

### **13.7 REPORT 7: MANAGEMENT OF THE ADMINISTRATIVE BUREAU TO THE MEMBERS OF THE ADMINISTRATIVE BUREAU – AUDIT COMMITTEE (Artt 212, 258)**

- A. The Synod enters member's meeting of the Administrative Bureau.
- B. Br LJ Kruger tables the Report.
- C. **Decision:** Point 4 refer to the Commission for Finances for formulation.
- D. Rev J van Schaik reports on behalf of the Commission for Finances.

#### **E. REPORT**

##### **1. Mandate**

The guidelines established by the King Report are to be applied in order that transparency of the financial reports in the Gereformeerde Kerke in Suid-Afrika may be assured and fostered.

**Decision: Noted.**

##### **2. Execution**

- 2.1 The Audit Committee met with the auditors subsequent to the 2012, 2013 and 2014 audits to discuss and review the financial statements of the Administrative Bureau, SDDS, Personnel and Ministers Pension Funds, EVT and all other fund statements. In-depth questions were raised about the content, presentation and general status of the finances. Enquiry was also made into the skills level of the personnel as well as the cooperation the auditors received from management and the personnel of the Administrative Bureau.
- 2.2 Enquiries weremade to the auditors and the Management of the Administrative Bureau as well as the different branches of the church about internal regulations, their suitability and also their application. In all cases it was reported that such measures are in place and that they are applied as required.
- 2.3 The auditors were asked whether any limitations were placed on the auditing process. No limitations were placed on the execution of the various audits.
- 2.4 Constant attention was paid to disclosure in the different financial statements and recommendations were regularly made on the improvement of such disclosure.

**Decision: Points 2.1 to 2.4 noted.**

##### **3. Finding**

We are of the view that the financial statements of the Administrative Bureau of the Gereformeerde Kerke in Suid-Afrika and all the other abovementioned financial statements do indeed comply with the set disclosure requirements, the guidelines set by the King Report were met and that no limitations were placed on the auditors during the execution of their duties as auditors.

**Decision: Noted.**

##### **4. Recommendations**

- 4.1 The Synod is to urgently address the increase of R11 902 124 to R13 676 108 of outstanding "ramings", since the previous Synod. This increase of 14.9% exists, despite the collection of a number of significant outstanding amounts.
- 4.2 The Synod is to urgently address the age of the books in stock to find ways of divesting with old stock in an orderly manner.

- 4.3 The Synod is to establish measures to ensure that congregations meet their obligations towards the GKSA as a whole.
- 4.4 The Synod is to institute measures to make up the shortfalls in the Kruispad fund, the student chest, the GKSA healthcare fund and the Gee Jaar fund.
- 4.5 The Synod is to divest the current Audit Committee members of their duties, after twelve years of service.
- 4.6 The Synod is to appoint an Audit Committee, consisting of young knowledgeable brothers working in public practice.
- 4.7 The Synod is to educate itself on the requirements imposed on the members of the Audit Committee in terms of the King 3 Report.

**Decision: Point 4 refer to the Commission for Finances for formulation.**

## F. REPORT OF THE COMMISSION

### 1. Task

Recommendation at 13.7, point 4.

**Decision: Noted.**

### 2. Matters that the Synod take note of

- 2.1 The issue under discussion in this Report was whether it is an issue for the General Synod or an issue for the meeting of the members of the Administrative Bureau.
  - 2.1.1 The Report is for the **members of the Administrative Bureau**.
  - 2.1.2 We refer you to the "Constitution of the Administrative Bureau of the Reformed Churches in South Africa": *"5.1 The Reformed Churches in South Africa are members of the Administrative Bureau and become members at the founding of such churches. 5.2 The delegated members that are delegates to the General Synod, gather in a meeting of members at each General Synod."*
  - 2.1.3 Replace "Synod" in the recommendations of the Report with "members of the Administrative Bureau".

#### 4. Recommendations (Report)

- 4.1 The **members of the Administrative Bureau Synod** pays urgent attention to the fact that since the previous Synod the "ramings" in arrears increased from R11 902 124 to R13 676 108. This increase of 14.9% happened in spite of the Report that several large amounts in arrears were collected.
- 4.2 The **members of the Administrative Bureau Synod** pay urgent attention to the fact that the books in stock in general are very old. Ways must be found to sell this old stock in an orderly way.
- 4.3 The **members of the Administrative Bureau Synod** put measurements in place to insure that congregations comply with their obligations to the denomination.
- 4.4 The **members of the Administrative Bureau Synod** put measurements in place to ensure that the shortages that exist on the Kruispad funds, Student Helpfund, GKSA Medical caring fund and Give Year-funds be eliminated.
- 4.5 That the **members of the Administrative Bureau Synod** should relieve the current Audit Committee members of their duties after a service period of twelve years.
- 4.6 That an Audit committee again be nominated by the **members of the Administrative Bureau Synod** that consists of young expert brothers that stand in public practice.
- 4.7 That the **members of the Administrative Bureau Synod** will acquaint himself with the requirements that are being set to the members of an Audit committee in terms of the King 3-report.
- 2.2 *Concerning 4.1 in respect of ramings in arrears*
  - 2.2.1 The members meeting of the Administrative Bureau already discussed it thoroughly.
  - 2.2.2 It is already dealt with by the Administrative Bureau.

- 2.3 *Concerning 4.2 in respect of book stock that is old*
- 2.3.1 It is already dealt with by the Administrative Bureau.
- 2.4 *Concerning 4.3 in respect of measures that congregations comply with obligations*
- 2.4.1 Existing measures
- 2.4.1.1 Every congregation receives their *raming*-account on a regular basis.
- 2.4.1.2 Report in terms of ramings at Classis and Regional Synod meetings.
- 2.4.1.2.1 Handle the matter however as a matter for the **members of the Administrative Bureau**.
- 2.4.1.2.2 We confirm that *ramings*-accounts are also sent to every Classis and Regional Synod meeting.
- 2.4.1.2.3 We request the plurality of meetings again to put a standing point on their agendas with regard to *ramings*.
- 2.4.1.2.4 The goal is to discuss *ramings* in arrears and to provide brotherly assistance to the congregation/members of the Administrative Bureau through such meetings.
- 2.4.2 The entire matter of *ramings* are referred back to Management of the Administrative Bureau and the GKSA Liaison deputy.
- 2.4.2.1 The recommendations are made that the GKSA Liaison deputy that was composed from the 7 Regional Synods should request the various Classis groups to nominate Liaison deputies.
- 2.4.2.2 The instruction of the Liaison deputies up to Classis-level is then amongst others to point church councils and members to a positive attitude towards *ramings*.
- 2.5 *Concerning 4.4 in respect of shortages at various funds that are wiped out*
- 2.5.1 It is already dealt with by the Administrative Bureau and was already discussed.
- 2.6 *Concerning 4.5 and 4.6 in respect of the service period of the Audit committee members and the nomination of a new Audit committee*
- 2.6.1 The existing Audit committee themselves recommended that they should not be nominated again for this task.
- 2.6.2 The Commission for the nomination of Deputies already nominated new members for the Audit committee.
- 2.6.3 The meeting would like thank the exiting Audit committee that performed this task the past 12 years with eminence.
- 2.7 *Concerning 4.7 in respect of King 3-report*
- 2.7.1 Management of the Administrative Bureau ensures that there are conformed to the contents of the King 3 report.

**Decision: Points 2.1 to 2.7.1 noted.**

- 3. Matters that the meeting of the members of the Administrative Bureau decide on**
- 3.1 Concerning 2.1.3, approve the correction in the report, where “Synod” is replaced with “the members of the Administrative Bureau”.
- 3.2 That the GKSA Liaison deputy requests the various Classis and Regional Synods to also nominate Liaison deputies.
- 3.2.1 The task of the Classis Liaison deputies will amongst other be to be of assistance with the dealing of in arrears *ramings*.
- 3.3 We express our gratitude towards the exiting Audit committee that performed the duty for the past 12 years.
- 3.4 That the requirements of King 3 report are met.

**Decision: Points 3.1 to 3.4 approved (amendments already added – Deputies Acta).**