

“Annexure B”

Checklist to make determinations regarding the 2022/23 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 No	MM MM MM	Agree Agree Agree	

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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 	<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>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Page 2-4</p> <p>Page 2-4</p> <p>Chapter 1: Page 7, Chapter 2: Page 24, Chapter 3: Page 47, Chapter 4: Page 138, Chapter 5: Page 153, Chapter 6: Page 171.</p> <p>Annexures: From page 212</p>

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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; 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p> <p>Agree</p> <p></p> <p>Agree</p>	<p>Annexure 1 In Annual Report</p> <p>Annexure 2 in Annual Report</p> <p>Annexure 3 in Annual Report</p> <p>Annexure 2 in Annual Report</p> <p>Page 257 - 261</p> <p>Monthly via the S71 report and quarterly via the SDBIP performance report, and section 52d report.</p>

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	<ul style="list-style-type: none"> • Particulars of any corrective actions taken or to be taken relating to issues contained in both audit reports of the Auditor-General; 	Yes	MM	Agree-	Annexure 3 in Annual Report (Audit Action Plan)
	<ul style="list-style-type: none"> • Any information to clarify issues in connection with the financial statements; 	No	MM	Agree	Refer annexure 2: Basis of unqualified opinion.
	<ul style="list-style-type: none"> • Any information determined by the municipality; 	No	MM	Agree	
	<ul style="list-style-type: none"> • Any information as may be prescribed by other legislation (DOR Act) 	None	MM	Agree	
4. Annual Financial	<ul style="list-style-type: none"> • Does the AFS contain a fair representation of the financial 	Yes	MM	Agree	Page 227 - 256

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Statements (AFS)	<p>performance of the municipality?</p> <ul style="list-style-type: none"> Do the notes to the AFS contain adequate explanations/ information/ disclosures? (Refer item 11 further down) 	Yes	CFO	Agree	Page227 – 289
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 were adhered to during the year under review; 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Page 290 - 297</p> <p>Audit action plan developed.</p> <p>This document does not form part of the annual report.</p>

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	•How many issues contained in the A-G's report relates to previous years;	10	CFO	Agree	Page 290 - 297
	•To what extent does the A-G's report contain serious inferences of financial mismanagement;	None	CFO	Agree -	N/A
	•Did management and the Council respond to recommendations by the Audit Committee?	Yes	MM/ MAYOR	Agree	A resolution register has been developed and is updated and reported on at audit committee meetings on a quarterly basis.
6. The Annual Performance	Section 46, MSA requires municipalities to submit a performance report reflecting the				

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Report of the Municipality	<p><u>performance of the municipality 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? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>MM</p> <p>MM</p> <p>MM</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>The Annual Performance Report is included in the Annual report as an annexure 3.</p> <p>All SDBIP KPI's are included in the Annual Performance Report.</p> <p>Actual performance VS set targets are reported on in the Annual Performance Report.</p>

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	<ul style="list-style-type: none"> •In terms of key functions or services, how has each performed? E.g. Have backlogs for water, sanitation and electricity been reduced? 	Yes	DIS	Agree	<p>All communities within the municipal/town boundaries have services according to RDP standards. Although Bulk Water Supply was a challenge due to the drought conditions, water carting took place to affected areas. Informal settlements have RDP standard services but require upgraded services.</p>
	<ul style="list-style-type: none"> •What are the refuse collection volumes, library usage statistics, etc? 	No	DCOMS	Agree	<p>Waste Volumes: No waste volumes recorded due to non-compliant landfill sites.</p> <p>Library usage statistics: Library usage statistics are being recorded and are reported on to DSRAC regularly.</p>

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	•To what extent has performance achieved targets set by council?		MM	Agree	The overall target achievement for the institution was 77%.
	•Is the council satisfied with the performance levels achieved?	Satisfactory	MM	Agree	Performance was satisfactory.
	•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?	No community surveys undertaken.	MM	Agree	No community satisfaction survey has been conducted; however, the annual performance report has been included in the draft annual report that was publicized for public inspection.
	•What were the outcomes of public consultation and public hearings?	N/A	MM	Agree	Public hearings were conducted by MPAC. All comments/inputs documented, and amendments made in Annual Report where required.
	•What actions have been taken and planned to improve performance?	Yes	MM	Agree	Performance agreements and performance plans have been entered into with S56 & 57 managers, performance is monitored and reported on quarterly, and in-year


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	<ul style="list-style-type: none"> •Is the council satisfied with actions to improve performance? 	Yes	MM	Agree	<p>evaluations are conducted to ensure underperformance is identified early, and corrective measure are put in place.</p> <p>Quarterly performance reports were tabled before council with actions to improve performance in cases where targets were not achieved.</p>
	<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	<p>Targets set in the SDBIP agree with performance agreements entered into.</p>
	<ul style="list-style-type: none"> •Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? 	Yes	MM	Agree	<p>Substandard achievement of performance targets which requires improvement. There is still room for improvement - challenge cashflow constrains.</p>

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	•Taking into account the audit report and opinion and the views of the Audit Committee, is performance considered to be efficient and effective?	Yes	CFO	Agree	Unqualified audit opinion for the audit of pre-determined objectives.
	•To what extent have actions planned for the previous year been carried over to the financial year reported upon?	10	CFO		Page 354 - 355
	•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?	10	MM		Page 354 - 355
	• Was Council provided with regular performance reports relating to service providers?	Yes	MM	Agree	On a quarterly basis via the Supply Chain Management quarterly reports.

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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>Audit on predetermined objectives was conducted by Auditor General. An unqualified audit opinion was determined for the audit of predetermined objectives. (Refer to Annexure 2)</p> <p>An audit action plan has been developed to improve performance in the following year.</p>
8. Assessment by the MM on the collectability of the debtors	Is such an assessment included in the report?	<p>Yes</p> <p>Yes</p>	<p>MM</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p>	<p>Monthly section 71 reports</p> <p>Monthly section 71 reports</p>

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outstanding at the end of the financial year.	<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? • Did the mayor execute his/her oversight responsibility relating to collection of revenue? • How acceptable is the current situation relating to debtors outstanding? 	<p>Yes</p> <p>Yes</p> <p>Not satisfactory</p>	<p>CFO</p> <p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>Implementation of the Credit Control Policy. Defaulters are blocked and disconnected.</p> <p>Minutes of EXCO Meetings</p> <p>The intention is to improve to above 100%</p>
9. Assessment by the MM of performance against the measurable performance objectives for collection for each revenue source and each vote in	<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? 	<p>Yes</p> <p>Yes</p>	<p>CFO</p> <p>CFO</p>	<p>Agree</p> <p>Agree</p>	<p>In the SDBIP annually and reported on in the annual performance report.</p> <p>State of the Municipality report was developed with recommendations to be implemented to improve areas of underperformance.</p>

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the approved budget.	<ul style="list-style-type: none"> • Were revenue collection policies (disconnection, indigence, deposits, arrangements) in operation during the year under review? 	Yes	CFO	Agree	Page 345
	<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	Page 342
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	<ul style="list-style-type: none"> • Has Council adopted an action plan to address the issues contained in the report of the A-G? 	Yes	MM	Agree	<p>An Audit Action Plan was developed to address all findings contained in the audit report.</p> <p>Strategic and operational risk registers have also been developed per directorate/unit, to ensure controls are in place to mitigate risk, and possible findings.</p>

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year under review;	<ul style="list-style-type: none"> Will the action plan adequately address the issues contained in the A-G's report? 	Yes	MM	Agree	Page 354 - 355
	<ul style="list-style-type: none"> What progress has been made with execution of the action plan? 	Poor progress	CFO		
	<ul style="list-style-type: none"> Are due dates being met? 	No	CFO	Agree	
	<ul style="list-style-type: none"> Will any items contained in the A-G's report be carried into the next financial year? 	No	CFO	Agree	
	<ul style="list-style-type: none"> What controls are in place to ensure no items are carried forward into the next financial year? 	Yes	CFO	Agree	 <p>Being discussed at Management meetings</p>

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					<p>Audit Action plan is designed to address that</p> <p>Daily monitoring of the audit action plan. Frequently reporting on it at management and Audit Committee meetings</p>
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 2022/2023? • 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. 	<p>Yes</p> <p>Yes</p> <p>n/a</p> <p>Yes</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>Page227 – 289</p> <p>Page 270 - 272</p> <p>n/a</p> <p>n/a</p>

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	<ul style="list-style-type: none"> • Details on how certain of the above allocations were spent per vote. 	Yes	CFO	Agree	Page 270 - 272
	<ul style="list-style-type: none"> • Information stating whether the municipality has complied with the conditions of certain grants and if not the reasons for not complying; 	Yes	CFO	Agree	Page 270 - 272
	<ul style="list-style-type: none"> • A statement whether any funds destined for the municipality in terms of the DOR Act were delayed or withheld and the reasons advanced for the delay or withholding; 	n/a	CFO	Agree	n/a
	<ul style="list-style-type: none"> • The salaries, allowances and benefits of political office bearers and councilors; 	Yes	CFO	Agree	Page 273 - 276
	<ul style="list-style-type: none"> • A statement by the accounting officer whether or not the remuneration is within the prescribed upper limits; 	Yes	CFO	Agree	Page 276

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	<ul style="list-style-type: none"> • Particulars of any arrears older than 90 days owed by individual councilors to the municipality; 	Yes	CFO	Agree	Page 286
	<ul style="list-style-type: none"> • 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; 	Yes	CFO	Agree	Page 273 - 276
	<ul style="list-style-type: none"> • A list of municipal entities under the control of the municipality; 	n/a	CFO	Agree	n/a
	<ul style="list-style-type: none"> • the total amount of contributions to organized local government; 	Yes	CFO		Page 285
	<ul style="list-style-type: none"> • the amount of any outstanding contributions to organized local government; 	Yes	CFO		Page 285
	<ul style="list-style-type: none"> • the total amounts paid in audit fees/ taxes /levies/ duties/ pension fund contributions/ medical aid contributions; 	Yes	CFO		Page 286

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	<ul style="list-style-type: none"> • 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 	Yes	CFO		<p>Page 261</p> <p>n/a</p> <p>Page 281 – 282</p> <p>Page 281 – 282</p> <p>n/a</p> <p>n/a</p> <p>Page 281 – 282</p>
		Yes	CFO		

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	<p>of the aforementioned expenditures;</p> <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; 	<p>n/a</p> <p>N/A</p>	<p>CFO</p> <p>CFO</p> <p>CFO</p>		<p>n/a</p> <p>n/a</p>
12. Key issues raised by members of the community	Attach input/issues raised by the Graaff-Reinet Rate Payers Association on the Draft Annual Report.	Yes	MM	Agree	Input circulated to all directors.
13. Key issues raised by the Audit Committee	Audit Committee input has been included in the Draft Annual Report (Appendix G)	Yes	MM	Agree	Appendix G of Annual Report