Namakwa District Municipality

AUDIT COMMITTEE

TERMS OF REFERENCE

2025/26

This Audit Committee Terms of Reference was reviewed on 10 June 2025 for approval by Council to ensure that the TOR is aligned to ISPPIA (2025) and the principles as defined in King IV.

List of Acronyms

AC: Audit Committee

AFS: Annual Financial Statements

AGSA: Auditor General of South Africa

AO: Accounting Officer

CAE: Chief Audit Executive

CAF: Combined Assurance Framework

IAF: Internal Audit Function

ICT: Information, Communication and Technology

IIA: Institute of Internal Auditors

NDM: Namakwa District Municipality

NTR: National Treasury Regulation

MFMA: Municipal Finance Management Act (Act 56 of 2003)

MM: Municipal Manager

MPAC: Municipal Public Accounts Committee

TOR: Terms of Reference Namakwa District Municipality

1. INTRODUCTION, PURPOSE AND STATEMENT OF POLICY

1.1 The AC TOR sets out the committee's responsibilities as well as the requirements for its composition and performance.

1.2 The AC is constituted as a statutory committee of NDM Council to fulfil its statutory duties in terms of section 166 of the MFMA.

1.3 The AC is established as an oversight body, providing independent oversight over governance, risk management and control processes of the relevant Municipality.

1.4 The AC or its members should not, in that capacity, perform any operational activity, including management functions nor assume any managerial responsibilities.

2. AUDIT COMMITTEE AUTHORITY

2.1 After following due process and protocols in consultation with the AO, the AC:

2.1.1 shall have unrestricted access to Municipal staff and records containing information needed to properly perform its duties and execute its powers,

2.1.2 may obtain outside independent professional advice and secure the attendance of external parties with relevant experience and expertise, if it considers it necessary,

2.1.3 is authorised to request an investigation into any activity within its powers, as identified in this TOR and must be provided with the appropriate resources to investigate such matters.

2.1.4 Is authorised to postpone/reschedule a meeting where deemed appropriate.

2.2 The AC and any externally appointed parties will treat all the information supplied to it as confidential at all times, utilise it only for the purpose of fulfilling its responsibilities in terms of these TOR and at all times ensure proper and safe storage of such information.

2.3 The AC will be afforded direct and unobstructed lines of communication to the relevant Executive Authority, AO, Senior Management Team of the relevant Municipality, Provincial Treasury as well as other assurance providers, inter-alia AGSA, Forensic Services, Risk Management and the IAF.

3. AUDIT COMMITTEE OVERSIGHT RESPONSIBILITIES

3.1 The AC's responsibilities relating to IAF, which evaluates and contributes to the improvement of governance, risk management and control processes, are to:

3.1.1 monitor and review the effectiveness of the IAF including compliance with the Global Internal Audit Standards (GIAS).

3.1.2 The AC to provide feedback to the CAE regarding the honesty and courage of internal audit

3.1.3 review and approve the risk-based Rolling 3 - Year Strategic and Annual Municipal Internal Audit Coverage Plans and changes to these plans, ensuring that material risk areas are addressed in line with the combined assurance principles.

3.1.4 review and discuss with the CAE the approach, scope of work of IAF and allocation of available resources;

3.1.5 approve Internal Audit quarterly reports including significant issues identified as a result of its work and management's responses to their findings and recommendations.

3.1.6 form part of the consideration to outsource any part or area of the Municipal Internal Audit Coverage Plans, which may result in a special meeting.

3.1.7 confirm that NDM CAF is applied, the implementation of which is facilitated by IAF;

3.1.8 monitor the effectiveness of the CAF, which will include inter-alia, co-ordination and cooperation between AGSA, IAF and other assurance providers to minimise duplication of effort, promote the use of each other's work, and to ensure all significant risk areas are addressed.

3.1.9 report to the AO any impairments placed on IAF in the performance of its functions and scope of work.

3.1.10 communicate any concerns it deems necessary to the Executive Authority, relevant Treasury and the AGSA, if all other avenues have been exhausted; and

3.1.11 meet separately with the CAE to discuss any matters that the committee or the CAE believes should be discussed in a closed session.

3.1.1.11.1 Set expectations with the CAE for:

• The frequency with which the AC wants to receive communications from the CAE. • the criteria for determining which issues should be escalated to the AC, such as significant risks that exceed the AC risk tolerance.
• The process for escalating matters of importance to the AC.

3.2 Responsibilities relating to the External Audit Function performed by AGSA:

3.2.1 consider and make recommendations to the AO as appropriate regarding the AGSA's independence, objectivity, quality and effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.

3.2.2 consider declarations from the AGSA in respect of the independence of service providers used by the AGSA. If the AC becomes aware of conflicts of interest by a firm contracted by the AGSA, it shall be reported to the AO and the AGSA.

3.2.3 discuss with the AGSA and the Municipality before the audit commences and, as deemed necessary during the audit, the nature and scope of the audit (including the accounting principles, policies and practices adopted in the preparation of AFS, planned levels of materiality, resourcing and the terms of AGSA's engagement letter and strategic plan). The AC should review and recommend the acceptance of the following to the AO:

3.2.3.11 the appropriateness of the AGSA audit strategy.

3.2.3.12 the process and application of the planned materiality levels and proposed resources to execute the audit plan and consistency with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

3.2.3.13 the allocation of hours by and fees of AGSA in relation to audit risks.

3.2.3.14 the findings of the AGSA's work. During its review, the AC should:

> 3.2.3.14.1 discuss with AGSA and the Municipality major issues that arose during the audit that need resolution as well as issues that arose and were subsequently resolved. 3.2.3.14.2 review key accounting and audit judgements; and
> 3.2.3.14.3 review levels of errors identified during the audit, obtaining explanations from management and, where necessary, the AGSA, as to why certain errors might remain unadjusted.

3.3 Responsibilities relating to Accounting and Financial Reporting:

3.3.1 Review of accounting policies to:

3.3.1.11 obtain assurance from the CFO that the Accounting Policies agree and are aligned to the policies disclosed in the specimen financial statements issued by National Treasury. Where there are deviations, ensure that there is evidence of satisfactory consultation with National Treasury's Office of the Accountant-General regarding the changes.

3.3.1.12 consider the reasons for the changes in policies, if any. Assess whether changes have been correctly implemented and disclosed in the AFS.

3.3.1.13 enquire whether these changes are consistent with the required accounting framework and if not, whether approval has been obtained from National Treasury's Office of the Accountant-General;

3.3.1.14 review the appropriateness of assumptions made by management in preparing the AFS; and

3.3.1.15 review any new or proposed legislation that may have a material impact on policies, AFS and disclosure thereof, and municipal compliance therewith.

3.3.2 Review of Financial Statements to:

3.3.2.11 obtain confirmation from Management that the AFS have been prepared in accordance with the Preparation Guide and Specimen Financial Statements issued by National Treasury and in compliance with all applicable laws and regulations;

3.3.2.12 identify abnormal and/or significant transactions of the municipality and the disclosure thereof in the AFS.

3.3.2.13 obtain explanations for all significant variances in the AFS as compared to the appropriated budget and prior year;

3.3.2.14 confirm validity, accuracy, completeness and appropriateness of disclosures relating to outstanding litigation, contingencies and claims, as verified by Legal Services and how these matters are reflected in the municipal's financial statements after consulting with the AO and AGSA.

3.3.2.15 obtain assurance that the processes in place are designed to ensure that financial information included in the annual report is consistent with the signed financial statements.

3.3.2.16 consider significant adjustments arising from the external audit, the impact on the AFS, the transactions agreed for adjustment with management and those transactions not adjusted for.

3.3.2.17 consider the expertise, resources and experience of the CFO and the finance function.

3.3.2.18 confirm that the AFS have been signed by the AO on or before the date of the audit report; and

3.3.2.19 recommend the AFS to the AO for approval.

3.3.3 Review the AGSA management and audit reports to:

3.3.3.11 determine how significant financial reporting issues for the reporting period were resolved between management and AGSA.

3.3.3.12 enquire from AGSA if there is any significant non-compliance with legal requirements and the impact thereof on the AFS.

3.3.3.13 understand the reasons for the audit qualification and/or emphasis of matters (if any) and the impact thereof on the AFS and the municipality's operations and assess the adequacy of the action taken/proposed by management to rectify the qualification, and/or emphasis of matters; and

3.3.3.14 comment on the AGSA's opinion on the AFS and the draft audit report regarding the validity, accuracy and completeness of the financial information.

3.3.4 Review of In-Year Monitoring Reports to:

3.3.4.11 assess the quality of quarterly In-Year Monitoring Reports, report and make appropriate recommendations to the AO in instances where actual expenditure is not in line with estimations; and

3.3.4.12 assess the processes implemented by management to identify any instances of unauthorised, irregular, fruitless and wasteful expenditure and the processes implemented by management to address these matters.

3.4 Responsibilities relating to Governance:

3.4.1 Review the overall statement of Internal Audit regarding the municipality's governance processes.

3.5 Responsibilities relating to Risk Management:

3.5.1 Consider and recommend for approval the municipality's risk management policy, strategy, risk implementation plan and risk assessment methodologies to the AO.

3.5.2 Examine the manner in which management confirms and monitors the adequacy of the nature, intent and effectiveness of the risk and control infrastructure of the relevant municipality.

3.5.3 Review:

3.5.3.11 the overall statement of Internal Audit regarding the municipality's risk management systems.

3.5.3.12 the overall process for assessing enterprise-wide risks and managing their impact on the municipality.

3.5.3.13 quarterly assurance reports from management, IAF, AGSA and other assurance providers on the operational effectiveness of matters related to risk and control (inclusive of fraud risks) and the conclusions of any testing carried out on it; and

3.5.3.14 the timeliness of, and reports on, the effectiveness of corrective action taken by management.

3.6 Responsibilities relating to Internal Control:

3.6.1 ensure that the items that gave rise to audit qualifications or emphasis of matters in the prior year/(s) have been satisfactorily resolved and if not, assess the adequacy of proposed action plans, their timelines and the reporting thereof by management to the AC.

3.6.2 review the adequacy and effectiveness of internal controls including controls relating to ICT systems, (including new systems development, change management, user access management and continuing ICT operations) and financial controls.

3.6.3 review the municipality's processes for compliance with applicable laws and regulations;

3.6.4 review the municipality's progress towards implementation of relevant council committee recommendations; and

3.6.5 enquire whether management has relevant policies and procedures in place which are periodically reviewed and updated and that processes are in place to assess compliance.

3.7 Responsibilities relating to Pre-determined Objectives:

3.7.1 review and comment on the quality of quarterly performance reports; and

3.7.2 Review reports from assurance provides to ensure that

3.7.2.11 the municipality has established mechanisms to measure and review its performance against its objectives as well as the KPI's and targets set in the annual planning documents; and

3.7.2.12 the system by which management measures and reviews the performance of the organisation and make recommendations on the effectiveness and appropriateness thereof to the AO.

3.8 Responsibilities relating to Ethics, Fraud and Corruption:

3.8.1 review whether management has taken steps to embed a culture that promotes ethical and lawful behaviour.

3.8.2 review the mechanisms that are in place to ensure that pro-active measures have been implemented through which staff may anonymously raise concerns about possible improprieties.

3.8.3 review any situations that arise relating to violations of ethical conduct, potential conflict of interest or questionable situations of a material nature that it becomes aware of and make suitable recommendations to the AO;

3.8.4 confirm that the municipality has a fraud prevention plan containing proactive and reactive fraud prevention measures.

3.8.5 evaluate the municipality's exposure to economic offences; and

3.8.6 review quarterly reports on the prevention, detection and investigation of fraudulent activities or misconduct within the municipality and the related management responses.

3.9 Responsibilities relating to Technology and Information Governance in the following:

3.9.1 review the level of alignment between business and ICT strategy.

3.9.2 review mitigations and corrective actions taken by management as it relates to municipal ICT risks (including information security, third party and outsourced service providers, business resilience); and

3.9.3 review reports on major municipal ICT investments and its value and/or impact.

4. Responsibilities towards governance by the Audit Committee;

4.1 Internal Audit Services

4.1.1 Review and approve the risk-based Annual Internal Audit Plan and changes to these plans, ensuring that material risk areas are addressed in line with the combined assurance principles.

4.1.2 In consultation with the CAE:

4.1.2.11 review and discuss the approach, scope of work of IAF and allocation of available resources.

4.1.2.12 approve Internal Audit quarterly reports including significant issues identified as a result of audits and management's responses to the findings and recommendations;

4.1.2.13 Approve the Quality Assurance and Improvement Programme and the results of the ongoing, annual internal and the 5-year external quality assurance reviews.

4.1.2.14 Review and approve the Internal Audit Charter as needed or every two years; and

4.1.2.15 Review the annual CAE confirmation regarding the independence, objectivity and competency of the IAF.

4.1.3 Review and make recommendations on the adequacy and appropriateness of the budget and resourcing of the IAF within NDM.

4.1.4 Promote the status and authority of the IAF within NDM.

4.1.5 Form part of the consideration to completely outsource IAF, which may result in a special meeting.

4.1.6 Review the five-year strategic plan and annual performance plan for IAF.

4.1.7 Form part of the recruitment, appointment, performance management and dismissal process of the CAE in line with the prescripts of the Municipal Staff Regulations. In practice, one member representing all the Audit Committees will form part of the process.

4.2 Accounting and Financial Reporting:

4.2.1 Review and comment on any transversal accounting or auditing concerns identified as a result of internal, external and forensic audits.

4.3 Risk Management Process:

4.3.1 Consider and recommend for approval the municipality's risk management policy, strategy, implementation plan, risk appetite statement and transversal risk tolerance levels.

4.3.2 Review the overall process for identifying and assessing municipal risks and managing their impact on NDM.

4.3.3 Review the effectiveness of the mitigations and corrective action taken by management relating to municipal and/or transversal risks (including information security, third party and outsourced service providers, business resilience); and

4.3.4 Review reports on major transversal ICT investments and its value and/or impact.

5. Organisational arrangements

5.1 Appointment of AC members

5.1.1 The Council of the Namakwa District Municipality appoints the members of the AC.
5.1.2 Councillors are not allowed to be members of the AC.
5.1.3 The appointed members should enter into a contract with the municipality according to the approved terms of reference.
5.1.4 AC members must not serve on more than three local government audit committees, except when a shared AC is applicable.
5.1.5 AC members must however confirm their commitment towards servicing a shared AC.

5.2 Size of Committee

An AC should represent a wide range of views and experience; however, it should be of such a size as to operate efficiently. AC most commonly vary in size from 3 to 5 members.

5.3 Membership Requirements

5.3.1 Due to its oversight role and to ensure that the best interest of the community is protected at all times, independence is an essential quality for an AC member.

5.3.2 Legislation stipulates that at least two members of a three-member AC must not be in the employ of the municipality. In order to promote the independence, effectiveness and transparency of the AC the composition thereof should be as follows:

- The chairperson and members must not be in the employ of the NDM or have any conflict of interests.
- Furthermore, when appointing members of the AC, the breadth of knowledge rather than the depth thereof should be emphasised.
- Members should be knowledgeable in financial matters and local government issues.
- Diversity and balance should enhance effectiveness.

5.3.3 The AC chairperson should have a good understanding and ability to lead discussion; create vision and provides direction at meetings; build municipal capabilities by guiding management based on expert knowledge and skills; promote and achieve quality outcomes at meetings; ability to speedily and effectively advice council of any impending non-compliance with the legislative work; ability to encourage other members to participate in AC meetings; and conducts meetings in a manner that demonstrates a desire to establish effective communication to stakeholders.

5.3.4 Members of the AC should possess the following qualities:

- Independence
- Public and Private sector experience
- Understanding of service delivery priorities
- Good governance and financial management experience
- Understanding role of council and councillors
- Understanding of the operations of NDM
- Familiarity with risk management practices
- Understanding of internal controls
- Understanding of major accounting practices and public sector reporting requirements
- Understanding of roles and responsibilities of internal and external auditors
- Understanding of treatment of allegations and investigations
- Understanding of the performance management system

5.4 Term of office

5.4.1 The members of the AC of the Namakwa District Municipality are appointed for periods not exceeding three years with the option of being reappointed for a further term based on performance.
5.4.2 Reappointment is not guaranteed.
5.4.3 The chairperson of the AC should be appointed for a minimum of three years.
5.4.4 Members of the AC should not be contracted continuously for a period exceeding six years.
5.4.5 After serving consecutively for six years, a cooling off period of two years should be provided for, before appointing the same member to the same AC.

5.5 Resignation of member

5.5.1 A committee member should give two months' notice prior to resignation.
5.5.2 The committee members should have the opportunity to have an exit meeting with the council to discuss the reason for leaving and to provide feedback on their experience on the AC as well as any other issues.

5.6 Dismissal of member

5.6.1 Committee members can be dismissed by the municipal council under certain circumstances.

- Where an on-going conflict of interest exists.
- Where a member has not performed to expectations.

5.6.2 The official dismissal processes as they relate to the municipality should be adhered to by the Accounting Officer and Municipal Council when an AC member is being dismissed.

5.6.3 The dismissal of a member should be performed by the Municipal Council and the outcome of the dismissal process should be in writing.

5.7 Induction of members

5.7.1 A formal process of induction is done for all Namakwa District Municipality AC members clarifying the roles and responsibilities of members and the committee.
5.7.2 The induction should entail sufficient briefings and information on their roles, responsibilities, accountability and management's expectations.
5.7.3 Induction of members can also be facilitated by Provincial Treasury or National Treasury, upon request.

5.8 Independence of members

5.8.1 The AC should be independent and safeguarded from undue influence in exercising its responsibilities in an objective manner.
5.8.2 To enhance the AC functioning, the following is required:

- All AC members should declare private and business interest in every meeting.
- All members should not carry out any business with the municipality.
- The AC chairperson and members should not be biased but exhibit an independence of mental attitude during deliberations;
- The AC chairperson and members should be independent of the municipality.

5.9 Remuneration of members

5.9.1 Members of the AC shall be remunerated the hourly rate (up to a maximum of 10 hours) for time spent in preparation of AC meetings; and the daily rate for attendance of official AC meetings; as well as the traveling time to and from meetings; according to the rates provided by National Treasury from time to time.
5.9.2 Any ad-hoc meetings; will be remunerated on an hourly tariff as determined and approved by Council.
5.9.3. Members will be compensated for travelling in accordance with the tariffs prescribed by the Council.
5.9.4 Member's remuneration will be paid directly into their bank accounts within 14 days after the meeting.

5.10 Attendance of AC Meetings

5.10.1 Due to the fact that the AC has a direct impact on their functioning it is recommended that the following people attend AC meetings:

- The Municipal Manager (Standing invitation)
- The Chief Financial Officer (Standing invitation)
- The Chief Audit Executive (Standing invitation)
- Senior Managers (Standing invitation)
- Office of the Auditor-General (Standing invitation)
- Provincial Treasury (Standing invitation)

- National Treasury (Standing invitation)

5.10.2 Furthermore any person may be requested to attend a meeting of the AC when the need therefore may arise.
5.10.3 Officials must give the AC their full co-operation.
5.10.4 If an AC member misses two consecutive meetings without a valid reason, the Accounting Officer may review the membership of such member.

5.11 Frequency of Meetings

5.11.1 The timing of meetings should correspond with major phases of the financial reporting, external audit, and internal audit cycles. It is therefore suggested that the frequency of committee meetings over and above the four mandatory meetings be therefore determined by the AC itself in order to function efficiently and effectively.
5.11.2 Furthermore, the committee may meet separately and individually with management, the internal and the external auditor in order to discuss fundamental issues.

5.12 Quorum requirements

5.12.1 The majority of members will form a quorum as follows:

- Where the members are 3, the quorum for the meetings shall be 2 members present in the meeting.
- Where the members are 4, the quorum for the meetings shall be 3 members present in the meeting.
- Where the members are 5, the quorum for the meetings shall be 4 members present in the meeting.

5.12.2 At an instance where the chairperson is absent, the members that are present will elect one of the members as chairperson for that meeting.
5.12.3 If there is no quorum the meeting will be adjourned to a new date and time not exceeding two weeks.

5.13 Secretariat

5.13.1 Designated council officials should carry out the secretariat function of the AC.
5.13.2 Special confidential meetings should be at the discretion of the chairperson of the AC.
5.13.3 The head of internal audit, in consultation with the AC secretariat in the municipality or municipal entity, must ensure that the required preparation for the meeting of the AC is finalised at least 7 days before the commencement of the meeting.

5.14 Minutes of meetings

5.14.1 Minutes must be kept of AC meetings, which conform to the requirements of committees of a municipal council, and the minutes must be made available to all members within 14 days from the date of the meeting.

5.15: Relationship with Stakeholders

5.15.1 The AC is required to maintain good relations with key stakeholders, such as:

- Municipal Council
- Municipal Public Accounts Committee
- Finance Committee
- Accounting Officer
- Management and staff
- Internal Auditors and External Auditors
- Provincial Treasury
- National Treasury

5.16 Confidentiality

5.16.1 A member of the AC shall maintain strict confidentiality in respect of any information of a confidential nature to which he/she may become privy at meetings of the AC, and shall only disclose such information as may become necessary or required for the proper performance of his/her duties and functions

6. Audit Committee report for inclusion in Annual Report

6.1.1 The AC must prepare a report annually for inclusion in the annual report of the NDM that describes the Committee's composition, responsibilities and evaluation of NDM.
The AC must also disclose the following information in the Annual Report:

- The members of the committee
- Whether or not they adopted a formal term of reference and if so, whether they met their responsibilities for the year, in compliance with its terms of reference
- Declare any conflict of interest.
- Describing the functions performed by the AC and meetings attended;
- Resolutions taken by council and implementation status of recommendations made
- Other relevant comments that may enhance governance and accountability

6.1.2 The chairperson of the AC must submit a copy of its report at least annually, or at other intervals to the Municipal Public Accounts Committee (MPAC), for consideration during the MPAC engagements on the oversight report.

6.1.3 The chairperson of the AC (or elected stand-in) must be available whenever MPAC needs clarity on the report of the AC.

6.1.4 Reporting Requirements
6.1.4.1 The reporting requirements of the AC should be as follows:

- To regularly update the Council about committee activities and make appropriate recommendations. This should be done after each AC meeting.

- The Chairperson of the AC will report on a quarterly basis, or more frequently if required, to the municipal council on the operations of the internal audit unit and the AC.
- The Quarterly Reports from the AC, together with the appropriate minutes and reports from Internal Audit must be provided to MPAC.

6.1.4.2 The report should include:

- A summary of the work performed by the internal audit and the AC against the annual work plan;
- Effectiveness of internal controls and additional measures that must be implemented to address risks identified;
- A summary of key issues dealt with, such as significant internal and external audit finding, recommendations and updated status thereof;
- Progress with any investigations and their outcomes;
- Details of meetings and the number of meetings attended by each member; and
- Other matters requested of the AC.

7. Evaluation of Audit Committee performance

7.1 It is important for the AC to assess its impact on and effectiveness to Council, management, the municipality and ultimately the community of the Namakwa District Municipality on an annual basis. This could be done by way of self-evaluation.

7.2 The AC should conduct continual self-assessments in order to measure its performance. Input from management, internal audit and external audit is part of the assessment process. The chairperson of the audit committee should evaluate the performance of individual committee members and the Council should evaluate the performance of the chairperson.

7.3 Evaluation criteria include the following:

- Expertise and know how.
- Inquiring attitude, objectivity, and independence.
- Judgement.
- Knowledge of local government and its objectives.
- Understanding of and commitment to the committee’s duties and responsibilities.
- Devotion of time in order to participate effectively in committee deliberations and decisions.
- Timely responses.
- Attendance at meetings.

7.3 The findings of the self-assessment should be presented by the chairperson to the accounting officer and municipal Council.

7.4 If an individual audit committee member is not performing, then the member must be given an opportunity to address such with the municipal council. If it is considered necessary to terminate the services of an audit committee member prior to the end of the term of appointment, proper procedures should be followed.

8. Administrative Procedures

8.1 The office of the MM is responsible for all administrative matters pertaining to the AC

8.2 The office of the MM will provide reports to the AC and will see to it that reports from the Committee serve before Council.

8.3 The Chairperson of the AC or his/her representative may attend the meetings of the Finance Committee, Procurement Committee, Executive Committee and Council, when reports of the AC serve before such Committee or Council.

8.4 The AC may initiate its own reports to serve before Council.

8.5 Meetings of the AC will be minuted and copies of the minutes will be circulated to all members, Municipal Manager, Executive Committee and Council.

8.6 The AC must review the charter annually and submit it to Council for approval.

9 GENERAL

9.1 These TOR may be amended as required, subject to the approval of Council and will be reviewed by the relevant stakeholders on an annual basis.

9.2 The AC in carrying out its duties under these TOR will have due regard to the principles of governance and code of best practice as contained in the MFMA, the Treasury Regulations and the King Report on Corporate Governance for South Africa, as amended from time to time.

9.3 These TOR will have mutatis mutandis application, dependent on whether it is shared or municipal specific.

Recommended by:

____________________________ ____________________

Chairperson of the Audit Committee **Date**

Accepted by:

____________________________ ____________________

Municipal Manager **Date**

Approved by Council on meeting held ____________________

Date