

## **THE OVERSIGHT COMMITTEE VIRTUAL MEETING ON 26 JULY 2021**

### **OVERSIGHT REPORT ON THE DRAFT ANNUAL REPORT OF DR BEYERS NAUDE LOCAL MUNICIPALITY FOR THE 2019/20 FINANCIAL YEAR 9/2/2**

#### **PURPOSE**

The purpose of the report is to inform Council about the work done by the Oversight Committee in analysing the draft Annual Report and to make recommendations to Council as required in terms of Section 129 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

#### **BACKGROUND**

The Final Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and to assess progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audits.

This report should be used as a decision-making tool by the municipalities.

Every municipality and municipal entity must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121.

The purpose of the Annual Report is:

- \* To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- \* To provide a report on performance in service delivery and budget implementation for the financial year;
- \* To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- \* To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The 2019/20 draft Annual Report was tabled to Council on 28 April 2021 and thereafter published for public comment by the Municipal Manager, in accordance with Section 21(A) of the Local Government: Municipal Systems Act. The closing date for public comment/input was 27 May 2021.

## **OVERSIGHT COMMITTEE**

Council, for purposes of exercising oversight over the executive obligations of Council, has also established the Municipal Public Accounts Account at a Special Council meeting held on 31 August 2016. The MPAC members are the following:

- ***Councillor W. Safers – Chairperson of Municipal Public Accounts Committee***
- ***Cllr. A. Booysen***
- ***Cllr. E. Carolus was replaced by Cllr R Smith***
- ***Cllr. D. Bezuidenhout was replaced by Cllr L Nortje***
- ***Cllr. L. Langeveldt***

Council further tasked the Municipal Public Accounts Committee to analyse and review the draft Annual Report and produce an Oversight Report to Council for consideration.

## **SEPARATION OF ROLES**

The separation of roles between the council and administration is intended to strengthen the oversight function of councillors. Good governance and effective oversight and accountability are predicated on there being this separation of functions. It is fundamental for the achievement of the objects for local government in the Constitution relating to a democratic and accountable system of local government. Council oversees the performance of the administration through council and committee meetings. The mayor provides the link between the council and administration and is responsible for regular monitoring and for tabling reports before the council. Therefore, the administration is responsible for the day-to-day operations. This separation avoids conflict of interest and a “referee/player” situation arising and is similar to the role played by Parliament.

The MFMA further assumes a separation between councillors serving on the executive (i.e. mayor or executive committee) and non-executive councillors. This separation is vital to ensure council maintains oversight for the performance of specific responsibilities and delegated powers to the mayor or executive committee.

The MFMA gives council a number of financial management tasks to fulfil its oversight role. The adoption of an “Oversight Report” is one such task. The diagram on the following page illustrates the various oversight intervention points from the adoption of the Integrated Development plan (IDP), Budget, Annual Report and Oversight Report.

## **CONTENT**

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports.

The MFMA and MSA recognise that council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/council, the administration and the public.

The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor or the Executive Committee to resolve any performance failures,

ultimately the council is vested with the power and responsibility to oversee both the executive and administration. Oversight occurs at various levels in a municipality and is explained in the following table:

### **FINANCIAL GOVERNANCE FRAMEWORK APPLICABLE TO LOCAL GOVERNMENT**

	<b>Responsible for</b>	<b>Oversight over</b>	<b>Accountable to</b>
Council	Approving policy and budget	Mayor or Committee	Community
Mayor or Committee	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	The Administration	Mayor or Committee
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

#### **The annual report:**

- **is meant to be a backward-looking document, focusing on performance in the financial year that has just ended; and**
- **must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.**

When tabled, the annual report should include the following main components, each of which has an important function in promoting governance and accountability. The main components are:

The annual performance report as required by section 46 of the MSA:

- Annual Financial Statements submitted to the Auditor-General;
- The Auditor-General's audit report on the financial statements in terms of section 126(3) of the MFMA; and
- The Auditor-General's audit report on performance in terms of section 45(b) of the MSA.

Other components required to be included in the annual report are set out in the section 121 of the MFMA and MFMA Circular No 11 issued by National Treasury on 14 January 2005.

**The oversight report is the final major step in the annual reporting process of a municipality.** Section 129 of the MFMA requires the council to consider the annual report of its municipality and municipal entities and to adopt an "oversight report" containing the council's comments on each annual report.

The oversight report must include a statement whether the council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

**The oversight report is thus clearly distinguished from the annual report. The annual report is submitted to the council by the accounting officer and the mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by council.**

**The oversight report is a report of the municipal council and follows consideration and consultation on the annual report by the council itself.**

**Thus the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.**

## **PROCESS OF ASSESSMENT OF THE ANNUAL REPORTS**

The draft Annual Report for 2019/20 was tabled at a Special Council meeting held on 28 April 2021, during which Council resolved as follows:

- a) That Council approve the draft 2019/20 Annual Report, of Dr. Beyers Naudé Local Municipality, and that all Councillors and Officials be requested to submit their comments/inputs/corrections to the Office of the Municipal Manager;
- b) That the Annual Report in (a) above be advertised for public comment and input and the Municipal Public Accounts Committee (MPAC) be delegated the responsibility to engage with the draft 2019/20 Annual Report on behalf of Council;
- c) That copies of the draft 2019/20 Annual Report in (a) above be sent to the Audit Committee, Internal Audit, Treasury, Department of Co-operative Governance and Traditional Affairs and the Auditor-General;
- d) That the reviews of the Oversight bodies, when available, be captured in the draft 2019/20 Annual Report and Management be tasked to take the necessary corrective measures accordingly;
- e) That the Municipal Public Accounts Committee (MPAC), be appointed by Council to interact with the draft 2019/20 Annual Report in (a) above before final approval by Council.

## **ADVERTISING PROCESS**

Following the above mentioned resolution, the draft Annual Report for 2019/20 was made public in terms of section 127(2) of the MFMA and the local community was invited to submit representations/inputs/comments in this regard.

Official notices advising where the annual reports could be viewed and inviting representations from the public were placed in the local newspaper and on the Municipal website. Copies of the annual reports were placed in the offices of the Dr Beyers Naudé Local Municipality's administration as well as all libraries.

Copies of the reports were also forwarded to the following as required by the MFMA:

- Auditor-General
- Provincial Treasury
- Provincial Department of Co-operative Governance and Traditional Affairs.
- Audit Committee and
- Internal Audit Unit

## **RESPONSES RECEIVED**

Written responses were received only from Graaff Reinet Residents' & Ratepayers' Association and the Audit Committee of which copies are attached as annexures and to which the administration acted upon.

## **SUMMARY OF COMMENTS OF THE OVERSIGHT COMMITTEE ON THE ANNUAL REPORT OF 2019/20**

The Oversight Committee is honoured to have been given this task by Council to analyse the draft Annual Report and make recommendations to Council pertaining the Oversight Report.

The Oversight Committee has not taken this task lightly as a result there has been much deliberation by members to ensure that justice is being done. I can further confirm that Oversight Committee has completed its task in terms of the provisions of the Local Government Municipal Structures Act No. 117 of 1999.

Management has provided the Committee with a checklist for the Oversight Committee to make determinations regarding the 2019/20 Annual Report. The determinations made by the Oversight Committee are included in the check list (Annexure C).

## **LEGAL FRAMEWORK**

- The Constitution (1996);
- Local Government: Municipal Structures Act (1998) (MSA);
- Local Government: Municipal Planning and Performance Regulations (2001);
- Local Government: Municipal Finance Management Act (2003) (MFMA);
- Local Government: Municipal Systems Amendment Act (2003);
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006);
- MFMA Circular 11 (Annual Report Guidelines);
- MFMA Circular 13 (SDBIP);
- MFMA Circular 31 (Oversight Report);
- Municipal Public Accounts Committee Guidelines.

## **CONCLUSION**

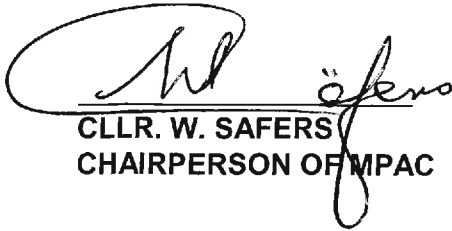
In addition, the Oversight Committee has not held public hearings on the Draft Annual Report as a precaution against COVID19.

The Oversight Report could not be presented to Council for consideration by end of March 2021 and therefore also not published timeously because of the extended statutory audit undertaken by the Auditor General as a result of the State of Disaster and subsequent Lockdown Regulations due to COVID19.

## **RESOLVED ( ORDINARY COUNCIL MEETING HELD ON 07 OCTOBER 2021)**

- (a) That Council adopts the draft 2019/20 Annual Report of Dr Beyers Naude Local Municipality.
- (b) That Council, having fully considered the draft Annual Report of Dr Beyers Naudè Local Municipality for the 2019/20 Financial Year, adopts the Oversight Report without reservations;

- (c) That the Oversight Report be made public in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003); and
- (d) That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132 (2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

  
CLLR. W. SAFERS  
CHAIRPERSON OF MPAC

DATE: 07/10/2021

Dear Mr Hendricks

27 May 2021

Comments and questions re: BNLM Annual Report

Page 104: Please explain what targets the SPU achieved.

**Response: The SPU objective for the year was on target but due to Covid 19 lockdown, the establishment of desks could not happen and had an interim committee. Training interventions/Internships etc was on target.**

Page 105: Please show where and how spekboom planting and backyard gardening was promoted.

**Response: This occurred in the previous financial year. Error corrected in the draft annual report 2019/2020.**

Page 108: To state that "as many as possible" roadblocks and speed measurement actions were planned, is vague and cannot be tested. There were 10 infringements (same as previous year) and 0 employees in the Traffic Service but the expenditure was R5,630,000. (page 110) Please explain. The query is asking how come table T3.20.4 is showing zero employees but the employee related expenditure is R5,6million.

**Response: Roadblocks and speed measurement actions were done by Provincial Traffic Services. The municipality did not do speed measurement in 2019/2020.**

Page 109: Which councilors attend the CPF meetings and how often?

**Response: Municipality cannot comment on the attendance of CPF meetings, as is an outside body not internal.**

Page 112: "There is an established Community Safety Forum." Please prove this.

**Response: Correction has been made in the AR. A Community Safety Forum still needs to be established.**

Page 119: 0 disaster management staff. Was this true and has a change been made in 2020/2021?

**Response: Disaster Management is a district municipal function and therefore the municipality does not have disaster management staff. However, Fire and Traffic Services staff (as well as other functionaries where required) are being utilized to perform disaster management functions in coordination with the Sarah Baartman District Municipality. The District Municipality contributes towards disaster management functions performed by DBNLM. In 2020/2021 the SBDM redeployed a disaster management officer to the satellite fire station in Jansenville.**

Page 127: Vandalising of municipal properties: What is spent per year on security companies? Please provide details of their actions. R8,938,651 was spent on securities services during the 2020 financial year. Details of their actions

Page 127: No manager of legal services: Who in BNLM deals with legal matters?

Page 133: Why are lease contracts being outsourced? This will mean that BNLM does not have the facts about leases at its fingertips.

**Response: Leases are done in-house except for certain complex matters which are referred to the legal experts.**

Page 135: Airport Services: What is happening at the Airport. This facility is vital for business and tourism.

**Response: The municipality is currently considering selling the airport to interested parties using the airport.**

Page 136: Organisational scorecard: It is stated that BNLM scored 51% but it is actually 30% or 39% depending on how it is worked out. Please explain.

**Response: An error was made in the draft annual report and has subsequently been corrected. The annual target achievement for the institution is 39%**

Page 144: Suspensions: "The CFO was 'suspended' in November 2019 and in June 2020 the hearing was in progress. Please supply proof of her suspension process and proof of when the hearing took place.

Page 152: Error in last paragraph Vague statement.

**Response: Not sure what error and which paragraph.**

Local Economic Development: Vague general statement; no details, e.g., of manufacturing which adds up to 10% of economy of the municipality. What does this mean?

**Response: The example referred to means that for the reporting financial year, 10% of the economic activity (Gross Value adding, Jobs created etc) of the Municipality comes from the Manufacturing sector. For Stats supplied we are more reliant on national Statistic institutions such as ECSECC and CENSUS. This information was extracted from ECSECC under the source HIS Markit Regional eXplorer version 1070.**

Page 167: There are no public private partnerships. Why not? BNLM says it supports the Giant Flag Project so why is this not a public private partnership?

Page 172: Why did the Council not adopt the oversight report?

Page 172: It is pleasing that the Auditor's report was an improvement from a disclaimer to a qualified Audit outcome. However, worrying that some contracts were modified without proper control and the performance of some contractors not modified. What remedial action has been taken in respect of these shortcomings?

Why could the auditor not see the indigent debtors' application forms? This was a finding raised in the 2018/19 financial year.



**Response: The applications were submitted during that year's audit but submitted late. There were no findings in relation to this from the 2019/20 audit report.**

Reasonable steps were not taken to prevent fruitless and wasteful expenditure at R8 million, irregular expenditure at R11 million and unauthorized expenditure at R83 million. How is this possible? Residents need an explanation.

Page: Very concerning that 66% of the main projects in the 14 wards were not done at all while only about 17% were done in some manner and others were provincial responsibilities. What is the point of the IDP process if in the end so little development takes place?

**Response: COVID-19 restrictions, infrastructure challenges and budget constraints made it impossible to complete all main projects in wards during the lockdown phases 5 and 4.**

Page 216: How was the value of R11 266 460 for heritage assets calculated?

**Response: Heritage assets (as per the accounting standards) are only related to the municipal property. These values were based on replacement costs as calculated by the external valuers in most instances. Buildings which are the property of the municipality was based on fair value.**

Page 299: The auditor said that management of BNLM did not perform the oversight responsibility adequately.

Please reply to GRRPA's questions. No response has been received to the letter about alienation of assets or to the one about the IDP and Budget presentations.

**Response: Formal response will be provided once all responses are received and consolidated.**

Yours sincerely

Liz Buisman ( Secretary of GRRPA)

## **ANNUAL AUDIT COMMITTEE REPORT – 1 JULY 2019 TO 30 JUNE 2020**

### **INTRODUCTION AND BACKGROUND**

It is a requirement for the Chairperson of the Audit Committee to submit an Annual Audit Committee Report to the council which is an integral part of the Annual Report. The annual report must include the performance of the Internal Audit Unit that is key in rendering support to the Audit Committee. The latter requirement is the final step as the Chairperson of the Audit Committee must submit a quarterly report. The resolutions made by the Audit Committee relate to the financial and non-financial performance of the municipality, that includes compliance with the Division of Revenue Act (DORA) and other prescripts of the government. During the 2019/20 financial year, the Audit Committee was invited only once by the council to report.

The report will further incorporate tasks performed by the Internal Audit (I A) Unit as they are portrayed in the I A Charter of 2019/20 financial year.

### **ESTABLISHMENT OF AUDIT COMMITTEE AND INTERNAL AUDIT UNIT**

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act, No. 56 of 2003 whereas the Internal Audit is established in terms of Section 165 of the same Act. The committee conducted its oversight function based on Section 166 of the Act, with the main objective to reviewing and challenging rather than assuming responsibility for any matters within its remit.

### **ROLES OF THE AUDIT COMMITTEE**

It is to assist and support Dr Beyer's Naude' Local Municipality in conducting oversight functions with regards to safeguarding municipal resources, compliance with the Municipal Finance Management Act, No. 56 of 2003 (MFMA), the annual Division of Revenue Act and other applicable pieces of legislation, performance evaluation, operating systems, supply chain management, assets, risk control processes, review of internal reports, review of annual financial statements and make recommendations and resolutions.

## **CONSTITUTION OF THE EXISTING AUDIT COMMITTEE**

According to Section 166, the committee must consist of a minimum of three members and for Dr Beyer's Naudé Local Municipality it comprises three members:

- Mr Nivel Smith
- Mr Danie De Lange and
- Mr Ngwadi Mzamo.

The act dictates that the Audit Committee must meet as often as is required to perform its functions, but at least four times a year.

## **PREVIOUS AUDIT COMMITTEE**

The Audit Committee that commenced its term after August 2016 Local Government Elections, that is, from 1/7/2017 comprised:

- Mrs Ralie Blignaut (Chairperson)
- Mr Ampie Jordaan (Member) and
- Mr Ngwadi Mzamo (Member).

At the beginning of 2019, Mrs Blignaut resigned and the municipality appointed Mr Nevil Smith. During the second quarter of the same year, Mr A. Jordaan also resigned from the Audit Committee and was replaced by Mr Danie De Lange. As of 1/7/2019, the council appointed Ngwadi Mzamo as the Chairperson of the Audit Council and his term expired on 30/6/2020, but the council has since extended same to 30/4/2021.

## **AUDIT COMMITTEE MEETINGS**

Audit Committee meetings for 2019/20 were held as follows:

- 2019/8/27 = QUARTERLY
- 2019/10/16 = QUARTERLY
- 2019/12/05 = QUARTERLY
- 2020/3/19 = QUARTERLY
- 2020/7/7 = QUATERLY

A special Audit Committee meeting was held on the 16/10/2019, after the meeting of 27/8/2019 at Styttlerville which concentrated on the Annual Financial

Statements (AFS). The deferred items were dealt with at the meeting of the 16/10/2020 in Graaf Reinet. Mr Danie De Lange missed that meeting due to communication breakdown.

### **INTERNAL AUDIT RISK-BASED REVIEWS**

The tasks tabulated hereunder, are, inter alia, extracted from the Internal Audit Charter, which were performed by the Chief Audit Executive (CAE) and his assistant during the year under review:

- Review of Revenue Procedures-Enhancement and Management – **Not done.**
- Review of Supply Chain Management (and expenditure) – **It is planned for November 2020.**
- Review of Information and Communication Technology (ICT) -**It requires an expert, consequently, not done.**
- Compliance Review – **It will be presented in Quarter One, Audit Committee Meeting of 2020/21.**
- Review of Human Resource Management – **Same as above.**
- Grant Funds Planning and Management Review – **Not done.**
- MSCOA Compliance Review – **Not done.** A scope letter was sent to the former CFO on 15/7/2019 without any response and a subsequent follow-up by MSCOA Officer on 25/7/2019, still without any acknowledgement from that office. The Audit Committee urges the Acting CFO to give attention to this matter, as it is long overdue.

### **STAFF COMPLEMENT OF INTERNAL AUDIT UNIT**

The component is managed by one technocrat designated as the Chief Audit Executive (CAE), who carries out field work, administration and reporting. This situation has a negative impact on the quality of reports, as the official cannot be a player and a referee, that is, reports must be checked by another senior manager. The second official is stationed at the satellite office of Jansenville whilst there is one vacant post of Internal Auditor.

The Audit Committee recommended that Internal Audit Staff should be resident at the Head Office, to enable them to improve their performance in supporting the Audit Committee and conducting their functions in various directorates. Besides the Internal Audit Charter tasks, there are ad hoc requests which require their

attention. Secondly, efforts should be made to fill the post of vacant Internal Auditor to strengthen the municipality in preparing for Auditor General's auditing function and improving good corporate governance. Thirdly, the municipal senior management must inculcate a culture of speedy responses to the issues raised by the Internal Audit Unit and implement its recommendations. The latter encourages a state of readiness towards improved financial and non-financial performance of individuals and institution.

### **RESOLUTIONS OF 2019/20 – 2020/21 AUDIT COMMITTEE MEETINGS**

The following are the resolutions of the above-mentioned committee:

#### **Audit Committee Meeting of the 27/8/2019 at Klipplaat:**

The work programme of the day was fully loaded with the quarterly reports of the previous financial year, including the review of Annual Financial Statements (AFS), Draft Annual Performance Report (APR) and Annual Report (AR) accompanied by the Internal Audit Review AFS Report which was compiled by Kopano 2A2. The Accounting Officer (MM) proposed that the Audit Committee should review the Draft AFS, Draft APR and Draft A R as they were going to meet with the employees and Local Labour Forum (LLF). He assured the Audit Committee Members that another meeting would be arranged to finalise the agenda.

#### **➤ Annual Financial Statements**

The AFS were thoroughly reviewed and recommendations were advanced to the Acting Chief Financial Officer (ACFO). The Audit Committee adopted the AFS subject to the inclusion of the committee's and the Internal Audit Review AFS recommendations.

#### **➤ Draft Annual Performance (APR) and Annual Reports (AR)**

Some comments on the Draft APR and AR were provided. The additional comments were also emailed to the Performance Management System (PMS) Manager as the reports were received late in the night of the 26/8/2019. The Audit Committee adopted the Draft APR subject to incorporation of the recommendations and noted the work in progress of the draft AR.

## **Audit Committee Meeting of the 5/12/2019:**

### **➤ Internal Audit Progress Report: Quarter 2 of 2019**

The Audit Committee resolved that the lack of resources impacted on the implementation of the Audit Improvement Plan (A I P). The A I P portrays crucial issues to be covered which must be prioritised and the municipal senior management must focus on them. An early warning system should be provided to signal when the task is not being executed, timeously. The Information and Communication Technology (ICT), Human Resource Plans (HR Plan), overtime and leave should be incorporated in the A I P and these issues are attracting the attention of the Auditor General. The engagements with the Provincial Treasury, regarding support with Fraud and Risk Register, should be enhanced.

### **➤ Feedback on Finance Management Capability Maturity Model (FMCMM)**

The Audit Committee resolved that the CAE should return the plan to the relevant senior managers/managers, so that it could be updated with special emphasis to timelines for identified actions aligned to ICT, Risk Management (RM) and HR. The diligent population of FMCMM by the senior personnel corps, could be of great benefit to the municipality since the information required is detailed.

### **➤ Update on Revenue (Jansenville Traffic Office) for 2017/18 Financial Year**

The Audit Committee (AC) resolved that controls be urgently put in place at Jansenville and improve the weak financial systems. The Provincial Treasury (PT) be approached to conduct a forensic investigation at Jansenville and the P T to carry the costs for such investigation as contribution and support to Dr Beyer's Naudé Local Municipality, in terms of Section 154 of the Constitution of South Africa.

## **The meeting of 19/3/2020 resolved as follows:**

### **➤ Draft Strategic Risk Register:**

The A C noted the contents of the report and distribution of same to all members. The A C resolved that operational and strategic risks, should be separated. The A C resolved that the role of the Audit Committee should be included in the register.

➤ **Draft Risk Management Implementation Plan:**

The A C noted the contents of the report and resolved that timelines per activity should be added and the senior management and management must elaborate on responsibilities.

➤ **FMCMM Report:**

The Audit Committee noted the report and resolved that the report must be forwarded to and be updated by senior management and middle management.

➤ **Section 71 Report:**

The contents of report were noted with the following resolutions:

- Submit Water Losses Report, quarterly and indicate the monetary value.
- Submit Electricity Losses Report, quarterly and indicate value in rands.
- Allow time-off on overtime, rather than money, due to cash-flow challenges.
- Correct discrepancies in the summary report, in terms of overdraft – refer to cash balances.
- Indicate contracted services in the report.
- Confirm the existence of expenditure strategy on roll-over funding, e.g. Capital Budget.
- Include Revenue Enhancement Strategy in the report.

➤ **Progress on Audit Action Plan and Resolutions:**

The Audit Committee noted the contents and accepted the report. The Committee resolved that the officials must comply and respond timeously to Request for Information (RFI) issued by AG, to improve on working relations and must be the same with the Internal Audit Unit because practice makes perfect.

➤ **Mid-Year Assessment Report:**

The Audit Committee resolved that quarterly comparison, to identify any progress made, be indicated in the report. The Committee further resolved that senior management must ensure that measures are put in place, so that targets are met.

Finally, the Committee resolved that the municipality must craft a strategy to improve LED performance

➤ **Draft Annual Report:**

The Audit Committee noted that the report would be tabled on the 31/5/2020 and resolved that additional contributions be emailed by A C Members.

➤ **Fraud and Misconduct:**

The report discussed the above-mentioned matters in-committee and the Audit Committee resolved that they must be followed up to their logical conclusion.

➤ **Disciplinary and Litigation Report:**

The Audit Committee noted and accepted the contents, but progress will be monitored and evaluated.

➤ **MSCOA Report:**

The Audit Committee noted the report, notwithstanding the HR and Asset Modules' challenges; and the committee urged that these challenges must be sorted out and timeframes be attached to the tasks.

➤ **Internal Audit Progress Report: Quarter 2 of 2019:**

The Audit Committee resolved that the resources for the Internal Audit Unit, should be augmented. All critical issues raised by I A must be prioritised and the senior management must focus on them. Senior Management must add ICT and HR Plan in the Audit Improvement Plan, as overtime and leave are attractive to the Auditor General. The Committee further resolved that the municipality should continue to engage the Provincial Treasury for assistance with Fraud and Risk Register.



➤ **Feedback on Finance Management Capability Maturity Model (FMCMM):**

The Audit Committee resolved that the Chief Audit Executive should return FMCMM Plan to relevant Senior Managers/Managers to update it and focus on timeframes under ICT, Risk and HR.

➤ **Update on Revenue (Traffic in Jansenville) for 2017/18 Financial Year:**

The Audit Committee noted that controls were in place and improved at Jansenville Traffic Office. The Committee further resolved on the follow-up with the Provincial Treasury to undertake forensic investigation at Jansenville as part of Section 154 Support, based on the Constitution of South Africa.

➤ **Section 52 Report for Quarter 1 and resolutions were:**

- Do not combine Sections 52 and 71 Reports
- Make endeavours to increase rates collection.
- Devise means to decrease domestic household debts, e.g. incentives.
- Provide water loss report, especially with the prevailing drought.
- Guard against excessive use of overtime under Engineering and Planning Department.
- Accelerate the recovering of outstanding debt of councillors and technocrats.
- Integrate MSCOA System.

➤ **First Quarter SDBIP Performance Report:**

The Audit Committee resolved that;

- Improve colour coding for different levels of progress.
- Indicate corrective steps if targets are not achieved.
- Ensure that LLF meetings are planned timeously, to eliminate unnecessary labour disputes.

The committee warned that Municipal Infrastructure Grant (MIG) expenditure that is not on target, is a great risk towards municipal service delivery. The committee recommended that Special Programmes Unit (SPU) should target out of school youth and should also enhance partnerships within the public and private sectors; and the Non-Governmental Organisations (NGOs) could also be approached.

➤ **Fraud and Misconduct**

The matters were discussed during in-committee meeting with the MM, such as disciplinary hearings, due to alleged financial misconduct, were progressing. The committee resolved that, it must be continuously updated on the matters of fraud and corruption until they are finalised.

**Meeting of the 7/7/2020:**

➤ **Progress on Audit Action Plan**

The Audit Committee enquired about the unresolved findings that would affect 2019/20 audit outcome and the impact of the irregular expenditure on unspent grant, affecting 2019/20 audit outcome. The Committee still pursued the resolutions on Water and Electricity Losses Reports and resolved as follows:

- The Report portrays lack of controls.
- That the Report reflects inadequate quarterly reviews.
- The Report points to poor record keeping.

The A C noted the contents of the report as work in progress and further raised the following questions:

- When will the meters be installed to monitor electricity consumption as the ESKOM account was part of the findings of A G?
- Has the irregular expenditure been adequately investigated?

➤ **Section 71 Report: May 2020**

The A C noted and accepted the report and raised the following critical issues:

- The A C had a concern on R23 million unspent grant.
- Less revenue collection.

- Employee Pension/Employee Cost.
- Electricity losses.
- Creditors Payment Plan.
- State departments' debt.
- ESKOM Account.

➤ **Fraud and Misconduct:**

There was no report from the MM for the in-committee meeting.

➤ **Disciplinary and Litigation Report; Resolutions were:**

The Litigation Report was noted but required to be updated and the Disciplinary Report was also noted but the report must reflect the financial implications, status and timelines be reflected per case.

➤ **MSCOA Report:**

The A C acknowledged progress made, noted and accepted the report. The A C urged for the finalisation of other modules and noted the H R and Asset Modules were not yet loaded.

➤ **Third Quarter Performance Report 2019/20:**

The A C resolved that accumulative expenditure column be included and reminded on the previous resolution of colour coding to indicate KPI's that are on target as against those not on target.

➤ **Workplace Risk Assessment (COVID-19) Plan:**

The Audit Committee noted the institutional risk-assessment document and the budget spent towards mitigating against the pandemic. Therefore, the municipality was encouraged to account for the expenditure incurred from the Covid-19 Grant and adhered to Disaster Management Act and Regulations. The A C noted and accepted the report but raised the following issues:

- How was senior management going to improve poorly ventilated office spaces?
- What plan did the senior management have to cater for social distancing at the crowded workplace?

The A C resolved that proper reporting on the R1.13 million COVID-19 Grant utilisation, be the priority.

➤ **Performance Analysis per Directorate**

Based on the Draft Annual Performance Report and as reflected in the performance analysis pages per directorate, the third and fourth quarters are sampled as follows:

The Municipal Manager's Office reflected **36% and 30%**, Corporate Services scored **50% and 38%** and Community Services portrayed **20% and 25%** respectively, whereas Budget and Treasury Office registered **57% and 57%**; whilst the Engineering and Planning advanced with **75% and 56%**.

It is a known fact that the National Lockdown commenced on the 23 March 2020 due to Covid-19 Pestilence and could have a negative impact on the financial and non-financial performance. Be that as it may, poor performance could not only be attributed to the lockdown. There could be some root causes of such poor or average performance, which should be reflected under reasons for poor performance.

**CONCLUSION**

The municipality's political leadership and senior municipal management are trying their level best to consolidate and synchronise the plethora of systems inherited from the previous de-established municipalities, with the limited financial and human resources at their disposal.

Experience has shown that amalgamation of different entities is a cumbersome exercise as portrayed by the erstwhile Cape Provincial, Ciskei and Transkei Administration which took some years before a functional Eastern Cape Provincial Administration was established.

Although Dr Beyer's Naudé Local Municipality has not yet, achieved a qualified or unqualified audit outcome, it is aiming at improving its performance towards that goal. The council is urged to invite the Audit Committee Chairperson to report to the council, every quarter as it is a requirement to do so.

The Audit Committee Members extend a word of appreciation to the Executive Mayor, Executive Committee, Chairperson of MPAC, Councillors, Municipal

Manager, Senior Management/Middle Management, the Auditor General and various sector departments, due to the support rendered to the committee. The report has been shared with the other Audit Committee Members, the Municipal Manager and the Chief Audit Executive to enable them to add or subtract.

  
**CHAIRPERSON: AUDIT COMMITTEE**

**Dr Ngwadi MZAMO**

**2020/10/31**

## “Annexure C”

### Checklist to make determinations regarding the 2019/20 Annual Report – Dr Beyers Naude Local Municipality.

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER- ABLE	DETERMINATI ON BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
1. Is the Annual Report in a presentable format	<ul style="list-style-type: none"> <li>• Properly titled;</li> <li>• Referenced to the year under review;</li> <li>• Contains misrepresentations;</li> </ul>	Yes Yes No	MM MM MM	Agree Agree Agree	

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER- ABLE	DETERMINATI ON OVERSIGHT BY COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
2. Is the Annual Report properly "organized"	<ul style="list-style-type: none"> <li>• Index;</li> <li>• Page numbering;</li> <li>• Chapters follow proper sequence.</li> </ul>	Yes Yes Yes	MM MM MM	Agree Agree Agree	Page 2-4 Page 2-4 Chapter 1: Page 7, Chapter 2: Page 30, Chapter 3: Page 51, Chapter 4: Page 138, Chapter 5: Page 151, Chapter 6: Page 170. Annexures: From page 176
	<ul style="list-style-type: none"> <li>• Annexure relevant to year under review</li> </ul>	Yes	MM	Agree	

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWERABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
3. Are the minimum requirements for content as prescribed by s.121.3 of the MFMA and s.46 of the MSA met.	<p>In terms of the MFMA the following documents must be included in the Annual Report:</p> <ul style="list-style-type: none"> <li>• Annual Financial Statements for the year under review;</li> <li>• The Auditor-General's report for the year under review;</li> <li>• The annual performance report of the municipality required in terms of s. 46 of the MSA;</li> <li>• The Auditor-General's report in terms of s.45(b) of the MSA on the performance of the municipality;</li> <li>• Assessment of the MM on the collectability of the debtors outstanding at the end of the financial year under review;</li> <li>• Assessment by the MM of performance against the measurable performance objectives relating to revenue collection for <b>each revenue</b></li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Annexure 1 In Annual Report</p> <p>Annexure 2 in Annual Report</p> <p>Annexure 4 in Annual Report</p> <p>Annexure 2 in Annual Report</p> <p>Impairment in AFS 2019/2020 Note 32 page 63 (Annexure 1)</p> <p>Monthly via the S71 report and quarterly via the SDBIP performance report, and section 52d report.</p>



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	<p><b>source and each vote</b> in the approved budget;</p> <ul style="list-style-type: none"> <li>• Particulars of any corrective actions taken or to be taken relating to issues contained in both audit reports of the Auditor-General;</li> <li>• Any information to clarify issues in connection with the financial statements;</li> <li>• Any information determined by the municipality;</li> <li>• Any information as may be prescribed by other legislation (DOR Act)</li> </ul>	Yes	MM	Agree	Annexure 3 in Annual Report (Audit Action Plan)
		No	MM	Agree	Refer annexure 2: Basis of qualification page 291 in the Audit Report
		No	MM	Agree	
		None	MM	Agree	

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4. Annual Financial Statements (AFS)	<ul style="list-style-type: none"> <li>Does the AFS contain a fair representation of the financial performance of the municipality?</li> <li>Do the notes to the AFS contain adequate explanations/ information/ disclosures? (Refer item 11 further down)</li> </ul>	Yes	MM	Agree	Except for specific audit qualifications.
5. The Auditor-General's Report	<ul style="list-style-type: none"> <li>Is the finding of the Auditor-General (A-G) relating to performance and financial governance justified under the circumstances;</li> <li>Did management respond to management letters issued by the A-G;</li> <li>Did management sign management representation letters to signify that good financial governance practices</li> </ul>	Yes	MM	Agree	Is being confirmed by the Audit Report
		Yes	MM	Agree	This document does not form part of the annual report

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	<p>were adhered to during the year under review;</p> <ul style="list-style-type: none"> <li>•How many issues contained in the A-G's report relates to previous years;</li> <li>•To what extent does the A-G's report contain serious inferences of financial mismanagement;</li> <li>•Did management and the Council respond to recommendations by the Audit Committee?</li> </ul>	<p>Yes</p>	<p>CFO</p> <p>CFO</p> <p>MM/ MAYOR</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>4 issues (Refer annexure 2: Basis of qualification page 291 in the Audit Report)</p> <p>Paragraph 37&amp;38 of the AG report. AG states uneconomical contracts entered into. (Annexure 2 page 296)</p> <p>A resolution register has been developed and is updated and reported on at audit committee meetings on a quarterly basis.</p>

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6. The Annual Performance Report of the Municipality	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality <u>and each service provider</u>, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. <b>Questions that may be considered are –</b></p> <ul style="list-style-type: none"> <li>• Was the performance report included in the Annual Report?</li> <li>• Have all the performance targets set in the budgets, SDBIP, service agreements, etc, been included in the report?</li> <li>• Does the performance evaluation in the Annual Performance Report compare actual performance with targets</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>The Annual Performance Report is included in the Annual report as an annexure 4.</p> <p>All SDBIP KPI's are included in the Annual Performance Report.</p> <p>Actual performance VS set targets are reported on in the Annual Performance Report.</p>

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER- ABLE	DETERMINATI ON BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
	<p>expressed in the budgets and SDBIP approved for the financial year?</p> <p>•In terms of key functions or services, how has each performed? E.g. Have backlogs for water, sanitation and electricity been reduced?</p> <p>•What are the refuse collection volumes, library usage statistics, etc?</p>	<p>Yes</p> <p>No</p>	<p>DIS</p> <p>DCOMS</p>	<p>Agree</p>	<p>All communities within the municipal/town boundaries have services according to RDP standards. Although Bulk Water Supply was a challenge due to the drought conditions, water carting took place to affected areas. Informal settlements have RDP standard services but require upgraded services. See Chapter 3 in the Annual Report.</p> <p><b>Waste Volumes:</b> GRT:Reg.No. D00980-01 Steytlerville: Nieu Bethesda: Reg.No.D00977-01 Willowmore: Jansenville/Klipplaat: Aberdeen: Reg. No. D00978-01 Landfill sites not compliant. No volume records kept.</p>

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	<ul style="list-style-type: none"> <li>• To what extent has performance achieved targets set by council?</li> <li>• Is the council satisfied with the performance levels achieved?</li> <li>• Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents?</li> </ul>	Reasonable	MM	Agree	The library statistics are very low in comparison with the previous year.
		No	MM	Agree	<p>The overall target achievement for the institution was 39%</p> <p>Performance was below required performance standards. Many factors impacted the substandard performance, such as National lockdown, restriction regulations, cashflow, available resources, etc.</p>
		No	MM	Agree	No community satisfaction survey has been conducted; however, the annual performance report has been included in the draft annual report that was publicized for public inspection.

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	<ul style="list-style-type: none"> <li>What were the outcomes of public consultation and public hearings?</li> </ul>	NA	MM	Agree	No public hearings were conducted by MPAC. However, the draft annual report was made public for inspection/comments or inputs. Only the Graaff-Reinet Rate Payers Association provided comments/input on the draft Annual Report.
	<ul style="list-style-type: none"> <li>What actions have been taken and planned to improve performance?</li> </ul>	Limited	MM	Agree	No Directors were appointed during this financial year. Appointments were made in August 2020. Performance agreements and performance plans have been entered into with S56 & 57 managers, performance is monitored and reported on quarterly, and in-year evaluations are conducted to ensure underperformance is identified early, and corrective measure are put in place.
	<ul style="list-style-type: none"> <li>Is the council satisfied with actions to improve performance?</li> </ul>	Yes	MM	Agree	Quarterly performance reports were tabled before council with actions to improve performance in cases where targets were not achieved.

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	<ul style="list-style-type: none"> <li>• Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?</li> </ul>	Yes	MM	Agree	Targets set in the SDBIP agree with performance agreements entered into.
	<ul style="list-style-type: none"> <li>• Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</li> </ul>	Yes	MM	Agree	
	<ul style="list-style-type: none"> <li>• Taking into account the audit report and opinion and the views of the Audit Committee, is performance considered to be efficient and effective?</li> </ul>	NO	CFO	Agree	Substandard achievement of performance targets which requires improvement. There is still room for improvement marge challenge cashflow constrains.
	<ul style="list-style-type: none"> <li>• To what extent have actions planned for the previous year been carried over to the financial year reported upon?</li> </ul>	Yes	CFO	Agree	4 items where qualifications still apply. (Refer annexure 2: Basis of qualification page 291-292 in the Audit Report)



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	<ul style="list-style-type: none"> <li>• Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations being provided by the municipal manager and are these satisfactory?</li> <li>• Was Council provided with regular performance reports relating to service providers?</li> </ul>	<p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p>	<p>4 items. These are forming part of the Audit action plan (Refer annexure 2: Basis of qualification page 291-292 in the Audit Report)</p> <p>On a quarterly basis via the Supply Chain Management quarterly reports.</p>

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7. The Auditor- General's report on the performance of the municipality	<p>Section 45 of the MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes annually.</p> <ul style="list-style-type: none"> <li>Was the A-G provided with the information required to perform the required audit?</li> <li>Were recommendations by the A-G included in action plans to improve performance in the following year?</li> </ul>	<p>Yes</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p>	<p>Audit on predetermined objectives was conducted by Auditor General</p> <p>An unqualified audit opinion was determined for the audit of predetermine objectives. A better audit outcome received. (Refer to Annexure 2 page 291)</p> <p>An audit action plan has been developed to improve performance in the following year.</p>

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8. Assessment by the MM on the collectability of the debtors outstanding at the end of the financial year.	Is such an assessment included in the report?	Yes	MM	Agree	Monthly Section 71 Reports
	• How regularly was the assessment performed during the year?	Yes	CFO	Agree	Monthly Section 71 Reports
	• Were any corrective steps taken where collection performance did not meet targets?	Yes	CFO	Agree	Implementation of the Credit Control Policy. Defaulters are blocked and disconnected.
	• Did the mayor execute his/her oversight responsibility relating to collection of revenue?	Yes	CFO	Agree	Minutes of EXCO Meetings
	• How acceptable is the current situation relating to debtors outstanding?	Not satisfactory	CFO	Agree	The intention is to improve to above 100%
9. Assessment by the MM of performance	• Were measurable performance objectives for revenue	Yes	CFO	Agree	In the SDBIP annually and reported on in the annual performance report.

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<p>against the measurable performance objectives for collection for <b>each revenue source and each vote</b> in the approved budget.</p>	<p>collection set at the beginning of the year?</p>				
	<ul style="list-style-type: none"> <li>• What actions were taken to address any areas of under-performance?</li> <li>• Were revenue collection policies (disconnection, indigence, deposits, arrangements) in operation during the year under review?</li> </ul>	<p>Yes</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p>	<p>State of the Municipality report was developed with recommendations to be implemented to improve areas of underperformance.</p> <p>Covid-19 pandemic hampered us in this regard, however we improved on the collections.</p>
	<ul style="list-style-type: none"> <li>• Were regular reviews of the budgeted revenue per serve compared to actual revenue done and reported to the Mayor/ Council?</li> </ul>	<p>Yes</p>	<p>CFO</p>	<p>Agree</p>	<p>See section 71 reports. 3 Adjustments budgets</p>
10. Particulars of any corrective actions taken or	<ul style="list-style-type: none"> <li>• Has Council adopted an action plan to address the issues</li> </ul>	<p>Yes</p>	<p>MM</p>	<p>Agree</p>	<p>An Audit Action Plan was developed to address all findings contained in the audit report.</p>

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to be taken relating to issues contained in both audit reports of the Auditor-General for the year under review;	contained in the report of the A-G?	Yes	MM	Agree	Strategic and operational risk registers have also been developed per directorate/unit, to ensure controls are in place to mitigate risk, and possible findings.
	<ul style="list-style-type: none"> <li>Will the action plan adequately address the issues contained in the A-G's report?</li> </ul>	Yes -100%	CFO	Agree	Absolutely
	<ul style="list-style-type: none"> <li>What progress has been made with execution of the action plan?</li> </ul>	Yes	CFO	Agree	100% on target
	<ul style="list-style-type: none"> <li>Are due dates being met?</li> </ul>	No	CFO	Agree	Is being discussed at all Man Meetings
	<ul style="list-style-type: none"> <li>Will any items contained in the A-G's report be carried into the next financial year?</li> </ul>	No	CFO	Agree	The Audit Action Plan is designed to address that
	<ul style="list-style-type: none"> <li>What controls are in place to ensure no items are carried forward into the next financial year?</li> </ul>	Yes	CFO	Agree	Daily monitoring of the audit action plan. Frequently reporting on it at management and Audit Committee meetings

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11. Any information to clarify issues in connection with the financial statements	<ul style="list-style-type: none"> <li>• The notes to the AFS are required to contain the following further disclosures; were they disclosed in the AFS for 2019/2020?</li> <li>• Details of allocations received from other organs of state (national and provincial);</li> <li>• Details of any allocations made to any other organs of state or institution/municipal entity;</li> <li>• Allocations received in terms of the DORA Act and provincial budgets;</li> <li>• Details on how certain of the above allocations were spent per vote;</li> <li>• Information stating whether the municipality has complied with the conditions of certain grants</li> </ul>	Yes	CFO	Agree	Refer to Annexure 1 from page 222
		Yes	CFO	Agree	Refer to pages 157 of the Draft Annual Report
		NA	CFO	Agree	NA
		Yes	CFO	Agree	Refer to pages 157 of the Draft Annual Report
		Yes	CFO	Agree	Refer to pages 201-202 of the Draft Annual Report
		Yes	CFO	Agree	Refer to pages 157-202 of the Draft Annual Report

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	<p>and if not the reasons for not complying;</p> <ul style="list-style-type: none"> <li>• A statement whether any funds destined for the municipality in terms of the DOR Act were delayed or withheld and the reasons advanced for the delay or withholding;</li> </ul>	NA	CFO	Agree	NA
	<ul style="list-style-type: none"> <li>• The salaries, allowances and benefits of political office bearers and councilors;</li> </ul>	Yes	CFO	Agree	Refer to the AFS in annexure 1 page 272-274
	<ul style="list-style-type: none"> <li>• A statement by the accounting officer whether or not the remuneration is within the prescribed upper limits;</li> </ul>	Yes	CFO	Agree	Refer to the AFS in annexure 1 page 215
	<ul style="list-style-type: none"> <li>• Particulars of any arrears older than 90 days owed by individual councilors to the municipality;</li> </ul>	Yes	CFO	Agree	Refer to the AFS in annexure 1 page 222
	<ul style="list-style-type: none"> <li>• Details of the salaries, allowances and benefits of the MM, CFO and every senior manager and such other</li> </ul>	Yes	CFO	Agree	Refer to the AFS in annexure 1 page 272

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	<p>positions as may be prescribed per individual;</p> <ul style="list-style-type: none"> <li>• A list of municipal entities under the control of the municipality;</li> <li>• the total amount of contributions to organized local government;</li> <li>• the amount of any outstanding contributions to organized local government;</li> <li>• the total amounts paid in audit fees/ taxes /levies/ duties/ pension fund contributions/ medical aid contributions;</li> <li>• details of any amounts outstanding relating to the aforementioned.</li> <li>• In respect of each bank account the name of the bank, type of account, year opening and year end balances;</li> <li>• A summary of all investments as at end of the financial year;</li> </ul>	NA	CFO	Agree	NA
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 222
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 222
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 222
		Yes	CFO	Agree	Monthly Section 71 Reports
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 258
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 258
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 258



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	<ul style="list-style-type: none"> <li>• Particulars of any material losses;</li> <li>• Particulars of any material irregular, wasteful or fruitless expenditure;</li> <li>• Particulars of any material unauthorized expenditure;</li> <li>• A statement whether the aforementioned expenditures are recoverable;</li> <li>• Any criminal or disciplinary steps taken as a result of any of the aforementioned expenditures;</li> <li>• Any material losses recovered/ written off;</li> <li>• Particulars of non-compliance with the MFMA.</li> </ul>	Yes	CFO	Agree	Refer to the AFS in annexure 1 page 280
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 280
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 280
		Yes	CFO	Agree	Refer to the AFS in annexure 1 page 280
		Yes	CFO	Agree	Still being prepared for MPAC
		NO	CFO	Agree	Only reports on irregular expenditure referred to Council for writing off
		Yes	CFO	Agree	Refer to the Audit Report in annexure 2 page 291.

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	<ul style="list-style-type: none"> <li>Details of loans and advances to staff or councilors;</li> </ul>	NA	CFO	Agree	No loans or advances were made
12. Key issues raised by members of	Attach input/issues raised by the Graaff-Reinet Rate Payers	Yes	MM	Agree	Responses have been documented from relevant officials.

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the community	Association on the Draft Annual Report.				
13. Key issues raised by the Audit Committee	Audit Committee input has been included in the Draft Annual Report (Appendix G)	Yes	MM	Agree	Appendix G of Annual Report