance assessment of the Municipal Manager and Directors;

- d) Its assessment of the municipality's predetermined objectives for 2020/21 as well as the achievement of its objectives at year-end;
- e) Assessment of the Committee's performance against its Charter; and
- f) Annual review of the Committee's Charter.

5.2 No additional functions were performed by the committee during the year.

6. EVALUATION OF THE FUNCTIONS OF THE COMMITTEE

The Committee is satisfied that it has fulfilled its functions in this regard.

7. AREAS OF SATISFACTION

The committee would like to express its satisfaction on the following issues:

- 7.1 The usefulness of the municipality's performance management system;
- 7.2 Quarterly reports submitted to Council;
- 7.3 The process of evaluation of the Directors and Municipal Manager; and
- 7.4 The achievement of yet another clean audit on the implementation and achievement of the municipality's predetermined objectives.

8. AREAS OF CONCERN

The committee expresses its concerns on the following issues:

- 8.1 The quality of the portfolio of evidence supporting the municipality's achievement of its predetermined objectives.

9. CONCLUSION

The Committee again wants to congratulate the Municipality on the audit outcome achieved and the commitment by management and staff in this regard.



P Strauss
Chairperson
8 December 2021