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MINUTES OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC) MEETING

Name of Meeting:	Audit and Performance Audit Committee Meeting
Date:	25 June 2026
Time:	09H00
Venue:	Council Chambers, Rhenius Street

Committee Members:	Mr. A. Dippenaar	Chairperson
	Mr. P. Silbernagl	Member
	Prof N. Olivier	Member
	Ms. K. Talmakkies	Member
Officials:	Ms. A. Vorster	Municipal Manager
	Mr. E. Wassermann	Chief Financial Officer
	Mr. W. Treurnicht	Acting Director Infrastructure Services/ Senior Manager: Civil Engineering
	Mr. A. Petersen	Senior Internal Auditor
	Mr. H. Swart	Internal Auditor
	Mr. X. Mahlaba	Internal Audit: Intern
	Mr. Z. Wiese	Performance, Risk, and Compliance
	Nexia SAB&T	External: Appointed Service Provider

AGENDA ITEM	RESOLUTION	RESPONSIBLE OFFICIAL
1. OPENING AND WELCOMING The Chairperson opened the meeting by welcoming all attendees. A special welcome was extended to Ms. Abrahms and Ms. Nage of Nexia SAB&T, who had conducted the External Quality Assurance Assessment of the Internal Audit Function.		Chairperson
2. APPLICATION FOR LEAVE OF ABSENCE The Audit and Performance Audit Committee acknowledged that there was no application for leave of absence.	The Audit and Performance Audit Committee acknowledged there was no application for leave of absence.	Chairperson

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3. DECLARATION OF INTERESTS: COMMITTEE MEMBERS The Audit and Performance Audit Committee members and the Senior Management team had no interests to declare during the meeting.	It should be noted that the Audit and Performance Audit Committee Members and the Senior Management team had no interests to declare during the meeting.	All
4. FINALISATION OF THE AGENDA The members accepted the agenda. The Chairperson mentioned that an additional item should be added to the agenda for further discussion. The agenda items dealt with the adverse weather conditions (floods) and the upcoming audit by the Auditor General South Africa. The Chairperson adopted the new items to the agenda.	It was resolved that the Audit and Performance Audit Committee members, along with the Senior Management team, approved the agenda after adding the new items, adverse weather conditions (floods) and the upcoming audit by the Auditor General South Africa to the agenda.	Chairperson
5. MINUTES OF PREVIOUS MEETINGS: 18 MARCH 2026 The Chairperson conducted a page-by-page review of the meeting minutes dated 18 March 2026 to confirm their accuracy and to ensure that they appropriately reflected the discussions held. The meeting minutes dated 18 March 2026 were accepted by the Audit and Performance Audit Committee.	That the minutes of the previous meeting, held on 18 March 2026, be accepted. The adoption of the previous meeting minutes held on 18 March 2026 was proposed by the Chairperson and seconded by Mr. Silbernagl and Prof. N. Olivier, as it serves as a true and accurate reflection of the meeting proceedings.	Chairperson

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5.1. MATTERS ARISING FROM THE PREVIOUS MINUTES The matters arising from the previous minutes were presented to the Audit and Performance Audit Committee and the Senior Management Team. Mr. Silbernagl requested clarity regarding the matters arising schedule and noted that not all matters recorded in the minutes of the Audit and Performance Audit Committee meeting held on 18 March 2026 had been reflected in the schedule. Mr. Petersen stated that all matters arising from the approved minutes should be incorporated into the matters arising schedule. He further indicated that, where the Audit and Performance Audit Committee identified any omissions, such matters should be brought to the attention of the Internal Audit Function to ensure that they are included in the schedule. He confirmed that the Internal Audit Function would provide progress reports and feedback to the Audit and Performance Audit Committee on the status of the matters arising.	That the matters arising from the previous meeting minutes were tabled to the Audit and Performance Audit Committee and Senior Management. That the matters arising schedule be revised to include additional columns reflecting the actions taken, progress made, and implementation status of each matter in order for the Committee to monitor and track the progress.	Chairperson
6. PRESENTATIONS:		
6.1 EXTERNAL QUALITY ASSURANCE REVIEW RESULTS: NEXIA SAB&T Ms. Nage presented the External Quality Assurance Report to the Audit Performance and Audit Committee and Senior Management. She provided an overview of the report and highlighted the key findings and recommendations. She further explained that the review was conducted in accordance with the Global Internal Audit Standards (GIAS), which comprise five domains, fifteen principles, and fifty-two standards, each supported by several sub-standards. She indicated that the Code of Ethics, previously a standalone document, had been incorporated into Domain 1 of the Global Internal Audit Standards.	That the Audit and Performance Audit Committee takes note of the External Quality Assurance Report and the "Fully Conforms" rating achieved by the Internal Audit Function. That the Audit and Performance Audit Committee recommends that the Municipality review its Risk Management processes and related governance documentation on an annual basis.	Nexia SAB&T

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In addition, Ms. Nage reported that the Internal Audit Function had achieved a "*Fully Conforms*" rating, the highest level of conformance under the Global Internal Audit Standards. She congratulated the Internal Audit Function on this achievement. She highlighted that the primary finding related to Standard 7.2, which emphasises the role of the Chief Audit Executive (CAE). She stated that the Global Internal Audit Standards provide clarity regarding the responsibilities and accountability of the Chief Audit Executive position. She further elaborated that the organogram of the municipality makes provision for a Chief Audit Executive position and highlighted the importance of filling the post permanently and/or appointing an Acting Chief Audit Executive in the interim. She stated that the municipality provided feedback indicating that the Chief Audit Executive of the Overberg District Municipality would act in the position until the vacancy was permanently filled by the municipality. Ms. Nage further highlighted several housekeeping findings, including Standard 9.1, where it was noted that the Internal Audit Function should provide assurance on the municipality's risk management processes as it was a requirement of the Global Internal Audit Standards. In addition, with regard to Standard 9.4, she stated that no assurance was provided on the municipality's ethics processes. However, she further indicated that management responded and confirmed that an ethics review would be incorporated into the Risk-Based Internal Audit Strategic Plan for the new financial year. Lastly, Ms. Nage also highlighted the need for the adoption of data analytics and integrated information technology software by the Internal Audit Function to be utilised as a best practice going forward. In conclusion, Ms. Nage congratulated the Internal Audit Function on its full conformance rating with the Global Internal Audit Standards and expressed confidence that the	That the Audit and Performance Audit Committee supports the inclusion of an ethics assurance review in the Risk-Based Internal Audit Strategic Plan for the new financial year. It was resolved that the Audit and Performance Audit Committee recommends the appointment of the Chief Audit Executive position within the Internal Audit Function.	

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appointment of a Chief Audit Executive would further strengthen the function. Prof. Olivier thanked Ms. Nage for the comprehensive and detailed report and reiterated the Audit and Performance Audit Committee's longstanding concern regarding the filling of the Chief Audit Executive position. He further emphasised that, in terms of the Global Internal Audit Standards, the appointment of a permanent Chief Audit Executive was a mandatory requirement and could no longer be regarded as optional and/or addressed solely through outsourcing arrangements. In addition, he welcomed the recommendation regarding the periodic review of the Risk Management function and its governance processes. He further expressed that these reviews should be conducted annually rather than every two years, given the constantly changing risk environment. He referred to recent events such as the natural disasters and other emerging risks as plausible examples of the need for regular reviews and assessments. He further suggested that municipal officials should review their risk identification and supporting documentation annually, with the overall risk management process being reviewed by the Internal Audit Function on an ongoing basis. Mr. Silbernagl indicated that the matters relating to the vacant Chief Audit Executive position, risk registers of the municipality and risk management governance aligned with issues that had consistently been prioritised and discussed by the Audit Performance and Audit Committee on many occasions. Mr. Silbernagl further congratulated the Internal Audit Function on achieving the "Fully Conforms" rating despite its limited resource capacity and commended the team for maintaining a high standard of professionalism and excellent performance.		
7. STANDING ITEMS:		
7.1 FINANCIAL IN-YEAR REPORTING	That the Audit and Performance Audit Committee reviewed the In-Year reports for the quarter	Chief Financial Officer

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Ms. Wassermann presented the Section 71 and Section 52 Financial In-Year Reports to the Audit and Performance Audit Committee. She highlighted that capital expenditure was currently below target, with capital budget implementation standing at approximately 65%. She explained that three major capital projects had contributed to the delay in expenditure. She further stated that one of the delayed projects related to the improvements to informal settlements, with an estimated project value of approximately R4 million. She explained that progress on the project had been delayed due to livestock occupying the project area, as the affected farmers had initially refused to relocate the animals. The Municipality subsequently obtained a court interdict, which had been served on the affected farmers. She further highlighted that the Barrydale Water Services Infrastructure Grant (WSIG) Project, valued at approximately R5 million to R6 million, was another project contributing to the lower capital expenditure. In addition to that, Mr. Treurnicht informed the Audit and Performance Audit Committee that the Barrydale Water Project had entered the final phase of the new water reticulation network and was being implemented under a seven-month construction contract. He further stated that the project remained on schedule and that completion was anticipated during the first week of August 2026. He further reported that the Swellendam Water Project involved the construction of a new pump station. Although the original completion date had been 25 June 2026, the contractor had informed the municipality that the project had fallen behind schedule, resulting in anticipated underspending for the 2025/26 financial year. He stated further that the contractual penalty provisions would become applicable due to the delay. Ms. Wassermann further stated that the increasing economic pressure within the community had negatively affected the Municipality's debt collection rate. She reported that the collection rate, which had historically averaged approximately	and acknowledged the financial position and sustainability of the municipality. That the Audit and Performance Audit Committee notes the delays in the implementation of the capital programme and the progress made on the Barrydale and Swellendam water infrastructure projects. That the Audit and Performance Audit Committee recommends that the risks relating to consulting engineers, declining electricity revenue, and increasing municipal electricity consumption costs be included in the municipal risk register. That the Audit and Performance Audit Committee takes note of the measures being implemented by Management to improve project oversight, debt collection, and the investigation into declining electricity revenue.	

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95%, had declined to between 92% and 93% over the previous two months. She indicated that final notices had been issued to outstanding debtors and expressed the expectation that any payments received before 30 June 2026 would improve the collection rate. In addition, she highlighted that should no further payments be received, the year-end collection rate was expected to remain between 92% and 93%. The Chairperson requested clarity on the manner in which construction projects were being managed. In response, Mr. Treurnicht explained that consulting engineers had been appointed to perform contract management functions. He stated that the contractors were required to submit detailed construction programmes within the first two weeks of commencement, which were assessed and either approved or rejected, and thereafter used to monitor project performance. He further highlighted ongoing challenges experienced with certain consulting engineers. The Chairperson expressed concern regarding the challenges experienced with consulting engineers and indicated that these posed a significant risk to the Municipality. In addition to that, Prof. Olivier noted that the risks associated with consulting engineers were not currently reflected in the municipal risk register and recommended that these risks be formally included. Ms. Wassermann further stated that investigations into declining electricity revenue were underway, as current projections indicated that actual revenue would be significantly below budget. She recommended that this emerging risk also be included in the municipal risk register. She further elaborated by stating that there appeared to be an increasing trend of large businesses within the Swellendam region who were moving to off-the-grid electricity solutions, resulting in reduced municipal electricity revenue. She further highlighted that electricity revenue constituted a significant source of municipal income and that continued declines would have a material financial		

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impact on the municipality's revenue. She projected the shortfall for the 2025/26 financial year to be between R6 million and R8 million. Prof. Olivier enquired whether the Municipality formed part of any Provincial Treasury solar energy initiatives. Mr. Treurnicht responded that pilot projects had previously been introduced by Provincial Treasury and stated that the Municipality was actively exploring opportunities to expand the use of solar energy within its operations. Mr. Silbernagl requested information regarding the contribution of business electricity consumption to the Municipality's overall electricity revenue. Ms. Wassermann responded by stating that the electricity revenue was generally derived equally from business and residential consumers. He further enquired whether the decline in electricity revenue could be attributed to illegal electricity connections. Ms. Wassermann responded that investigations into illegal connections were ongoing; however, electricity losses had not increased, indicating that illegal connections were unlikely to be the primary cause of the reduced revenue. Mr. Silbernagl also requested information regarding the Municipality's own electricity consumption. Ms. Wassermann responded by stating that, although she did not have the exact figures available, the Municipality's largest electricity consumers were the water and sewerage networks. Mr. Treurnicht informed the Audit and Performance Audit Committee that investigations and applications were underway to determine how the Municipality's water and sewerage infrastructure could make greater use of solar energy to reduce electricity consumption and operating costs. He stated that consultants had been appointed to assist with this process. Mr. Silbernagl concluded by recommending that the risks relating to declining electricity revenue and increasing electricity consumption costs also be included in the Municipal Risk Register.		

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7.2. RISK MANAGEMENT STATUS UPDATE The Chairperson expressed concern regarding the current Risk Register and proposed that discussions on risk management be placed on hold until a later stage. He stated that the Audit Performance and Audit Committee had already indicated its dissatisfaction with the current risk management processes and the supporting source documents relating to the Risk Register. The Chairperson further stated that the Risk Register required additional refinement and that the matter would be discussed in greater detail at a later stage. He also confirmed that the Audit Performance and Audit Committee had discussed the matter prior to the commencement of the meeting and that further engagement would be held with the Municipal Manager. Mr. Wiese tabled the Risk Management strategic documentation to the Audit Performance and Audit Committee. He mentioned that the Risk Management methodology and the performance management policy had been discussed during the previous year and advised that several amendments had since been made. In addition, he further indicated that amendments had been made to the definitions contained in the Performance Management Policy to provide clarity, particularly in relation to the performance evaluation process. He explained that these constituted the key amendments to the Performance Management Policy. Mr. Wiese further stated that all policies are reviewed annually and only submitted to the Council for approval when amendments are required.	That the Audit and Performance Audit Committee recommended that the risk management processes and risk register be discussed at a later stage with the Municipal Manager after concerns were raised. That the Audit and Performance Audit Committee takes note of the Risk Management strategic documentation and the amendments made to the Risk Management Methodology and the Performance Policy. That the Audit and Performance Audit Committee take note that the Municipality reviews the Risk Management strategic documentation, policies, and methodologies annually and submits them to Council for approval.	Performance, Compliance, and Risk

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7.3. COMBINED ASSURANCE MODEL Mr. Wiese presented the 4th Quarter Combined Assurance Model to the Audit and Performance Audit Committee and indicated the status regarding the assurance coverage and mentioned that there were no changes, and the assurance coverage remained the same.	It was resolved that the Audit and Performance Audit Committee reviewed the Combined Assurance Model and that there were no changes, and the assurance coverage remained the same.	Performance, Risk, and Compliance Officer
7.4. 4th QUARTER CHIEF AUDIT EXECUTIVE PROGRESS REPORT Mr. Petersen provided a comprehensive overview of the 4th Quarter Chief Audit Executive Progress Report to the Audit and Performance Audit Committee. He reported that the Internal Audit Function had attended and undertaken various audit engagements during the 4th Quarter. He further stated that the Internal Audit Function had achieved an overall completion rate of 82% (18 of 22 audit engagements), which was below the quarterly Key Performance Indicator (KPI) target of 90%. He explained that the lower completion rate was primarily attributable to the annual Inventory Count, which was scheduled to take place on 30 June 2026 and could only be reported on during the new financial year. He further elaborated by stating that the follow-up audit review on the traffic infringements forensic investigation remained outstanding and would be completed during the 2026/27 financial year. Mr. Petersen also reported that the Recruitment and Selection Review had been completed, with only the signatures of the Senior Manager: Human Resources and the Municipal Manager outstanding before the report could be finalised. Prof. Olivier requested that the follow-up audit review on the traffic infringements forensic investigation corrective actions be carried over and conducted during the 2026/27 financial year. The Audit and Performance Audit Committee considered the request and approved the recommendation.	It was resolved that the Audit and Performance Audit Committee reviewed the 4th Quarter Chief Audit Executive's Progress Report. It was resolved that the Audit and Performance Audit Committee approved the roll-over of the traffic infringement forensic audit review to be conducted in the 2026/27 financial year.	Senior Internal Auditor

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7.5. 4th QUARTER FOLLOW-UP REPORT Mr. Petersen presented the 4th Quarter Follow-Up Report to the Audit and Performance Audit Committee, highlighting several outstanding audit findings. He explained that the Internal Audit Function conducted monthly follow-ups on all audit findings and provided formal progress updates to both the Audit and Performance Audit Committee and Senior Management on a quarterly basis. Regarding the status of audit findings across financial years, Mr. Petersen reported that certain findings remained outstanding, particularly those relating to non-compliance with permit conditions at the Landfill Sites. He further noted that feedback had been received from the Manager: Environmental Affairs on progress made concerning the landfill sites; however, these findings remained unresolved. With regard to the 2024/25 financial year, Mr. Petersen reported that only one finding remained outstanding, relating to evacuation plans and awareness thereof. He further indicated that the Human Resources Department had made sound progress in implementing the corrective actions. For the 2025/26 financial year, Mr. Petersen stated that the audit findings were not yet due. He stated further that monthly follow-up reviews were being conducted on these findings. He further highlighted that, with respect to the Water and Wastewater Internal Audit reports, Internal Audit would conduct monthly follow-up reviews, and that this approach had also been communicated to the Manager: Water and Sanitation. He further reported that the 15 audit findings reflected as "not yet due" related to the Overtime Management Review, as the implementation due dates for those findings had not yet been reached.	It was resolved that the Audit and Performance Audit Committee reviewed the 4th Quarter Follow-up Report and took cognisance of the progress made regarding the outstanding and not yet due internal audit findings.	Senior Internal Auditor

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7.6. INFORMATION & COMMUNICATION TECHNOLOGY (ICT) Ms. Wassermann reported to the Audit Performance and Audit Committee that the mSCOA Committee now forms part of the ICT Steering Committee (SteerCom) meetings. She stated that several ICT-related projects were currently underway and provided an update on the status of the ICT server room. She reported that the building renovations had been completed; however, the appointed contractor had withdrawn from the project, and the Municipality was in the process of appointing a new contractor. She further informed the Audit and Performance Audit Committee that 150 Microsoft user licenses had been rolled out. In addition, she stated that the Municipality would be going out on tender for a new financial management system and confirmed that the proposal had already been tabled before the Council. Ms. Wassermann further highlighted the increasing cybersecurity risks associated with open artificial intelligence platforms, such as ChatGPT. She elaborated that the Municipality had recently experienced a breach on the municipality's ICT network; however, the incident had been promptly identified and addressed timeously, preventing any significant impact. She further stated that all open and free artificial intelligence platforms had been blocked as part of the Municipality's cybersecurity measures. Ms. Wassermann mentioned that the Microsoft Authenticator application had been rolled out and that all employees would be required to install it on their mobile devices to strengthen system security. She further indicated that during the new financial year, all USB ports on municipal devices would be disabled to safeguard institutional information and reduce the risk of unauthorised data transfers. She further informed the Audit and Performance Audit Committee that a new telephone system had been installed. Employees would be allocated a unique PIN code to enable	The Audit and Performance Audit Committee and Senior Management take cognisance of the progress made in terms of ICT projects. In addition, the Audit and Performance Audit Committee take cognisance of the identified ICT risks encountered by the municipality as highlighted by management. That the Audit and Performance Audit Committee recommends that the risks related to the intern or municipal official who left the municipality without notifying the ICT Department be added to the risk register of the municipality.	 Chief Financial Officer

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the Municipality to recover the cost of private telephone calls made using municipal telephone lines. Ms. Wassermann further stated that a policy would be submitted to the Council regarding the reactivation and management of municipal cellphones to enable the monitoring of mobile device usage on the municipal network. Mr. Silbernagl enquired about the use of personal laptops without formal approval and raised concerns that the ICT department had not received termination notifications for interns who had left the Municipality. Ms. Wassermann responded by stating that the ICT department was in the process of addressing these matters and confirmed that all personal Gmail accounts had been deactivated. She further reported that a new risk had been identified following an incident where an intern had left the Municipality without the supervisor notifying the Human Resources department, and Human Resources, in turn, had not informed the ICT department. As a result, the former employee's email address and user account were subsequently utilised by another employee. Ms. Wassermann highlighted the increasing risk associated with spam and/or phishing links, noting that user awareness and vigilance remained critical in mitigating cybersecurity threats within the municipality.		
7.7. REPORTING OF FRAUD-RELATED MATTERS (IF ANY) The Chairperson recommended that, in the Fraud and Incident Register, the names of individuals implicated in reported matters be replaced with the term "alleged" until the respective matters had been finalised. Mr. Petersen accepted the recommendation and would implement it with immediate effect.	The Audit and Performance Audit Committee take note of the fraud-related matters that were reported during the 4th quarter. In addition, the progress in terms of these alleged fraud-related matters would be reported to the Audit and Performance Audit Committee quarterly.	All

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	It was resolved that the Audit and Performance Audit Committee recommends that the incident would be implemented with immediate effect.	
7.8 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW) Ms. Wassermann presented the Unauthorised, Irregular, Fruitless and Wasteful (UIFW) Expenditure Report to the Audit Performance and Audit Committee. She reported that the primary contributor to irregular expenditure remained the ASLA contract and stated that the lifecycle of the contract had come to an end on 30 June 2026. Mr. Silbernagl enquired whether the write-off of debtors constituted unauthorised expenditure. Ms. Wassermann responded by stating that it did not; however, she indicated that the circumstances surrounding a debt write-off and the value involved would determine the applicable treatment. He further enquired whether the Municipality could withhold the transfer of a property where a debtor's municipal account had been in arrears for more than 180 days. Ms. Wassermann confirmed that the Municipality was able to do so in terms of Section 118 of the Municipal Systems Act. Ms. Wassermann further mentioned that the Municipality's most significant debt-related challenges related to estate accounts, with a substantial portion of outstanding debt. She mentioned that the municipality was in the process of compiling a detailed report on these matters, which would be tabled before the Audit Performance and Audit Committee during the next meeting. Ms. Wassermann further indicated that outstanding debt relating to deceased estate accounts remained one of the Municipality's most significant debt challenges. She reported	It was resolved that the Audit and Performance Audit Committee reviewed and discuss the UIFW report as presented. The Audit and Performance Audit Committee takes note of the outstanding debt related to the deceased estate account and the financial impact on the municipality.	Chief Financial Officer

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that various interventions had been implemented, including notifying the families of the deceased account holders and conducting awareness campaigns to encourage the administration and finalisation of the relevant estates. Mr. Silbernagl recommended that deceased estate accounts be included in the Municipal risk register as an emerging risk, given the significant value of the outstanding debt associated with these accounts.		
8. NEW MATTERS FOR CONSIDERATION		
8.1 2025/26 3rd QUARTER PERFORMANCE MANAGEMENT REVIEW Mr. Petersen formally presented the 3rd Quarter Performance Management Review to the Audit and Performance Audit Committee. In addition, he reported that no audit findings were identified during the review.	It was resolved that the Audit and Performance Audit Committee reviewed the 3rd Quarter Performance Management Review and accepted the audit report.	Senior Internal Auditor
8.2 2025/26 WATER AND WASTEWATER TREATMENT NETWORKS REVIEW Mr. Petersen formally presented the Water and Wastewater Treatment Networks Review to the Audit and Performance Audit Committee. He reported that the Internal Audit Function had conducted physical inspections on the Water and Wastewater treatment facilities located in Barrydale. The Audit and Performance Audit Committee accepted the audit report with the audit findings. He stated that two audit findings had been identified, namely the lack of adequate after-hours supervision at the facilities and the lack of surveillance cameras. He reported that discussions had been held with the Municipal Manager and the Manager: Water and Sanitation, during which it was agreed that the implementation of the corrective actions be followed up closer to the action due date.	It was resolved that the Audit and Performance Audit Committee reviewed the Water and Wastewater Treatment Network Review and accepted the audit report.	Senior Internal Auditor

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8.3 2025/26 OVERTIME MANAGEMENT REVIEW Mr. Petersen formally presented the Overtime Management Review to the Audit and Performance Audit Committee and highlighted the audit engagement findings during the review. The Audit and Performance Audit Committee accepted the audit report with the audit findings.	It was resolved that the Audit and Performance Audit Committee reviewed the Overtime Management Review and accepted the audit report.	Senior Internal Auditor
8.4 2025/26 INTERNAL QUALITY ASSURANCE AND IMPROVEMENT PROGRAM REVIEW Mr. Petersen formally presented the Internal Quality Assurance and Improvement Programme to the Audit and Performance Audit Committee. He stated that only one non-compliance issue had been identified during the internal quality assurance assessment, namely the vacant position of the Chief Audit Executive. He further stated that the same matter had also been identified during the External Quality Assessment conducted by the appointed service provider Nexia SAB&T.	It was resolved that the Audit and Performance Audit Committee reviewed the 2025/26 Internal Quality Assurance and Improvement Program and accepted the audit report. The Audit and Performance Audit Committee recommended that the Municipal Manager should fill the vacant Chief Audit Executive position in the new financial year.	Senior Internal Auditor
8.5 2026/27 INTERNAL AUDIT CHARTER Mr. Petersen formally presented the 2026/27 Internal Audit Charter to the Audit and Performance Audit Committee and Senior Management. The Chairperson stated that the draft 2026/27 Internal Audit Charter was circulated to the Audit and Performance Audit Committee for comments and inputs. He further elaborated by stating that the inputs and comments from the Audit and Performance Audit Committee were addressed and incorporated in the 2026/27 Internal Audit Charter. The Audit and Performance Audit Committee accepted the 2026/27 Internal Audit Charter.	It was resolved that the Audit and Performance Audit Committee accepted and approved the 2026/27 Internal Audit Charter. The adoption and approval of the 2026/27 Internal Audit Charter was proposed by the Chairperson and seconded by Mr. Silbernagl and Prof. Olivier.	Senior Internal Auditor

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AGENDA ITEM	RESOLUTION	RESPONSIBLE OFFICIAL
8.6 2026/27 APAC AUDIT AND PERFORMANCE AUDIT COMMITTEE CHARTER Mr. Petersen formally presented the 2026/27 APAC Charter to the Audit and Performance Audit Committee and Senior Management. The Chairperson stated that the draft 2026/27 APAC Charter was circulated to the Audit and Performance Audit Committee for comments and inputs. He further elaborated by stating that the inputs and comments from the Audit and Performance Audit Committee were addressed and incorporated in the 2026/27 APAC Charter. The Audit and Performance Audit Committee accepted the 2026/27 APAC Charter.	It was resolved that the Audit and Performance Audit Committee accepted and approved the 2026/27 APAC Charter. The adoption and approval of the 2026/27 APAC Charter was proposed by the Chairperson and seconded by Mr. Silbernagl and Prof. Olivier.	Senior Internal Auditor
8.7 2026/27 INTERNAL AUDIT THREE-YEAR ROLLING STRATEGIC PLAN FOR THE PERIOD 01 JULY 2026 TO 30 JUNE 2029 The Chairperson indicated that the 2026/27 Internal Audit Three-Year Rolling Strategic Plan for the period 1 July 2026 to 30 June 2029 was provisionally approved, subject to the revision and finalisation of the Municipal Risk Register. He further stated that, once the revised Risk Register had been revised by the Risk Officer and Senior Management, the Internal Audit Annual Operational Plan would be tabled to the Audit and Performance Audit Committee for any amendments based on the risk profile of the municipality.	That the Audit and Performance Audit Committee approved the 2026/27 Internal Audit Three-Year Rolling Strategic Plan for the period 1 July 2026 to 30 June 2029 and Annual Operational Plan, subject to the revision of the Municipal Risk Register based on the risk profile.	Senior Internal Auditor
8.8 2026/27 AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC) MEETING SCHEDULE AND WORK PLAN Mr. Petersen formally presented the 2026/27 annual work plan of the Audit and Performance Audit Committee. He further stated that the annual work plan consists of all the engagements during the new financial year as well as the engagement dates. Prof. Olivier proposed that the 2026/27 Audit and Performance Audit Committee (APAC) Work Plan be amended to include	That the Audit and Performance Audit Committee approved the 2026/27 Audit and Performance Audit Committee Work Plan, subject to the inclusion of the planned engagements with the Auditor-General South Africa (AGSA).	Senior Internal Auditor

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AGENDA ITEM	RESOLUTION	RESPONSIBLE OFFICIAL
the planned engagements with the Auditor-General South Africa. He further stated that these engagements should include the Letter of Engagement, the Audit Strategy Meeting, the discussion of the Draft Management Report, and the discussions on the Final Audit Reports. In addition, Prof. Olivier further enquired whether the dates for these engagements between the Auditor-General South Africa and the Municipality had been confirmed. Ms. Wassermann responded by stating that AGSA commences with the pre-planning phase. Ms. Talmakkies requested that Ms. Wassermann liaise with the Auditor-General South Africa to ensure that the Audit Strategy was submitted to the Audit and Performance Audit Committee timeously for consideration.	That the Audit and Performance Audit Committee requested that the Audit Strategy of the Auditor-General South Africa be submitted to the Audit and Performance Audit Committee timeously for attention.	
8.9 INTERNAL AUDIT EVALUATION BY THE AUDIT COMMITTEE AND SENIOR MANAGEMENT TEAM Mr. Petersen stated that an access link would be circulated to the Audit and Performance Audit Committee and the Senior Management Team to evaluate the performance of the Internal Audit Function.	That the Audit and Performance Audit Committee takes note that an access link would be circulated to the Audit and Performance Audit Committee and the Senior Management Team to evaluate the performance of the Internal Audit Function.	Senior Internal Auditor
8.10 2026/27 INTERNAL AUDIT METHODOLOGY AND MANUAL Mr. Petersen formally presented the 2026/27 Internal Audit Methodology and Manual to the Audit and Performance Audit Committee and Senior Management. The Chairperson stated that the draft 2026/27 Internal Audit Methodology and Manual was circulated to the Audit and Performance Audit Committee for comments and inputs. He further elaborated by stating that the inputs and comments from the Audit and Performance Audit Committee were addressed and incorporated in the 2026/27 Internal Audit Methodology and Manual. The Audit and Performance Audit Committee accepted the 2026/27 Internal Audit Methodology and Manual.	It was resolved that the Audit and Performance Audit Committee accepted and approved the 2026/27 Internal Audit Methodology and Manual. The adoption and approval of the 2026/27 Internal Audit Methodology and Manual was proposed by the Chairperson and seconded by Mr. Silbernagl and Prof. Olivier.	Senior Internal Auditor

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AGENDA ITEM	RESOLUTION	RESPONSIBLE OFFICIAL
9. GENERAL **9.1 ADVERSE WEATHER CONDITIONS (FLOODS)** Mr. Silbernagl provided the Audit Performance and Audit Committee and Senior Management Team with an overview of the impact of the recent adverse weather conditions and flooding that took place within the region of Swellendam. He highlighted the significant damage caused to public infrastructure, agricultural land, residential properties, and municipal services, and noted that many communities and farming areas continued to experience the effects of the disaster. He further stated that, although the Municipality had not experienced the same level of infrastructure damage as some neighbouring areas, the social and economic impact on residents, farmers, businesses, and farm workers remained substantial. He noted that numerous households had sustained flood damage, agricultural production had been severely disrupted, and many farmers continued to incur significant costs to restore infrastructure and farming operations. He also expressed concern regarding the potential long-term impact on employment, economic activity, loss of municipal revenue, and service delivery disruption. Ms. Wassermann responded by stating that the estimated financial impact relating to severely damaged residential properties was approximately between R400 000.00 and R600 000.00 in respect of property rates.	That the Audit and Performance Audit Committee takes note of the impact of the recent adverse weather conditions and flooding on the Municipality and the broader region, including the estimated financial impact on municipal property rates and municipal revenue.	Chairperson
10. CLOSURE The Chairperson adjourned the meeting, thanked everyone for their participation, and closed the meeting at 13H00.		Chairperson