



OVERSIGHT REPORT ON THE DRAFT ANNUAL REPORT OF DR BEYERS NAUDE LOCAL MUNICIPALITY FOR THE 2018/19 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 2018/19 draft Annual Report was tabled to Council on 30 January 2020 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 February 2020.

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. Booyesen***
- ***Cllr. E. Carolus – replaced by Cllr R Smith***
- ***Cllr. D. Bezuidenhout – 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

	Responsible for	Oversight over	Accountable to
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 2018/19 was tabled at a Special Council meeting held on 30 January 2020, during which Council resolved as follows:

- a) That Council approve the draft 2018/19 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 Draft Annual Report of 2018/19 be corrected and updated before publication;
- c) That the Annual Report in (a) above be advertise for public comment and input and the Municipal Public Accounts Committee (MPAC) be delegated the responsibility to conduct meetings and hold public hearings, receive and hear public submissions on the Annual Report on behalf of Council;
- d) That copies of the draft 2018/19 Annual Report in (a) above be sent to the Audit Committee, Internal Audit, Treasury, Department of Co-operative Governance and Traditional Affairs and Auditor-General;
- e) That the reviews of the Oversight bodies when available be captured in the draft Annual Report and Management be tasked to take the necessary corrective measures accordingly;
- f) That the Municipal Public Accounts Committee (MPAC), be appointed by Council to interact with the draft 2018/19 Annual Report in (a) above before final approval by Council; and
- g) That the Annual Financial Statements and the Audit Report of 2018/19 be referred to all the Standing Committees for noting.

ADVERTISING PROCESS

Following the above mentioned resolution, the draft Annual Report for 2018/19 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
- Internal Audit

RESPONSES RECEIVED

Written responses were received from members of the public, individual Councillors, municipal stakeholders and the Audit Committee Members of which copies are attached (Annexure D). The verbal comment/input received during the public hearings, mainly reflect on issues of service delivery also contained in the written submissions.

SUMMARY OF COMMENTS OF THE OVERSIGHT COMMITTEE ON THE ANNUAL REPORT OF 2018/19

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 2018/19 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);
- MFMA Circular 32 (Annexures A, B and C)
- Municipal Public Accounts Committee Guidelines.

CONCERNS

Report back by Internal Audit on the investigation of the remainder of the irregular expenditure amounting to R 10 345 416.55 has not yet been received as this matter is outstanding since July 2019.

All matters of irregular, fruitless and wasteful expenditure as well as material findings by the Auditor General must be investigated.

A detail assessment/analysis of the collectability of outstanding debtors must be undertaken by the Accounting Officer with report back to Council.

No reports, on the Annual Report, were received from Internal Audit and the Audit Committee.

CONCLUSION

In addition, the Oversight Committee also held public hearings on the Draft Annual Report as per the Process Plan (Annexure E).

The Oversight Report could not be presented to Council for consideration by end of March 2020 and therefore also not published timeously because of the State of Disaster and subsequent lockdown due to COVID-19.

RESOLVED (SPECIAL COUNCIL MEETING HELD ON 27 MAY 2020)

- (a) That Council adopts the 2018/19 Annual Report of Dr Beyers Naude Local Municipality.
- (b) That Council having fully considered the Annual Report of Dr Beyers Naudè Local Municipality for the 2018/19 Financial Year adopts the Oversight Report, in conjunction with the Checklist – Annexure C, 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).
- (e) That all irregular, unauthorised, fruitless and wasteful expenditure as well as material losses, as per the findings of the Auditor General, be referred to MPAC for investigation.



CLLR. W. SAFERS
CHAIRPERSON OF MPAC

DATE: 27.05.2020

ANNEXURE A

Structure and Contents of the Oversight Report –

The Oversight Report should contain:

1. Title and reference to the year under review.
2. Resolutions and statement required by MFMA s129(1) (see recommended resolutions below).
3. Summaries of comments and conclusions on the annual report of the **municipality** referred to in the resolutions, including one or more of the following:
 - (i) Summary of reservations, if approved with reservations and actions to be taken by the executive and administration to resolve reservations.
 - (ii) Summary of components required to be revised, if referred back for revision and actions to be taken by the executive and administration to provide revisions and the date for these to be submitted.
 - (iii) Summary of reasons for rejection of the report, if report is rejected and what other action should be taken by the executive and administration.
 - (iv) In cases where only components of the annual report are submitted by the mayor detail those components and restrict comments to this effect. Include a statement listing the outstanding components and estimated timeframe for these to be tabled and considered by council.
4. Summaries of comments and conclusions on the annual reports of **each municipal entity** referred to in the resolutions, including one or more of the following:
 - (i) Summary of reservations, if approved with reservations and actions to be taken by the executive and administration or the entity to resolve reservations.
 - (ii) Summary of components required to be revised, if referred back for revision and actions to be taken by the executive and administration or the entity to provide revisions and the date for these to be submitted.
 - (iii) Summary of reasons for rejection of the report, if report is rejected and what other action should be taken by the executive, administration and the entity.
 - (v) In cases where only components of the annual report are submitted by the chairman detail those components and restrict comments to this effect. Include a statement listing the outstanding components and estimated timeframe for these to be tabled and considered by the board of directors.
5. Annexures to the report should provide the following –
 - (i) Summary of the process followed in the review, including:
 - Copies of minutes of meetings of committee.
 - Summary of written representations submitted by the public, auditor-general and other spheres of government.
 - Responses to questions provided by the accounting officer.
 - (ii) Other information as may be needed to support the conclusions in the resolutions, for example, outcomes of large infrastructure / capital projects and programmes.

Resolutions and Statement

The statement required in the oversight report by section 129(1) of MFMA, should be in the form of a council resolution to record both the adoption of the oversight report and the comments of council on the report.

The resolutions should, as a minimum, state:

Council resolves that:

1. The Council having fully considered the annual report of the municipality and representations thereon, adopts the oversight report; and
2. *(insert one of the following as appropriate)*
 - Council approves the annual report without reservations; or
 - Council approves the annual report with reservations as included in the comments in the oversight report pages xx to xx; or
 - Council refers the annual report back for revisions of the components listed on pages xx to xx of the oversight report; or
 - Council rejects the annual report of the municipality for the reasons summarised in pages xx to xx of the oversight report.
3. *(Where further action or revisions are required in the resolutions):* Council requests the Mayor (Executive Mayor) to report to Council on the actions required as a result of these resolutions by <date to return to Council>.

Where the annual reports of municipal entities are also considered additional resolutions should be adopted to refer to the municipal entities –

Council resolves that :

1. The Council having fully considered the annual report of the municipal entity <name> and representations thereon, adopts the oversight report; and
2. *(insert one of the following as appropriate)*
 - Council approves the annual report without reservations; or
 - Council approves the annual report with reservations as included in the comments in the oversight report pages xx to xx; or
 - Council refers the annual report back for revisions of the components listed on pages xx to xx of the oversight report; or
 - Council rejects the annual report of the municipal entity <name> for the reasons summarised in pages xx to xx of the oversight report.
3. *(Where further action or revisions are required in the resolutions):* Council requests the municipal entity to report to Council on the actions required as a result of these resolutions by <date to return to Council>.

ANNEXURE B**Steps in the Annual Reporting processes**

The following outlines the major steps in the annual reporting process indicating responsibilities and dates prescribed in the MFMA and MSA.

Prescribed Dates	Actions	MFMA (MSA)	Responsibility of
31 August	Submit municipality's AFS to Auditor-General	S126(1)(a)	Municipal Manager
31 August	Submit municipal entity AFS to parent municipality and to Auditor-General	S126(2)	Municipal Entity Accounting Officer
30 September	Submit consolidated AFS to Auditor-General (municipalities and entities)	S126(1)(b)	Municipal Manager
31 October and quarterly thereafter	Auditor-General submits to Parliament and the provincial legislature names of any municipalities, which have failed or continue to fail to submit AFS.	S133(2)	Auditor-General
Within three months of receiving AFS (30 November or 31 December)	Audit report returned to Municipal Manager	S126(3)	Auditor-General
On receipt of audit report	Municipality must address any issues raised by the Auditor-General and prepare action plans to address issues and include these in annual report. Provide copy of report to Audit Committee.	S131(1)	Municipal Manager. Mayor must ensure compliance by municipality
31 December	Entity submits annual report to Municipal Manager	S127(1)	Municipal Entity Accounting Officer
31 January	Annual Reports of municipality and entities tabled in Council	S127(2)	Mayor
Immediately after annual report is tabled	Annual report made public and local community invited to submit representations	S127(5)(a) (MSA) - S21A and B	Municipal Manager
Immediately after annual report is tabled	Annual report submitted to Auditor-General, relevant provincial treasury and provincial department responsible for local government in the province.	S127(5)(b)	Municipal Manager
When meetings held to discuss the annual report	Attend meetings to respond to questions concerning the report	S129(2)(a)	Accounting Officer of municipality and entity
Following meetings to discuss the annual report	Submit copies of minutes of the meetings to the Auditor-General, provincial treasury and provincial department responsible for local government	S129(2)(b)	Accounting Officer of municipality and entity
Within two months of report being tabled (31 March)	Council to have considered the annual report and adopted an oversight report	S129(1)	Council
Within seven days of adoption of oversight report	Make public the oversight report	S129(3) S21A-MSA	Accounting Officer
Within seven days of adoption of oversight report	Submit to the provincial legislature, the annual report of municipality and entities and the oversight reports on those annual reports.	S132(1) & (2)	Accounting Officer
As necessary	Monitor compliance with submission of reports to provincial legislature	S132(3)	MEC for local government in the province
Within 60 days of receiving annual reports	Report to provincial legislature any omissions by municipalities in addressing issues raised by the Auditor-General.	S131(2)	MEC for local government in the province
Annually	Report to Parliament on actions taken by MEC's for local government to address issues raised by Auditor-General on municipal and entity AFS	S134	Cabinet member responsible for local government
Notes: <ul style="list-style-type: none"> MFMA section 133 provides for consequences of non-compliance with provisions relating to the submission of AFS and tabling of annual reports. All dates shown are the latest permissible in terms of the applicable legislation, earlier compliance is preferable. 			

ANNEXURE C**Checklist for considering the annual report**

The MFMA provides that the purpose of the annual report of a municipality or a municipal entity for each financial year is:

- to provide a record of activities;
- to provide a report on performance against the budget; and
- to promote accountability to the local community for decisions made throughout the year.

The MSA provides that an annual *performance report* must be prepared for each financial year to report on the performance of the municipality and each external service provider, compared with targets set for performance.

The annual report requirements are provided in Chapter 12 of the MFMA, sections 45 and 46 of the MSA and the annual Division of Revenue Act.

The following checklist summarises what must be included in the annual report and is designed to support and guide councillors and officials. It should be noted however, that this list is not exhaustive and from time to time other information requirements may be prescribed. Consideration must also be given to specific circumstances and conditions in which other questions may be appropriate. Councillors and officials are encouraged to make suggestions to enhance this checklist and send these to the National Treasury.

Council should verify that the required information is contained in the annual report and then consider the relevance and accuracy of information accordingly. The checklist provides guidance on how matters could be considered.

The oversight committee and the full council may use this checklist as a means to organise the report and to manage requests for additional information. The questions suggested may be used by all councillors to gain clarification on contents of reports and also to verify compliance with the MFMA and MSA. Responses to many of these questions should be provided by the accounting officer of the municipality and/or municipal entities.

Note that the views of the Audit Committee and the findings of the Auditor-General are primary sources of information to assist council in determining a decision on the annual report.

Information required to be included in annual reports	Council Considerations and Questions
Financial Matters	Financial reporting matters to be considered
The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial statements are required. The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities. <i>Have the required standards been met – refer audit report and report of audit committee for views on this?</i>
	The above applies also to the AFS of municipal entities.
The Auditor-General's reports on the financial statements of the municipality and the entities	<i>Is the audit report included in the annual report as tabled? If not, when will the audit report be tabled? What are causes of the delays? What actions are being taken to expedite the report?</i>
	The above applies also to the AFS of municipal entities.
Any explanations that may be necessary to clarify issues in connection with the financial statements	The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS. <i>Taking into consideration the audit report and the audit committee comments, is sufficient explanation of financial issues contained in the notes to the statements?</i>
	The above applies also to the AFS of municipal entities.
An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	<i>Has an adequate assessment been included? Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation? Is any other action required to be taken?</i>
	The above applies also to the AFS of municipal entities.
Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	The conclusions of the annual audit may be either – <ul style="list-style-type: none"> ▪ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable; ▪ a qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or ▪ the auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. <i>Taking into account the audit report, audit opinion and the views of the audit committee, council should consider:</i> <ul style="list-style-type: none"> ▪ <i>To what extent does the report indicate serious or minor financial issues?</i> ▪ <i>To what extent are the same issues repeated from previous audits?</i> ▪ <i>Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?</i> ▪ <i>Has a schedule of action to be taken been included in the annual report, with appropriate due dates?</i> Note that actions taken on audit issues are to be reported to the provincial legislature, the MECs for local government and finance to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MECs.
	The above applies also to the AFS of municipal entities.

<p>An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget</p>	<p>The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)). The accounting officer must include these objectives in the annual report and report on performance accordingly.</p> <p><i>Has the performance met the expectations of council and the community?</i></p> <p><i>Have the objectives been met?</i></p> <p><i>What explanations have been provided for any non-achievement?</i></p> <p><i>What was the impact on the service delivery and expenditure objectives in the budget?</i></p> <p>Council should comment and draw conclusions on performance and explanations provided.</p>
<p>An assessment by the municipal entity's accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the municipality</p>	<p>Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, expenditure targets etc. The entity's annual report must include an assessment by the accounting officer, of performance against these objectives. In order to show the linkage between the entity and the municipality, the report of the municipality should also include the performance of entities.</p> <p><i>Has the performance met the expectations of council and the community?</i></p> <p><i>Have the performance objectives been met?</i></p> <p><i>What explanations have been provided for any non-achievement?</i></p> <p><i>What was the impact on the service delivery and expenditure objectives in the budget?</i></p> <p>Council should comment and draw conclusions on performance and explanations provided.</p>
<p>Any information as determined by the municipality, the entity or its parent municipality</p>	<p>Review any other information that has been included in regard to the AFS.</p>
	<p>The above applies also to the AFS of municipal entities.</p>
<p>Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities</p>	<p><i>Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity?</i></p> <p><i>What actions need to be taken in terms of these recommendations?</i></p> <p>Conclusions on these recommendations and the actions required should be incorporated in the oversight report.</p>

Allocations received and made	Considerations
<p>Allocations received by <u>and</u> made to the municipality</p>	<p>The report should disclose:</p> <ul style="list-style-type: none"> ▪ Details of allocations received from another organ of state in the national or provincial sphere. ▪ Details of allocations received from a municipal, entity or another municipality. ▪ Details of allocations made to any other organ of state, another municipality or a municipal entity. ▪ Any other allocation made to the municipality under Section 214(1)(c) of the Constitution. <p><i>Have these allocations been received and made?</i></p> <p><i>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</i></p> <p><i>Does the audit report or the audit committee recommend any action?</i></p> <p>Council should comment and draw conclusions on information and explanations provided.</p>

<p>Allocations received by <u>and</u> made to the municipal entity</p>	<p>The report should disclose:</p> <ul style="list-style-type: none"> ▪ Details of allocations received from any municipality or other organ of state. ▪ Details of any allocations made to a municipality or other organ of state. ▪ Other information as may be prescribed. <p><i>Have these allocations been received and made?</i> <i>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</i> <i>Does the audit report or the audit committee recommend any action?</i> Council should comment and draw conclusions on information and explanations provided.</p>
<p>Information in relation to the use of allocations received</p>	<p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:</p> <ul style="list-style-type: none"> ▪ The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. ▪ Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided. ▪ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this. <p>This information is required on all allocations excluding the municipality's portion of the equitable share and where prescribed otherwise by the nature of the allocation.</p> <p>The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received.</p> <p><i>Council should be satisfied that –</i></p> <ul style="list-style-type: none"> ▪ <i>the information has been properly disclosed;</i> ▪ <i>conditions of allocations have been met; and</i> ▪ <i>that any explanations provided are acceptable.</i> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.</p>
<p>Information in relation to outstanding debtors and creditors of the municipality and entities</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.</p> <p>It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.</p> <p><i>Council should be satisfied that –</i></p> <ul style="list-style-type: none"> ▪ <i>the information has been properly disclosed;</i> ▪ <i>conditions of allocations have been met; and</i> ▪ <i>also that any explanations provided are acceptable.</i> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.</p>

Disclosures in notes to AFS	Considerations relating to section 124
Information relating to benefits paid by municipality and entity to councillors, directors and officials	<p>Information on the following items is to be included in the notes to the annual report and AFS:</p> <ul style="list-style-type: none"> • salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind; • any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors; • salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; • contributions for pensions and medical aid; • travel, motor car, accommodation, subsistence and other allowances; • housing benefits and allowances; • overtime payments; • loans and advances, and; • any other type of benefit or allowance related to staff. <p><i>Council should be satisfied that –</i></p> <ul style="list-style-type: none"> • <i>the information has been properly disclosed;</i> • <i>conditions of allocations have been met; and</i> • <i>that any explanations provided are acceptable.</i> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.</p>

Municipal Performance	Considerations
The annual performance reports of the municipality and entities	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, 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. Questions that may be considered are –</p> <p><i>Has the performance report been included in the annual report?</i> <i>Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report?</i> <i>Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?</i> <i>In terms of key functions or services, how has each performed? Eg. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?</i> <i>To what extent has performance achieved targets set by council?</i> <i>Is the council satisfied with the performance levels achieved?</i> <i>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? What were the outcomes of public consultation and public hearings?</i> <i>What actions have been taken and planned to improve performance?</i> <i>Is the council satisfied with actions to improve performance?</i> <i>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?</i> <i>Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</i> <i>Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</i> <i>To what extent have actions planned for the previous year been carried over to the financial year reported upon?</i> <i>Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?</i></p>

	Council should comment and draw conclusions on information and explanations provided.
Audit reports on performance	<p>Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually.</p> <p><i>Have the recommendations of internal audit been acted on during the financial year?</i></p> <p><i>Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?</i></p>
Performance of municipal entities and municipal service providers	<p>The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities.</p> <p>The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p> <p><i>Is the council satisfied with the evaluation and conclusions of the municipality?</i></p> <p><i>What other actions are considered necessary to be taken by the accounting officers?</i></p>
For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	<p>This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein.</p> <p>Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities.</p> <p><i>To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP?</i></p> <p><i>Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality?</i></p> <p><i>What specific actions should be taken by the entity and the municipality to improve performance?</i></p>

General information	The following general information is required to be disclosed in the annual report.
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.
The use of any donor funding support	<p><i>What donor funding has the municipality received?</i></p> <p><i>Have the purposes and the management agreements for the funding been properly agreed upon?</i></p> <p><i>Have the funds been used in accordance with agreements?</i></p> <p><i>Have the objectives been achieved?</i></p> <p><i>Has the use of funds been effective in improving services to the community?</i></p> <p><i>What actions need to be taken to improve utilisation of the funds?</i></p>
Agreements, contracts and projects under Private-Public-Partnerships	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.
Service delivery performance on key services provided	<p>This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality.</p> <p>Overall results on the strategic functions and services should be summarised.</p> <p>This should cover all services whether provided by the municipality,</p>

	<p>entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report and or in statistical tables.</p>
Information on long-term contracts	<p>Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.</p>
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.</p>
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.</p>
Other considerations recommended	
Timing of reports	<p><i>Was the report tabled in the time prescribed?</i> <i>Has a schedule for consideration of the report been adopted?</i></p>
Oversight committee or other mechanism	<p><i>What mechanisms have been put in place to prepare the oversight report?</i> <i>Has a schedule for its completion and tabling been adopted?</i></p>
Payment of performance bonuses to municipal officials	<p>Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report. <i>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</i> <i>If so has a proper evaluation of performance been undertaken?</i> <i>Was the evaluation approved by council?</i> <i>Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</i> <i>Are the payments justified in terms of performance reported in the annual report?</i></p> <p>Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.</p>



Dr. Beyers Naudé
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ANNEXURE C:–

REPORTS FOR CONSIDERATION:

3/1/1/3/2

**Checklist to Organised
Discussions**

“Annexure C”

Checklist to make determinations regarding the 2018/19 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	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
1. Is the Annual Report in a presentable format	<ul style="list-style-type: none"> • Properly titled; • Referenced to the year under review; • Contains misrepresentations; 	Yes Yes Yes	MM MM MM	Agree Agree Agree	Irregular expenditure in AFS disclosed in wrong. Some statistics questionable. See pages 277
2. Is the Annual Report properly “organized”	<ul style="list-style-type: none"> • Index; • Page numbering; • Chapters follow proper sequence; • Annexure relevant to year under review 	Yes Yes Yes Yes	MM MM MM MM	Agree Agree Agree Agree	

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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"> • Annual Financial Statements for the year under review; • The Auditor-General's report for the year under review; • The annual performance report of the municipality required in terms of s. 46 of the MSA; • The Auditor-General's report in terms of s.45(b) of the MSA on the performance of the municipality; • Assessment of the MM on the collectability of the debtors outstanding at the end of the financial year under review; • Assessment by the MM of performance against the measurable performance objectives relating to revenue collection for each revenue source and each vote in the approved budget; • Particulars of any corrective actions taken or to be taken relating to issues contained in 	<p>Yes</p> <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>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Disagree</p> <p>Agree</p> <p>Agree</p>	<p>Annual Financial Statements – Pg:212 - 283</p> <p>Auditors Report – Annexure 2 – Pg: 285 - 297</p> <p>Annexure 4 - Pg:303 - 378</p> <p>Auditors Report – Annexure 2 – Pg: 285 - 297</p> <p>The Debt impairment disclosed as Note 32 Page 58 of the AFS</p> <p>Annexure 4 - Pg: 320 - 329</p> <p>The municipal management prepared an Audit Action plan that is part of the Annual Report for 2018/2019.</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
	both audit reports of the Auditor-General; • Any information to clarify issues in connection with the financial statements;	Yes	MM	Agree	The AFS was prepared good in comparison with previous financial years and it is representing the financial performance of the municipality, however the qualifications effected different components of the AFS that resulted in material finding.
	• Any information determined by the municipality;	NO	MM	Agree	Not in this year of review
	• Any information as may be prescribed by other legislation (DOR Act)	Yes	MM	Agree	All discloses made as per Note 28 page 52 of the AFS 2018/2019

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
4. Annual Financial Statements (AFS)	<ul style="list-style-type: none"> Does the AFS contain a fair representation of the financial performance of the municipality? Do the notes to the AFS contain adequate explanations/ information/ disclosures? (refer item 11 further down) 	No	MM	Agree	The AFS 2018/2019 resulted Disclaimer as Audit Opinion however this was the first financial year that Dr Beyers was audit as pervious financial year the Auditor General withdrew from the Audit. All notes are captured in the AFS 2018/2019 starting from Note 01 page 11 to Note 55 Page 71 of the AFS included in the Annual Report for 2018/2019
5. The Auditor-General's Report	<ul style="list-style-type: none"> Is the finding of the Auditor-General (A-G) relating to performance and financial governance justified under the circumstances; Did management respond to management letters issued by the A-G; Did management sign management representation letters to signify that good financial governance practices 	Yes	MM	Agree	The management accepted the Disclaimer of opinion as the time run out on the Audit and correction could not be made in time therefore the outcome under the circumstances if justified. Management responded to all communication of finding that is evident in the Management report and subsequent the Audit Action plan was prepared forming part of the Annual Report. Management do sign management representation letters at the beginning of every Audit

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>were adhered to during the year under review;</p> <ul style="list-style-type: none"> •How many issues contained in the A-G's report relates to previous years; •To what extent does the A-G's report contain serious inferences of financial mismanagement; •Did management and the Council respond to recommendations by the Audit Committee? 	<p>Yes</p> <p>None</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p> <p>MM/ MAYOR</p>	<p>Agree</p> <p>Disagree</p> <p>Agree</p>	<p>All matters in the AG report still have a bearing on previous financial year due to Disclaimers opinion and the AG withdrawing from Audits since 2016/2017 financial year.</p> <p>Not applicable to the 2018/2019 financial year of Audit.</p> <p>Management responded to all communications of finding as is evident in the Management report and the formulation of the Audit Action plan that is part of the Annual Report to Council for 2018/2019</p>

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
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. Questions that may be considered are –</p> <ul style="list-style-type: none"> • Was the performance report included in the Annual Report? • Have all the performance targets set in the budgets, SDBIP, service agreements, etc, been included in the report? • Does the performance evaluation in the Annual Performance Report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? • In terms of key functions or services, how has each 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p> <p>DE&P</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Annexure 4 - Pg:303 - 378</p> <p>Annexure 4 – Pg: 320 - 351</p> <p>Annexure 4 – Pg: 320 - 351</p> <p>All communities within the municipal/town boundaries have services according to RDP standards.</p>

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
	performed? E.g. Have backlogs for water, sanitation and electricity been reduced?				Informal settlements have RDP standard services but require upgraded services. Page 9 of Annexure - Pg.56
	•What are the refuse collection volumes, library usage statistics, etc?	Yes	ADCOM	Agree	Waste Volumes: GRT:Reg.No. D00980-01 11069 &13369 (2018/19) Nieu Bethesda: Reg. No. D00977-01 134&179.70 (2018/19) Aberdeen: Reg. No. D00978-01 237&245.60 (2018/19) 2018-Library usage statistics (26713) 2019-Library usage statistics (26528) see annexure attached as page: 25/65
	•To what extent has performance achieved targets set by council?	Yes	MM	Agree	Annexure 4 – Pg: 315-317
	•Is the council satisfied with the performance levels achieved? •Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do	No No survey undertaken	MM MM	Agree Agree	Officials doing their best with limited resources A customer satisfaction survey must be undertaken urgently.

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
	the results align with the annual report contents?				
	<ul style="list-style-type: none"> •What were the outcomes of public consultation and public hearings? 	Raised service delivery issues	MM	Agree	See the Mayoral Outreach Report.
	<ul style="list-style-type: none"> •What actions have been taken and planned to improve performance? 	Yes	MM	Agree	An action plan has been developed to address the issues raised by residents during the Mayoral Outreach.
	<ul style="list-style-type: none"> •Is the council satisfied with actions to improve performance? 	Yes	MM	Agree	A plan/proposal was presented to Council.
	<ul style="list-style-type: none"> •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? 	Yes	MM	Agree	Yes, there is alignment to performance contracts of the Municipal Manager and Senior Managers.
	<ul style="list-style-type: none"> •Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? 	No	MM	Agree	Standard operating procedures have been developed for each KPI in the SDBIP, and documents the mechanism/processes to be performed to achieve the performance outcomes.

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	<ul style="list-style-type: none"> • Taking into account the audit report and opinion and the views of the Audit Committee, is performance considered to be efficient and effective? 	No	MM	Agree	The validity and reliability of the reported performance information was qualified by the Auditor General.
	<ul style="list-style-type: none"> • To what extent have actions planned for the previous year been carried over to the financial year reported upon? 	Yes	CFO	Agree	See new draft Annual Budget
	<ul style="list-style-type: none"> • 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? 	Yes	CFO	Agree	Quarterly SCM Reports /S52 and S71 Reports
	<ul style="list-style-type: none"> • Was Council provided with regular performance reports relating to service providers? 	Yes	MM	Agree	Quarterly SDBIP Performance Analysis Reports has been tabled before Council.

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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"> Was the A-G provided with the information required to perform the required audit? Were recommendations by the A-G included in action plans to improve performance in the following year? 	<p>Yes</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p>	<p>AG was able to perform audit unlike previous years when they left site without doing the audit.</p> <p>See audit action plan pages – Annexure 298-302</p>
8. Assessment by the MM on the collectability of the debtors outstanding at the end of the financial year.	<p>Is such an assessment included in the report?</p> <ul style="list-style-type: none"> How regularly was the assessment performed during the year? Were any corrective steps taken where collection performance did not meet targets? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>CFO</p> <p>CFO</p>	<p>Disagree</p> <p>Disagree</p> <p>Agree</p>	<p>Part of Annual Financial Statements. Pages 9 Statement of Comparison budget and Actual Amounts Monthly Section 71 Reports. Implementation of Credit Control Policy. Defaulters are blocked and cut and disconnection of electricity supply</p>

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY ON OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
9. Assessment by the MM of performance against the measurable performance objectives for collection for each revenue source and each vote in the approved budget.	<ul style="list-style-type: none"> Did the mayor execute his/her oversight responsibility relating to collection of revenue? 	Yes	CFO	Agree	Mayor's comments during Executive Committee and Council Meetings. See minutes. Matter is also being raised sharply during Mayoral Outreach.
	<ul style="list-style-type: none"> How acceptable is the current situation relating to debtors outstanding? 	Completely unacceptable	CFO	Agree	The impairment figure is not satisfactory as per Note 32 page 6 of the AFS 2018/2019
	<ul style="list-style-type: none"> Were measurable performance objectives for revenue collection set at the beginning of the year? What actions were taken to address any areas of under-performance? Were revenue collection policies (disconnection, deposits, indigence, arrangements) in operation during the year under review? 	<p>No</p> <p>Yes</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p> <p>CFO</p>	<p>Disagree</p> <p>Agree</p> <p>Agree</p>	<p>The CFO enter in to a performance contract and the targets are set in the beginning of the financial year.</p> <p>Quarterly assessment were undertaken but the financial constraints of the municipality could not improve the outcomes.</p> <p>Council approved its first Credit Control and Debt Collection for implementation for the year under review as Dr Beyers Naude Local Municipality.</p>

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
	<ul style="list-style-type: none"> Were regular reviews of the budgeted revenue per serve compared to actual revenue done and reported to the Mayor/ Council? 	Yes	CFO	Agree	See Section 71 Reports The Adjustment Budget 2018/2019 is also an indicator that the Revenue was reviewed at mid-year.
10. Particulars of any corrective actions taken or to be taken relating to issues contained in both audit reports of the Auditor-General for the year under review;	<ul style="list-style-type: none"> Has Council adopted an action plan to address the issues contained in the report of the A-G? Will the action plan adequately address the issues contained in the A-G's report? What progress has been made with execution of the action plan? Are due dates being met? Will any items contained in the A-G's report be carried into the next financial year? What controls are in place to ensure no items are carried forward into the next financial year? 	Yes	MM	Agree	The Action Plan is included in the Annual Report. Annexure 3: See pages 298 - 302
		Yes	MM	Agree	The Action Plan is included in the Annual Report. Annexure 3: See pages 298 - 302
		Yes	CFO	Agree	60% of the Audit Plan has been implemented
		Yes	CFO	Agree	Yes we are on target with the action plan.
		No	CFO	Disagree	The intention is that all Audit finding be resolved before the audit for 2019/2020
		Yes	CFO	Agree	Daily monitoring of the audit action plan. Frequently reported on in Management and Audit Committee Meetings.

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
11. Any information to clarify issues in connection with the financial statements	<ul style="list-style-type: none"> The notes to the AFS are required to contain the following further disclosures; were they disclosed in the AFS for 2017/2018? Details of allocations received from other organs of state (national and provincial); Details of any allocations made to any other organs of state or institution/municipal entity; Allocations received in terms of the DORA Act and provincial budgets; Details on how certain of the above allocations were spent per vote; Information stating whether the municipality has complied with the conditions of certain grants and if not the reasons for not complying; A statement whether any funds destined for the municipality in terms of the DORA Act were delayed or withheld and the 	<p>Yes</p> <p>Yes</p> <p>N/A</p> <p>Yes</p> <p>Yes</p> <p>N/A</p> <p>No withheld amounts for 2018/19</p>	<p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Notes 1 to 55 disclosures in the AFS for 2018/2019 pages 11 to 71 of AFS</p> <p>Note 28 Pg 46</p> <p>Not applicable to DBNLM</p> <p>Note 28 Page 46</p> <p>Note 28 Page 52</p> <p>All conditional grants was spend in the year under review accept for the Drought Relief Grant where a rollover was applied for</p> <p>Note 17 Page 46 for the 2017/2018 funds was withheld for the amount of R12740 000.</p>

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	<p>reasons advanced for the delay or withholding;</p> <ul style="list-style-type: none"> • The salaries, allowances and benefits of political office bearers and councilors; • A statement by the accounting officer whether or not the remuneration is within the prescribed upper limits; • Particulars of any arrears older than 90 days owed by individual councilors to the municipality; • Details of the salaries, allowances and benefits of the MM, CFO and every senior manager and such other positions as may be prescribed per individual; • A list of municipal entities under the control of the municipality; • the total amount of contributions to organized local government; • the amount of any outstanding contributions to organized local government; 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p> <p>Yes</p> <p>N/A</p>	<p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Disagree</p>	<p>Note 30 Page 56 of AFS</p> <p>Note 31 Page 57 of AFS</p> <p>Note 50 Page 69 of AFS</p> <p>Note 30 Page 56 of AFS</p> <p>N/A</p> <p>Note 50 Page 68 of AFS</p> <p>N/A</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
	<ul style="list-style-type: none"> the total amounts paid in audit fees/ taxes /levies/ duties/ pension fund contributions/ medical aid contributions; details of any amounts outstanding relating to the aforementioned. In respect of each bank account the name of the bank, type of account, year opening and year end balances; A summary of all investments as at end of the financial year; Particulars of any material losses; Particulars of any material irregular, wasteful or fruitless expenditure; Particulars of any material unauthorized expenditure; A statement whether the aforementioned expenditures are recoverable; Any criminal or disciplinary steps taken as a result of any of the aforementioned expenditures; 	Yes	CFO	Agree	Note 37 page 59 of AFS
		Yes	CFO	Agree	Note 50 Page 68 of AFS
		Yes	CFO	Agree	Note 8 Page 41 of AFS
		Yes	CFO	Agree	Note 8 page 41 of AFS
		Yes	CFO	Agree	Note 37 page 59 of AFS Note 51 Page 69 and Note 52 Page 70 of AFS
		Yes	CFO	Agree	Note 46 Page 65 of AFS
		Yes	CFO	Agree	Note 44 Page 65 of AFS
		Yes	CFO	Agree	UIF will be referred to MPAC to investigate and report to Council
		Yes	CFO	Disagree	Not on record for the period of reporting.

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	ISSUES FOR CONSIDERATION/ POSSIBLE QUESTIONS	ANSWER	WHO IS ANSWER-ABLE	DETERMINATION BY OVERSIGHT COMMITTEE	RESPONSE OFFERED BY PERSON ACCOUNTABLE
	<ul style="list-style-type: none"> Any material losses recovered/ written off; Particulars of non-compliance with the MFMA. Details of loans and advances to staff or councilors; 	Yes	CFO	Disagree	Not for the period under review.
		Yes	CFO	Agree	All non-compliance is reported in the Management letter and will be the audit Action plan
		N/A	CFO	Agree	N/A
12. Key issues raised by members of the community		Yes	MM	Agree	Many residents raised their unhappiness with the Amalgamation and debt inherited.
13. Key issues raised by the Audit Committee		Yes	MM	Disagree	The issues raised by the Audit Committee are listed in the Oversight Report.



Dr. Beyers Naudé
MUNICIPALITY | MUNISIPALITEIT | UMASIPALA

ANNEXURE D:—

REPORTS FOR CONSIDERATION:

3/1/1/3/2

**Submissions from Stakeholders
and Residents**

To: Edwardine Abader

Hans Hendricks

From: Leonie Fouché
Sent: Sunday, 15 March 2020 22:23
To: mm
Cc: Hans Hendricks; Dalphine Sauls; Bushi Mbotya; Deon de Vos; Willem Safers; Louwrens Nortje; Angeline Booysen; Louis Langeveldt; MM Office
Subject: RE: Missing annexures - Draft Annual Report 2018-2019
Attachments: DRAFT ANNUAL REPORT DBNLM 2018-19 WITH NOTES.pdf
Importance: High

Good evening Mr MM,

With reference to the email below, I noticed that the incorrect address was used for acting CFO and I am therefore cc-ing her for the necessary attention.

From my side, I would like to report that it was embarrassing presenting the Draft 2018/19 Annual Report to community members who had obviously taken the trouble to read through the document and had found it wanting in many respects. I have attached the PDF copy I received from Mr H on Thursday afternoon; it at least has page numbers, but the one that was uploaded to our website and printed for inspection has none. The document on our website is incomplete; as stated by Mrs Moseley below.

I have previously alerted both you and Mr H about numerous errors and other shortcomings in the Report; these were not attended to and were picked up and queried by members of the public. In the document that I have attached, I have highlighted in yellow whatever errors I could see, and I have also added notes with more detail on sections that were either very outdated, or had completely the wrong information in them, or no information at all. Some sections have completely disappeared! Some of the input made by the Ratepayers on Friday has been added. There was some nit-picking, but generally their concerns were valid and submissions useful.

Nieu-Bethesda's meeting started late and people were not happy about having to wait so long. The community did not really respond to the presentation on the Annual Report; the usual instigators were there, agitating about service delivery issues.

Other Officials present did take notes during the meetings and responded where possible. I am sure that the MPAC Chairperson will provide a more comprehensive report.

Regards,

	<p>Leonie Fouché IDP MANAGER</p> <p>☎ 049-8075910 (direct) ☎ Internal Extension 5910 ☎ 082 7077 403 ☎ 086 559 1284 ✉ fouchel@bnlm.gov.za</p>	 <p>Dr. Beyers Naudé MUNICIPALITY MUNISIPALITEIT UMASIPALA <i>Coming together for development</i></p>
<p><small>THE MUNICIPAL MANAGER DR BEYERS NAUDE LOCAL MUNICIPALITY, GRANT RIVER DISTRICT</small></p>		

From: The Moseleys <peterandlynn@gmail.com>

Sent: 15 March 2020 11:48

To: willemsafers@gmail.com; Hans Hendricks <hendricksh@bnlm.gov.za>; cfo <cfo@bnlm.gov.za>; MM Office

<moffice@bnlm.gov.za>

Cc: Deon de Vos <devosd@bnlm.gov.za>; Leonie Fouché <fouchel@bnlm.gov.za>; thorned@bnlm.gov.za;
ricardosmith083@gmail.com; michelleerasmus@telkomsa.net

Subject: Missing annexures - Draft Annual Report 2018-2019

Good morning Mr Safers

Just a reminder that these reports, that were missing from the Draft Annual Report 2018-2019, are to be made available on the DBNLM website at start of business on Monday, 16 March 2020, as discussed at the meeting with Ward 2 on Friday, 13 March 2020.

Volume 11 - Annexures

Annexure 1 - Annual Financial Statements (AFS)

Annexure 2 - Annual Performance Report

Annexure 3 - Auditor-General Report

Annexure 4 - Audit Action Plan

As stated by you, this is a matter of urgency as submissions are to be in on the 20 March 2020. Kindly check that these annexures are uploaded or remind the Financial Directorate of their commitment to do so if this is not done.

Regards

Lynne Moseley

for Liz Buisman (GRRPA)

1. No pagination: No pages are given so it is difficult to indicate where the questions/comments are directed.

The impression gained by the GRRPA committee is that much of the report is a repeat of 2017-2018, that many statements and tables of figures are not accurate or not true.

2. Chapter 2: Governance: Numbers for households is not consistent. T.1.3.1. – 16 000, 1.2.3. – over 20 000, 1.2.6.- 19 925, 3.2. -12 995.
 - 2.1. Co-operation with CDW is not good. Same as 2017-2018. What has been done to improve this?
 - 2.2. T 2.3.4. Government departments don't attend IGR meetings
 - 2.3. Where is proof that the ward committees meet, that reports are sent to the Speaker and that issues are addressed?
 - 2.4. T 2.4.3. These attendance figures are not true. What are the real attendance figures?
3. Chapter 3: Service Delivery Programme
 - 3.1. Where is the proof that 100% of households have piped water within 200 m?
 - 3.2. Where is the proof that there has been a commendable improvement in the quality and quantity of potable water produced?
 - 3.3. Sanitation/ Sewerage Graph: what do the dates mean?
 - 3.4. The statement that overall sanitation services are operating well, is not true seeing that throughout the whole reporting period there were sewage spillages into the Sundays River. How many fines were issued for illegal dumping?
 - 3.5. Sanitation Delivery Levels 3.2. : 0 households without toilets. This is not true. In the informal areas there are many houses without toilets.
 - 3.6. Solid Waste Delivery Levels 3.4.: The table is not completed. Many people are using communal dumps.
 - 3.7. Roads: What does the statement that all households have access to a minimum level of service mean? Some informal areas have no roads.
 - * 3.8. Economic Employment by Sector: Table 3.11 – What do these figures mean? Tables 3.11.5., 3.11.6., 3.11.6. not completed.
 - 3.9. The comment on local job opportunities is very vague. What is actually meant? Details are needed.
 - 3.10. 4500 jobs created through EPWP projects? Same figure as in 2017-2018 report. Where is the proof?
 - 3.11. 3.11.7. 30 small businesses were trained in Arts and Crafts. Where is the proof of this? In 2017-2018 Report it was stated that 50 were trained in Arts and Crafts.
 - 3.12. What has been done re: the Small town Regeneration Programme?
 - 3.13. Upgrading of playparks successfully implemented: fence of playpark in Park St broken; reported to Complaints Centre but never attended to.
 - 3.14. Libraries: Is Umasizakhe Library open?
 - 3.15. 3.14 SPU: Exactly the same as 2017-2018. Has nothing been done? GRRPA knows that SPU has done nothing for IKAMVA, Hospice, ACVV.
 - 3.16. Community Police Forum: No attendance by SPU. BNLM does not work closely with SAPS or CPF.
 - 3.17. 3.15. Pollution Control: What has been done?
 - 3.18. 3.16. Has no work been done on Environmental Protection?
 - 3.19. 3.19. Inspection of sewage spillages & dumping sites: Proof that this was done? When, where, how?
 - 3.20. Service Statistics for Health inspectors: The figures are exactly the same as in 2017-2018 so can they be true?
 - 3.21. Protection Services: No details about arrests or fines.
 - 3.22. 3.20. CPF: "Municipality works closely with local CPF's." This statement is not true.
 - 3.23. Were there only 10 by-law infringements? Same as in 2017-2018?
 - 3.24. "Awareness campaigns were done at schools in respect of littering." Who did this, when, at which schools?
 - 3.25. Is there still no disaster plan?

- 3.26. Sport and recreation: Is this not just a repeat of 2017-2018 report? What are the details of the election of ward-based Sport Forums?
- 3.27. Vandalism: What measures were taken to address this?
- 3.28. Financial Services: 3.25.5. What is "other" in the expenses? Over budget by 3405%?

Chapter 4: Organisational Development

- 4.1.4.2. How far has workforce policy determination progressed?
- 4.2.4.3. Injuries, sickness: Were there no fatalities in 2018-2019? When did the 2 workers die in the pump station in the industrial area? Woman killed at WTS.

Chapter 5: Financial statements:

- 5.1. How can infrastructure performance indicators be so high when only 20% of the budget is spent on maintenance?

Appendix E:

- 6.1. Ward reporting has not been done.
- 6.2. In 2017-2018 by-laws were given urgent attention but not in 2018-2019. Why is this?

Other appendices:

- 6.3. Appendix N for 2017-2018? No figures filled in.
- 6.4. Appendices O & S empty. Why is this?

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DBNLM DRAFT Annual Report Submission to MPAC

Date: 9/3/2020

I IAN REED Would like to put the following submissions to the oversight committee.

CHAPTER 3: LED Jobs and projects

1. Chapter 3, Page 76 and 77 table show that 1.8 Million LED Jobs and 66 EPWE Projects totalling 4500 EPWP Jobs respectively have been created in the year 2018/19 under review through the different sectors.

Keeping In mind that DBN has a population of almost 80 000, unemployment at 35% to 60% and that DBNLM has very server financial constraints.

The L in L.E.D means local, hence these should are local opportunity figures.

This figures are THUMSUCKED and disingenuous against the REAL face of unemployment in DBNLM. External stakeholders can easily be misled and potential investment opportunities foregone.

This is supposed to be factual information and professional document. Clearly this has been taken for granted and fallacies given. Admin Must be held accountable for this. Consequences must be exercise.

MPAC must after submissions of facts, recommend appropriate consequences.

I so submit.

Submitted by

IAN REED

Signature

.....

Contact

083 303 5839

Received by

Signature

000042



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09-03-2020

I Rudy Jacobs Would like to put the following submissions to the oversight committee.

SUBMISSION TIMELINES NON-COMPLAINT

1. Page 23 of the Draft annual report shows the timeline of event for the submissions and oversight of the Annual Report 2018/19. It shows, that the Annual Report should have been made public and oversight committee inputs on it should have been concluded November last year already.
By this being done now, already shows that the Municipality didn't comply. This should be a sanction against the performance against the MM and Council.
What sanction will this committee propose?

I so submit.

Submitted by

Signature

Contact

Rudy Jacobs
[Signature]
0605006737

Received by

Signature

000043



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09-03-2020

I Ruby Jacobs Would like to put the following submissions to the oversight committee.

NO IMPROVEMENT OF SERVICES DISPISTE CAPITAL EXPENTITURE

1. Page 21, as per Basic Access to Services graft, There has been NO movement in that provision over the year 2018/19 under review.
Meaning NO NEW Basic services was provided to the whole of DBNLM in the last year, saying that the Municipality have done NOTHING.
With over 500 units of informal settlements, NO WATER nor Sanitation provision delivered.
R34, 2 Million capital expenditure reported for the here, No new developments.
This happens when your salary takes majority of your budget.
Communities of DBNLM were on their own to struggle last year.

I so submit.

Submitted by

Signature

Contact

Ruby Jacobs
[Signature]
0605006737

Received by

Signature

000044



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09/03/2020

I, ELDRIGE RUTER Would like to put the following submissions to the oversight committee.

CHAPTER 3: Capital Project Value Actual vs PROJECT VALUE

1. Chapter 3, page 55-100 have various Capital projects enlisted for the year under review. However, the Actual Spending on this fall dismally short from the Project value itself. This is a total +/-R40 million rand difference. It shows as follow

Page 60 – Actual Expenditure R +/- 4.8 million: Project Value R0

Page 63 - Actual Expenditure R +/- 9.4 million: Project Value R0

Page 66 - Actual Expenditure R +/- 11 million: Project Value R0

Page 68 - Actual Expenditure R +/- 5.2 million: Project Value R280 THOUSAND

Page 72 - Actual Expenditure R +/- 9.6 million: Project Value R280 THOUSAND

Page 79 - Actual Expenditure R +/- 0.23 million: Project Value R0

Page 95 - Actual Expenditure R +/- 0.91 million: Project Value R280 THOUSAND

Page 97 - Actual Expenditure R +/- 0.26 million: Project Value R280 THOUSAND THOOUSAND

Total – Capital Project Actual Expenditure = R41.5 million.

Total Capital Projects Value = R1.1 Million

MPAC must investigate this thoroughly. Findings implemented and published in the local newspaper.

I so submit.

Submitted by

ELDRIGE RUTER S

Signature

[Signature]

Contact

0725463409

Received by

Signature

000045



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09/03/2020

I ELDRIGE RUITERS Would like to put the following submissions to the oversight committee.

CHAPTER 3: 2016/17 and 2017/8 REFERENCE

1. Chapter 3 from page 55-100 has the following tables referencing of year 2016/17 and 2017/18 NOT under review.
 - Page 57 – Water service levels
 - Page 59 – Water access
 - Page 61 – Sanitation and Sewerage
 - Page 67 - Solid waste management
 - Page 69 – Housing

This committee must determine if

- A) If this was a numbering fault
- B) Or if the year 2018/19 are NOT available, if NOT why not.

I so submit.

Submitted by

ELDRIGE RUITERS

Signature

[Signature]

Contact

0725463409

Received by

Signature

000046



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09/03/2020

I, C. CARELSE Would like to put the following submissions to the oversight committee.

CHAPTER 3: Roads – 100% Gravel Roads maintained

1. Chapter 3, Page 71 table show that 198 out of 198 gravel roads in the year 2018/19 was maintained. This means 100% maintenance on ALL gravel roads. This is a total lie and direct contrast to the gravel roads conditions in the Municipality.

Can 10 of ward 01 roads out of the 198 be named and location give, so that communities, ward committees, councillor and MPAC do oversight if this was done.

This is supposed to be factual and information and professional document, clearly this has been taken for granted and fallacies given. Admin Must be held accountable for this. Consequences must be exercise.

MPAC must after submissions of facts, recommend appropriate consequences.

I so submit.

Submitted by

C. CARELSE

Signature

C. CARELSE

Contact

.....

Received by

Signature

000047



DBNLM DRAFT Annual Report Submission to MPAC

Date: 09/03/2020

I ELDRIGE RUITERS Would like to put the following submissions to the oversight committee.

CHAPTER 3: Roads – 1 TAR road RE-TARRED

1. Chapter 3, Page 71 table show that 1 tar road out of 144 was RE-TARRED in the year 2018/19 under review.

Was this in ward 01? If not;

What ward has this been done?

When was this done?

What amount was spend on this?

How many people was employed in this project?

This is supposed to be factual and information and professional document, clearly this has been taken for granted and fallacies given. Admin Must be held accountable for this. Consequences must be exercise.

MPAC must after submissions of facts, recommend appropriate consequences.

I so submit.

Submitted by

ELDRIGE RUITERS

Signature

[Signature]

Contact

0725463409

Received by

Signature

000048

MM Office

From: The Moseleys <peterandlynn@gmail.com>
Sent: 18 March 2020 02:21 PM
To: MM Office; Hans Hendricks; Deon de Vos
Cc: liz Buisman; Michelle Erasmus; ricardosmith083@gmail.com
Subject: Submission on Draft Annual Report 2018-19

Good afternoon Dr Rankwana, Mr Hendricks and Mr de Vos

I would like to table my dismay at the inaccuracies, gaping omissions and incorrect inclusions in this draft Annual Report 2018-2019. It seems that very little care and consideration went into its compilation. The many inconsequential meanderings regarding progress and status lack detail. Several statements are superficial, unsubstantiated and riddled with the same old excuses brought out annually! That you are still looking to achieve / improve / turn-around the same old, is a HUGE concern.

That you are happy to report that targets have been achieved in respect of all basic services (Chapter3) and and give yourselves 100% for most, means that either the targets are really low or that you are totally out of touch. That you can say, overall sanitation systems are working well, is astounding and delusional. Sewage spills were the order of the day! 100% for solid waste services ... really??? Skips cleaned twice a week really??? IDP Ward 2 top service delivery priority no.4 was and is still on the wish list. Law Enforcement and Protection Services in DBNLM (although a right of the community) is a forgotten function and there is certainly no will on the part of those at management level to see that this basic service is resuscitated! 100% for roads and stormwater drainage is totally implausible. Stormwater drains are never even cleaned let alone repaired and there are many roads that have not seen DBNLM attention for years.

What is really staggering, is that this Draft Annual Report 2018-19 was **adopted by the council** on 31 January 2020. How can a document so marred with inaccuracies, pass the scrutiny of the brains-trust of DBNLM?

... and then DBNLM embarks on meetings to discuss the draft document with communities, **something commendable** in this whole process at last, thank you. Only half the document had been uploaded. All wards had no access to these missing annexures before their meetings and this omission was only discovered at the very last meeting held with Ward 2. And on the subject of meetings ... it is totally unacceptable that the officials responsible for drawing up this document are not all present at these meetings. From the Municipal Manager to the Directorates, who should be held to account for all the information and misinformation, only Leonie Fouche and Ivor Berrington were there, the rest were not to be seen. The Finance Directorate had to be called to attend in the middle of the meeting. How **arrogant, discourteous and disdainful** that those who should have been there to answer the questions posed, chose to send lowly representatives instead!

The Annual Financial Statements were **disgraceful**.

The Annual Performance Report was **incomplete and inaccurate**. All directorates were at fault, particularly, it seems, the MM and Finance Directorate. Requests like Please ... indicate / update / provide / confirm / supply / check / ensure ... not good! Loads of gaping spaces, not on target and awaiting completion ... not good either.

It was the Auditor-General Report that said it all. **A Disclaimer of opinion** ... scathing in the extreme. I started making a list of negative words - misclassification, misstated, discrepancies, insufficient, understated, poor, unreliable, overstated, miscalculation, errors, inconsistent, failed, flouted, lacked ... and then gave up. The phrases were no better - unable to confirm / determine, did not adequately investigate, did not implement, magnitude of errors, lacked capacity, control deficiencies, failed to adopt oversight, could

not rely on, no proper record, insufficient audit evidence, no control in place, in contravention of and plenty more. The straw that broke the camel's back though was **"MANAGEMENT DID NOT IMPLEMENT RECOMMENDATIONS TO ADDRESS DEFICIENCIES"**.

That you have pleasure in presenting **THIS REPORT**, is truly an indictment on you, Mr Mayor! All in the Vision Statement, Mission and Core Values has been rendered broken and empty. That the Municipality has the ability to continue as a going concern, is certainly in question.

I expect confirmation of receipt of this submission, a routine not usually followed by DBNLM, but one that ought to be adopted.

Regards
Lynne Moseley

Feedback from the community of Steytlerville of the Annual (2018-2019) Municipal Report Review Meeting of Dr. Beyers Naude Local Municipality in Steytlerville:

1 March 2020

Objections regarding the management and execution of the mandate of the BNM were recorded from the floor as follows:

Electricity

- The community is very concerned about the tenuous situation with Eskom
- The concern that the towns of Steytlerville, Willowmore and Jansenville are being used as pawns by Eskom to enforce the settlement agreements between the Municipality and Eskom is untenable.
- There is a major concern that whatever agreement is reached with Eskom will not be sustainable given the poor situation of the coffers.
- The fact that the municipality has no recognized metering system to measure the electric units received from Eskom adds to the poor accounting system. The municipality relies completely on the invoices received from Eskom to balance their accounts. There is not enough audit evidence of the bulk purchase since there are no control measures in place and the AG could not ascertain whether the number of units billed by Eskom was valid. This poor accounting system adds to the debt woes experienced by the municipality
- The community is left in the dark regarding the Eskom settlement arrangements and must rely on social media and direct communication from Eskom to learn the fate of their supply. There is no communication from BNM in this regard. The community insists that they are kept in the loop of developments via regular communication directly from the municipality.

Refuse removal

- The refuse removal in the various townships leaves much to be desired. Illegal dumping sites abound everywhere as residents dump their refuse in open spaces where the wind blows and distribute it, adding to the pollution, general health risks while painting a dismal impression of the town.
- The absence of a TLB is blamed for the inability to collect and clean up the illegal dumpsites
- For the past 3 budget years, Steytlerville has been allocated a budget for the upgrading of its refuse disposal site which is in a shocking condition and which does not comply with any of the bylaws of the municipality. Every year that money is rolled over or spent on other projects.
- The cleaning of the town is left to CWP work teams who are left unsupervised to perform their duties. These teams are seen to be underperforming and are often left to their own devices.

Sewage Removal

- The towns of Jansenville, Willowmore and Klipplaat share a sewage lorry, which services the towns on a rotational basis.
- The demand for the drains to be cleared exceeds the availability of the single sewage lorry and homeowners and businesses are left with overflowing drains.
- This impacts very negatively on the general state of affairs
- The sewage lorry designated for Steytleville needs to be repaired and that funds are not available for it. This is also untenable!

Water supply:

- Bulk water supply to the town is affected by load-shedding and residents in the higher-lying area of the town are often left without water for long periods of time. No provision to service their needs, like mobile water tanks, is made and residents often have to wait for hrs before water is available from their taps.

General Accounting

- Having studied the Auditor General's report on the situation of BNM financial status in 2018-2019 it is very obvious that no or very poor accounting practices were applied by the relevant municipal managers and that a disclaimer of opinion expresses the poor state of affairs.

Examples include:

- wasteful expenditure of R16 million
- Unauthorized expenditure of R22 million from the drought relief grant
- Discrepancies with the Eskom account
- Huge inaccuracies with the employment benefit obligations with duplicate employees noted as well as ineligible employees
- Poor review of cash flow statements

This supports the perception that money management controls within the municipality are not adequately implemented and that the Budget Treasury Office is failing in its mandate to follow proper procedures.

There was a general sense of despair about the inability of the municipality to deliver services due to the budget constraints but there was consensus that certain services could be improved if employees were held accountable for their mismanagement and the non- execution of their work. It would seem that no one is held accountable and that the chain of management is effectively non-existent.

This state of affairs leaves the residents greatly disillusioned with the efficiency of the Beyers Naude Municipality.

FW: Steytlerville citizen's response to Municipal Review meeting

MM Office

Sent: Wednesday, March 18, 2020 9:01 AM
To: Hans Hendricks
Cc: Marilet Nontyi
Attachments: Letter to municipality.docx (17 KB)

Good morning Mr Hendricks

Please find the attached for your information.

Kind Regards

Office of the Municipal Manager

Contact No: 0498075778**Cell no:** 0612538558**Email:** mmoffice@bnlm.gov.za

THE MUNICIPAL MANAGER
DR BEYERS NAUDE LOCAL MUNICIPALITY
P O BOX 71 GRAAFF-REINET 6280

049 807 5700 • 049 892 4319

From: Henderson Properties [<mailto:hendersonproperties@igen.co.za>]
Sent: 18 March 2020 08:33 AM
To: MM Office
Subject: FW: Steytlerville citizen's response to Municipal Review meeting

From: Henderson Properties <hendersonproperties@igen.co.za>
Sent: 16 Maart 2020 12:38 PM
To: 'mm@bnlm.co.za' <mm@bnlm.co.za>
Subject: Steytlerville citizen's response to Municipal Review meeting

Dear Dr. Rankwana

Includes please find a strongly worded letter of response from the citizens of Steytlerville to the feedback meeting which was held on 2 March to review the performance of the Beyers Naude Municipality for the financial year 2018-2019.

From the content, you can see that there is great dismay at the mismanagement of funds and poor execution of service delivery.

We would like you to acknowledge receipt of the letter and would urge you to respond to the allegations made against the municipality.

As rate payers, we deserve your attention and expect a response from your office.

Yours sincerely

Mrs Linda Henderson
Chairperson

3/18/2020

FW: Steytlerville citizen's response to Municipal Review meeting

Steytlerville Residents Forum

Hans Hendricks

From: Hans Hendricks
Sent: Thursday, 14 May 2020 16:36
To: Marilet Nontyi
Subject: FW: FULL DRAFT ANNUAL REPORT 2018-19

From: Janine Mostert
Sent: Thursday, 20 February 2020 15:06
To: Mzamo <ngwadimzamo01@gmail.com>
Cc: Hans Hendricks <hendricksh@bnlm.gov.za>
Subject: FULL DRAFT ANNUAL REPORT 2018-19

Good Day Dr. Mzamo

Thank you for your inputs on the 2018/19 Draft Annual Report. It is much appreciated.

Kind Regards

*Mrs J Vermaak-Mostert
Personal Assistant Corporate Services
Dr Beyers Naude' Local Municipality
Tel: 049 807 5798
Email mostertj@bnlm.gov.za*

 Think before you print



From: Mzamo <ngwadimzamo01@gmail.com>
Sent: Thursday, 20 February 2020 14:08
To: Janine Mostert <mostertj@bnlm.gov.za>
Subject: RE: FULL DRAFT ANNUAL REPORT 2018-19

Dear Janine

Once more I thank you for the report.

I did not go through the entire document but I have made some comments at the areas I peruse.

Regards.

Pastor Dr. Ngwadi Mzamo
PostNet Suite 148

Private Bag X3
• Beacon Bay
5241
East London.

" Everyone is born an original, sadly most die copies."

From: Janine Mostert <mostertj@bnlm.gov.za>
Sent: Thursday, February 13, 2020 3:50 PM
To: Mzamo Ngwadi <ngwadimzamo01@gmail.com>; Daniel.DeLange@eoh.com; trc@hotmail.co.za
Subject: FW: FULL DRAFT ANNUAL REPORT 2018-19

Good Day

Kindly find the attached Draft Annual Report 2018/19 financial year for the Dr Beyers Naude Local Municipality.

Kind Regards

*Mrs J Vermaak-Mostert
Personal Assistant Corporate Services
Dr Beyers Naude' Local Municipality
Tel: 049 807 5798
Email – mostertj@bnlm.gov.za*

 **Think before you print**



Hans Hendricks

From: Lyn Nance <lynnance312@gmail.com>
Sent: Tuesday, 24 March 2020 15:41
To: Hans Hendricks
Cc: Ingrid Desha
Subject: Re: FW: Comment/Input - Mr D de Lange - AC Member

Noted with thanks.

On Tue, Mar 24, 2020 at 3:18 PM Hans Hendricks <hendricksh@bnlm.gov.za> wrote:

Dear Lyn

Please see the email below for your attention.

Regards

Hans

From: Daniel de Lange [mailto:ddelange200@gmail.com]
Sent: Tuesday, 17 March 2020 12:27
To: mm <mm@bnlm.gov.za>; Zoleka Kali <kaliz@bnlm.gov.za>; Gerrar Maya <mayag@bnlm.gov.za>; Janine Mostert <mostertj@bnlm.gov.za>
Cc: ngwadimzamo01@gmail.com; Smith Nevel <trc@hotmail.co.za>
Subject: Re:

Hi

I have a read the AR and made some commentson on the document for your attention.

The document needs to be proof read again as there are a number of grammatical errors as well as the use of different fonts.

There are also alignment issues and certain tables that have not been completed.

The tables refer to year 1 2 and 3 and should rather refer to the actual financial years.

I trust the comments will assist in finalising the AR.

kind regards

DANIEL DE LANGE

On Tue, Mar 17, 2020 at 11:58 AM mm <mm@bnlm.gov.za> wrote:

Good Morning

Please find the attached for your information.

Regards

Dr. E.M. Rankwana

Municipal Manager

T: 049 807 5778

C: 061 253 8558

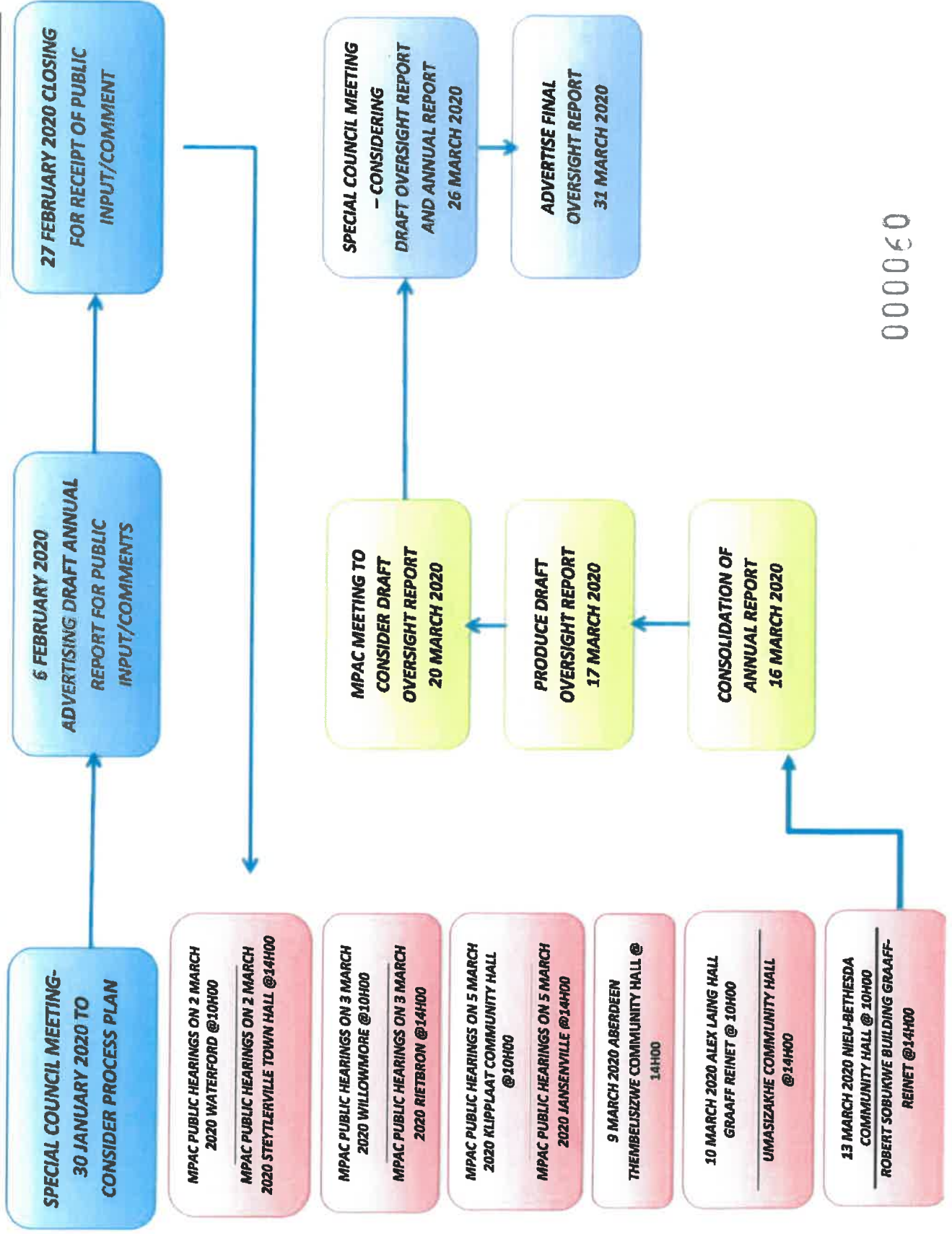
mmoffice@bnlm.gov.za

From: noreply@bnlm.gov.za [mailto:noreply@bnlm.gov.za]

Sent: Tuesday, 17 March 2020 11:01

To: mm <mm@bnlm.gov.za>
Subject: Message from KM_C458

PROCESS PLAN FOR MPAC 2018/19 DRAFT ANNUAL REPORT



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