



ANNEXURE A

DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Oversight Report

2021/2022 Annual Report

16 March 2023

A -1

A city of excellence

CONTENTS

- 1. INTRODUCTION 3
- 2. PURPOSE..... 3
- 3. 2021/2022 ANNUAL REPORT..... 3
- 3.1 LEGAL FRAMEWORK..... 3
- 3.2 COMPONENTS OF THE ANNUAL REPORT 4
- 4. 2021/2022 ANNUAL REPORT CONSULTATION AND ADOPTION PROCESS 4
- 4.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE 4
- 4.2 ADOPTION AND PUBLIC CONSULTATION PROCESS 5
- 4.3 MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE..... 6
- 5. CONCLUSION 6
- 6. RECOMMENDATIONS 6
- 7. APPENDICES..... 7

1. INTRODUCTION

The Annual Report (AR) is one of the key instruments of transparent governance and accountability. It is a post-financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial year, in this instance the 2021/2022 financial year. The adoption of an AR is a legislative requirement in terms of the Municipal Finance Management Act (MFMA).

2. PURPOSE

The purpose of this report is to present to Council for adoption, the 2021/2022 AR as well as the Oversight Report (OR) on the 2021/2022 AR as required in terms of Section 129 of the MFMA.

3. 2021/2022 ANNUAL REPORT

3.1 LEGAL FRAMEWORK

Section 121 of the MFMA determines that Drakenstein Municipality must deal with the preparation and adoption of the 2021/2022 AR as follows:

“(1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control in accordance with section 129.

(2) The purpose of an annual report is:

(a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

(b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

(c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Section 127(2) of the MFMA also determines with regard to the submission and tabling of ARs that the Executive Mayor must, within seven months after the end of a financial year, table in the Municipal Council the AR of Drakenstein Municipality. This was done on 31 January 2023.

Section 129 of the MFMA determines with regard to the OR on the 2021/2022 AR that:

“(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council:

- (a) Has approved the annual report with or without reservations;*
- (b) Has rejected the annual report; or*
- (c) Has referred the annual report back for revision of those components that can be revised.”*

3.2 COMPONENTS OF THE ANNUAL REPORT

The format of the 2021/2022 AR is based on the AR template issued by National Treasury in terms of MFMA Circular 63 of 2012. The Circular requires that an AR consists of six (6) chapters and attempts to cover all the aspects that needs to be reported on as derived from the MFMA and the Local Government: Municipal Systems Act.

4. 2021/2022 ANNUAL REPORT CONSULTATION AND ADOPTION PROCESS

4.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Council established a Municipal Public Accounts Committee (MPAC) in terms of Section 79 of the Local Government: Municipal Structures Act, 1998. The Terms of Reference tasks the MPAC with the responsibility to perform an oversight role over the process of preparing the AR of Council and to produce an OR based on the AR.

As required by the MFMA the City Manager attended the Council Meeting where the 2021/2022 AR was tabled by the Executive Mayor on 31 January 2023, thereafter it was released for public comment. The MPAC convened one meeting on 16 March 2023 to deliberate on the content of the 2021/2022 AR together with the comments received on the 2021/2022 AR. The City Manager attended the MPAC meeting as required to answer questions posed by MPAC members on the 2021/2022 AR and written comments received.

The attendance of MPAC members for the purpose of compiling the OR is recorded as follows:

Table 1: MPAC Members and Attendance

Name	Capacity	Meeting Attendance: 16 March 2023
Cllr JA September	MPAC Chairperson	X
Cllr SJ Liebenberg	Member	X
Cllr AJ van Santen	Member	X
Cllr EA Solomons	Member	X
Ald AC Stowman	Member	X
Cllr AM Richards	Member	X
Cllr LS Sambokwe	Member	X

4.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The Executive Mayor tabled the Draft 2021/2022 AR in Council on 31 January 2023 in compliance with the MFMA. The Draft 2021/2022 AR was made public on the municipal website within (5) days as well as within seven (7) days in the local newspapers after it was tabled at Council.

Members of the community and any other stakeholder were invited to submit written comments on the 2021/2022 AR. In addition, the 2021/2022 AR was also made available at all municipal libraries and selected municipal offices.

The 2021/2022 AR was also submitted, in terms of Section 127(5)(b) of the MFMA to the Auditor-General of South Africa (AGSA), National Treasury, Western Cape Provincial Treasury and the Western Cape Department of Local Government. The AGSA was also invited to attend the Council meeting to be held on 31 March 2023 as well as the MPAC meeting held on 16 March 2023.

The closing date for public comments were on 21 February 2023. No submissions from the public were received. Written comments were received from the AGSA, Audit Committee and from the Internal Audit Division. These comments were tabled and considered at the MPAC meeting held on 16 March 2023.

The Western Cape Provincial Treasury provided feedback in a letter, but did not raise any findings. Furthermore the Audit Committee provided verbal feedback on the AR during the Audit Committee meeting on 02 February 2023 which were incorporated. No written comments were received from the Western Cape Department of Local Government.

4.3 MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The MPAC met on 16 March 2023 to discuss and consider the adoption of the 2021/2022 AR. The MPAC members, prior to these meetings, perused through the content of the 2021/2022 AR as well as the written comments received and the corrections made to the AR (attached as Appendix 1 and 2 to the Oversight Report).

In terms of Section 129(1) of the MFMA, Council must indicate whether the 2021/2022 AR is being adopted with or without reservations. The matters as discussed in Appendix 1 and 2 were finalised on 16 March 2023. As a result, the MPAC is satisfied with the content of the Final 2021/2022 AR and as such recommends to Council that the 2021/2022 AR be adopted without any reservations.

5. CONCLUSION

As Chairperson of the MPAC, I would like to thank the MPAC members, the Mayoral Committee members, the City Manager and Senior Management, as well as the various contributors to the Final 2021/2022 AR product for their diligence and constructive commitment during the oversight period.

The MPAC is satisfied that the 2021/2022 AR provides an accurate overview of the process of financial and non-financial performance during the period under review and therefore would like to recommend the adoption thereof.

6. RECOMMENDATIONS

It is recommended to Council that:

- 6.1 Council adopts the Oversight Report on the 2021/2022 Annual Report;
- 6.2 Council approves the 2021/2022 Annual Report without any reservations;
- 6.3 The Oversight Report on the 2021/2022 Annual Report be made public in accordance with Section 129(3) of the MFMA; and
- 6.4 The Minutes of the Oversight Committee meeting of 16 March 2023, the Oversight Report on the 2021/2021 Annual Report and the Final 2021/2022 Annual Report be submitted, in accordance with Section 129(2) and 132(2) of the MFMA, to the Auditor-General of South Africa, National Treasury, Western Cape Provincial Treasury, Western Cape Department of Local Government and the Western Cape Provincial Legislature.

7. APPENDICES

Appendix 1: Comments received on the Draft Annual Report 2021/2022;

Appendix 2: MPAC Minutes of 16 March 2023; and

Appendix 3: Extract of corrections to the Draft Annual Report 2021/2022.

**CLLR JA SEPTEMBER
CHAIRPERSON: MPAC**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

16 March 2023



DRAKENSTEIN
MUNISIPALITEIT • MUNICIPALITY • UMASIPALA
Paarl | Wellington | Gouda | Saron | Simondium

APPENDIX 1

Comments received on the Draft Annual Report

2021/2022 Financial Year

To be considered by the Municipal Public Accounts Committee on 16 March 2023

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
1.	Auditor-General (attached hereto).	<p>Page 30</p> <ul style="list-style-type: none"> • 2020/21 should be 2021/2022. • 2020/2022 should be 2020/2021. <p>The 2020/21 financial year realised an operating surplus of R143,5 million compared with budgeted operating surplus of R70.0 million for the year under review. The municipality's current assets exceeded current liabilities in the year under review, this is an improvement from the 2020/22 financial year. The cash and cash equivalents and investment balances</p>	Error has been corrected.	Senior Management's response accepted.
2.	Auditor-General (attached hereto).	<p>Page 31</p> <ul style="list-style-type: none"> • The gearing ratio should be (TL/Net Assets): <ul style="list-style-type: none"> - 2021:59,58% - 2022: 50,94% <p>increased from R138,8 million on 30 June 2021 to R229,9 million on 30 June 2022 and the gearing ratio decreased from 63.7% on 30 June 2021 to 62.3% on 30 June 2022. Employee related costs stood at 28.7% of the total expenditure and debtor collection days increased to 44.3 days for the year under review from 41.1 days at 30 June 2021 and the debt collection ratio from 98.6% for the 2020/21 to 96.6% for the year under review. There were incidents of fruitless and wasteful expenditure.</p>	Disagree. Formula is Long term liabilities / (Revenue less conditional grants).	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																							
3.	Auditor-General (attached hereto).	<p>Page 36</p> <ul style="list-style-type: none"> The table should be 2019/2020. <p>Table 5: Employment Activity by Sector</p> <table border="1"> <thead> <tr> <th colspan="5">Employment Activity by Sector</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Sector</th> <th colspan="3">R'000 000</th> </tr> <tr> <th>2019/2022</th> <th>2020/2021</th> <th>2021/2022</th> </tr> <tr> <th>Column No.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Employment Activity by Sector					Serial No.	Sector	R'000 000			2019/2022	2020/2021	2021/2022	Column No.	A	B	C	D						Error has been corrected.	Senior Management's response accepted.
Employment Activity by Sector																											
Serial No.	Sector	R'000 000																									
		2019/2022	2020/2021	2021/2022																							
Column No.	A	B	C	D																							
4.	Auditor-General (attached hereto).	<p>Page 42</p> <ul style="list-style-type: none"> Taxes, levies and tariffs: 2 243 253 814 (Actuals - Column D) - Obtained by adding property rates and service charges. Please provide details of this amount? Expenditure: 2 624 201 401 (Actuals - Column D incorrect) Once the above corrected the totals must also be corrected and the surplus/ Deficit. Column E & F must also be adjusted for the above 	Error has been corrected.	Senior Management's response accepted.																							

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																													
		<p>1.5.1 Statement of Financial Performance Overview</p> <p>The actual surplus of R137.9 million for the 2021/22 financial year compared with the final adjustments budget surplus of R70.2 million resulted in a positive variance of R67.8 million.</p> <p>Table 7: Statement of Financial Performance Overview 2021/2022</p> <table border="1"> <thead> <tr> <th colspan="7">Statement of Financial Performance Overview 2021/22</th> </tr> <tr> <th>Serial No.</th> <th>Details</th> <th>Original budget</th> <th>Adjustments budget</th> <th>Actuals</th> <th>Positive/ (Negative) Variance (Column B & D)</th> <th>Positive/ (Negative) Variance (Column C & D)</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Grants</td> <td>200,861,075</td> <td>211,466,467</td> <td>204,171,779</td> <td>(3,310,704)</td> <td>7,294,688</td> </tr> <tr> <td>2</td> <td>Taxes, Levies and Tariffs</td> <td>2,244,345,771</td> <td>2,228,281,693</td> <td>2,237,836,447</td> <td>6,509,324</td> <td>(9,554,754)</td> </tr> <tr> <td>3</td> <td>Other</td> <td>163,591,029</td> <td>181,033,244</td> <td>202,440,890</td> <td>(38,849,861)</td> <td>(21,407,646)</td> </tr> <tr> <td>4</td> <td>Total Operating Revenue (Capital Grants Excluded)</td> <td>2,608,797,875</td> <td>2,620,781,404</td> <td>2,644,449,116</td> <td>35,651,241</td> <td>23,667,712</td> </tr> <tr> <td>5</td> <td>Less: Expenditure</td> <td>2,660,568,361</td> <td>2,674,095,050</td> <td>2,624,403,620</td> <td>36,164,741</td> <td>(121,889,903)</td> </tr> <tr> <td>6</td> <td>Surplus / (Deficit) (Capital Grants Excluded)</td> <td>(51,770,486)</td> <td>(53,313,646)</td> <td>20,045,496</td> <td>71,815,982</td> <td>73,359,142</td> </tr> <tr> <td>7</td> <td>Plus: Capital Grants</td> <td>96,382,569</td> <td>123,331,683</td> <td>117,812,786</td> <td>(21,430,217)</td> <td>19,953,827</td> </tr> <tr> <td>8</td> <td>Surplus / (Deficit)(Capital Grants included)</td> <td>44,612,083</td> <td>70,018,037</td> <td>137,858,282</td> <td>93,246,199</td> <td>67,840,245</td> </tr> </tbody> </table>	Statement of Financial Performance Overview 2021/22							Serial No.	Details	Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)	Column Ref.	A	B	C	D	E	F	1	Grants	200,861,075	211,466,467	204,171,779	(3,310,704)	7,294,688	2	Taxes, Levies and Tariffs	2,244,345,771	2,228,281,693	2,237,836,447	6,509,324	(9,554,754)	3	Other	163,591,029	181,033,244	202,440,890	(38,849,861)	(21,407,646)	4	Total Operating Revenue (Capital Grants Excluded)	2,608,797,875	2,620,781,404	2,644,449,116	35,651,241	23,667,712	5	Less: Expenditure	2,660,568,361	2,674,095,050	2,624,403,620	36,164,741	(121,889,903)	6	Surplus / (Deficit) (Capital Grants Excluded)	(51,770,486)	(53,313,646)	20,045,496	71,815,982	73,359,142	7	Plus: Capital Grants	96,382,569	123,331,683	117,812,786	(21,430,217)	19,953,827	8	Surplus / (Deficit)(Capital Grants included)	44,612,083	70,018,037	137,858,282	93,246,199	67,840,245		
Statement of Financial Performance Overview 2021/22																																																																																	
Serial No.	Details	Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)																																																																											
Column Ref.	A	B	C	D	E	F																																																																											
1	Grants	200,861,075	211,466,467	204,171,779	(3,310,704)	7,294,688																																																																											
2	Taxes, Levies and Tariffs	2,244,345,771	2,228,281,693	2,237,836,447	6,509,324	(9,554,754)																																																																											
3	Other	163,591,029	181,033,244	202,440,890	(38,849,861)	(21,407,646)																																																																											
4	Total Operating Revenue (Capital Grants Excluded)	2,608,797,875	2,620,781,404	2,644,449,116	35,651,241	23,667,712																																																																											
5	Less: Expenditure	2,660,568,361	2,674,095,050	2,624,403,620	36,164,741	(121,889,903)																																																																											
6	Surplus / (Deficit) (Capital Grants Excluded)	(51,770,486)	(53,313,646)	20,045,496	71,815,982	73,359,142																																																																											
7	Plus: Capital Grants	96,382,569	123,331,683	117,812,786	(21,430,217)	19,953,827																																																																											
8	Surplus / (Deficit)(Capital Grants included)	44,612,083	70,018,037	137,858,282	93,246,199	67,840,245																																																																											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																													
		<p>Page 42</p> <ul style="list-style-type: none"> Not consistent with the amounts on page 31. <p>The debtors' payment period for the 2021/22 financial year (before considering the provision for impairment) was 61.8 days, which is below the targeted number of 70 days. The number of days for the 2020/21 financial year (before considering the provision for impairment) was 64.5 days, which is below the targeted number of 70 days.</p>	Disagree - This amount is before impairment.	Senior Management's response accepted.																																													
5.	Auditor-General (attached hereto).	<p>Page 44</p> <ul style="list-style-type: none"> The R'000 should not be included. 2020/21 should be 2021/2022. <p>Table 9: Total Capital Expenditure</p> <table border="1"> <thead> <tr> <th colspan="5">Total Capital Expenditure</th> </tr> <tr> <th colspan="5">R'000</th> </tr> <tr> <th>Serial No.</th> <th>Details</th> <th>2019/20</th> <th>2020/21</th> <th>2020/21</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Original Budget</td> <td>378,029,950</td> <td>216,972,433</td> <td>128,102,569</td> </tr> <tr> <td>2</td> <td>Final Adjustments Budget</td> <td>308,394,191</td> <td>239,059,061</td> <td>169,775,302</td> </tr> <tr> <td>3</td> <td>Actual Expenditure</td> <td>269,757,841</td> <td>221,646,458</td> <td>157,051,451</td> </tr> <tr> <td>4</td> <td>Actual Expenditure as a % of Original Budget</td> <td>71.30%</td> <td>102.15%</td> <td>122.60%</td> </tr> <tr> <td>5</td> <td>Actual Expenditure as a % of Adjustments Budget</td> <td>87.50%</td> <td>92.72%</td> <td>92.51%</td> </tr> </tbody> </table>	Total Capital Expenditure					R'000					Serial No.	Details	2019/20	2020/21	2020/21	Column Ref.	A	B	C	D	1	Original Budget	378,029,950	216,972,433	128,102,569	2	Final Adjustments Budget	308,394,191	239,059,061	169,775,302	3	Actual Expenditure	269,757,841	221,646,458	157,051,451	4	Actual Expenditure as a % of Original Budget	71.30%	102.15%	122.60%	5	Actual Expenditure as a % of Adjustments Budget	87.50%	92.72%	92.51%	Error has been corrected.	Senior Management's response accepted.
Total Capital Expenditure																																																	
R'000																																																	
Serial No.	Details	2019/20	2020/21	2020/21																																													
Column Ref.	A	B	C	D																																													
1	Original Budget	378,029,950	216,972,433	128,102,569																																													
2	Final Adjustments Budget	308,394,191	239,059,061	169,775,302																																													
3	Actual Expenditure	269,757,841	221,646,458	157,051,451																																													
4	Actual Expenditure as a % of Original Budget	71.30%	102.15%	122.60%																																													
5	Actual Expenditure as a % of Adjustments Budget	87.50%	92.72%	92.51%																																													

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																					
6.	Auditor-General (attached hereto).	<p>Page 111</p> <ul style="list-style-type: none"> Information as per segment reporting – Electricity Services: Operating revenue – R1 455 876 554 Operational costs – R964 536 966 (Bulk Purchases, Operating leases and Operational costs). <p>Table 44: Operating Revenue and Expenditure: Electricity Services</p> <table border="1"> <thead> <tr> <th colspan="7">Operating Revenue and Expenditure: Electricity Services</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Description</th> <th rowspan="2">2020/21 Actual Results</th> <th colspan="3">2021/22</th> <th rowspan="2">Positive / (Negative) % Variance Between Column D & E</th> </tr> <tr> <th>Original Approved Budget</th> <th>Final Adjustments Budget</th> <th>Actual Results</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Operating Revenue</td> <td>(1,300,942,230)</td> <td>(1,482,824,918)</td> <td>(1,464,641,753)</td> <td>(1,448,659,131)</td> <td>-1.1%</td> </tr> <tr> <td>2</td> <td>Total Operating Revenue</td> <td>(1,300,942,230)</td> <td>(1,482,824,918)</td> <td>(1,464,641,753)</td> <td>(1,448,659,131)</td> <td>-1.1%</td> </tr> <tr> <td>3</td> <td>Employee related costs</td> <td>58,124,627</td> <td>59,557,908</td> <td>61,061,726</td> <td>60,507,087</td> <td>0.9%</td> </tr> <tr> <td>4</td> <td>Impairment losses on financial assets</td> <td>17,916,153</td> <td>18,948,682</td> <td>1,948,682</td> <td>1,562,092</td> <td>19.8%</td> </tr> <tr> <td>5</td> <td>Interest paid</td> <td>67,088,950</td> <td>67,270,368</td> <td>67,270,368</td> <td>67,270,367</td> <td>0.0%</td> </tr> <tr> <td>6</td> <td>Contracted services</td> <td>13,486,247</td> <td>18,286,407</td> <td>19,803,179</td> <td>18,645,856</td> <td>5.8%</td> </tr> <tr> <td>7</td> <td>Depreciation and amortisation</td> <td>44,745,848</td> <td>47,623,650</td> <td>47,623,650</td> <td>49,167,518</td> <td>-3.2%</td> </tr> <tr> <td>8</td> <td>Inventory consumed</td> <td>8,958,231</td> <td>8,320,646</td> <td>11,484,108</td> <td>10,685,462</td> <td>7.0%</td> </tr> <tr> <td>9</td> <td>Operational Costs and Losses</td> <td>827,059,691</td> <td>990,053,645</td> <td>967,383,154</td> <td>962,777,204</td> <td>0.5%</td> </tr> <tr> <td>10</td> <td>Total Operating Expenditure</td> <td>1,037,379,747</td> <td>1,210,061,306</td> <td>1,176,574,867</td> <td>1,170,615,585</td> <td>0.5%</td> </tr> <tr> <td>11</td> <td>Operating (Surplus) / Deficit</td> <td>(263,562,483)</td> <td>(272,763,612)</td> <td>(288,066,886)</td> <td>(278,043,546)</td> <td>-3.5%</td> </tr> </tbody> </table>	Operating Revenue and Expenditure: Electricity Services							Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E	Original Approved Budget	Final Adjustments Budget	Actual Results	Column Ref.	A	B	C	D	E	F	1	Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%	2	Total Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%	3	Employee related costs	58,124,627	59,557,908	61,061,726	60,507,087	0.9%	4	Impairment losses on financial assets	17,916,153	18,948,682	1,948,682	1,562,092	19.8%	5	Interest paid	67,088,950	67,270,368	67,270,368	67,270,367	0.0%	6	Contracted services	13,486,247	18,286,407	19,803,179	18,645,856	5.8%	7	Depreciation and amortisation	44,745,848	47,623,650	47,623,650	49,167,518	-3.2%	8	Inventory consumed	8,958,231	8,320,646	11,484,108	10,685,462	7.0%	9	Operational Costs and Losses	827,059,691	990,053,645	967,383,154	962,777,204	0.5%	10	Total Operating Expenditure	1,037,379,747	1,210,061,306	1,176,574,867	1,170,615,585	0.5%	11	Operating (Surplus) / Deficit	(263,562,483)	(272,763,612)	(288,066,886)	(278,043,546)	-3.5%	The operating results for electricity was corrected.	Senior Management's response accepted.
Operating Revenue and Expenditure: Electricity Services																																																																																																									
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E																																																																																																			
			Original Approved Budget	Final Adjustments Budget	Actual Results																																																																																																				
Column Ref.	A	B	C	D	E	F																																																																																																			
1	Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%																																																																																																			
2	Total Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%																																																																																																			
3	Employee related costs	58,124,627	59,557,908	61,061,726	60,507,087	0.9%																																																																																																			
4	Impairment losses on financial assets	17,916,153	18,948,682	1,948,682	1,562,092	19.8%																																																																																																			
5	Interest paid	67,088,950	67,270,368	67,270,368	67,270,367	0.0%																																																																																																			
6	Contracted services	13,486,247	18,286,407	19,803,179	18,645,856	5.8%																																																																																																			
7	Depreciation and amortisation	44,745,848	47,623,650	47,623,650	49,167,518	-3.2%																																																																																																			
8	Inventory consumed	8,958,231	8,320,646	11,484,108	10,685,462	7.0%																																																																																																			
9	Operational Costs and Losses	827,059,691	990,053,645	967,383,154	962,777,204	0.5%																																																																																																			
10	Total Operating Expenditure	1,037,379,747	1,210,061,306	1,176,574,867	1,170,615,585	0.5%																																																																																																			
11	Operating (Surplus) / Deficit	(263,562,483)	(272,763,612)	(288,066,886)	(278,043,546)	-3.5%																																																																																																			

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																					
7.	Auditor-General (attached hereto).	<p>Page 124</p> <p>Information as per segment reporting – Housing Services:</p> <ul style="list-style-type: none"> Operating revenue – R18 407 143 Employee related costs – R28 698 153 Depreciation and amortisation – R32 829 932 <p>Table 54: Operating Revenue and Expenditure: Housing Services</p> <table border="1"> <thead> <tr> <th colspan="7">Operating Revenue and Expenditure: Housing Services (Housing Projects and Rental Stock)</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Description</th> <th rowspan="2">2020/21 Actual Results</th> <th colspan="3">2021/22</th> <th rowspan="2">Positive / (Negative) % Variance Between Column D & E</th> </tr> <tr> <th>Original Approved Budget</th> <th>Final Adjustments Budget</th> <th>Actual Results</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Operating Revenue</td> <td>(30,454,187)</td> <td>(27,642,089)</td> <td>(34,584,793)</td> <td>(18,354,847)</td> <td>-46.9%</td> </tr> <tr> <td>2</td> <td>Total Operating Revenue</td> <td>(30,454,187)</td> <td>(27,642,089)</td> <td>(34,584,793)</td> <td>(18,354,847)</td> <td>-46.9%</td> </tr> <tr> <td>3</td> <td>Employee related costs</td> <td>28,188,190</td> <td>28,796,794</td> <td>28,592,307</td> <td>28,698,153</td> <td>-0.4%</td> </tr> <tr> <td>4</td> <td>Impairment losses on financial assets</td> <td>1,749,701</td> <td>2,373,046</td> <td>2,373,046</td> <td>2,744,614</td> <td>-15.7%</td> </tr> <tr> <td>5</td> <td>Interest paid</td> <td>4,801,066</td> <td>4,814,048</td> <td>4,814,048</td> <td>4,814,048</td> <td>0.0%</td> </tr> <tr> <td>6</td> <td>Contracted services</td> <td>18,849,177</td> <td>10,230,835</td> <td>14,543,133</td> <td>6,828,452</td> <td>53.0%</td> </tr> <tr> <td>7</td> <td>Depreciation and amortisation</td> <td>30,021,451</td> <td>31,796,824</td> <td>31,796,824</td> <td>32,829,932</td> <td>-3.2%</td> </tr> <tr> <td>8</td> <td>Inventory consumed</td> <td>4,077,321</td> <td>1,275,923</td> <td>3,816,181</td> <td>2,774,753</td> <td>27.3%</td> </tr> <tr> <td>9</td> <td>Operational Costs and Losses</td> <td>358,922</td> <td>2,473,323</td> <td>2,115,490</td> <td>1,755,748</td> <td>17.0%</td> </tr> <tr> <td>10</td> <td>Total Operating Expenditure</td> <td>88,045,828</td> <td>81,760,793</td> <td>88,051,029</td> <td>80,445,699</td> <td>8.6%</td> </tr> <tr> <td>11</td> <td>Operating (Surplus) / Deficit</td> <td>57,591,640</td> <td>54,118,704</td> <td>53,466,236</td> <td>62,090,852</td> <td>16.1%</td> </tr> </tbody> </table>	Operating Revenue and Expenditure: Housing Services (Housing Projects and Rental Stock)							Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E	Original Approved Budget	Final Adjustments Budget	Actual Results	Column Ref.	A	B	C	D	E	F	1	Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)	-46.9%	2	Total Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)	-46.9%	3	Employee related costs	28,188,190	28,796,794	28,592,307	28,698,153	-0.4%	4	Impairment losses on financial assets	1,749,701	2,373,046	2,373,046	2,744,614	-15.7%	5	Interest paid	4,801,066	4,814,048	4,814,048	4,814,048	0.0%	6	Contracted services	18,849,177	10,230,835	14,543,133	6,828,452	53.0%	7	Depreciation and amortisation	30,021,451	31,796,824	31,796,824	32,829,932	-3.2%	8	Inventory consumed	4,077,321	1,275,923	3,816,181	2,774,753	27.3%	9	Operational Costs and Losses	358,922	2,473,323	2,115,490	1,755,748	17.0%	10	Total Operating Expenditure	88,045,828	81,760,793	88,051,029	80,445,699	8.6%	11	Operating (Surplus) / Deficit	57,591,640	54,118,704	53,466,236	62,090,852	16.1%	Disagree. The classification we use in the annual report differs from the segmental reports classification, thus it would differ.	Senior Management's response accepted.
Operating Revenue and Expenditure: Housing Services (Housing Projects and Rental Stock)																																																																																																									
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E																																																																																																			
			Original Approved Budget	Final Adjustments Budget	Actual Results																																																																																																				
Column Ref.	A	B	C	D	E	F																																																																																																			
1	Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)	-46.9%																																																																																																			
2	Total Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)	-46.9%																																																																																																			
3	Employee related costs	28,188,190	28,796,794	28,592,307	28,698,153	-0.4%																																																																																																			
4	Impairment losses on financial assets	1,749,701	2,373,046	2,373,046	2,744,614	-15.7%																																																																																																			
5	Interest paid	4,801,066	4,814,048	4,814,048	4,814,048	0.0%																																																																																																			
6	Contracted services	18,849,177	10,230,835	14,543,133	6,828,452	53.0%																																																																																																			
7	Depreciation and amortisation	30,021,451	31,796,824	31,796,824	32,829,932	-3.2%																																																																																																			
8	Inventory consumed	4,077,321	1,275,923	3,816,181	2,774,753	27.3%																																																																																																			
9	Operational Costs and Losses	358,922	2,473,323	2,115,490	1,755,748	17.0%																																																																																																			
10	Total Operating Expenditure	88,045,828	81,760,793	88,051,029	80,445,699	8.6%																																																																																																			
11	Operating (Surplus) / Deficit	57,591,640	54,118,704	53,466,236	62,090,852	16.1%																																																																																																			

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																																												
8.	Auditor-General (attached hereto).	<p>Page 225</p> <ul style="list-style-type: none"> AFS Note 40 Amounts: <ul style="list-style-type: none"> Salaries R481 502 170 Workman Compensation 2022 – R3 222 706 2021 – R3 444 765 <p>4.6.2 Personnel Expenditure per Line Item</p> <p>The breakdown of personnel expenditure per line item for the 2020/21 and 2021/22 years is depicted in the table below. Salaries and wages have increased with R3,381,388 year-on-year.</p> <p>Table 162: Personnel Expenditure per Line Item</p> <table border="1"> <thead> <tr> <th colspan="6">Personnel Expenditure per Line Item</th> </tr> <tr> <th>Serial No.</th> <th>Description</th> <th>2020/21 Actual Expenditure</th> <th>2021/22 Actual Expenditure</th> <th>Variance Amount</th> <th>Variance %</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>C</th> <th>C</th> <th>D</th> <th>E</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Salaries and Wages</td> <td>472,757,047</td> <td>481,273,379</td> <td>8,516,332</td> <td>1.8%</td> </tr> <tr> <td>2</td> <td>Salaries</td> <td>472,757,047</td> <td>481,273,379</td> <td>8,516,332</td> <td>1.8%</td> </tr> <tr> <td>3</td> <td>Other Allowances and contributions</td> <td>201,749,968</td> <td>206,997,752</td> <td>5,247,784</td> <td>2.6%</td> </tr> <tr> <td>4</td> <td>Social contributions - UIF, pensions and medical aid etc.</td> <td>108,654,250</td> <td>112,508,161</td> <td>3,853,911</td> <td>3.5%</td> </tr> <tr> <td>5</td> <td>Travel, accommodation and other allowances</td> <td>29,048,647</td> <td>29,210,676</td> <td>162,029</td> <td>0.6%</td> </tr> <tr> <td>6</td> <td>Housing benefits and allowances</td> <td>4,194,525</td> <td>3,501,891</td> <td>(692,634)</td> <td>-16.5%</td> </tr> <tr> <td>7</td> <td>Overtime payments</td> <td>26,599,972</td> <td>34,964,714</td> <td>8,364,742</td> <td>31.4%</td> </tr> <tr> <td>8</td> <td>Acting Allowance</td> <td>1,872,146</td> <td>1,710,542</td> <td>(161,604)</td> <td>-8.6%</td> </tr> <tr> <td>9</td> <td>Shift Allowance</td> <td>2,291,930</td> <td>2,290,229</td> <td>(1,701)</td> <td>-0.1%</td> </tr> <tr> <td>10</td> <td>Standby Allowance</td> <td>9,232,642</td> <td>9,645,665</td> <td>413,023</td> <td>4.5%</td> </tr> <tr> <td>11</td> <td>Night Shift Allowance</td> <td>3,040,267</td> <td>3,001,029</td> <td>(39,238)</td> <td>-1.3%</td> </tr> <tr> <td>12</td> <td>Cell Allowance</td> <td>4,087,152</td> <td>4,038,474</td> <td>(48,678)</td> <td>-1.2%</td> </tr> <tr> <td>13</td> <td>Workman Compensation</td> <td>3,295,614</td> <td>3,325,086</td> <td>29,472</td> <td>0.9%</td> </tr> <tr> <td>14</td> <td>Contribution to leave reserve</td> <td>1,819,097</td> <td>1,759,186</td> <td>(59,911)</td> <td>-3.3%</td> </tr> <tr> <td>15</td> <td>Provision for TASK backpay</td> <td>6,627,428</td> <td>-</td> <td>(6,627,428)</td> <td>-100.0%</td> </tr> <tr> <td>16</td> <td>Provision for performance bonuses</td> <td>986,298</td> <td>1,042,099</td> <td>55,801</td> <td>5.7%</td> </tr> <tr> <td>17</td> <td>Defined Benefit Plan Expense:</td> <td>38,377,549</td> <td>27,994,821</td> <td>(10,382,728)</td> <td>-27.1%</td> </tr> <tr> <td>18</td> <td>Post Employment Health Care Benefits</td> <td>30,311,532</td> <td>18,490,023</td> <td>(11,821,509)</td> <td>-39.0%</td> </tr> <tr> <td>19</td> <td>Ex Gratia Pension Benefits</td> <td>68,450</td> <td>(145,274)</td> <td>(213,724)</td> <td>-312.2%</td> </tr> <tr> <td>20</td> <td>Long Service Awards</td> <td>7,997,567</td> <td>9,650,072</td> <td>1,652,505</td> <td>20.7%</td> </tr> <tr> <td>21</td> <td>Expenditure Recharged</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>22</td> <td>Expenditure Recharged to Capital</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>23</td> <td>Total Employee Related Costs</td> <td>712,884,564</td> <td>716,265,952</td> <td>3,381,388</td> <td>0.5%</td> </tr> </tbody> </table>	Personnel Expenditure per Line Item						Serial No.	Description	2020/21 Actual Expenditure	2021/22 Actual Expenditure	Variance Amount	Variance %	Column Ref.	A	C	C	D	E	1	Salaries and Wages	472,757,047	481,273,379	8,516,332	1.8%	2	Salaries	472,757,047	481,273,379	8,516,332	1.8%	3	Other Allowances and contributions	201,749,968	206,997,752	5,247,784	2.6%	4	Social contributions - UIF, pensions and medical aid etc.	108,654,250	112,508,161	3,853,911	3.5%	5	Travel, accommodation and other allowances	29,048,647	29,210,676	162,029	0.6%	6	Housing benefits and allowances	4,194,525	3,501,891	(692,634)	-16.5%	7	Overtime payments	26,599,972	34,964,714	8,364,742	31.4%	8	Acting Allowance	1,872,146	1,710,542	(161,604)	-8.6%	9	Shift Allowance	2,291,930	2,290,229	(1,701)	-0.1%	10	Standby Allowance	9,232,642	9,645,665	413,023	4.5%	11	Night Shift Allowance	3,040,267	3,001,029	(39,238)	-1.3%	12	Cell Allowance	4,087,152	4,038,474	(48,678)	-1.2%	13	Workman Compensation	3,295,614	3,325,086	29,472	0.9%	14	Contribution to leave reserve	1,819,097	1,759,186	(59,911)	-3.3%	15	Provision for TASK backpay	6,627,428	-	(6,627,428)	-100.0%	16	Provision for performance bonuses	986,298	1,042,099	55,801	5.7%	17	Defined Benefit Plan Expense:	38,377,549	27,994,821	(10,382,728)	-27.1%	18	Post Employment Health Care Benefits	30,311,532	18,490,023	(11,821,509)	-39.0%	19	Ex Gratia Pension Benefits	68,450	(145,274)	(213,724)	-312.2%	20	Long Service Awards	7,997,567	9,650,072	1,652,505	20.7%	21	Expenditure Recharged	-	-	-	-	22	Expenditure Recharged to Capital	-	-	-	-	23	Total Employee Related Costs	712,884,564	716,265,952	3,381,388	0.5%	Error has been corrected.	Senior Management's response accepted.
Personnel Expenditure per Line Item																																																																																																																																																																
Serial No.	Description	2020/21 Actual Expenditure	2021/22 Actual Expenditure	Variance Amount	Variance %																																																																																																																																																											
Column Ref.	A	C	C	D	E																																																																																																																																																											
1	Salaries and Wages	472,757,047	481,273,379	8,516,332	1.8%																																																																																																																																																											
2	Salaries	472,757,047	481,273,379	8,516,332	1.8%																																																																																																																																																											
3	Other Allowances and contributions	201,749,968	206,997,752	5,247,784	2.6%																																																																																																																																																											
4	Social contributions - UIF, pensions and medical aid etc.	108,654,250	112,508,161	3,853,911	3.5%																																																																																																																																																											
5	Travel, accommodation and other allowances	29,048,647	29,210,676	162,029	0.6%																																																																																																																																																											
6	Housing benefits and allowances	4,194,525	3,501,891	(692,634)	-16.5%																																																																																																																																																											
7	Overtime payments	26,599,972	34,964,714	8,364,742	31.4%																																																																																																																																																											
8	Acting Allowance	1,872,146	1,710,542	(161,604)	-8.6%																																																																																																																																																											
9	Shift Allowance	2,291,930	2,290,229	(1,701)	-0.1%																																																																																																																																																											
10	Standby Allowance	9,232,642	9,645,665	413,023	4.5%																																																																																																																																																											
11	Night Shift Allowance	3,040,267	3,001,029	(39,238)	-1.3%																																																																																																																																																											
12	Cell Allowance	4,087,152	4,038,474	(48,678)	-1.2%																																																																																																																																																											
13	Workman Compensation	3,295,614	3,325,086	29,472	0.9%																																																																																																																																																											
14	Contribution to leave reserve	1,819,097	1,759,186	(59,911)	-3.3%																																																																																																																																																											
15	Provision for TASK backpay	6,627,428	-	(6,627,428)	-100.0%																																																																																																																																																											
16	Provision for performance bonuses	986,298	1,042,099	55,801	5.7%																																																																																																																																																											
17	Defined Benefit Plan Expense:	38,377,549	27,994,821	(10,382,728)	-27.1%																																																																																																																																																											
18	Post Employment Health Care Benefits	30,311,532	18,490,023	(11,821,509)	-39.0%																																																																																																																																																											
19	Ex Gratia Pension Benefits	68,450	(145,274)	(213,724)	-312.2%																																																																																																																																																											
20	Long Service Awards	7,997,567	9,650,072	1,652,505	20.7%																																																																																																																																																											
21	Expenditure Recharged	-	-	-	-																																																																																																																																																											
22	Expenditure Recharged to Capital	-	-	-	-																																																																																																																																																											
23	Total Employee Related Costs	712,884,564	716,265,952	3,381,388	0.5%																																																																																																																																																											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
9.	Auditor-General (attached hereto).	Page 226 Amount per the comparison of actual vs. budget statement: <ul style="list-style-type: none"> • Service charges: R 1 826 370 540 • Employee costs: R720 323 102 • Depreciation: R241 745 856 • Materials and bulk purchases: R1 037 912 149 • Total expenditure and revenue changed and the total surplus amount as well • Total current assets: R742 555 800 • Total non-current assets R6 674 145 681 • Total current liabilities R503 754 978 • Total non-current liabilities R1 997 771 319 • Community Wealth/ Equity R4 915 175 184 • Net cash from operating – R278 299 104 • Net cash from investing – R213 448 879 • Net cash from financing – R13 474 970 • Total cash flows also changed 	Error has been corrected.	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																																																																																																																																																																																																																												
		<p>Table 163: Financial Summary</p> <table border="1"> <thead> <tr> <th colspan="7">Financial Summary</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Description</th> <th>2020/2021</th> <th colspan="2">2021/22</th> <th colspan="2">Positive / (Negative) % Variance</th> </tr> <tr> <th>Actual</th> <th>Original Budget</th> <th>Adjustments Budget</th> <th>Actual</th> <th>Original Budget</th> <th>Adjustments Budget</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> </tr> </thead> <tbody> <tr> <td>1</td> <td colspan="6">Financial Performance</td> <td></td> </tr> <tr> <td>2</td> <td>Property rates</td> <td>343,711,355</td> <td>403,840,831</td> <td>415,978,861</td> <td>416,883,724</td> <td>3.23%</td> <td>100.22%</td> </tr> <tr> <td>3</td> <td>Service charges</td> <td>1,630,000,405</td> <td>1,840,504,940</td> <td>1,812,302,832</td> <td>1,820,952,723</td> <td>94%</td> <td>100.48%</td> </tr> <tr> <td>4</td> <td>Investment revenue</td> <td>5,215,173</td> <td>6,000,000</td> <td>6,000,000</td> <td>9,673,336</td> <td>101.22%</td> <td>161.22%</td> </tr> <tr> <td>5</td> <td>Transfers recognised – operational</td> <td>220,606,266</td> <td>200,861,075</td> <td>211,466,467</td> <td>204,171,779</td> <td>101.65%</td> <td>96.55%</td> </tr> <tr> <td>6</td> <td>Other own revenue</td> <td>198,278,783</td> <td>157,591,029</td> <td>175,033,244</td> <td>192,767,554</td> <td>122.32%</td> <td>110.13%</td> </tr> <tr> <td>7</td> <td>Total Revenue (excluding capital transfers and contributions)</td> <td>2,397,811,982</td> <td>2,608,797,875</td> <td>2,620,781,404</td> <td>2,644,449,116</td> <td>1.37%</td> <td>0.90%</td> </tr> <tr> <td>8</td> <td>Employee costs</td> <td>712,884,564</td> <td>743,376,564</td> <td>746,599,921</td> <td>719,959,019</td> <td>6.85%</td> <td>96.43%</td> </tr> <tr> <td>9</td> <td>Remuneration of Councillors</td> <td>31,101,146</td> <td>33,640,385</td> <td>33,640,385</td> <td>31,654,070</td> <td>4.10%</td> <td>94.10%</td> </tr> <tr> <td>10</td> <td>Depreciation</td> <td>219,436,028</td> <td>242,691,338</td> <td>242,691,338</td> <td>242,076,037</td> <td>9.75%</td> <td>99.75%</td> </tr> <tr> <td>11</td> <td>Finance charges</td> <td>179,830,801</td> <td>180,316,454</td> <td>180,316,454</td> <td>180,161,755</td> <td>9.91%</td> <td>99.91%</td> </tr> <tr> <td>12</td> <td>Materials and bulk purchases</td> <td>834,993,491</td> <td>1,034,355,079</td> <td>1,037,962,113</td> <td>1,037,951,993</td> <td>70.35%</td> <td>100.00%</td> </tr> <tr> <td>13</td> <td>Transfers and grants</td> <td>8,534,159</td> <td>18,117,842</td> <td>16,224,394</td> <td>15,343,997</td> <td>6.69%</td> <td>94.57%</td> </tr> <tr> <td>14</td> <td>Other expenditure</td> <td>483,489,818</td> <td>408,070,699</td> <td>416,660,445</td> <td>397,256,749</td> <td>35%</td> <td>95.34%</td> </tr> <tr> <td>15</td> <td>Total expenditure</td> <td>2,470,270,007</td> <td>2,660,568,361</td> <td>2,674,095,050</td> <td>2,624,403,620</td> <td>-1.36%</td> <td>-1.86%</td> </tr> <tr> <td>16</td> <td>Surplus (Deficit)</td> <td>(72,458,025)</td> <td>(51,770,486)</td> <td>(53,313,646)</td> <td>20,045,496</td> <td>8.72%</td> <td>-37.60%</td> </tr> <tr> <td>17</td> <td>Transfers recognised – capital</td> <td>177,435,677</td> <td>96,382,569</td> <td>123,331,683</td> <td>117,812,786</td> <td>2.23%</td> <td>95.53%</td> </tr> <tr> <td>18</td> <td>Contributions recognised – capital and contributed assets</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>19</td> <td>Surplus (Deficit) after capital transfers and contributions</td> <td>104,977,652</td> <td>44,612,083</td> <td>70,018,037</td> <td>137,858,282</td> <td>209.02%</td> <td>96.89%</td> </tr> <tr> <td>20</td> <td>Share of surplus/(deficit) of associate</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>21</td> <td>Surplus (Deficit) for the year</td> <td>104,977,652</td> <td>44,612,083</td> <td>70,018,037</td> <td>137,858,282</td> <td>99.02%</td> <td>196.89%</td> </tr> <tr> <td>22</td> <td colspan="6">Capital Expenditure and Fund Sources</td> <td></td> </tr> <tr> <td>23</td> <td>Transfers recognised – capital</td> <td>143,696,501</td> <td>96,382,569</td> <td>123,331,683</td> <td>112,773,339</td> <td>117.01%</td> <td>91.44%</td> </tr> <tr> <td>24</td> <td>Public contributions and donations</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>25</td> <td>Borrowing</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>26</td> <td>Internally generated funds</td> <td>77,949,957</td> <td>31,720,000</td> <td>46,443,619</td> <td>44,278,112</td> <td>139.59%</td> <td>95.34%</td> </tr> <tr> <td>27</td> <td>Total sources of capital funds</td> <td>221,646,458</td> <td>128,102,569</td> <td>169,775,302</td> <td>157,051,451</td> <td>22.60%</td> <td>-7.49%</td> </tr> <tr> <td>28</td> <td colspan="6">Financial Position</td> <td></td> </tr> <tr> <td>29</td> <td>Total current assets</td> <td>573,503,357</td> <td>598,313,890</td> <td>604,659,007</td> <td>604,659,007</td> <td>101.06%</td> <td>100.00%</td> </tr> <tr> <td>30</td> <td>Total non-current assets</td> <td>6,270,475,702</td> <td>6,096,797,641</td> <td>6,138,470,374</td> <td>6,138,470,374</td> <td>100.68%</td> <td>100.00%</td> </tr> <tr> <td>31</td> <td>Total current liabilities</td> <td>542,529,431</td> <td>556,198,244</td> <td>556,198,244</td> <td>556,198,244</td> <td>100.00%</td> <td>100.00%</td> </tr> <tr> <td>32</td> <td>Total non-current liabilities</td> <td>2,040,855,700</td> <td>1,999,587,355</td> <td>1,999,587,355</td> <td>1,999,587,355</td> <td>100.00%</td> <td>100.00%</td> </tr> <tr> <td>33</td> <td>Community wealth/ Equity</td> <td>4,260,593,928</td> <td>4,139,325,932</td> <td>4,187,343,782</td> <td>4,187,343,782</td> <td>101.16%</td> <td>100.00%</td> </tr> <tr> <td>34</td> <td colspan="6">Cash Flows</td> <td></td> </tr> <tr> <td>35</td> <td>Net cash from (used) operating</td> <td>294,432,946</td> <td>212,555,358</td> <td>251,035,115</td> <td>251,035,115</td> <td>118.10%</td> <td>100.00%</td> </tr> <tr> <td>36</td> <td>Net cash from (used) investing</td> <td>(221,354,616)</td> <td>(103,941,545)</td> <td>(147,203,612)</td> <td>(147,203,612)</td> <td>141.62%</td> <td>100.00%</td> </tr> <tr> <td>37</td> <td>Net cash from (used) financing</td> <td>(14,896,869)</td> <td>(29,683,298)</td> <td>(18,555,870)</td> <td>(18,555,870)</td> <td>62.51%</td> <td>100.00%</td> </tr> <tr> <td>38</td> <td>Cash/cash equivalents at the year end</td> <td>(35,424,540)</td> <td>78,930,515</td> <td>85,275,633</td> <td>85,275,633</td> <td>8.04%</td> <td>0.00%</td> </tr> </tbody> </table>	Financial Summary							Serial No.	Description	2020/2021	2021/22		Positive / (Negative) % Variance		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	Column Ref.	A	B	C	D	E	F	G	1	Financial Performance							2	Property rates	343,711,355	403,840,831	415,978,861	416,883,724	3.23%	100.22%	3	Service charges	1,630,000,405	1,840,504,940	1,812,302,832	1,820,952,723	94%	100.48%	4	Investment revenue	5,215,173	6,000,000	6,000,000	9,673,336	101.22%	161.22%	5	Transfers recognised – operational	220,606,266	200,861,075	211,466,467	204,171,779	101.65%	96.55%	6	Other own revenue	198,278,783	157,591,029	175,033,244	192,767,554	122.32%	110.13%	7	Total Revenue (excluding capital transfers and contributions)	2,397,811,982	2,608,797,875	2,620,781,404	2,644,449,116	1.37%	0.90%	8	Employee costs	712,884,564	743,376,564	746,599,921	719,959,019	6.85%	96.43%	9	Remuneration of Councillors	31,101,146	33,640,385	33,640,385	31,654,070	4.10%	94.10%	10	Depreciation	219,436,028	242,691,338	242,691,338	242,076,037	9.75%	99.75%	11	Finance charges	179,830,801	180,316,454	180,316,454	180,161,755	9.91%	99.91%	12	Materials and bulk purchases	834,993,491	1,034,355,079	1,037,962,113	1,037,951,993	70.35%	100.00%	13	Transfers and grants	8,534,159	18,117,842	16,224,394	15,343,997	6.69%	94.57%	14	Other expenditure	483,489,818	408,070,699	416,660,445	397,256,749	35%	95.34%	15	Total expenditure	2,470,270,007	2,660,568,361	2,674,095,050	2,624,403,620	-1.36%	-1.86%	16	Surplus (Deficit)	(72,458,025)	(51,770,486)	(53,313,646)	20,045,496	8.72%	-37.60%	17	Transfers recognised – capital	177,435,677	96,382,569	123,331,683	117,812,786	2.23%	95.53%	18	Contributions recognised – capital and contributed assets	0	0	0	0	0.00%	0.00%	19	Surplus (Deficit) after capital transfers and contributions	104,977,652	44,612,083	70,018,037	137,858,282	209.02%	96.89%	20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%	21	Surplus (Deficit) for the year	104,977,652	44,612,083	70,018,037	137,858,282	99.02%	196.89%	22	Capital Expenditure and Fund Sources							23	Transfers recognised – capital	143,696,501	96,382,569	123,331,683	112,773,339	117.01%	91.44%	24	Public contributions and donations	0	0	0	0	0.00%	0.00%	25	Borrowing	0	0	0	0	0.00%	0.00%	26	Internally generated funds	77,949,957	31,720,000	46,443,619	44,278,112	139.59%	95.34%	27	Total sources of capital funds	221,646,458	128,102,569	169,775,302	157,051,451	22.60%	-7.49%	28	Financial Position							29	Total current assets	573,503,357	598,313,890	604,659,007	604,659,007	101.06%	100.00%	30	Total non-current assets	6,270,475,702	6,096,797,641	6,138,470,374	6,138,470,374	100.68%	100.00%	31	Total current liabilities	542,529,431	556,198,244	556,198,244	556,198,244	100.00%	100.00%	32	Total non-current liabilities	2,040,855,700	1,999,587,355	1,999,587,355	1,999,587,355	100.00%	100.00%	33	Community wealth/ Equity	4,260,593,928	4,139,325,932	4,187,343,782	4,187,343,782	101.16%	100.00%	34	Cash Flows							35	Net cash from (used) operating	294,432,946	212,555,358	251,035,115	251,035,115	118.10%	100.00%	36	Net cash from (used) investing	(221,354,616)	(103,941,545)	(147,203,612)	(147,203,612)	141.62%	100.00%	37	Net cash from (used) financing	(14,896,869)	(29,683,298)	(18,555,870)	(18,555,870)	62.51%	100.00%	38	Cash/cash equivalents at the year end	(35,424,540)	78,930,515	85,275,633	85,275,633	8.04%	0.00%		
Financial Summary																																																																																																																																																																																																																																																																																																																																																
Serial No.	Description	2020/2021	2021/22		Positive / (Negative) % Variance																																																																																																																																																																																																																																																																																																																																											
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget																																																																																																																																																																																																																																																																																																																																									
Column Ref.	A	B	C	D	E	F	G																																																																																																																																																																																																																																																																																																																																									
1	Financial Performance																																																																																																																																																																																																																																																																																																																																															
2	Property rates	343,711,355	403,840,831	415,978,861	416,883,724	3.23%	100.22%																																																																																																																																																																																																																																																																																																																																									
3	Service charges	1,630,000,405	1,840,504,940	1,812,302,832	1,820,952,723	94%	100.48%																																																																																																																																																																																																																																																																																																																																									
4	Investment revenue	5,215,173	6,000,000	6,000,000	9,673,336	101.22%	161.22%																																																																																																																																																																																																																																																																																																																																									
5	Transfers recognised – operational	220,606,266	200,861,075	211,466,467	204,171,779	101.65%	96.55%																																																																																																																																																																																																																																																																																																																																									
6	Other own revenue	198,278,783	157,591,029	175,033,244	192,767,554	122.32%	110.13%																																																																																																																																																																																																																																																																																																																																									
7	Total Revenue (excluding capital transfers and contributions)	2,397,811,982	2,608,797,875	2,620,781,404	2,644,449,116	1.37%	0.90%																																																																																																																																																																																																																																																																																																																																									
8	Employee costs	712,884,564	743,376,564	746,599,921	719,959,019	6.85%	96.43%																																																																																																																																																																																																																																																																																																																																									
9	Remuneration of Councillors	31,101,146	33,640,385	33,640,385	31,654,070	4.10%	94.10%																																																																																																																																																																																																																																																																																																																																									
10	Depreciation	219,436,028	242,691,338	242,691,338	242,076,037	9.75%	99.75%																																																																																																																																																																																																																																																																																																																																									
11	Finance charges	179,830,801	180,316,454	180,316,454	180,161,755	9.91%	99.91%																																																																																																																																																																																																																																																																																																																																									
12	Materials and bulk purchases	834,993,491	1,034,355,079	1,037,962,113	1,037,951,993	70.35%	100.00%																																																																																																																																																																																																																																																																																																																																									
13	Transfers and grants	8,534,159	18,117,842	16,224,394	15,343,997	6.69%	94.57%																																																																																																																																																																																																																																																																																																																																									
14	Other expenditure	483,489,818	408,070,699	416,660,445	397,256,749	35%	95.34%																																																																																																																																																																																																																																																																																																																																									
15	Total expenditure	2,470,270,007	2,660,568,361	2,674,095,050	2,624,403,620	-1.36%	-1.86%																																																																																																																																																																																																																																																																																																																																									
16	Surplus (Deficit)	(72,458,025)	(51,770,486)	(53,313,646)	20,045,496	8.72%	-37.60%																																																																																																																																																																																																																																																																																																																																									
17	Transfers recognised – capital	177,435,677	96,382,569	123,331,683	117,812,786	2.23%	95.53%																																																																																																																																																																																																																																																																																																																																									
18	Contributions recognised – capital and contributed assets	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																																																									
19	Surplus (Deficit) after capital transfers and contributions	104,977,652	44,612,083	70,018,037	137,858,282	209.02%	96.89%																																																																																																																																																																																																																																																																																																																																									
20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																																																									
21	Surplus (Deficit) for the year	104,977,652	44,612,083	70,018,037	137,858,282	99.02%	196.89%																																																																																																																																																																																																																																																																																																																																									
22	Capital Expenditure and Fund Sources																																																																																																																																																																																																																																																																																																																																															
23	Transfers recognised – capital	143,696,501	96,382,569	123,331,683	112,773,339	117.01%	91.44%																																																																																																																																																																																																																																																																																																																																									
24	Public contributions and donations	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																																																									
25	Borrowing	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																																																									
26	Internally generated funds	77,949,957	31,720,000	46,443,619	44,278,112	139.59%	95.34%																																																																																																																																																																																																																																																																																																																																									
27	Total sources of capital funds	221,646,458	128,102,569	169,775,302	157,051,451	22.60%	-7.49%																																																																																																																																																																																																																																																																																																																																									
28	Financial Position																																																																																																																																																																																																																																																																																																																																															
29	Total current assets	573,503,357	598,313,890	604,659,007	604,659,007	101.06%	100.00%																																																																																																																																																																																																																																																																																																																																									
30	Total non-current assets	6,270,475,702	6,096,797,641	6,138,470,374	6,138,470,374	100.68%	100.00%																																																																																																																																																																																																																																																																																																																																									
31	Total current liabilities	542,529,431	556,198,244	556,198,244	556,198,244	100.00%	100.00%																																																																																																																																																																																																																																																																																																																																									
32	Total non-current liabilities	2,040,855,700	1,999,587,355	1,999,587,355	1,999,587,355	100.00%	100.00%																																																																																																																																																																																																																																																																																																																																									
33	Community wealth/ Equity	4,260,593,928	4,139,325,932	4,187,343,782	4,187,343,782	101.16%	100.00%																																																																																																																																																																																																																																																																																																																																									
34	Cash Flows																																																																																																																																																																																																																																																																																																																																															
35	Net cash from (used) operating	294,432,946	212,555,358	251,035,115	251,035,115	118.10%	100.00%																																																																																																																																																																																																																																																																																																																																									
36	Net cash from (used) investing	(221,354,616)	(103,941,545)	(147,203,612)	(147,203,612)	141.62%	100.00%																																																																																																																																																																																																																																																																																																																																									
37	Net cash from (used) financing	(14,896,869)	(29,683,298)	(18,555,870)	(18,555,870)	62.51%	100.00%																																																																																																																																																																																																																																																																																																																																									
38	Cash/cash equivalents at the year end	(35,424,540)	78,930,515	85,275,633	85,275,633	8.04%	0.00%																																																																																																																																																																																																																																																																																																																																									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																						
10.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>7</td> <td colspan="3"> Pg. 42 Statement of Financial Performance Overview Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 1 - Column F</td> <td>7,294,688</td> <td>(7,294,688)</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 2 - Column F</td> <td>(9,554,754)</td> <td>9,554,754</td> </tr> <tr> <td></td> <td></td> <td>Serial No.3 - Column F</td> <td>(21,407,646)</td> <td>21,407,646</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 5 - Column F</td> <td>(121,889,903)</td> <td>49,691,430</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 7 - Column F</td> <td>19,953,827</td> <td>(5,518,897)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Difference</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(14,589,376)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>19,109,508</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>42,815,292</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>171,581,333</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(25,472,724)</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			1.	7	Pg. 42 Statement of Financial Performance Overview Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 1 - Column F	7,294,688	(7,294,688)			Serial No. 2 - Column F	(9,554,754)	9,554,754			Serial No.3 - Column F	(21,407,646)	21,407,646			Serial No. 5 - Column F	(121,889,903)	49,691,430			Serial No. 7 - Column F	19,953,827	(5,518,897)					Difference					(14,589,376)					19,109,508					42,815,292					171,581,333					(25,472,724)	Error has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																																																																								
1.	7	Pg. 42 Statement of Financial Performance Overview Difference in recalculation																																																																								
		Description	Figure Disclosed	Auditor Recalculation																																																																						
		Serial No. 1 - Column F	7,294,688	(7,294,688)																																																																						
		Serial No. 2 - Column F	(9,554,754)	9,554,754																																																																						
		Serial No.3 - Column F	(21,407,646)	21,407,646																																																																						
		Serial No. 5 - Column F	(121,889,903)	49,691,430																																																																						
		Serial No. 7 - Column F	19,953,827	(5,518,897)																																																																						
				Difference																																																																						
				(14,589,376)																																																																						
				19,109,508																																																																						
				42,815,292																																																																						
				171,581,333																																																																						
				(25,472,724)																																																																						
11.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>2.</td> <td>9</td> <td colspan="3"> Pg. 44 Total Capital Expenditure Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 4 - % of Original Budget 2019/20</td> <td>71.30%</td> <td>71.36%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Difference</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>0.06%</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			2.	9	Pg. 44 Total Capital Expenditure Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 4 - % of Original Budget 2019/20	71.30%	71.36%					Difference					0.06%	Difference is immaterial, but table was corrected.	Senior Management's response accepted.																																								
No.	Table Number	Discrepancy																																																																								
2.	9	Pg. 44 Total Capital Expenditure Difference in recalculation																																																																								
		Description	Figure Disclosed	Auditor Recalculation																																																																						
		Serial No. 4 - % of Original Budget 2019/20	71.30%	71.36%																																																																						
				Difference																																																																						
				0.06%																																																																						

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																		
12.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>3.</td> <td>29</td> <td colspan="3"> Pg. 97 Water Use Details Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 1 - Column E</td> <td>9,988,321</td> <td>9,988,035</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 1 - Column G</td> <td>12,051,013</td> <td>12,026,911</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 2 - Column E</td> <td>11,363,179</td> <td>11,484,432</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 2 - Column G</td> <td>13,425,170</td> <td>13,398,319</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 3 - Column E</td> <td>7,906,427</td> <td>11,857,937</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 3 - Column G</td> <td>14,106,456</td> <td>14,078,244</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 3 - Column H</td> <td>15.74</td> <td>15.77</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			3.	29	Pg. 97 Water Use Details Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 1 - Column E	9,988,321	9,988,035			Serial No. 1 - Column G	12,051,013	12,026,911			Serial No. 2 - Column E	11,363,179	11,484,432			Serial No. 2 - Column G	13,425,170	13,398,319			Serial No. 3 - Column E	7,906,427	11,857,937			Serial No. 3 - Column G	14,106,456	14,078,244			Serial No. 3 - Column H	15.74	15.77	Error has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																																																				
3.	29	Pg. 97 Water Use Details Difference in recalculation																																																				
		Description	Figure Disclosed	Auditor Recalculation																																																		
		Serial No. 1 - Column E	9,988,321	9,988,035																																																		
		Serial No. 1 - Column G	12,051,013	12,026,911																																																		
		Serial No. 2 - Column E	11,363,179	11,484,432																																																		
		Serial No. 2 - Column G	13,425,170	13,398,319																																																		
		Serial No. 3 - Column E	7,906,427	11,857,937																																																		
		Serial No. 3 - Column G	14,106,456	14,078,244																																																		
		Serial No. 3 - Column H	15.74	15.77																																																		
13.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>5.</td> <td>84</td> <td colspan="3"> Pg. 156 Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 4 - Column F</td> <td>0.0%</td> <td>45.5%</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			5.	84	Pg. 156 Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 4 - Column F	0.0%	45.5%	Error has been corrected.	Senior Management's response accepted.																														
No.	Table Number	Discrepancy																																																				
5.	84	Pg. 156 Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres Difference in recalculation																																																				
		Description	Figure Disclosed	Auditor Recalculation																																																		
		Serial No. 4 - Column F	0.0%	45.5%																																																		

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																									
14.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>87</td> <td colspan="3">Pg. 159 Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes</td> </tr> <tr> <td colspan="5" style="text-align: center;">Difference in recalculation</td> </tr> <tr> <td colspan="2">Description</td> <td>Figure Disclosed</td> <td>Auditor Recalculation</td> <td>Difference</td> </tr> <tr> <td colspan="2">Serial No. 5 - Column F</td> <td>0.0%</td> <td>(3.2%)</td> <td>(3.2%)</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			6.	87	Pg. 159 Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes			Difference in recalculation					Description		Figure Disclosed	Auditor Recalculation	Difference	Serial No. 5 - Column F		0.0%	(3.2%)	(3.2%)	Error has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																											
6.	87	Pg. 159 Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes																											
Difference in recalculation																													
Description		Figure Disclosed	Auditor Recalculation	Difference																									
Serial No. 5 - Column F		0.0%	(3.2%)	(3.2%)																									
15.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>7.</td> <td>91</td> <td colspan="3">Pg. 165 Operating Revenue and Expenditure: Environmental Management (Pollution Control included)</td> </tr> <tr> <td colspan="5" style="text-align: center;">Difference in recalculation</td> </tr> <tr> <td colspan="2">Description</td> <td>Figure Disclosed</td> <td>Auditor Recalculation</td> <td>Difference</td> </tr> <tr> <td colspan="2">Serial No. 5 - Column F</td> <td>(3.2%)</td> <td>(3.3%)</td> <td>(0.1%)</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			7.	91	Pg. 165 Operating Revenue and Expenditure: Environmental Management (Pollution Control included)			Difference in recalculation					Description		Figure Disclosed	Auditor Recalculation	Difference	Serial No. 5 - Column F		(3.2%)	(3.3%)	(0.1%)	Error has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																											
7.	91	Pg. 165 Operating Revenue and Expenditure: Environmental Management (Pollution Control included)																											
Difference in recalculation																													
Description		Figure Disclosed	Auditor Recalculation	Difference																									
Serial No. 5 - Column F		(3.2%)	(3.3%)	(0.1%)																									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																								
16.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>8.</td> <td>104</td> <td colspan="3"> Pg. 176 Operating Revenue and Expenditure: Fire and Disaster Management Services Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 5 - Column F</td> <td>0.0%</td> <td>(3.3%)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <th>Difference</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(3.3%)</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			8.	104	Pg. 176 Operating Revenue and Expenditure: Fire and Disaster Management Services Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 5 - Column F	0.0%	(3.3%)					Difference					(3.3%)	Error has been corrected.	Senior Management's response accepted.										
No.	Table Number	Discrepancy																																										
8.	104	Pg. 176 Operating Revenue and Expenditure: Fire and Disaster Management Services Difference in recalculation																																										
		Description	Figure Disclosed	Auditor Recalculation																																								
		Serial No. 5 - Column F	0.0%	(3.3%)																																								
				Difference																																								
				(3.3%)																																								
17.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>9.</td> <td>115</td> <td colspan="3"> Pg. 188 Debt Recovery Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 6 - % Collection Rate 2021/22</td> <td>19.40%</td> <td>61.80%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 7 - % Collection Rate 2021/22</td> <td>96.60%</td> <td>96.70%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <th>Difference</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>42.40%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>0.10%</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			9.	115	Pg. 188 Debt Recovery Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 6 - % Collection Rate 2021/22	19.40%	61.80%			Serial No. 7 - % Collection Rate 2021/22	96.60%	96.70%					Difference					42.40%					0.10%	Error has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																																										
9.	115	Pg. 188 Debt Recovery Difference in recalculation																																										
		Description	Figure Disclosed	Auditor Recalculation																																								
		Serial No. 6 - % Collection Rate 2021/22	19.40%	61.80%																																								
		Serial No. 7 - % Collection Rate 2021/22	96.60%	96.70%																																								
				Difference																																								
				42.40%																																								
				0.10%																																								

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																													
18.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>12.</td> <td>143</td> <td colspan="3"> Pg. 210 Operating Revenue and Expenditure: Internal Audit Difference in recalculation </td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 4 - Column E</td> <td>(38,028)</td> <td>38,028</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 4 - Column F</td> <td>161.9%</td> <td>38.1%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 6 - Column E</td> <td>9,165,012</td> <td>9,241,068</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 6 - Column F</td> <td>2.5%</td> <td>1.7%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 7 - Column E</td> <td>9,165,012</td> <td>9,241,068</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 7 - Column F</td> <td>2.5%</td> <td>1.7%</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			12.	143	Pg. 210 Operating Revenue and Expenditure: Internal Audit Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 4 - Column E	(38,028)	38,028			Serial No. 4 - Column F	161.9%	38.1%			Serial No. 6 - Column E	9,165,012	9,241,068			Serial No. 6 - Column F	2.5%	1.7%			Serial No. 7 - Column E	9,165,012	9,241,068			Serial No. 7 - Column F	2.5%	1.7%	<p>Finding is incorrect. The total for inventory consist of the following accounts: 211023236011 GMRCZZWM – Inventory: Materials & Supplies - -39149.98 211023236031 GMRCZZWM - Inventory: Materials & Supplies – 1121.84 And are thus correctly indicated as a negative amount of (R38,028)</p>	<p>Senior Management's response accepted.</p>
No.	Table Number	Discrepancy																																															
12.	143	Pg. 210 Operating Revenue and Expenditure: Internal Audit Difference in recalculation																																															
		Description	Figure Disclosed	Auditor Recalculation																																													
		Serial No. 4 - Column E	(38,028)	38,028																																													
		Serial No. 4 - Column F	161.9%	38.1%																																													
		Serial No. 6 - Column E	9,165,012	9,241,068																																													
		Serial No. 6 - Column F	2.5%	1.7%																																													
		Serial No. 7 - Column E	9,165,012	9,241,068																																													
		Serial No. 7 - Column F	2.5%	1.7%																																													

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																												
19.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>13.</td> <td>160</td> <td colspan="3">Pg. 223 Skills Development – Budget Allocation Difference in recalculation</td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 4 - Column D</td> <td>R34,580</td> <td>R84,580</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <th>Difference</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>R50,000</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			13.	160	Pg. 223 Skills Development – Budget Allocation Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 4 - Column D	R34,580	R84,580					Difference					R50,000	Error has been corrected.	Senior Management's response accepted.																														
No.	Table Number	Discrepancy																																																														
13.	160	Pg. 223 Skills Development – Budget Allocation Difference in recalculation																																																														
		Description	Figure Disclosed	Auditor Recalculation																																																												
		Serial No. 4 - Column D	R34,580	R84,580																																																												
				Difference																																																												
				R50,000																																																												
20.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>14.</td> <td>161</td> <td colspan="3">Pg. 223 Financial Competency Development – Progress Report Difference in recalculation</td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 8 - Column D</td> <td>3</td> <td>2</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 8 - Column E</td> <td>3</td> <td>2</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 9 - Column F</td> <td>75</td> <td>76</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 9 - Column G</td> <td>55</td> <td>56</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <th>Difference</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>1</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			14.	161	Pg. 223 Financial Competency Development – Progress Report Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation			Serial No. 8 - Column D	3	2			Serial No. 8 - Column E	3	2			Serial No. 9 - Column F	75	76			Serial No. 9 - Column G	55	56					Difference					(1)					(1)					1					1	Table was corrected although the totals per serial 9 Columns F & G were correct.	Senior Management's response accepted.
No.	Table Number	Discrepancy																																																														
14.	161	Pg. 223 Financial Competency Development – Progress Report Difference in recalculation																																																														
		Description	Figure Disclosed	Auditor Recalculation																																																												
		Serial No. 8 - Column D	3	2																																																												
		Serial No. 8 - Column E	3	2																																																												
		Serial No. 9 - Column F	75	76																																																												
		Serial No. 9 - Column G	55	56																																																												
				Difference																																																												
				(1)																																																												
				(1)																																																												
				1																																																												
				1																																																												

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																								
21.	Internal Audit (attached hereto)	<p>Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year. The following discrepancies were detected.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Table Number</th> <th colspan="3">Discrepancy</th> </tr> </thead> <tbody> <tr> <td>15.</td> <td>165</td> <td colspan="3" style="text-align: center;">Pg. 228 Operating and Capital Transfers and Grants Difference in recalculation</td> </tr> <tr> <td></td> <td></td> <th>Description</th> <th>Figure Disclosed</th> <th>Auditor Recalculation</th> <th>Difference</th> </tr> <tr> <td></td> <td></td> <td>Serial No. 3 - 6: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 8: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 10: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 12: Column F & G</td> <td>86.96%</td> <td>-13.04%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 13: Column F & G</td> <td>395.29%</td> <td>295.29%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 14: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 16: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 18: Column F</td> <td>0.00%</td> <td>-48.31%</td> <td>-48.31%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 18: Column G</td> <td>51.69%</td> <td>-48.31%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 19: Column F</td> <td>0.00%</td> <td>-6.86%</td> <td>-6.86%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 19: Column G</td> <td>93.14%</td> <td>-6.86%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 20: Column F</td> <td>0.00%</td> <td>-0.53%</td> <td>-0.53%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 20: Column G</td> <td>99.47%</td> <td>-0.53%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 21: Column F & G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 22: Column F & G</td> <td>171.46%</td> <td>71.46%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 23: Column F</td> <td>0.00%</td> <td>-3.19%</td> <td>-3.19%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 23: Column G</td> <td>96.81%</td> <td>-3.19%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 24: Column G</td> <td>100.00%</td> <td>0.00%</td> <td>-100.00%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 25: Column G</td> <td>99.99%</td> <td>0.00%</td> <td>-99.99%</td> </tr> <tr> <td></td> <td></td> <td>Serial No. 28: Column F & G</td> <td>49.79%</td> <td>-50.21%</td> <td>-100.00%</td> </tr> </tbody> </table>	No.	Table Number	Discrepancy			15.	165	Pg. 228 Operating and Capital Transfers and Grants Difference in recalculation					Description	Figure Disclosed	Auditor Recalculation	Difference			Serial No. 3 - 6: Column F & G	100.00%	0.00%	-100.00%			Serial No. 8: Column F & G	100.00%	0.00%	-100.00%			Serial No. 10: Column F & G	100.00%	0.00%	-100.00%			Serial No. 12: Column F & G	86.96%	-13.04%	-100.00%			Serial No. 13: Column F & G	395.29%	295.29%	-100.00%			Serial No. 14: Column F & G	100.00%	0.00%	-100.00%			Serial No. 16: Column F & G	100.00%	0.00%	-100.00%			Serial No. 18: Column F	0.00%	-48.31%	-48.31%			Serial No. 18: Column G	51.69%	-48.31%	-100.00%			Serial No. 19: Column F	0.00%	-6.86%	-6.86%			Serial No. 19: Column G	93.14%	-6.86%	-100.00%			Serial No. 20: Column F	0.00%	-0.53%	-0.53%			Serial No. 20: Column G	99.47%	-0.53%	-100.00%			Serial No. 21: Column F & G	100.00%	0.00%	-100.00%			Serial No. 22: Column F & G	171.46%	71.46%	-100.00%			Serial No. 23: Column F	0.00%	-3.19%	-3.19%			Serial No. 23: Column G	96.81%	-3.19%	-100.00%			Serial No. 24: Column G	100.00%	0.00%	-100.00%			Serial No. 25: Column G	99.99%	0.00%	-99.99%			Serial No. 28: Column F & G	49.79%	-50.21%	-100.00%	Table has been corrected.	Senior Management's response accepted.
No.	Table Number	Discrepancy																																																																																																																																										
15.	165	Pg. 228 Operating and Capital Transfers and Grants Difference in recalculation																																																																																																																																										
		Description	Figure Disclosed	Auditor Recalculation	Difference																																																																																																																																							
		Serial No. 3 - 6: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 8: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 10: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 12: Column F & G	86.96%	-13.04%	-100.00%																																																																																																																																							
		Serial No. 13: Column F & G	395.29%	295.29%	-100.00%																																																																																																																																							
		Serial No. 14: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 16: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 18: Column F	0.00%	-48.31%	-48.31%																																																																																																																																							
		Serial No. 18: Column G	51.69%	-48.31%	-100.00%																																																																																																																																							
		Serial No. 19: Column F	0.00%	-6.86%	-6.86%																																																																																																																																							
		Serial No. 19: Column G	93.14%	-6.86%	-100.00%																																																																																																																																							
		Serial No. 20: Column F	0.00%	-0.53%	-0.53%																																																																																																																																							
		Serial No. 20: Column G	99.47%	-0.53%	-100.00%																																																																																																																																							
		Serial No. 21: Column F & G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 22: Column F & G	171.46%	71.46%	-100.00%																																																																																																																																							
		Serial No. 23: Column F	0.00%	-3.19%	-3.19%																																																																																																																																							
		Serial No. 23: Column G	96.81%	-3.19%	-100.00%																																																																																																																																							
		Serial No. 24: Column G	100.00%	0.00%	-100.00%																																																																																																																																							
		Serial No. 25: Column G	99.99%	0.00%	-99.99%																																																																																																																																							
		Serial No. 28: Column F & G	49.79%	-50.21%	-100.00%																																																																																																																																							

Row Number	Comments Received From	Content of Comments Received						Senior Management Response	MPAC's Response to Council										
					Description	Figure Disclosed	Auditor Recalculation	Difference											
					Serial No. 29: Column F & G	100.00%	0.00%	-100.00%											
					Serial No. 32: Column F	0.00%	-7.50%	-7.50%											
					Serial No. 32: Column G	92.50%	-7.50%	-100.00%											
					Serial No. 35: Column F & G	0.00%	-10.94%	-10.94%											
					Serial No. 36: Column F & G	89.06%	-10.94%	-100.00%											
					Serial No. 46 - 51: Column F & G	100.00%	0.00%	-100.00%											
					Serial No. 52 - 54: Column G	100.00%	0.00%	-100.00%											
22.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Page 105, Point 3.6.5, Table 39, Operating Revenue and Expenditure: Wastewater (Sanitation) Services</td> <td>The deficit is subsidised by the surpluses of trading services.</td> <td>The table reflects a surplus and not a deficit.</td> <td>Inconsistency between the summary description and what is reflected in the Table.</td> </tr> </tbody> </table>						No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	1.	Page 105, Point 3.6.5, Table 39, Operating Revenue and Expenditure: Wastewater (Sanitation) Services	The deficit is subsidised by the surpluses of trading services.	The table reflects a surplus and not a deficit.	Inconsistency between the summary description and what is reflected in the Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment															
1.	Page 105, Point 3.6.5, Table 39, Operating Revenue and Expenditure: Wastewater (Sanitation) Services	The deficit is subsidised by the surpluses of trading services.	The table reflects a surplus and not a deficit.	Inconsistency between the summary description and what is reflected in the Table.															

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council										
23.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>2.</td> <td>Page 154, Point 3.18.6, Table 81, Employees – Cemeteries and Crematoria</td> <td>The cemeteries' services function has 46 posts on the organisational structure approved by council.</td> <td>Column C of the table indicates the number of posts to be 44.</td> <td>Inconsistency between the figures reported in the Summary and Table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	2.	Page 154, Point 3.18.6, Table 81, Employees – Cemeteries and Crematoria	The cemeteries' services function has 46 posts on the organisational structure approved by council.	Column C of the table indicates the number of posts to be 44.	Inconsistency between the figures reported in the Summary and Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
2.	Page 154, Point 3.18.6, Table 81, Employees – Cemeteries and Crematoria	The cemeteries' services function has 46 posts on the organisational structure approved by council.	Column C of the table indicates the number of posts to be 44.	Inconsistency between the figures reported in the Summary and Table.										
24.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>3.</td> <td>Page 185. Point 3.29.5, Table 113, Operating Revenue and Expenditure: Executive and Council</td> <td>Executive and Council generated an operating deficit of R106.8 million for the 2021/22 financial year.</td> <td>The amount of R106.8 million relates to the 2020/21 financial year. The amount of R135.6 million is indicated for the 2021/22 financial year in the table.</td> <td>The figures reported in the Summary relates to the 2020/21 financial year.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	3.	Page 185. Point 3.29.5, Table 113, Operating Revenue and Expenditure: Executive and Council	Executive and Council generated an operating deficit of R106.8 million for the 2021/22 financial year.	The amount of R106.8 million relates to the 2020/21 financial year. The amount of R135.6 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
3.	Page 185. Point 3.29.5, Table 113, Operating Revenue and Expenditure: Executive and Council	Executive and Council generated an operating deficit of R106.8 million for the 2021/22 financial year.	The amount of R106.8 million relates to the 2020/21 financial year. The amount of R135.6 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.										

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council										
25.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>4.</td> <td>Page 200, Point 3.33.5, Table 130, Operating Revenue and Expenditure: Property Management Services</td> <td>Property services generated an operating deficit of R31.6 million for the 2021/22 financial year.</td> <td>The amount of R31.3 million is indicated for the 2021/22 financial year.</td> <td>Inconsistency between the figures reported in the Summary and Table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	4.	Page 200, Point 3.33.5, Table 130, Operating Revenue and Expenditure: Property Management Services	Property services generated an operating deficit of R31.6 million for the 2021/22 financial year.	The amount of R31.3 million is indicated for the 2021/22 financial year.	Inconsistency between the figures reported in the Summary and Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
4.	Page 200, Point 3.33.5, Table 130, Operating Revenue and Expenditure: Property Management Services	Property services generated an operating deficit of R31.6 million for the 2021/22 financial year.	The amount of R31.3 million is indicated for the 2021/22 financial year.	Inconsistency between the figures reported in the Summary and Table.										
26.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>5.</td> <td>Page 209, Point 3.39.1, Table 143, Operating Revenue and Expenditure: Internal Audit</td> <td>Internal Audit generated an operating deficit of R8.7 million for the 2021/22 financial year.</td> <td>The amount of R8.7 million relates to the 2020/21 financial year. The amount of R9.2 million is indicated for the 2021/22 financial year in the table.</td> <td>The figures reported in the Summary relates to the 2020/21 financial year.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	5.	Page 209, Point 3.39.1, Table 143, Operating Revenue and Expenditure: Internal Audit	Internal Audit generated an operating deficit of R8.7 million for the 2021/22 financial year.	The amount of R8.7 million relates to the 2020/21 financial year. The amount of R9.2 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
5.	Page 209, Point 3.39.1, Table 143, Operating Revenue and Expenditure: Internal Audit	Internal Audit generated an operating deficit of R8.7 million for the 2021/22 financial year.	The amount of R8.7 million relates to the 2020/21 financial year. The amount of R9.2 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.										

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council										
26.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>Page 211, Point 4.2.1, Table 145, Total Employees per GFS Classification</td> <td>The total number of employees (1,705) at the end of the 2021/22 financial year. The number of budgeted vacant positions is 226.</td> <td>Serial number 27, Column F, of the table, indicate the total to be 1,706 and the number of budgeted vacant posts to be 225.</td> <td>Inconsistency between the figures reported in the Summary and Table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	6.	Page 211, Point 4.2.1, Table 145, Total Employees per GFS Classification	The total number of employees (1,705) at the end of the 2021/22 financial year. The number of budgeted vacant positions is 226.	Serial number 27, Column F, of the table, indicate the total to be 1,706 and the number of budgeted vacant posts to be 225.	Inconsistency between the figures reported in the Summary and Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
6.	Page 211, Point 4.2.1, Table 145, Total Employees per GFS Classification	The total number of employees (1,705) at the end of the 2021/22 financial year. The number of budgeted vacant positions is 226.	Serial number 27, Column F, of the table, indicate the total to be 1,706 and the number of budgeted vacant posts to be 225.	Inconsistency between the figures reported in the Summary and Table.										
27.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>7.</td> <td>Page 228, Point 5.4.1, Table 165, Operating and Capital Transfers and Grants</td> <td>Drakenstein utilised R321.2 million and 3.1% more than the R311.4 million allocated in the original budget.</td> <td>2021/2022 Original budget amount as well as the Adjustment budget reflects the amounts of R323,307,604. Amount of R321,184,766 utilised reflects a 0.7% less utilisation compared to the original budget amount.</td> <td>Inconsistency between the figures reported in the Summary and Table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	7.	Page 228, Point 5.4.1, Table 165, Operating and Capital Transfers and Grants	Drakenstein utilised R321.2 million and 3.1% more than the R311.4 million allocated in the original budget.	2021/2022 Original budget amount as well as the Adjustment budget reflects the amounts of R323,307,604. Amount of R321,184,766 utilised reflects a 0.7% less utilisation compared to the original budget amount.	Inconsistency between the figures reported in the Summary and Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
7.	Page 228, Point 5.4.1, Table 165, Operating and Capital Transfers and Grants	Drakenstein utilised R321.2 million and 3.1% more than the R311.4 million allocated in the original budget.	2021/2022 Original budget amount as well as the Adjustment budget reflects the amounts of R323,307,604. Amount of R321,184,766 utilised reflects a 0.7% less utilisation compared to the original budget amount.	Inconsistency between the figures reported in the Summary and Table.										

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council										
28..	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>8..</td> <td>Page 229, Point 5.4.2, Table 166, Grants received from sources other than the Division of Revenue Act (DoRA)</td> <td>Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R66.3 million compared with the R128.4 million of the 2020/21 financial year.</td> <td>Total Operating Transfers and Grants for the 2020/2021 financial year reflects as R131,752,468 and for 2021/2022 as R66,352,768.</td> <td>Inconsistency between the figures reported for the 2020/21 financial year in the Summary and Table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	8..	Page 229, Point 5.4.2, Table 166, Grants received from sources other than the Division of Revenue Act (DoRA)	Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R66.3 million compared with the R128.4 million of the 2020/21 financial year.	Total Operating Transfers and Grants for the 2020/2021 financial year reflects as R131,752,468 and for 2021/2022 as R66,352,768.	Inconsistency between the figures reported for the 2020/21 financial year in the Summary and Table.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
8..	Page 229, Point 5.4.2, Table 166, Grants received from sources other than the Division of Revenue Act (DoRA)	Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R66.3 million compared with the R128.4 million of the 2020/21 financial year.	Total Operating Transfers and Grants for the 2020/2021 financial year reflects as R131,752,468 and for 2021/2022 as R66,352,768.	Inconsistency between the figures reported for the 2020/21 financial year in the Summary and Table.										
29.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>9.</td> <td>Page 230, Point 5.6.1, Graph 9, Current Ratio</td> <td>This ratio shows a downwards trend over the three financial years under review and the Municipality had a ratio of 1.43:1 in the 2021/22 financial year.</td> <td>The Graph indicates a ratio of 1.49:1 for the 2021/22 financial year.</td> <td>Inconsistency between the Summary and Graph's ratio reflected.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	9.	Page 230, Point 5.6.1, Graph 9, Current Ratio	This ratio shows a downwards trend over the three financial years under review and the Municipality had a ratio of 1.43:1 in the 2021/22 financial year.	The Graph indicates a ratio of 1.49:1 for the 2021/22 financial year.	Inconsistency between the Summary and Graph's ratio reflected.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
9.	Page 230, Point 5.6.1, Graph 9, Current Ratio	This ratio shows a downwards trend over the three financial years under review and the Municipality had a ratio of 1.43:1 in the 2021/22 financial year.	The Graph indicates a ratio of 1.49:1 for the 2021/22 financial year.	Inconsistency between the Summary and Graph's ratio reflected.										

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council										
30.	Internal Audit (attached hereto)	<p>During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree. The following refer:</p> <p>Inconsistency between Tables and the Summary description in the Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Summary Description</th> <th>Table Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>10.</td> <td>Page 241, Point 5.14, Table 175, Actual Borrowings</td> <td>During the year, R19.7 million of principle debt was repaid.</td> <td>The amount of R19.7 million relates to the 2020/21 financial year. The 2021/22 amount indicated as R18,6 million.</td> <td>The figures reported in the Summary relates to the 2020/21 financial year.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Summary Description	Table Description	Comment	10.	Page 241, Point 5.14, Table 175, Actual Borrowings	During the year, R19.7 million of principle debt was repaid.	The amount of R19.7 million relates to the 2020/21 financial year. The 2021/22 amount indicated as R18,6 million.	The figures reported in the Summary relates to the 2020/21 financial year.	Typing error has been corrected.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Summary Description	Table Description	Comment										
10.	Page 241, Point 5.14, Table 175, Actual Borrowings	During the year, R19.7 million of principle debt was repaid.	The amount of R19.7 million relates to the 2020/21 financial year. The 2021/22 amount indicated as R18,6 million.	The figures reported in the Summary relates to the 2020/21 financial year.										
31.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Page 30, Point 1.2</td> <td>City Manager's Overview</td> <td>Paragraph 5 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	1.	Page 30, Point 1.2	City Manager's Overview	Paragraph 5 - Dates to be revisited.	Typing error has been corrected.	Senior Management's response accepted.		
No	Annual Report Page & Ref No	Description	Comment											
1.	Page 30, Point 1.2	City Manager's Overview	Paragraph 5 - Dates to be revisited.											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
32..	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>2.</td> <td>Page 33, Point 1.3.3.1</td> <td>Socio-Economic information</td> <td>Status Paragraph 2 - Gini coefficient to be updated.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	2.	Page 33, Point 1.3.3.1	Socio-Economic information	Status Paragraph 2 - Gini coefficient to be updated.	The Gini coefficient has been updated	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
2.	Page 33, Point 1.3.3.1	Socio-Economic information	Status Paragraph 2 - Gini coefficient to be updated.									
33..	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>3.</td> <td>Page 33, Table 1</td> <td>Socio-Economic Status</td> <td>Table 1 - Gini coefficient to be included for 2021/22.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	3.	Page 33, Table 1	Socio-Economic Status	Table 1 - Gini coefficient to be included for 2021/22.	The Gini coefficient has been updated	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
3.	Page 33, Table 1	Socio-Economic Status	Table 1 - Gini coefficient to be included for 2021/22.									
34.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>4.</td> <td>Page 35, Point 1.3.3.4</td> <td>Labour Profile</td> <td>Paragraph 2 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	4.	Page 35, Point 1.3.3.4	Labour Profile	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.	Grammar has been updated.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
4.	Page 35, Point 1.3.3.4	Labour Profile	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
35.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>5.</td> <td>Page 45, Point 1.6</td> <td>Organisational Development Overview</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	5.	Page 45, Point 1.6	Organisational Development Overview	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Grammar has been updated.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
5.	Page 45, Point 1.6	Organisational Development Overview	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
36.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>Page 46, Point 1.6.2</td> <td>Municipal Transformation and Organisational Development Challenges</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	6.	Page 46, Point 1.6.2	Municipal Transformation and Organisational Development Challenges	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Grammar has been updated.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
6.	Page 46, Point 1.6.2	Municipal Transformation and Organisational Development Challenges	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
37.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>7.</td> <td>Page 51 - 52, Table 13</td> <td>Political Structure</td> <td>Column A - Information layout in table to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	7.	Page 51 - 52, Table 13	Political Structure	Column A - Information layout in table to be revisited.	The photos will only be included with the Final Draft Annual Report 2021/2022.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
7.	Page 51 - 52, Table 13	Political Structure	Column A - Information layout in table to be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
38.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>8.</td> <td>Page 54 - 55, Table 15</td> <td>Mayoral Committee</td> <td>Column A, B & C - Information layout in table to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	8.	Page 54 - 55, Table 15	Mayoral Committee	Column A, B & C - Information layout in table to be revisited.	The photos will only be included with the Final Draft Annual Report 2021/2022.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
8.	Page 54 - 55, Table 15	Mayoral Committee	Column A, B & C - Information layout in table to be revisited.									
39.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>9.</td> <td>Page 58, Point 2.3.4.4</td> <td>Finance Portfolio Committee</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	9.	Page 58, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Grammar has been updated.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
9.	Page 58, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
40.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>10.</td> <td>Page 59, Point 2.3.4.4</td> <td>Finance Portfolio Committee</td> <td>Paragraph 2 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	10.	Page 59, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.	Grammar has been updated.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
10.	Page 59, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
41.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>11.</td> <td>Page 63, Table 22</td> <td>Audit Committee</td> <td>Duplication of audit committee member in table.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	11.	Page 63, Table 22	Audit Committee	Duplication of audit committee member in table.	Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
11.	Page 63, Table 22	Audit Committee	Duplication of audit committee member in table.									
42.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>12.</td> <td>Page 66 - 68, Table 24</td> <td>Top Administrative Structure</td> <td>Column A - Information layout in table to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	12.	Page 66 - 68, Table 24	Top Administrative Structure	Column A - Information layout in table to be revisited.	The photos will only be included with the Final Draft Annual Report 2021/2022.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
12.	Page 66 - 68, Table 24	Top Administrative Structure	Column A - Information layout in table to be revisited.									
43.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>13.</td> <td>Page 58, Point 2.3.4.4</td> <td>Finance Portfolio Committee</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	13.	Page 58, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Information received from Division as is.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
13.	Page 58, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
44.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>14.</td> <td>Page 89, Point 3.1.1</td> <td>Legislative Requirements</td> <td>Paragraph 1 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	14.	Page 89, Point 3.1.1	Legislative Requirements	Paragraph 1 - Dates to be revisited.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
14.	Page 89, Point 3.1.1	Legislative Requirements	Paragraph 1 - Dates to be revisited.									
45.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>15.</td> <td>Page 92, Point 3.2.2</td> <td>Amendment of the Top-Layer SDBIP</td> <td>Paragraph 1 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	15.	Page 92, Point 3.2.2	Amendment of the Top-Layer SDBIP	Paragraph 1 - Dates to be revisited.	Information received from Division as is.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
15.	Page 92, Point 3.2.2	Amendment of the Top-Layer SDBIP	Paragraph 1 - Dates to be revisited.									
46.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>16.</td> <td>Page 94, Point 3.3.1</td> <td>Executive Directors and Managers Directly Accountable to the City Manager</td> <td>Paragraph 3 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	16.	Page 94, Point 3.3.1	Executive Directors and Managers Directly Accountable to the City Manager	Paragraph 3 - Dates to be revisited.	Information received from Division as is.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
16.	Page 94, Point 3.3.1	Executive Directors and Managers Directly Accountable to the City Manager	Paragraph 3 - Dates to be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
47.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>17.</td> <td>Page 109, Point 3.7.3</td> <td>Capital Expenditure</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	17.	Page 109, Point 3.7.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	No errors identified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
17.	Page 109, Point 3.7.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
48.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>18.</td> <td>Page 151, Point 3.18</td> <td>Cemeteries and Crematoria</td> <td>Paragraph 3 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	18.	Page 151, Point 3.18	Cemeteries and Crematoria	Paragraph 3 - Dates to be revisited.	Information received from Division as is.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
18.	Page 151, Point 3.18	Cemeteries and Crematoria	Paragraph 3 - Dates to be revisited.									
49.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>19.</td> <td>Page 152, Point 3.18</td> <td>Cemeteries and Crematoria</td> <td>Paragraph 7 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	19.	Page 152, Point 3.18	Cemeteries and Crematoria	Paragraph 7 - To be revisited, spelling/ grammar/ duplication.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
19.	Page 152, Point 3.18	Cemeteries and Crematoria	Paragraph 7 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
50	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>20.</td> <td>Page 153, Table 80</td> <td>Operating Revenue and Expenditure: Cemeteries Services</td> <td>Table description/ heading - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	20.	Page 153, Table 80	Operating Revenue and Expenditure: Cemeteries Services	Table description/ heading - To be revisited, spelling/ grammar/ duplication.	Cemeteries Services changed to Cemeteries & Crematoria	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
20.	Page 153, Table 80	Operating Revenue and Expenditure: Cemeteries Services	Table description/ heading - To be revisited, spelling/ grammar/ duplication.									
51.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>21.</td> <td>Page 154, Point 3.18.6</td> <td>Employee Statistics</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	21.	Page 154, Point 3.18.6	Employee Statistics	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
21.	Page 154, Point 3.18.6	Employee Statistics	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
52.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>22.</td> <td>Page 155, Table 83</td> <td>Capital Expenditure 2020/21</td> <td>Table description/ heading - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	22.	Page 155, Table 83	Capital Expenditure 2020/21	Table description/ heading - Dates to be revisited.	Rectified the heading.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
22.	Page 155, Table 83	Capital Expenditure 2020/21	Table description/ heading - Dates to be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
53.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>23.</td> <td>Page 170, Point 3.25.5</td> <td>Operating Expenditure</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	23.	Page 170, Point 3.25.5	Operating Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
23.	Page 170, Point 3.25.5	Operating Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									
54	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>24.</td> <td>Page 190, Point 3.31</td> <td>Human Resource Services</td> <td>Paragraph 2 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	24.	Page 190, Point 3.31	Human Resource Services	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.	<p>Information received from Department as is. PoE attached.</p> <p>Rectified.</p>	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
24.	Page 190, Point 3.31	Human Resource Services	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.									
55.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>25.</td> <td>Page 204, Point 3.35.3</td> <td>Capital Expenditure</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	25.	Page 204, Point 3.35.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Spelling mistake rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
25.	Page 204, Point 3.35.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
56.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>26.</td> <td>Page 211, Point 4.2</td> <td>Total Employment</td> <td>Paragraph 1 - Dates and amount reported to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	26.	Page 211, Point 4.2	Total Employment	Paragraph 1 - Dates and amount reported to be revisited.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
26.	Page 211, Point 4.2	Total Employment	Paragraph 1 - Dates and amount reported to be revisited.									
57.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>27.</td> <td>Page 212, Table 145</td> <td>Total Employees per GFS Classification</td> <td>Paragraph 7 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	27.	Page 212, Table 145	Total Employees per GFS Classification	Paragraph 7 - To be revisited, spelling/ grammar/ duplication.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
27.	Page 212, Table 145	Total Employees per GFS Classification	Paragraph 7 - To be revisited, spelling/ grammar/ duplication.									
58.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>28.</td> <td>Page 214, Table 148</td> <td>Employment Equity Targets/ Actuals by Race Classification</td> <td>Column D heading – Columns indicated for formula to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	28.	Page 214, Table 148	Employment Equity Targets/ Actuals by Race Classification	Column D heading – Columns indicated for formula to be revisited.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
28.	Page 214, Table 148	Employment Equity Targets/ Actuals by Race Classification	Column D heading – Columns indicated for formula to be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
59.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>29.</td> <td>Page 214, Table 149</td> <td>Employment Equity Targets/ Actuals by Gender Classification</td> <td>Column D heading – Columns indicated for formula to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	29.	Page 214, Table 149	Employment Equity Targets/ Actuals by Gender Classification	Column D heading – Columns indicated for formula to be revisited.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
29.	Page 214, Table 149	Employment Equity Targets/ Actuals by Gender Classification	Column D heading – Columns indicated for formula to be revisited.									
60.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>30.</td> <td>Page 223, Table 160</td> <td>Skills Development - Budget Allocation</td> <td>Presentation of tables & Serial No. 1 of table 2 - Item A description to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	30.	Page 223, Table 160	Skills Development - Budget Allocation	Presentation of tables & Serial No. 1 of table 2 - Item A description to be revisited.	Information received from Division as is. Rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
30.	Page 223, Table 160	Skills Development - Budget Allocation	Presentation of tables & Serial No. 1 of table 2 - Item A description to be revisited.									
61.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>31.</td> <td>Page 225, Table 162</td> <td>Personnel Expenditure per Line Item</td> <td>Column description 2020/21: Actual expenditure indicated as C – To be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	31.	Page 225, Table 162	Personnel Expenditure per Line Item	Column description 2020/21: Actual expenditure indicated as C – To be revisited.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
31.	Page 225, Table 162	Personnel Expenditure per Line Item	Column description 2020/21: Actual expenditure indicated as C – To be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
42.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>32.</td> <td>Page 235, Table 168</td> <td>Capital Expenditure on Social and Economical Infrastructure</td> <td>Column reference F & G - Descriptions to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	32.	Page 235, Table 168	Capital Expenditure on Social and Economical Infrastructure	Column reference F & G - Descriptions to be revisited.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
32.	Page 235, Table 168	Capital Expenditure on Social and Economical Infrastructure	Column reference F & G - Descriptions to be revisited.									
43.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>33.</td> <td>Page 241, Table 175</td> <td>Actual Borrowings</td> <td>Serial no. 1 of Column D - Date to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	33.	Page 241, Table 175	Actual Borrowings	Serial no. 1 of Column D - Date to be revisited.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
33.	Page 241, Table 175	Actual Borrowings	Serial no. 1 of Column D - Date to be revisited.									
44.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>34.</td> <td>Page 241, Point 5.15</td> <td>Investments</td> <td>Paragraph 1 - To be revisited, spelling/ grammar/ duplication.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	34.	Page 241, Point 5.15	Investments	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
34.	Page 241, Point 5.15	Investments	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council								
45.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>35.</td> <td>Page 242, Point 5.16</td> <td>Public Private Partnerships</td> <td>Paragraph 1 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	35.	Page 242, Point 5.16	Public Private Partnerships	Paragraph 1 - Dates to be revisited.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
35.	Page 242, Point 5.16	Public Private Partnerships	Paragraph 1 - Dates to be revisited.									
46.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>36.</td> <td>Page 246, Point 6</td> <td>Auditor-General Audit Findings</td> <td>Paragraph 1 - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	36.	Page 246, Point 6	Auditor-General Audit Findings	Paragraph 1 - Dates to be revisited.	Error rectified.	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
36.	Page 246, Point 6	Auditor-General Audit Findings	Paragraph 1 - Dates to be revisited.									
47.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>37.</td> <td>Page 248, Point 6.3 - 6.3.2</td> <td>Auditor-General Report for 2020/21</td> <td>The headings and paragraph's – Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	37.	Page 248, Point 6.3 - 6.3.2	Auditor-General Report for 2020/21	The headings and paragraph's – Dates to be revisited.	Finding is incorrect	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Comment									
37.	Page 248, Point 6.3 - 6.3.2	Auditor-General Report for 2020/21	The headings and paragraph's – Dates to be revisited.									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council														
48.	Internal Audit (attached hereto)	<p>Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report. The following refer: Inaccuracies/ duplication of information in Annual Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>38.</td> <td>Page 248, Table 181</td> <td>Auditor-General Report on 2020/21 Other Matters</td> <td>Table heading - Dates to be revisited.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Comment	38.	Page 248, Table 181	Auditor-General Report on 2020/21 Other Matters	Table heading - Dates to be revisited.	Finding is incorrect	Senior Management's response accepted.						
No	Annual Report Page & Ref No	Description	Comment															
38.	Page 248, Table 181	Auditor-General Report on 2020/21 Other Matters	Table heading - Dates to be revisited.															
49.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Page 129, Table 58</td> <td>Engineering Services</td> <td>Asphalted Road Infrastructure - Total Asphalted Roads (km's) 2021/22</td> <td>510.23</td> <td>509.30</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	1	Page 129, Table 58	Engineering Services	Asphalted Road Infrastructure - Total Asphalted Roads (km's) 2021/22	510.23	509.30	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
1	Page 129, Table 58	Engineering Services	Asphalted Road Infrastructure - Total Asphalted Roads (km's) 2021/22	510.23	509.30	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council														
50.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>Page 130, Table 59</td> <td>Engineering Services</td> <td>Stormwater Infrastructure - Total Stormwater measures (km's) 2021/22</td> <td>356.77</td> <td>377.17</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	2	Page 130, Table 59	Engineering Services	Stormwater Infrastructure - Total Stormwater measures (km's) 2021/22	356.77	377.17	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
2	Page 130, Table 59	Engineering Services	Stormwater Infrastructure - Total Stormwater measures (km's) 2021/22	356.77	377.17	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												
51.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>Page 122, Table 52</td> <td>Planning and Development</td> <td>Housing Statistics - New applications captured on the WCHDDB</td> <td>353</td> <td>359</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	3	Page 122, Table 52	Planning and Development	Housing Statistics - New applications captured on the WCHDDB	353	359	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
3	Page 122, Table 52	Planning and Development	Housing Statistics - New applications captured on the WCHDDB	353	359	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council														
52.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>Page 122, Table 52</td> <td>Planning and Development</td> <td>Housing Statistics - Total number of persons on the demand database</td> <td>42,829</td> <td>42,836</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	4	Page 122, Table 52	Planning and Development	Housing Statistics - Total number of persons on the demand database	42,829	42,836	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
4	Page 122, Table 52	Planning and Development	Housing Statistics - Total number of persons on the demand database	42,829	42,836	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												
53.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>Page 169, Table 96</td> <td>Community Services</td> <td>Traffic, Licensing and Law Enforcement Service Data - Number of road traffic accidents during the year 2021/22</td> <td>3,278</td> <td>3,599</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	5	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data - Number of road traffic accidents during the year 2021/22	3,278	3,599	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
5	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data - Number of road traffic accidents during the year 2021/22	3,278	3,599	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council														
54.	Internal Audit (attached hereto)	<p>In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes. The details are as follow: Reported Performance Measurements Inaccurate.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Department</th> <th>Description</th> <th>Actual results reported</th> <th>Audited results as per Evidence provided</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>Page 169, Table 96</td> <td>Community Services</td> <td>Traffic, Licensing and Law Enforcement Service Data - Number of bylaw infringements attended 2021/22</td> <td>8,728</td> <td>8,743</td> <td>The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment	6.	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data - Number of bylaw infringements attended 2021/22	8,728	8,743	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment												
6.	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data - Number of bylaw infringements attended 2021/22	8,728	8,743	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.												
55.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow: Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Page 33, Table 1</td> <td>Socio- Economic Status - Unemployment Rate 2019/20</td> <td>14.6%</td> <td>14.2%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	1.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2019/20	14.6%	14.2%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.		
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment													
1.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2019/20	14.6%	14.2%	Inconsistencies in reporting were identified when comparing the 2 reports													

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council												
56.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>2.</td> <td>Page 33, Table 1</td> <td>Socio- Economic Status - Unemployment Rate 2020/21</td> <td>15.9%</td> <td>20.1%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	2.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2020/21	15.9%	20.1%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
2.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2020/21	15.9%	20.1%	Inconsistencies in reporting were identified when comparing the 2 reports											
57.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>3.</td> <td>Page 33, Table 1</td> <td>Socio- Economic Status - Unemployment Rate 2021/22</td> <td>19.5%</td> <td>23.0%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	3.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2021/22	19.5%	23.0%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
3.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2021/22	19.5%	23.0%	Inconsistencies in reporting were identified when comparing the 2 reports											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council												
58.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>4.</td> <td>Page 33, Table 1</td> <td>Socio-Economic Status - Percentage of working age population in low skilled employment 2019/20</td> <td>17.14%</td> <td>17.20%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	4.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2019/20	17.14%	17.20%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
4.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2019/20	17.14%	17.20%	Inconsistencies in reporting were identified when comparing the 2 reports											
59.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>5.</td> <td>Page 33, Table 1</td> <td>Socio-Economic Status - Percentage of working age population in low skilled employment 2021/22</td> <td>15.62%</td> <td>16.50%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	5.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2021/22	15.62%	16.50%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
5.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2021/22	15.62%	16.50%	Inconsistencies in reporting were identified when comparing the 2 reports											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council												
60.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>Page 33, Table 1</td> <td>Socio-Economic Status - Percentage of Illiterate people older than 20 years 2019/20</td> <td>19.10%</td> <td>16.83%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	6.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2019/20	19.10%	16.83%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
6.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2019/20	19.10%	16.83%	Inconsistencies in reporting were identified when comparing the 2 reports											
61.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Annual Report Page & Ref No</th> <th>Description</th> <th>Reported as per Annual Report</th> <th>Reported as per Annual Performance Report</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>7.</td> <td>Page 33, Table 1</td> <td>Socio-Economic Status - Percentage of Illiterate people older than 20 years 2020/21</td> <td>19.41%</td> <td>17.12%</td> <td>Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	7.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2020/21	19.41%	17.12%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
7.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2020/21	19.41%	17.12%	Inconsistencies in reporting were identified when comparing the 2 reports											

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council												
62.	Internal Audit (attached hereto)	<p>In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report. The details are as follow:</p> <p>Inconsistencies between the Annual Report and Annual Performance Report.</p> <table border="1" data-bbox="427 464 1659 746"> <thead> <tr> <th data-bbox="427 464 524 595">No</th> <th data-bbox="533 464 689 595">Annual Report Page & Ref No</th> <th data-bbox="698 464 981 595">Description</th> <th data-bbox="990 464 1151 595">Reported as per Annual Report</th> <th data-bbox="1160 464 1368 595">Reported as per Annual Performance Report</th> <th data-bbox="1377 464 1659 595">Comment</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 601 524 746">8.</td> <td data-bbox="533 601 689 746">Page 33, Table 1</td> <td data-bbox="698 601 981 746">Socio-Economic Status - Percentage of Illiterate people older than 20 years 2021/22</td> <td data-bbox="990 601 1151 746">19.67%</td> <td data-bbox="1160 601 1368 746">15.74%</td> <td data-bbox="1377 601 1659 746">Inconsistencies in reporting were identified when comparing the 2 reports</td> </tr> </tbody> </table>	No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment	8.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2021/22	19.67%	15.74%	Inconsistencies in reporting were identified when comparing the 2 reports	Error has been corrected	Senior Management's response accepted.
No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment											
8.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2021/22	19.67%	15.74%	Inconsistencies in reporting were identified when comparing the 2 reports											



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Draft Annual Report

2021/2022

Comments received



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Review of the 2021/22 Annual Report

2022/23

February 2022

CITY MANAGER SNAPSHOT REPORT

Review of the 2021/22 Annual Report	
SUMMARY OF FINDINGS	
1.	Arithmetical inaccuracies identified in tables of the Annual Report
2.	Inadequate quality assurance review of the Annual Report
3.	Reported performance information inaccurate
4.	Inconsistencies between statistics reported in the Annual Report vs the Annual Performance Report
Did management agree to implement the necessary action plans in response to Internal Audit findings?	
Is there anything the City Manager should take note of, or intervention required?	
Responsibility	ED: Engineering Services ED: Planning and Development ED: Community Services ED: Corporate Services Chief Financial Officer

Dr. Johan Leibbrandt
The City Manager
Drakenstein Municipality
Civic Centre, Bergriver Boulevard
P.O. Box 1
Paarl
7622

Dear Dr. Leibbrandt

INTERNAL AUDIT – REVIEW OF THE 2021/22 ANNUAL REPORT

We have pleasure in submitting our final report on the agreed internal audit work performed in respect of the Review of the 2021/22 Annual Report, as approved in the 2022/23 Internal Audit Plan. The attached report records our internal audit findings and recommends possible ways in which the controls could be improved to address the identified weaknesses or increase business efficiency.

It must be appreciated that the matters included in the attached report came to our attention during the execution of our internal audit procedures on the Review of the 2021/22 Annual Report. The nature and scope of these internal audit procedures did not constitute an audit of the financial records in accordance with International Standards on Auditing.

Whilst our report details those errors and weaknesses that came to our attention during our review, the responsibility for the prevention and detection of irregularities and fraud rests with management. We planned our review in such a manner, that should weaknesses and deficiencies in the system of internal control exist, we would have a reasonable expectation of detecting these. Our review, however, should not be relied upon to disclose all irregularities that may exist.

Based on the outcome of an external quality assurance assessment conducted in June 2020, the Internal Audit activity generally conforms to the International Standards for the Professional Practice of Internal Auditing.

The audit findings have been discussed with the relevant managers as well as the responsible Executive Director (ED's) and their comments have been taken into account and included in this report. The comments provided were not validated. We would like to express our

appreciation to the various staff members of the municipality who assisted us in performing our work.

This report has been prepared for the sole use of the Drakenstein municipality's management and staff.

We would be pleased to provide you with any further assistance and request that you do not hesitate to contact us.

Yours sincerely

.....

Rozan Jaftha

Chief Audit Executive

Date:

Acknowledgement of receipt of report by management:

I hereby acknowledge receipt of the report.

.....

Chief Financial Officer

.....

Date

Table of Contents Page

1. Background.....6

2. Audit Objectives & Scope7

3. Definitions and Reporting Framework8

4. High Level Summary of Engagement Results.....10

5. Distribution List12

DETAILED AUDIT FINDINGS13

Executive Summary

1. Background

The Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003, and the Local Government: Municipal Systems Act, 2000. The audit is therefore a legislative audit and not included in the IA plan based on a specific risk. The draft Annual Report received on 15 December 2022 was used as the basis for this audit.

2. Audit Objectives & Scope

The overall objective of the audit is to give management assurance on whether risk treatments are adequate and effective to manage the risks to an acceptable level, resulting in the achievement of the strategic goals and objectives. The table below outlines the specific audit objectives and scope of the audit performed. The audit scope covers the period 01 July 2021 to 30 June 2022.

No.	Audit Area	Business Process Covered	Engagement Objective	Extent of Coverage
1.	The audit is a legislative compliance audit which is required by Chapter 5.2 of the National Treasury's Framework for Managing Programme Performance Information (FMPPi).	Annual Reporting Process.	<ul style="list-style-type: none"> • To review the validity, accuracy, and completeness of the municipality's Annual Report; and • To follow-up on implementation of management action plans agreed in the prior audit cycle. 	<ul style="list-style-type: none"> • Compliance testing in accordance with the reporting template requirements. • A sample of pages in the Annual Report were selected for testing; and • Consistency between information reported in the Annual Performance Report and Annual Report.

3. Definitions and Reporting Framework

Report Rating Definitions

The three-rating system used to draw an overall conclusion on internal control adequacy has been approved by management and the Audit Committee and consists of:

Report Rating for Internal Audit Reviews	
Satisfactory	No control matters of concern were noted. Some needed control enhancements and other issues may have been identified, which should be addressed within a reasonable timeframe
Needs Improvement	One or more substantial control matters of concern were noted, which, if not corrected promptly, could result in unacceptable levels of risk
Unsatisfactory	One or more critical control matters of concern and/ or a preponderance of important issues were noted that exposes the organization to an unacceptable level of risk.

Reporting Framework

The reporting framework used is presented below. The framework was developed to assist in assessing the severity of the items being reported. It is based on the following classification:

High Priority	An issue of such fundamental significance to the municipality that it requires the immediate attention of the line and senior management where the weakness is occurring and priority action for immediate resolution.
Medium Priority	An issue of substantial importance which requires the immediate attention of the responsible line management where the weakness is occurring and an agreed action plan for prompt resolution as soon as possible.
Low Priority	An issue which does not necessarily warrant immediate attention, but which should have an agreed action plan for resolution within a reasonable timeframe.

4. High Level Summary of Engagement Results

4.1 Overall Conclusion on System of Internal Controls

Cast and cross casting of Annual Report tables	Needs Improvement
Validity, Accuracy and Completeness of the Annual Report	Needs Improvement
Consistency between information reported in the Annual Report and Annual Performance Report	Needs Improvement
Compliance requirements of the Annual Report	Satisfactory

Summary of Findings and Management Action Plans

No.	Audit Area	Executive Summary of Findings	Rating	City Manager Intervention Required	Management Action Plan	Responsible Official & Due Date	Responsible Executive Director
1.	Cast and cross casting of Annual Report tables	Arithmetical inaccuracies identified in tables of the Annual Report Inadequate quality assurance review of the Annual Report	Medium	Not applicable			

No.	Audit Area	Executive Summary of Findings	Rating	City Manager Intervention Required	Management Action Plan	Responsible Official & Due Date	Responsible Executive Director
2.	Validity, Accuracy and Completeness of the Annual Report	Reported performance information inaccurate	Medium	Not applicable			
3.	Consistency between information reported in the Annual Report and Annual Performance Report	Inconsistencies were identified between statistics reported in the Annual Report vs the Annual Performance Report	Medium	Not applicable			
4.	Compliance requirements of the Annual Report	No findings					

5. Distribution List

This report has been prepared for the sole and exclusive use of Drakenstein Municipality. Therefore, it may not be made available to anyone other than authorized persons within the organization, or relied upon by any third party. No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording, or by information storage or retrieval system except as permitted, in writing by the City Manager.

Drakenstein Municipality Staff	To Take Action	To Secure Action	For Information
Dr J. Leibbrandt City Manager			✓
Mr. B. Brown Chief Financial Officer	✓		
Mr. G. Esau Executive Director: Community Services	✓		
Mr. S. Johaar Executive Director: Corporate Services	✓		
Mr. L. Pienaar Acting Executive Director: Engineering Services	✓		
Ms. J. Samson Executive Director: Planning and Development	✓		
Ms. C. September Manager: IDP& PMS	✓		
Mr. G. Dippenaar Chief Risk Officer	✓		
Office of the Auditor General			✓
Audit Committee			✓

DETAILED AUDIT FINDINGS

1. Arithmetical accuracy of tables in the Annual Report

Rating

Medium Priority

Criteria

Management review and supervisory checks are performed to ensure that information contained in the Annual Report is valid, accurate and complete.

Audit Finding

Internal Audit performed a cast and cross casting for a sample of tables contained in the Annual Report for the 2021/22 financial year.

The following discrepancies were detected.

No.	Table Number	Discrepancy		
1.	7	Pg. 42 Statement of Financial Performance Overview		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 1 - Column F	7,294,688	(7,294,688)
		Serial No. 2 - Column F	(9,554,754)	9,554,754
		Serial No.3 - Column F	(21,407,646)	21,407,646
		Serial No. 5 - Column F	(121,889,903)	49,691,430
		Serial No. 7 - Column F	19,953,827	(5,518,897)
				(14,589,376)
				19,109,508
				42,815,292
				171,581,333
				(25,472,724)

No.	Table Number	Discrepancy		
2.	9	Pg. 44 Total Capital Expenditure		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 4 - % of Original Budget 2019/20	71.30%	71.36%
				0.06%

13

No.	Table Number	Discrepancy			
3.	29	Pg. 97			
		Water Use Details			
		Difference in recalculation			
		Description	Figure Disclosed	Auditor Recalculation	Difference
		Serial No. 1 - Column E	9,988,321	9,988,035	(286)
		Serial No. 1 - Column G	12,051,013	12,026,911	(24,102)
		Serial No. 2 - Column E	11,363,179	11,484,432	121,253
		Serial No. 2 - Column G	13,425,170	13,398,319	(26,851)
		Serial No. 3 - Column E	7,906,427	11,857,937	3,951,510
Serial No. 3 - Column G	14,106,456	14,078,244	(28,212)		
Serial No. 3 - Column H	15.74	15.77	0.03		

No.	Table Number	Discrepancy		
5.	84	Pg. 156		
		Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
Serial No. 4 - Column F	0.0%	45.5%	45.5%	

No.	Table Number	Discrepancy		
6.	87	Pg. 159		
		Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
Serial No. 5 - Column F	0.0%	(3.2%)	(3.2%)	

No.	Table Number	Discrepancy		
7.	91	Pg. 165		
		Operating Revenue and Expenditure: Environmental Management (Pollution Control included)		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 5 - Column F	(3.2%)	(3.3%)
				(0.1%)

No.	Table Number	Discrepancy		
8.	104	Pg. 176		
		Operating Revenue and Expenditure: Fire and Disaster Management Services		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 5 - Column F	0.0%	(3.3%)
				(3.3%)

No.	Table Number	Discrepancy		
9.	115	Pg. 188		
		Debt Recovery		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 6 - % Collection Rate 2021/22	19.40%	61.80%
		Serial No. 7 - % Collection Rate 2021/22	96.60%	96.70%
				42.40%
				0.10%

No.	Table Number	Discrepancy		
12.	143	Pg. 210		
		Operating Revenue and Expenditure: Internal Audit		

No.	Table Number	Discrepancy		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 4 - Column E	(38,028)	38,028
		Serial No. 4 - Column F	161.9%	38.1%
		Serial No. 6 - Column E	9,165,012	9,241,068
		Serial No. 6 - Column F	2.5%	1.7%
		Serial No. 7 - Column E	9,165,012	9,241,068
		Serial No. 7 - Column F	2.5%	1.7%
				Difference
				76,056
				(123.8%)
				76,056
				(0.8%)
				76,056
				(0.8%)

No.	Table Number	Discrepancy		
13.	160	Pg. 223		
		Skills Development – Budget Allocation		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 4 - Column D	R34,580	R84,580
				Difference
				R50,000

No.	Table Number	Discrepancy		
14.	161	Pg. 223		
		Financial Competency Development – Progress Report		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 8 - Column D	3	2
		Serial No. 8 - Column E	3	2
		Serial No. 9 - Column F	75	76
		Serial No. 9 - Column G	55	56
				Difference
				(1)
				(1)
				1
				1

No.	Table Number	Discrepancy		
15.	165	Pg. 228		
		Operating and Capital Transfers and Grants		
		Difference in recalculation		
		Description	Figure Disclosed	Auditor Recalculation
		Serial No. 3 - 6: Column F & G	100.00%	0.00%
				Difference
				-100.00%

No.	Table Number	Discrepancy			
		Serial No. 8: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 10: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 12: Column F & G	86.96%	-13.04%	-100.00%
		Serial No. 13: Column F & G	395.29%	295.29%	-100.00%
		Serial No. 14: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 16: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 18: Column F	0.00%	-48.31%	-48.31%
		Serial No. 18: Column G	51.69%	-48.31%	-100.00%
		Serial No. 19: Column F	0.00%	-6.86%	-6.86%
		Serial No. 19: Column G	93.14%	-6.86%	-100.00%
		Serial No. 20: Column F	0.00%	-0.53%	-0.53%
		Serial No. 20: Column G	99.47%	-0.53%	-100.00%
		Serial No. 21: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 22: Column F & G	171.46%	71.46%	-100.00%
		Serial No. 23: Column F	0.00%	-3.19%	-3.19%
		Serial No. 23: Column G	96.81%	-3.19%	-100.00%
		Serial No. 24: Column G	100.00%	0.00%	-100.00%
		Serial No. 25: Column G	99.99%	0.00%	-99.99%
		Serial No. 28: Column F & G	49.79%	-50.21%	-100.00%
		Serial No. 29: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 32: Column F	0.00%	-7.50%	-7.50%
		Serial No. 32: Column G	92.50%	-7.50%	-100.00%
		Serial No. 35: Column F & G	0.00%	-10.94%	-10.94%
		Serial No. 36: Column F & G	89.06%	-10.94%	-100.00%
		Serial No. 46 - 51: Column F & G	100.00%	0.00%	-100.00%
		Serial No. 52 - 54: Column G	100.00%	0.00%	-100.00%

Root Cause

Lack of management review and supervisory checks to ensure the accuracy of information disclosed in the Annual Report.

Effect

Information reflected in the Annual Report could be inaccurate which could have a negative impact on the user's perception of the credibility of information reported by the Municipality.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	Management review and supervisory checks should be performed to verify the accuracy of the information reflected in the Annual Report. Management review and supervisory checks should include the casting and cross casting of information contained in the tables disclosed in the Annual Report.			
2.	The figures in the tables should be updated to reflect the correct figures and or information.			
3.	Management should perform quality assurance reviews of the Annual Report when updates to the report are made.			

Auditor's Response

2. Inadequate quality assurance review of the Annual Report

Rating

Medium Priority

Criteria

In terms of best practice:

- Document reviews are a very important part of an organisation's processes. It is the process of checking and verifying documents for accuracy. An organisation can do document reviews for various reasons, such as to ensure compliance with regulations, check the quality of work, or verify the progress.
- Document reviews can be described as a type of quality assurance of documents, and they can be an essential part of meeting compliance and requirements. The goal is to improve the quality of the documents by identifying errors and improving clarity.

Audit Finding

During the review of the draft 2021/22 Annual Report document, Internal Audit noted that in some instances, the summary information of the related table, do not agree.

The following refer:

Inconsistency between Tables and the Summary description in the Annual Report.

No	Annual Report Page & Ref No	Summary Description	Table Description	Comment
1.	Page 105, Point 3.6.5, Table 39, Operating Revenue and Expenditure: Wastewater (Sanitation) Services	The deficit is subsidised by the surpluses of trading services.	The table reflects a surplus and not a deficit.	Inconsistency between the summary description and what is reflected in the Table.
2.	Page 154, Point 3.18.6, Table 81, Employees –	The cemeteries' services function has 46 posts on the	Column C of the table indicates the	Inconsistency between the figures

19

No	Annual Report Page & Ref No	Summary Description	Table Description	Comment
	Cemeteries and Crematoria	organisational structure approved by council.	number of posts to be 44.	reported in the Summary and Table.
3.	Page 185. Point 3.29.5, Table 113, Operating Revenue and Expenditure: Executive and Council	Executive and Council generated an operating deficit of R106.8 million for the 2021/22 financial year.	The amount of R106.8 million relates to the 2020/21 financial year. The amount of R135.6 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.
4.	Page 200, Point 3.33.5, Table 130, Operating Revenue and Expenditure: Property Management Services	Property services generated an operating deficit of R31.6 million for the 2021/22 financial year.	The amount of R31.3 million is indicated for the 2021/22 financial year.	Inconsistency between the figures reported in the Summary and Table.
5.	Page 209, Point 3.39.1, Table 143, Operating Revenue and Expenditure: Internal Audit	Internal Audit generated an operating deficit of R8.7 million for the 2021/22 financial year.	The amount of R8.7 million relates to the 2020/21 financial year. The amount of R9.2 million is indicated for the 2021/22 financial year in the table.	The figures reported in the Summary relates to the 2020/21 financial year.
6.	Page 211, Point 4.2.1, Table 145, Total Employees per GFS Classification	The total number of employees (1,705) at the end of the 2021/22 financial year. The number of budgeted vacant positions is 226.	Serial number 27, Column F, of the table, indicate the total to be 1,706 and the number of budgeted vacant posts to be 225.	Inconsistency between the figures reported in the Summary and Table.
7.	Page 228, Point 5.4.1, Table 165, Operating and	Drakenstein utilised R321.2 million and 3.1% more than the	2021/2022 Original budget amount as well as the	Inconsistency between the figures

No	Annual Report Page & Ref No	Summary Description	Table Description	Comment
	Capital Transfers and Grants	R311.4 million allocated in the original budget.	Adjustment budget reflects the amounts of R323,307,604. Amount of R321,184,766 utilised reflects a 0.7% less utilisation compared to the original budget amount.	reported in the Summary and Table.
8.	Page 229, Point 5.4.2, Table 166, Grants received from sources other than the Division of Revenue Act (DoRA)	Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R66.3 million compared with the R128.4 million of the 2020/21 financial year.	Total Operating Transfers and Grants for the 2020/2021 financial year reflects as R131,752,468 and for 2021/2022 as R66,352,768.	Inconsistency between the figures reported for the 2020/21 financial year in the Summary and Table.
9.	Page 230, Point 5.6.1, Graph 9, Current Ratio	This ratio shows a downwards trend over the three financial years under review and the Municipality had a ratio of 1.43:1 in the 2021/22 financial year.	The Graph indicates a ratio of 1.49:1 for the 2021/22 financial year.	Inconsistency between the Summary and Graph's ratio reflected.
10.	Page 241, Point 5.14, Table 175, Actual Borrowings	During the year, R19.7 million of principle debt was repaid.	The amount of R19.7 million relates to the 2020/21 financial year. The 2021/22 amount indicated as R18,6 million.	The figures reported in the Summary relates to the 2020/21 financial year.

Furthermore, Internal Audit noted the following inaccuracies and or duplication of information contained in the Annual Report.

The following refer:

Inaccuracies/ duplication of information in Annual Report

No	Annual Report Page & Ref No	Description	Comment
1.	Page 30, Point 1.2	City Manager's Overview	Paragraph 5 - Dates to be revisited.
2.	Page 33, Point 1.3.3.1	Socio-Economic Status information	Paragraph 2 - Gini coefficient to be updated.
3.	Page 33, Table 1	Socio-Economic Status	Table 1 - Gini coefficient to be included for 2021/22.
4.	Page 35, Point 1.3.3.4	Labour Profile	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.
5.	Page 45, Point 1.6	Organisational Development Overview	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
6.	Page 46, Point 1.6.2	Municipal Transformation and Organisational Development Challenges	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
7.	Page 51 - 52, Table 13	Political Structure	Column A - Information layout in table to be revisited.
8.	Page 54 - 55, Table 15	Mayoral Committee	Column A, B & C - Information layout in table to be revisited.
9.	Page 58, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
10.	Page 59, Point 2.3.4.4	Finance Portfolio Committee	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.
11.	Page 63, Table 22	Audit Committee	Duplication of audit committee member in table.

No	Annual Report Page & Ref No	Description	Comment
12.	Page 66 - 68, Table 24	Top Administrative Structure	Column A - Information layout in table to be revisited.
13.	Page 79, Table 25	Strategic Risks identified for 2022/23	Date and content of the table to be revisited to reflect information of the 2021/22 financial year.
14.	Page 89, Point 3.1.1	Legislative Requirements	Paragraph 1 - Dates to be revisited.
15.	Page 92, Point 3.2.2	Amendment of the Top-Layer SDBIP	Paragraph 1 - Dates to be revisited.
16.	Page 94, Point 3.3.1	Executive Directors and Managers Directly Accountable to the City Manager	Paragraph 3 - Dates to be revisited.
17.	Page 109, Point 3.7.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
18.	Page 151, Point 3.18	Cemeteries and Crematoria	Paragraph 3 - Dates to be revisited.
19.	Page 152, Point 3.18	Cemeteries and Crematoria	Paragraph 7 - To be revisited, spelling/ grammar/ duplication.
20.	Page 153, Table 80	Operating Revenue and Expenditure: Cemeteries Services	Table description/ heading - To be revisited, spelling/ grammar/ duplication.
21.	Page 154, Point 3.18.6	Employee Statistics	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
22.	Page 155, Table 83	Capital Expenditure 2020/21	Table description/ heading - Dates to be revisited.
23.	Page 170, Point 3.25.5	Operating Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
24.	Page 190, Point 3.31	Human Resource Services	Paragraph 2 - To be revisited, spelling/ grammar/ duplication.
25.	Page 204, Point 3.35.3	Capital Expenditure	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.

No	Annual Report Page & Ref No	Description	Comment
26.	Page 211, Point 4.2	Total Employment	Paragraph 1 - Dates and amount reported to be revisited.
27.	Page 212, Table 145	Total Employees per GFS Classification	Serial No. 28, Column A - To be revisited, spelling/ grammar/ duplication.
28.	Page 214, Table 148	Employment Equity Targets/ Actuals by Race Classification	Column D heading – Columns indicated for formula to be revisited.
29.	Page 214, Table 149	Employment Equity Targets/ Actuals by Gender Classification	Column D heading – Columns indicated for formula to be revisited.
30.	Page 223, Table 160	Skills Development - Budget Allocation	Presentation of tables & Serial No. 1 of table 2 - Item A description to be revisited.
31.	Page 225, Table 162	Personnel Expenditure per Line Item	Column description 2020/21: Actual expenditure indicated as C – To be revisited.
32.	Page 235, Table 168	Capital Expenditure on Social and Economical Infrastructure	Column reference F & G - Descriptions to be revisited.
33.	Page 241, Table 175	Actual Borrowings	Serial no. 1 of Column D - Date to be revisited.
34.	Page 241, Point 5.15	Investments	Paragraph 1 - To be revisited, spelling/ grammar/ duplication.
35.	Page 242, Point 5.16	Public Private Partnerships	Paragraph 1 - Dates to be revisited.
36.	Page 246, Point 6	Auditor-General Audit Findings	Paragraph 1 - Dates to be revisited.
37.	Page 248, Point 6.3 - 6.3.2	Auditor-General Report for 2020/21	The headings and paragraph's – Dates to be revisited.
38.	Page 248, Table 181	Auditor-General Report on 2020/21 Other Matters	Table heading - Dates to be revisited.

Root Cause

Lack of management review and supervisory checks to ensure that adequate quality assurance reviews are performed on the Annual Report document.

Effect

A lack of reviews could impact negatively on the reliability of information contained in the final approved Annual Report document.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	Management should ensure that adequate quality reviews are performed on the Annual Report document before the Annual Report document is provided to the various stakeholders and issued for public comment.			
2.	Management should include the quality review process of the Annual Report document as part of a Standard Operating procedure, and sign-off on the reviews performed.			
3.	Management should consider the items reported by Internal Audit and effect the necessary changes before the Annual Report is submitted to Council for final approval.			

Auditor's Response

3. Reported Performance Information Inaccurate

Rating

Medium Priority

Criteria

The Annual Report information is compiled on a continuous basis throughout the financial year, to support the results reported in the Annual Report. Management review and supervisory checks are performed to ensure the validity, accuracy, and completeness of supporting information.

Audit Finding

In respect of the following reported information in the Annual Report for the 2021/2022 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes.

The details are as follow:

Reported Performance Measurements Inaccurate

No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment
1	Page 129, Table 58	Engineering Services	Asphalted Road Infrastructure - Total Asphalted Roads (km's) 2021/22	510.23	509.30	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
2	Page 130, Table 59	Engineering Services	Stormwater Infrastructure - Total Stormwater	356.77	377.17	The documented evidence provided for audit purposes

No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment
			measures (km's) 2021/22			differ from what has been reported in the Annual Report.
3	Page 122, Table 52	Planning and Development	Housing Statistics - New applications captured on the WCHDDB	353	359	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
4	Page 122, Table 52	Planning and Development	Housing Statistics - Total number of persons on the demand database	42,829	42,836	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
5	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data - Number of road traffic accidents during the year 2021/22	3,278	3,599	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
6	Page 169, Table 96	Community Services	Traffic, Licensing and Law Enforcement Service Data -	8,728	8,743	The documented evidence provided for audit purposes

No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment
			Number of bylaw infringements attended 2021/22			differ from what has been reported in the Annual Report.

Root Cause

Inadequate management review and supervisory checks to ensure that the evidence supporting the results reported in the Annual Report, are accurate.

Effect

The reported information may be incorrect which could negatively impact the user's perception of the credibility of the information reported by the Municipality.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	<p>Management review and supervisory checks should include the review of the supporting evidence to ensure consistency between the evidence provided and the results reported in the Annual Report.</p>	<p><u>Engineering Services</u></p> <p><u>Planning & Development</u> Housing Statistics – New applications captured on the WCHDD. Discrepancy is due to late updates on the WCHDD by Province.</p> <p>Housing Statistics – Total number of persons on the demand database. Discrepancy is due to the difference of seven (7) new applications during June captured late on the WCHDD.</p> <p><u>Community Services</u></p>		
2.	<p>Management should update the reported information and/ or update the</p>	<p><u>Engineering Services</u></p>		

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
	supporting evidence to accurately reflect the reported performance information.	<u>Planning & Development</u> <u>Community Services</u>		

Auditor's Response

4. Inconsistencies between the Annual Report and Annual Performance Report

Rating

Medium Priority

Criteria

Performance related information is consistently recorded and reported between the various strategic documents (IDP, SDBIP, Annual Performance Report and Annual Report) used in the Performance Management System.

Audit Finding

In respect of the following information, inconsistencies were identified when comparing the 2021/22 Annual Report and 2021/22 Annual Performance Report.

The details are as follow:

Inconsistencies between the Annual Report and Annual Performance Report

No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment
1.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2019/20	14.6%	14.2%	Inconsistencies in reporting were identified when comparing the 2 reports
2.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2020/21	15.9%	20.1%	Inconsistencies in reporting were identified when comparing the 2 reports
3.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2021/22	19.5%	23.0%	Inconsistencies in reporting were identified when comparing the 2 reports

No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment
4.	Page 33, Table 1	Socio-Economic Status -Percentage of working age population in low skilled employment 2019/20	17.14%	17.20%	Inconsistencies in reporting were identified when comparing the 2 reports
5.	Page 33, Table 1	Socio-Economic Status -Percentage of working age population in low skilled employment 2021/22	15.62%	16.50%	Inconsistencies in reporting were identified when comparing the 2 reports
6.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2019/20	19.10%	16.83%	Inconsistencies in reporting were identified when comparing the 2 reports
7.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2020/21	19.41%	17.12%	Inconsistencies in reporting were identified when comparing the 2 reports
8.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2021/22	19.67%	15.74%	Inconsistencies in reporting were identified when comparing the 2 reports

Root Cause

Inadequate consistency review of the Annual Report and Annual Performance Report.

Effect

The inconsistencies between the Annual Report and Annual Performance Report could negatively affect the reliability of performance information that is reported to the

various stakeholders (Council, public etc.). This could negatively impact the user's perception of the credibility of information reported by the municipality.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	Management and supervisory review procedures should be implemented to ensure consistency between information reported in the Annual Report and the Annual Performance Report.			
2.	The necessary amendments should be made to correct the reported performance information before the Annual Performance Report and Annual Report is submitted to external stakeholders and published on the municipal website.			

Auditor's Response



Reference: PTR 13/5/2

The Municipal Manager
Drakenstein Municipality
PO Box 1, Paarl,
7622.

For attention: Dr J Leibbrandt

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2021/22 ANNUAL REPORT

1. INTRODUCTION

- a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.
- c. National Treasury has further introduced the annual report template and MFMA Circular No. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.
- d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

2. LEGISLATIVE COMPLIANCE

2.1 Conformance

The conformance assessment highlights compliance by Drakenstein Municipality with the Municipal Finance Management Act No. 56 of 2003 is as follows:

- a) The Municipality submitted the draft 2021/22 Annual Performance Report/ Annual Report together with AFS to the Auditor General by the 31st of August 2022 which is within the legislative deadline.
- b) The unaudited Annual report was tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c) The Annual report, however, was tabled to Council on 31 January 2023 which is within 7 months after the end of the financial year in accordance to MFMA section 127(2).

- d) The Annual report was made public on 13 January 2023 (updated version), and the public was invited to comment with a deadline of 21 February 2023.

2.2 Format and content of the Annual Report as per MFMA Circular 63

- The Annual Report complies with the Annual Report Template as described by MFMA Circular 63 as the relevant chapters are included. The relevant annexures have been included in the Annual Report.
- In addition, the 2021/22 Audit findings have been included in the draft Annual Report.
- The Mayor's Foreword is included in the annual report.
- The Municipal Managers Foreword includes information on internal management changes in relation to Section 56/57 managers, a statement on the previous financial year's audit opinion, and information related to the revenue trend by source including borrowings undertaken by the municipality.
- The Annual Report provides a comprehensive overview of the demographics, population, growth, highlights, and challenges faced in the municipal are during the 2021/22 financial year.

3. Chapter 3: Service Delivery Information and Performance

High Level Summary – Key Performance Areas

Strategic Objectives	No. of targets in SDBIP/ adjusted SDBIP	Number of targets Achieved	Number of targets not achieved	Percentage achieved
Governance and stakeholder participation	4	4	-	100%
Financial Sustainability	9	9	-	100%
Institutional Transformation	3	3	-	100%
Physical Infrastructure and Services	13	13	-	100%
Planning and Economic Development	2	2	-	100%
Safety and Environmental Management	1	1	-	100%
Social and Community Development	2	2	-	100%
Total	34	34	-	100%

Comment on overall performance by Municipality in terms of Strategic Objectives

- Of the 34 targets reported on, the Municipality managed to achieve 34 which equates to a 100.0 per cent attainment of PDO's or differently stated, meaning no variance reported between planned and actual KPIs's for the 2021/22 reporting year.
- The performance recorded for quarter 4 mirrors that of quarter 3 and displays similar characteristics in displaying the alignment of KPIs and associated targets with the goals set out in the annual SDBIP and IDP alike.
- The Municipality is urged continue its focus on maintaining these high standards and exemplary performance, particularly in achieving all of the Basic Service delivery targets (TL22) set for 2021/22 (100.0% achievement rate).
- Progress on infrastructure delivery has been measured under KPA 4: *Physical Infrastructure and Services and ensures social upliftment of the Drakenstein community*. The infrastructure delivery indicators used

the Percentage (%) of Capital Budget Spent as a tool of measurement and the Municipality is commended for meeting its targets in this regard.

- Household access levels are also reported on as well as the targets set for indigent households for the same category, however, the Top-Layer SDBIP is not clear on performance related to backlogs in terms of access to water, sanitation, electricity, roads and housing.
- The Municipality has adequately reported on LED initiatives (Pg 141 - 147) as well as the mechanisms to monitor the implementation of LED initiatives. Furthermore, 2 KPI's have been measured serving as performance mechanisms monitoring LED as part of the Top-Layer SDBIP. These KPI's are measured under KPA 5: Planning and Economic Development. The PT suggests a broader scope of KPI's under this particular KPA with a particular focus on initiatives to create an enabling economic environment, closely tied to the projects initiated under the municipality's economic growth strategy.

Black Economic Empowerment

- The Municipality did not comprehensively disclose information on "B-BBEE COMPLIANCE PERFORMANCE INFORMATION".
- The annual report disclosed information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE). This is included in the Annual Report under the section titled Employment Equity.
- The annual report does not contain a heading titled "B-BBEE Compliance Performance Information", nor are any of the sub-headings listed disclosing information relating to the following elements: Management Control, Skills Development, Enterprise, and Supplier Development; Socio Economic Development.

Auditor General findings and other findings

- The Audit findings for 2021/22 were included in the Annual report.
- Drakenstein Municipality for the 2021/22 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.
- Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

4. CONCLUSION AND RECOMMENDATIONS

The Municipality is fully compliant with the legislative requirements as per MFMA Section 75,121 and 127. It is recommended that the Municipality incorporate the above-mentioned aspects (see section 2.2 and 3) in order to improve the quality of the annual report.

Kind regards



Nadia Rinquest

DIRECTOR (ACTING): LOCAL GOVERNMENT BUDGET OFFICE

DATE: 27 February 2023

Ronetia Cupido

From: Rosemary Jafthas <RosemaryJ@agsa.co.za>
Sent: 30 January 2023 10:21
To: Ronetia Cupido
Cc: Ian Engelmoor; Bradley Brown; Cindy Lategan
Subject: RE: Draft Annual Report 2021/2022 - Auditor General
Attachments: Annual report consistency review.xlsx

Dear Ronetia

Attached please find some of our review comments from our initial review of the annual report.

Regards,

Rosemary Jafthas CA(SA)

Audit Manager • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4162 • Fax: +27(0)21 528 4200 • Mobile: +27(0)73 273 5343 • Email: rosemaryj@agsa.co.za

Auditing to build public confidence

From: Ronetia Cupido <Ronetia.Cupido@drakenstein.gov.za>
Sent: Tuesday, 24 January 2023 10:42
To: Rosemary Jafthas <RosemaryJ@agsa.co.za>
Subject: RE: Draft Annual Report 2021/2022 - Auditor General

Good day Ms Jafthas,

Please note only the letter to the AG differs, but the Draft Annual Report copy is still the same.

Regards

Ms Ronetia Cupido
Administrative Support Officer
Office of the Chief Financial Officer

t: +27 21 807 4553
e: ronetia.cupido@drakenstein.gov.za
a: Civic Centre, Berg River Boulevard, Paarl 7646



www.drakenstein.gov.za

Office of Excellence

365 Days of Activism against Gender-Based Violence

From: Rosemary Jafthas <RosemaryJ@agsa.co.za>
Sent: 24 January 2023 10:38
To: Ronetia Cupido <Ronetia.Cupido@drakenstein.gov.za>
Subject: RE: Draft Annual Report 2021/2022 - Auditor General

Hi Ronetia

Is this copy different to the one sent last week?

Regards,

Rosemary Jafthas CA(SA)

Audit Manager • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4162 • Fax: +27(0)21 528 4200 • Mobile: +27(0)73 273 5343 • Email: rosemaryj@agsa.co.za

Auditing to build public confidence

From: Ronetia Cupido <Ronetia.Cupido@drakenstein.gov.za>
Sent: Monday, 23 January 2023 11:24
To: Melanie Joffe (SM) <melaniej@agsa.co.za>; Rosemary Jafthas <RosemaryJ@agsa.co.za>
Cc: Bradley Brown <Bradley.Brown@drakenstein.gov.za>; Ian Engelmoor <Ian.Engelmoor@drakenstein.gov.za>;
Registry <Registry@drakenstein.gov.za>
Subject: Draft Annual Report 2021/2022 - Auditor General
Importance: High

Dear Ms Joffe,

Please find attached the Draft Annual Report 2021/2022

Note: The Draft Annual Report 2021/2022 will be delivered (couriered) to your office.

Kindly confirm receipt of this email.

Thanking you in advance.

Regards

Ms Ronetia Cupido
Administrative Support Officer
Office of the Chief Financial Officer

t: +27 21 807 4553
e: ronetia.cupido@drakenstein.gov.za
a: Civic Centre, Berg River Boulevard, Paarl 7646



www.drakenstein.gov.za

Affirming our humanity

365 Days of Activism against Gender-Based Violence

Reference in annual report

Auditor's comment

Page 30 The **2020/21** financial year realised an operating surplus of R143,5 million compared with budgeted operating surplus of R70,0 million for the year under review. The municipality's current assets exceeded current liabilities in the year under review, this is an improvement from the **2020/22** financial year. The cash and cash equivalents and investment balances

- 2020/21 should be 2021/2022
- 2020/2022 should be 2020/2021

Page 31 increased from R138,8 million on 30 June 2021 to R229,9 million on 30 June 2022 and the gearing ratio decreased from 63.7% on 30 June 2021 to 62.3% on 30 June 2022. Employee related costs stood at 28.7% of the total expenditure and debtor collection days increased to 44.3 days for the year under review from 41.1 days at 30 June 2021 and the debt collection ratio from 98.6% for the 2020/21 to 96.6% for the year under review. There were incidents of fruitless and wasteful expenditure.

- The gearing ratio should be (TL/ Net Assets):
 - 2021: 59,58%
 - 2022: 50,94%
- Debtor collection days and ratio: Please provide calculations of the ratio?

Page 36

Table 5: Employment Activity by Sector

Serial No.	Sector	Employment Activity by Sector		
		2019/2022	2020/2021	2021/2022
Column No.	A	B	C	D

- The table should be 2019/2020

Reference in annual report

1.5.1 Statement of Financial Performance Overview

The actual surplus of R137.9 million for the 2021/22 financial year compared with the final adjustments budget surplus of R70.2 million resulted in a positive variance of R67.8 million.

Table 7: Statement of Financial Performance Overview 2021/2022

Serial No. / Column Ref.	Details	Statement of Financial Performance Overview 2021/22					
		A	B	C	D	E	F
		Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)	
1	Grants	200,863,075	211,466,467	204,171,779	(3,310,704)	7,294,688	
2	Taxes, Levies and Tariffs	2,246,345,771	2,238,281,693	2,237,836,417	6,509,324	(9,554,754)	
3	Other	163,593,029	183,033,244	202,440,880	(38,849,861)	(21,407,646)	
4	Total Operating Revenue (Capital Grants Excluded)	2,608,797,875	2,620,781,404	2,644,449,116	35,651,241	23,667,712	
5	Less: Expenditure	2,560,566,361	2,674,095,050	2,627,403,020	36,164,741	(21,899,903)	
6	Surplus / (Deficit) (Capital Grants Excluded)	(51,770,486)	(53,313,646)	20,045,496	71,815,982	73,359,142	
7	Plus: Capital Grants	96,382,569	123,331,683	117,812,786	(21,430,217)	19,953,827	
8	Surplus / (Deficit) (Capital Grants Included)	44,612,083	70,018,037	137,858,282	93,246,199	67,840,245	

The debtors' payment period for the 2021/22 financial year (before considering the provision for impairment) was 61.8 days, which is below the targeted number of 70 days. The number of days for the 2020/21 financial year (before considering the provision for impairment) was 64.5 days, which is below the targeted number of 70 days.

Auditor's comment

- Taxes, levies and tariffs: 2 243 253 814 (Actuals - Column D) - Obtained by adding property rates and service charges. Please provide details of this amount?
- Expenditure: 2 624 201 401 (Actuals - Column D incorrect)
- Once the above corrected the totals must also be corrected and the surplus/ Deficit.
- Column E & F must also be adjusted for the above

- Not consistent with the amounts on page 31

Reference in annual report

Table 9: Total Capital Expenditure

Total Capital Expenditure					
R'000					
Serial No.	Details	2019/20	2020/21	2020/21	2020/21
Column Ref.	A	B	C	D	
1	Original Budget	378,029,950	216,972,433	128,102,569	
2	Final Adjustments Budget	308,394,191	239,059,061	169,775,302	
3	Actual Expenditure	269,757,841	221,646,458	157,051,451	
4	Actual Expenditure as a % of Original Budget	71.30%	102.15%	122.60%	
5	Actual Expenditure as a % of Adjustments Budget	87.50%	92.72%	92.51%	

Auditor's comment

- The R'000 should not be included
- 2020/21 should be 2021/2022

Table 44: Operating Revenue and Expenditure: Electricity Services

Serial No.	Description	2021/22					
		2020/21 Actual Results	Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E	
Column Ref.	A	B	C	D	E	F	
1	Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%	
2	Total Operating Revenue	(1,300,942,230)	(1,482,824,918)	(1,464,641,753)	(1,448,659,131)	-1.1%	
3	Employee related costs	58,124,627	59,557,908	61,061,726	60,507,087	0.9%	
4	Impairment losses on financial assets	17,916,153	18,948,682	1,948,682	1,562,082	19.8%	
5	Interest paid	67,088,950	67,270,368	67,270,368	67,270,367	0.0%	
6	Contracted services	13,486,247	18,286,407	19,803,179	18,645,856	5.8%	
7	De predation and amortisation	44,745,848	47,623,650	47,623,650	49,167,518	-3.2%	
8	Inventory consumed	8,958,291	8,320,646	11,484,108	10,685,462	7.0%	
9	Operational Costs and Losses	827,059,691	930,053,645	967,363,154	962,777,204	0.5%	
10	Total Operating Expenditure	1,097,379,747	1,210,061,306	1,176,574,867	1,170,615,585	0.5%	
11	Operating (Surplus) / Deficit	(263,562,483)	(272,763,612)	(288,066,896)	(278,043,546)	-3.5%	

Information as per segment reporting - Electricity Services:

- Operating revenue - R1 455 876 554
- Operational costs - R964 536 966 (Bulk Purchases, Operating leases and Operational costs)

Reference in annual report

Auditor's comment

Table 54: Operating Revenue and Expenditure: Housing Services (Housing Projects and Rental Stock)

Serial No. Column Ref.	Description	2021/22						Positive / (Negative) % Variance Between Column D & E
		2020/21 Actual Results	Original Approved Budget	Final Adjustments Budget	Actual Results	F	F	
A	B	C	D	E	F	F		
1	Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)		-45.9%	
2	Total Operating Revenue	(30,454,187)	(27,642,089)	(34,584,793)	(18,354,847)		-45.9%	
3	Employee related costs	28,188,190	28,796,794	28,592,307	28,698,153		-0.4%	
4	Impairment losses on financial assets	1,749,701	2,373,046	2,373,046	2,744,614		-15.7%	
5	Interest paid	4,801,066	4,814,048	4,814,048	4,814,048		0.0%	
6	Contracted services	18,849,177	10,230,835	14,543,133	6,828,452		53.0%	
7	Depreciation and amortisation	30,021,451	31,796,824	31,796,824	32,829,932		-3.2%	
8	Inventory consumed	4,077,321	1,275,923	3,816,181	2,774,753		27.3%	
9	Operational Costs and Losses	358,922	2,473,323	2,115,490	1,755,748		17.0%	
10	Total Operating Expenditure	88,045,828	81,760,793	88,051,029	80,445,699		8.6%	
11	Operating (Surplus) / Deficit	57,591,640	54,118,704	53,466,236	62,090,852		16.1%	

Information as per segment reporting -
Housing Services:

- Operating revenue - R18 407 143
- Employee related costs - R28 698 153
- Depreciation and amortisation - R32 829 932

Reference in annual report

4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2020/21 and 2021/22 years is depicted in the table below. Salaries and wages have increased with R3,381,388 year-on-year.

Auditor's comment

- AFS Note 40 Amounts:
 - Salaries R481 502 170
 - Workman Compensation
- 2022 - R3 222 706
- 2021 - R3 444 765

Table 162: Personnel Expenditure per Line Item

Serial No. Column Ref.	Description A	Personnel Expenditure per Line Item				Variance Amount D	Variance % E
		2020/21 Actual Expenditure C	2021/22 Actual Expenditure C	2021/22 Actual Expenditure C	Variance % E		
1	Salaries and Wages	472,757,047	481,273,379	8,516,332	1.8%		
2	Salaries	472,757,047	481,273,379	8,516,332	1.8%		
3	Other Allowances and contributions	201,749,968	206,997,752	5,247,784	2.6%		
4	Social contributions - UIF, pensions and medical aid etc.	108,654,250	112,508,161	3,853,911	3.5%		
5	Travel, accommodation and other allowances	29,048,647	29,210,676	162,029	0.6%		
6	Housing benefits and allowances	4,194,525	3,501,891	(692,634)	-16.5%		
7	Overtime payments	26,599,972	34,964,714	8,364,742	31.4%		
8	Acting Allowance	1,872,146	1,710,542	(161,604)	-8.6%		
9	Shift Allowance	2,291,930	2,290,229	(1,701)	-0.1%		
10	Standby Allowance	9,232,642	9,645,665	413,023	4.5%		
11	Night Shift Allowance	3,040,267	3,001,029	(39,238)	-1.3%		
12	Cell Allowance	4,087,152	4,038,474	(48,678)	-1.2%		
13	Workman Compensation	3,205,614	3,325,096	29,472	0.9%		
14	Contribution to leave reserve	1,819,067	1,759,186	(59,881)	-3.3%		
15	Provision for TASK backpay	6,627,428	-	(6,627,428)	-100.0%		
16	Provision for performance bonuses	986,298	1,082,099	55,801	5.7%		
17	Defined Benefit Plan Expense:	38,377,549	27,994,821	(10,382,728)	-27.1%		
18	Post Employment Health Care Benefits	30,311,532	19,490,023	(11,821,509)	-39.0%		
19	Ex Gratia Pension Benefits	68,480	(145,274)	(213,724)	-312.2%		
20	Long Service Awards	7,997,567	9,650,072	1,652,505	20.7%		
21	Expenditure Recharged	-	-	-	-		
22	Expenditure Recharged to Capital	-	-	-	-		
23	Total Employee Related Costs	712,884,564	716,265,952	3,381,388	0.5%		

Reference in annual report

Table 163: Financial Summary

Serial No. / Column Ref.	Description	Financial Summary										Positive / (Negative) % Variance					
		2020/2021		2021/22		2021/22		2021/22		2021/22			Original Budget	Actual	Original Budget	Adjustments Budget	G
		Actual	Budget	Original Budget	Adjustments Budget	Actual	Budget	Original Budget	Adjustments Budget	F							
Financial Performance																	
1	Property rates	343,711,355	403,840,031	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	415,978,861	100.22%	
2	Service charges	1,030,000,405	1,840,500,940	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	1,812,302,832	100.48%	
3	Investment revenue	5,215,173	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	161.22%	
4	Transfers recognised – operational	220,606,266	200,861,075	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	211,466,467	96.55%	
5	Other own revenue	196,278,783	157,591,029	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	175,033,244	110.13%	
6	Total Revenue (excluding capital transfers and contributions)	2,397,811,982	2,608,797,875	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	2,620,781,404	0.90%	
7	Employee costs	712,884,564	743,376,564	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	746,599,921	6.85%	
8	Remuneration of Councillors	31,101,146	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	33,640,385	94.10%	
9	Depreciation	219,436,028	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	242,691,338	99.75%	
10	Finance charges	179,830,801	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	180,316,654	99.91%	
11	Materials and bulk purchases	834,593,491	1,034,353,079	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	1,037,562,113	100.00%	
12	Transfers and grants	8,534,159	18,117,842	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	16,224,394	94.57%	
13	Other expenditure	483,489,818	408,070,699	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	416,660,445	95.34%	
14	Total expenditure	2,470,270,007	2,660,568,361	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	2,674,095,050	-1.86%	
15	Surplus (Deficit)	(72,458,025)	(51,770,486)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	(53,313,646)	-37.60%	
16	Transfers recognised – capital	177,435,677	0	0	0	0	0	0	0	0	0	0	0	0	0	95.53%	
17	Contributions recognised – capital and contributed assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	
18	Surplus (Deficit) after capital transfers and contributions	104,977,652	44,612,083	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	96.89%	
19	Share of surplus/(deficit) of associate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	
20	Surplus (Deficit) for the year	104,977,652	44,612,083	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	70,018,037	96.89%	
21	Capital Expenditure and Fund Sources	143,696,501	56,382,569	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	123,331,683	196.89%	
22	Transfers recognised – capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	
23	Public contributions and donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	
24	Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	
25	Income generated	77,549,957	31,720,000	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	46,443,619	95.34%	
26	Total sources of capital funds	221,646,458	128,102,569	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	169,775,302	-7.49%	
27	Financial Position	573,503,357	598,313,890	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	604,659,007	100.00%	
28	Total current assets	6,270,475,702	6,096,797,641	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	6,138,470,374	100.00%	
29	Total non-current assets	542,529,431	556,193,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	558,198,244	100.00%	
30	Total current liabilities	2,040,855,700	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	1,999,587,355	100.00%	
31	Total non-current liabilities	4,260,593,928	4,139,325,932	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	4,187,343,782	100.00%	
32	Community wealth/ Equity	294,432,946	212,555,358	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	251,035,115	116.10%	
33	Net cash from (used) operating	(22,134,616)	(103,941,545)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	(147,209,612)	100.00%	
34	Net cash from (used) investing	(14,896,869)	(79,683,298)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	(18,555,870)	100.00%	
35	Net cash from (used) financing	(95,424,940)	78,930,515	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	85,275,633	8.04%	
36	Cash/cash equivalents at the year end	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	1,044,111,111	100.00%	

Auditor's comment

Amount per the comparison of actual vs. budget statement:

- Service charges: R 1 826 370 540
- Employee costs: R720 323 102
- Depreciation: R241 745 856
- Materials and bulk purchases: R1 037 912 149

• Total expenditure and revenue changed and the total surplus amount as well

- Total current assets: R742 555 800
- Total non-current assets R6 674 145 681

• Total current liabilities R503 754 978

• Total non-current liabilities R1 997 771 319

- Community Wealth/ Equity R4 915 175 184
- Net cash from operating - R278 299 104

• Net cash from investing - R213 448 879

- Net cash from financing - R13 474 970

• Total cash flows also changed



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Annual Report
2021/2022
MPAC Minutes of
16 March 2023

MINUTES: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
16 MARCH 2023

6. OVERSIGHT REPORT ON THE 2021/2022 ANNUAL REPORT

The committee considered the following documents:

1. Draft Annual Report 2021/2022;
2. Oversight Report on the 2021/2022 Annual Report;
3. Comments received on the Draft Annual Report; and
4. Extract of corrections to the Draft Annual Report.

The Chairperson allowed the Chief Financial Officer to provide an overview. The Chief Financial Officer indicated that the comments received were taken into consideration in the Annual Report. On a question of Councillor A M Richards, it was confirmed that issues raised were clarified with the Auditor-General.

UNANIMOUSLY RESOLVED that

It be recommended to Council that:

1. The Oversight Report (OR) on the 2021/2022 Annual Report be approved;
2. The 2021/2022 Annual Report (AR) be approved without any reservations;
3. The Oversight Report (OR) on the 2021/2022 Annual Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act; and
4. The Oversight Report (OR) on the 2021/2022 Annual Report, the final 2021/2022 Annual Report (AR) and the minutes of the Municipal Public Accounts Committee (MPAC) meeting held on 16 March 2023 be submitted, in accordance with Section 129(2) and 132(2) of the Municipal Finance Management Act (MFMA), to the Auditor-General of South Africa (AGSA), National Treasury, Western Cape Provincial Treasury, Western Cape Department of Local Government and the Western Cape Provincial Legislature.

Meeting: MPAC: 16/03/2023		Submitted by Department: Financial Services	
Ref No: 9/1/2		Author/s: I Engelmoor	
Coll No: 2028857		Referred from:	
<u>CLAUSE:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>
	Refer to Council	Admin	



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Annual Report

2021/2022

Extract of corrections to Draft Annual Report

1.2 CITY MANAGER'S OVERVIEW

Drakenstein Municipality, the largest secondary city in the Western Cape is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. The Municipality covers an area of 1,538 km² and consists of 33 wards. It comprises of 5 towns of which, Paarl and Wellington, are the primary urban nodes.

In presenting the 2021/22 Annual Report we affirm that Drakenstein Municipality has made tremendous strides towards achieving its vision of *"A city of excellence"*, guided by the values of transparency, excellence, responsiveness, accountability, accessibility and integrity, supported by the following strategic objectives:

- To ensure good governance and compliance;
- To ensure financial sustainability in order to meet the statutory requirements;
- To ensure an efficient and effective organisation supported by a competent and skilled workforce;
- To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services;
- To plan, promote investment and facilitate economic growth; and
- To facilitate, support and promote social and community development.

Drakenstein received a clean audit opinion from the Auditor General for the 2021/2022 financial year. This is our fifteenth (15th) consecutive unqualified audit opinion and eighth (8th) clean audit, currently we are the largest local municipality in the Western Cape with a clean audit. This bears testament to good governance and sound financial management.

The overall financial performance of the Municipality in 2021/2022 confirms sound financial management and fiscal discipline. In previous financial years, increased capital infrastructure investment funded through borrowing was necessary to unlock economic growth and cater for future demand.

The 2021/22 financial year realised an operating surplus of R143,5 million compared with budgeted operating surplus of R70.0 million for the year under review. The municipality's current assets exceeded current liabilities in the year under review, this is an improvement from the 2020/21 financial year. The cash and cash equivalents and investment balances

increased from R138,8 million on 30 June 2021 to R229,9 million on 30 June 2022 and the gearing ratio decreased from 63.7% on 30 June 2021 to 62.3% on 30 June 2022. Employee related costs stood at 28.7% of the total expenditure and debtor collection days (after provision for doubtful debt) increased to 44.3 days for the year under review from 41.1 days at 30 June 2021 and the debt collection ratio from 98.6% for the 2020/21 to 96.6% for the year under review. Incidents of fruitless and wasteful expenditure were reported and are currently being investigated.

To promote economic development, Drakenstein has become an investment destination of choice for both international and local investors. Our strong governance ethos provides a soft landing for any investor who requires a red carpet investment experience. Our Development and Investment desk ensures that municipal processes are streamlined and our approach of how we as an organisation can do things better is at the core of our Invest in Drakenstein initiative.

Despite various challenges, the municipality continued to provide the necessary basic services and ensured that the 41 registered informal settlements in Drakenstein, had access to waste removal, sanitation and clean drinking water. The burden on the municipal budget, services and infrastructure has however increased as approximately 57% of the population are impoverished. To address unemployment and poverty it is important to grow the economy and create much needed job opportunities.

Throughout the financial year, our efforts again maintained a positive payment culture through the effective implementation of credit control. This is evident in the ability of the Municipality to fund its operations and service its debts. We remain steadfast in our commitment to provide affordable and quality services in an efficient and effective manner to all our residents.

DR JOHAN LEIBBRANDT
CITY MANAGER

1.3.3.1 Socio-Economic Status information

According to Quantec Research, the unemployment rate in Drakenstein was estimated to be 14.2% in 2019, increasing to 20.1% in 2020 and 23.0% in 2021. Youth unemployment in Drakenstein is estimated to have increased to 27.8% in 2021, from 23.09% in 2020 and 21.35% in 2019. Actual unemployment figures within the municipal area are likely to be much higher than the estimates provided by Quantec Research. A high unemployment rate is often associated with a lack of skills due to a high number of illiterate people.

The Gini coefficient is a statistical measure of income or wealth distribution within a geographic boundary. The coefficient ranges from 0, perfect equality, to 1, total inequality. A higher coefficient means greater inequality. In 2020 the Gini coefficient in the municipal area was calculated to be 0.605, an increase from 0.603 in 2019 and 0.601 recorded for 2018. The rising income inequality can be attributed to the increase in unemployment as well as low salaries earned by the working age population in low-skilled employment.

Table 1: Socio-Economic Status

Socio-Economic Status						
Serial No.	Year	Unemployment rate	Youth unemployment	Percentage of working age population in low skilled employment	Gini coefficient	Illiterate people older than 20 years
Column Ref.	A	B	C	D	E	F
1	2019/20	14.2%	21.35%	17.20%	0.603	16.83%
2	2020/21	20.1%	23.09%	15.80%	0.605	17.12%
3	2021/22	*23.0%	*27.82%	16.50%	0.611	15.74%

Source: Quantec Research 2022 / MERO (HIS MARKIT)

*With the seasonality of many jobs available in Drakenstein, the unemployment rate should not only be based on persons who are actively seeking work as per the official definition of unemployment. Based upon the extended definition of unemployment and research undertaken by the Economic Development Division, it is estimated that the unemployment rate for the municipal area is over 30%. Youth unemployment is estimated to be in the range of 35-40%.

1.3.3.2 Demographic Profile

Quantec Research estimates a total population of 294,474 for Drakenstein in 2021, up from 289,384 in 2020. However, a report by the Western Cape Government in 2020 estimated the population for the municipal area to be 305,281. This is close to the population of 304,590 projected for 2023 by the Department of Social Development. When the widescale deaths due to COVID-19 pandemic are factored in, the municipal population estimates could show a reduction. Although there are no official figures, it is likely that there are people who have migrated into and out of the municipal area for various reasons. An increase in the population creates many opportunities for growth and development. Channelled properly, it may be a

1.3.3.4 Labour Profile

There was an increase in job losses in 2021 within the Drakenstein municipal area, from 112,048 jobs in 2019 to 103,684 jobs in 2020 and 101,101 jobs in 2021. The decrease in jobs does not augur well for the municipality as it means more people have no income to pay for services rendered by the municipality. Job losses were recorded in eight of the ten sectors of the economy, with the most jobs shed by the wholesale, retail trade, catering and accommodation (1,042 jobs) followed by agriculture (562 jobs), manufacturing (413 jobs), construction (351 jobs); transport, storage and communication (321 jobs); and finance, insurance, real estate and business services (245 jobs). These job losses were largely due to the economic lockdown imposed by government in a bid to reduce the spread of the COVID - 19 pandemic.

Table 4: Employment by Sector

Employment by Sector				
Serial No.	Sector	Number of jobs		
		2019/2020	2020/2021	2021/2022
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	18,438	16,844	16,282
2	Mining and quarrying	77	68	64
3	Manufacturing	9,410	8,632	8,219
4	Electricity, gas and water	354	347	342
5	Construction	7,299	6,649	6,298
6	Wholesale, retail trade, catering and accommodation	25,096	22,379	21,337
7	Transport, storage and communication	3,791	3,346	3,025
8	Finance, insurance, real estate and business services	18,204	17,648	17,403
9	General government	6,402	6,318	6,385
10	Community, social and personal services	22,977	21,453	21,746
11	Total	112,048	103,684	101,101

Source: Quantec Research, 2022

Most increases in employment in 2021/22 were recorded by the community, social and personal services sector (293 jobs), and the general government sector (67 jobs). The increase in employment that has been reported in 2021/22 was due to new economic developments, which include major road upgrades, new retail outlets and new residential estates.

1.3.3.5 Economic Profile

The value of the Drakenstein economy increased by a significant 9.6% from R25,2 billion in 2020 to R27,6 billion in 2021 as economic activity picked up pace after the lengthened lockdown due to the COVID-19 pandemic. The table below indicates the municipal Gross Value

1.4.3 Proportion of households with access to basic services

All formal households have access to electricity, water, waste water and waste management services.

The 41 registered informal settlements comprising of 7,267 households and an estimated 14,412 residents do have access to water, waste water and waste management services. One informal settlement is not registered at this stage and comprise of 261 households, housing 349 residents. Three thousand five hundred and sixty four (3,564) informal settlement structures, which forms part of the approved informal settlement register, have access to electricity.

1.5 FINANCIAL HEALTH OVERVIEW

The Municipality is on the path of recovery following the severe droughts experienced in the past few years, the general downturn of the economy, even before the economic effect of the COVID-19 lockdown hit, which necessitated Drakenstein to restructure certain current ten year external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank in December 2019 to be repaid over a period of up to 17.5 years, as well as the devastating effect of the COVID-19 lockdown on the economy.

The current ratio (current assets/current liabilities) of the organisation as at 30 June 2022, was 1.47 as opposed to the ratios of 1.06 (2020/21), 0.89 (2019/20), 0.63 (2018/19), 0.95 (2017/18) for the previous four financial years. The increase in the current ratio is a positive indication of the interventions implemented.

The Municipality has a significant revenue base that continues to grow substantially compared with previous years. The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than previously ago. This is seen in the developments south of Boland Cricket stadium, Paarl south of the N1 as well as around Wellington. Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next four financial years. The increase of the Municipality's revenue base will reduce the current gearing ratio from 62.3% to an estimated 43.3% in the 2024/25 financial year.

Furthermore, the Municipality have a revenue management, expenditure management and cost containment programme under the leadership of the City Manager to raise and collect all revenue due to the Municipality. Included in the programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery.

The Municipality has not defaulted on payment of its creditors, i.e. Eskom (bulk electricity purchases), SARS (VAT and PAYE), City of Cape Town (bulk water purchases), third party payments (pension and medical aid funds) and any other trade creditors.

1.5.1 Statement of Financial Performance Overview

The actual surplus of R143.5 million for the 2021/22 financial year compared with the final adjustments budget surplus of R70.2 million resulted in a positive variance of R73.5 million.

Table 7: Statement of Financial Performance Overview 2021/2022

Statement of Financial Performance Overview 2021/22						
Serial No.	Details	Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)
Column Ref.	A	B	C	D	E	F
1	Grants	200,861,075	211,466,467	204,171,779	3,310,704	(7,294,688)
2	Taxes, Levies and Tariffs	2,244,345,771	2,228,281,693	2,243,254,264	(1,091,507)	14,972,571
3	Other	163,591,029	181,033,244	202,443,787	38,852,758	21,410,543
4	Total Operating Revenue (Capital Grants Excluded)	2,608,797,875	2,620,781,404	2,649,869,830	41,071,955	29,088,426
5	Less: Expenditure	2,660,568,361	2,674,095,050	2,624,204,345	36,364,016	49,890,705
6	Surplus / (Deficit) (Capital Grants Excluded)	(51,770,486)	(53,313,646)	25,665,485	77,435,971	78,979,131
7	Plus: Capital Grants	96,382,569	123,331,683	117,812,786	21,430,217	(5,518,897)
8	Surplus / (Deficit) (Capital Grants included)	44,612,083	70,018,037	143,478,271	98,866,188	73,460,234

1.5.2 Financial viability highlights

The Capital Budget spending for the financial year yielded a result of 92.5% when compared with the Final Capital Adjustments Budget for 2021/22. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

1.5.3 Financial viability challenges

Consumer debt remains a challenge and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT excluded) increased by R340.5 million at 30 June 2021 to R369.2 million at 30 June 2022. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally, which has just been worsened by the COVID-19 pandemic.

The debtors' payment period for the 2021/22 financial year (before considering the provision for impairment) was 61.8 days, which is below the targeted number of 70 days. The number of days for the 2020/21 financial year (before considering the provision for impairment) was 64.5 days, which is below the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) increased to 44.3 days at 30 June 2022 compared with the to 41.1 days as at 30 June 2021. The Municipality's debtors' collection period in days (before impairment) decreased by 2.7 days and the Municipality's debtors' collection period in days (after impairment) regressed by 3.2 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the increasing external loan debt of Council, which amounted to 62.3% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2021/22 financial year. Although Council policy wise has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme in prior years. It is envisaged that the gearing ratio will decrease to about 54.9% in the 2022/23 financial year and to about 32.3% in accordance with the Long Term Financial Plan by the 2026/27 financial year.

1.5.4 Operating ratios

The operating ratios as depicted below compare favourably with the current industry norms. The employee cost (including Councillor Remuneration) of 28.7% of total operating expenditure (2021/22) is at the lower level of the 25% to 40% range regarded as the industry norm (depending on the size and type of municipality), which means that the salary bill of the organisation is well within the required norms. It slightly increased from 30.2% in 2020/21 due a temporary moratorium on the filling of vacant posts.

Table 8: Operating Ratios

Operating Ratios				
Serial No.	Details	2019/20	2020/21	2021/22
Column Ref.	A	B	C	D
1	Employee Cost (Incl Councillor Remuneration) as a % of Operating Expenditure	28.70%	30.20%	28.72%
2	Repairs and Maintenance as a % of Operating Expenditure	10.80%	10.10%	10.35%
3	Repairs and Maintenance as a % of Carrying Value of PPE	4.10%	4.00%	4.07%
4	Finance Charges and Depreciation as a % of Operating Expenditure	14.70%	16.49%	16.21%
5	Finance Charges and Redemption as a % of Operating Expenditure	6.50%	8.20%	7.63%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 10.4% for the 2020/21 financial year compared with the 10.1% for the 2020/21

financial year. The ratio of repairs and maintenance as a percentage of the carrying value of property, plant and equipment was 4.1% for the 2020/21 financial year and 4.0% for the 2020/21 year, which could be viewed as unfavourable if compared with National Treasury's norm of 7% to 8%. The norm is not reasonable, simply because all municipalities' asset registers are not compiled on the same monetary basis. If Drakenstein wants to adhere to this norm, the Municipality will have to increase all current property taxes and service charges (electricity tariffs that is regulated by NERSA excluded) with a further 30.8%, which in the current economic climate is not a proposition.

Finance charges and depreciation expenditure represent 16.2% of total operating expenditure for 2021/22 compared with the 16.5% for 2020/21. Finance charges and capital redemption represent 7.6% of total operating expenditure for 2021/22 compared with the 8.2% for 2020/21. This compares favourably with National Treasury's norm of 6% to 8%, but only does so due to the payment holiday received with the restructuring of loans.

1.5.5 Capital expenditure

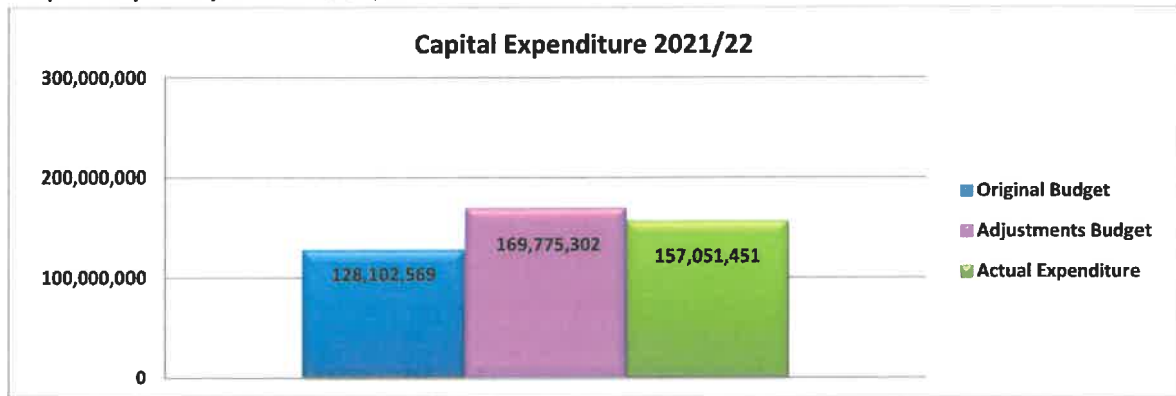
Investment in bulk and other infrastructure decreased from R221.7 million in the 2020/21 financial year to R157.1 million 2021/22. Actual capital expenditure as a percentage of the 2021/22 original budget amounts to 122.6% compared with the 102.2% and 71.3% for the 2020/21 and 2019/20 financial years. Actual expenditure as a percentage of the 2021/22 final adjustments budget amounts to 92.5% compared with the 92.7% and 87.5% for the 2020/21 and 2019/20 financial years.

Table 9: Total Capital Expenditure

Total Capital Expenditure				
R				
Serial No.	Details	2019/20	2020/21	2021/22
Column Ref.	A	B	C	D
1	Original Budget	378,029,950	216,972,433	128,102,569
2	Final Adjustments Budget	308,394,191	239,059,061	169,775,302
3	Actual Expenditure	269,757,841	221,646,458	157,051,451
4	Actual Expenditure as a % of Original Budget	71.36%	102.15%	122.60%
5	Actual Expenditure as a % of Adjustments Budget	87.50%	92.72%	92.51%

The original budget for the 2021/22 financial year amounted to R128.1 million. After roll-over capital projects the final adjustments budget amounted to R169.8 million. Actual expenditure amounted to R157.1 million leading to an under-expenditure of R12.7 million. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

Graph 1: Capital Expenditure 2021/22



1.5.6 Municipal Standard Chart of Accounts (mSCOA)

Drakenstein Municipality had implemented mSCOA as a pilot site on 1 July 2015 on version 5.3 of mSCOA and has since changed to version 5.4 on 1 July 2016, version 6.1 on 1 July 2017, version 6.2 on 1 July 2018 and version 6.3 as from 1 July 2019. For the 2021/22 financial year the Municipality was on version 6.6.

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

The organisational structure was reviewed and adopted by Council on 30 June 2022. The Human Resources Division (Organisational Efficiency Section) embarked on a consultative process with the various departments to check whether there any vacant posts that needed to be removed from the structure and whether some reporting lines needed to be changed. The unions were also thoroughly consulted during this process. Roadshows were conducted with departments and unions to go through the changes on the structure before the final adoption of the structure. In preparation for the implementation of the Municipal Staff Regulations which were promulgated by COGTA in September 2021, HR consulted with management to understand that Drakenstein Municipality needs to budget for vacant posts that are on the structure, with the understanding that the budget can be phased in, in the next three to five years.

Departments were also encouraged to start with the process of writing job descriptions for new posts as well as taking those posts through the TASK evaluation process. All posts that are filled are graded. The moratorium that was imposed on vacancies was lifted and recruitment took place by advertising most posts internally. The total number of posts filled during the period under review is 99 inclusive of seasonal workers and promotions.

1.6.1 Municipal Transformation and Organisational Development Highlights

The main organisational development highlights include:

- Long Service awards;
- Re-training of online leave administrators for non-computer users;
- Awarding bursaries to internal and external applicants;
- Continuation of the job description review committee;
- Filling of 99 permanent and seasonal vacancies;
- Submission of the Workplace Skills Plan to the LGSETA;
- Submission of the Employment Equity Report to the Department of Labour;
- Roadshows on the new Municipal Staff Regulations;
- Roadshows on Standby and overtime work; and
- Review on HR policies.

1.6.2 Municipal Transformation and Organisational Development Challenges

Departments were requested to submit posts and names of staff earmarked for Succession Planning. They were then requested to develop Personal Development Plans for staff, as well as give quarterly feedback on the progress of the implementation of these Personal Development Plans. Departments will have to reconsider the posts and names of staff identified for Talent Management and Succession Planning in cases where reporting lines of staff are changed due to structure review. Departments are expected to take ownership in ensuring implementation of Personal Development Plans.

1.7 AUDITOR-GENERAL REPORT

For the fifteenth consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2021/22 financial year. This was also the eighth clean audit opinion for the Municipality. This was achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last 15 financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during its audits:

1.7.1 Audited outcomes

- 2021/22: Unqualified audit opinion with no other matters (clean audit opinion);
- 2020/21: Unqualified audit opinion with no other matters (clean audit opinion);
- 2019/20: Unqualified audit opinion with no other matters (clean audit opinion);
- 2018/19: Unqualified audit opinion with no other matters (clean audit opinion);
- 2017/18: Unqualified audit opinion with other matters;
- 2016/17: Unqualified audit opinion with no other matters (clean audit opinion);
- 2015/16: Unqualified audit opinion with no other matters (clean audit opinion);
- 2014/15: Unqualified audit opinion with no other matters (clean audit opinion);
- 2013/14: Unqualified audit opinion with no other matters (clean audit opinion);
- 2012/13: Unqualified audit opinion with other matters;
- 2011/12: Unqualified audit opinion with other matters;
- 2010/11: Unqualified audit opinion with other matters;
- 2009/10: Unqualified audit opinion with other matters;
- 2008/09: Unqualified audit opinion with other matters;
- 2007/08: Unqualified audit opinion with other matters;
- 2006/07: Qualified audit opinion with other matters;
- 2005/06: Qualified audit opinion with other matters; and
- 2004/05: Qualified audit opinion with other matters.

The unqualified and qualified audit opinions are on the Annual Financial Statements. The other matters deal with predetermined objectives and legislative compliance issues.

Further details can be found in the Audit Outcome Improvement Plan attached as Volume III to the Annual Report 2021/22.

the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Deputy Executive Mayor and the Mayoral Committee.

2.3.1 Full-time Officer Bearers


Before the Local Government Elections held on 1 November 2021, the Political Structure comprised of the following:




Table 12: Political Structure up until 31 October 2021

Political Structure up until 31 October 2021		
Serial No	Designation	Incumbent
Column Ref	A	B
1	Executive Mayor	Ald CJ Poole
2	Deputy Executive Mayor	Ald GC Combrink
3	Speaker	CLlr AC Stowman
4	Chief Whip	Ald RA Koegelenberg

After the Local Government elections held on 1 November 2021, Council elected at the inaugurated council meeting held on 15 November 2021, the following Political Structures:

Table 13: Political Structure

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
1	 <p>Executive Mayor Ald CJ Poole</p>	<p>The Executive Mayor represents the public and is the chief political principal of the Municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> • Identify the needs of the Municipality; • Review and evaluate those needs in order of priority; • Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and • Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
2	 <p>Deputy Executive Mayor Cllr GC Combrink</p>	<p>The Deputy Executive Mayor of the Municipality exercises the power and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant.</p> <p>In addition, hereto the Deputy Executive Mayor performs the duties as assigned by the Executive Mayor as member of the Mayoral Committee responsible for the Finance Portfolio.</p>
3	 <p>Speaker Ald JF le Roux</p>	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> • Presides at meetings of the Council; • Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); • Must ensure that the Council meets at least quarterly; • Must maintain order during meetings; • Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and • Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.
4	 <p>Chief Whip Cllr C Kearns</p>	<p>The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties. The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Seven political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Drakenstein. The Chief Whip further acts as a link between the Speaker, the Executive and the Administration. The Chief Whip ensures that there is equitable representation on committees of Council.</p>


The following Councillors served on the Mayoral Committee and were responsible for the undermentioned portfolio's prior to the Local Government Elections:









Table 14: Mayoral Committee prior to the Local Government Elections

Mayoral Committee prior to the Local Government Elections		
Serial No.	Portfolio	Councillor
Column Ref.	A	B
1	Engineering Services	Ald JF le Roux
2	Corporate Services	Cllr LP Mokoena
3	Planning and Development	Cllr J Miller
4	Sport, Recreation, Arts and Culture	Cllr LT van Niekerk
5	Human Settlements and Property Management	Cllr L Cyster
6	Public Safety	Ald R Smuts
7	Rural Management	Cllr MA Andreas
8	Communication and IGR	Cllr RH van Nieuwenhuyzen
9	Environmental, Parks and Open Spaces	Cllr C Kearns
10	Social Services	Cllr E Gouws
11	Finance	Ald GC Combrink

After the Local Government elections, the following councillors were appointed by the Executive Mayor to serve on the Mayoral Committee:

Table 15: Mayoral Committee

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 <p>Gert Combrink Finance</p>	 <p>TG Bester Engineering Services</p>	 <p>E Baron Corporate Services</p>

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
2	 <p>J Miller Governance & Compliance</p>	 <p>E Gouws Social Development</p>	 <p>LT van Niekerk Planning and Development</p>
3	 <p>L Cyster Parks, Waste and Cemeteries</p>	 <p>L Arendse Sport, Recreation, Arts and Culture</p>	 <p>MA Andreas Human Settlements</p>
4	 <p>RH van Nieuwenhuyzen Communication and IGR</p>	 <p>A Appollis Public Safety</p>	

2.3.4 Portfolio Committees

Before the Local Government elections five (5) Section 80 Committees were established, namely: Corporate Services, Planning and Development, Engineering Services, Financial Services and Community Services to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor.

After the Local Government elections six (6) Section 80 Committees are established, namely: Corporate Services, Planning and Development, Engineering Services, Financial Services, Community Services and Governance and Compliance to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor.

They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee.

2.3.4.1 Corporate Services Portfolio Committee

Before the Local Government elections the Corporate Services Portfolio Committee consisted of thirteen (13) councillors under the alternated leadership of either Cllr LP Mokoena (MMC for Corporate Services) or Cllr RH van Nieuwenhuyzen (MMC of Communication and Intergovernmental Relations) who held two (2) meetings during the period 1 July 2021 to 30 October 2021.

Table 16: Corporate Services Portfolio Committee

Corporate Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	E Baron	Chairperson	4
2	CM Jacobs	Chairperson	
3	C Kroutz	Committee Member	
4	A van Rooyen	Committee Member	
5	R Smuts	Committee Member	
6	L Landu	Committee Member	
7	BP Duba	Committee Member	
8	TP Mooi	Committee Member	
9	CO Davids	Committee Member	
10	EG Arendse	Committee Member	
11	RH Nell	Committee Member	

After the Local Government elections, the Corporate Services Portfolio Committee consisted of eleven (11) councillors under the leadership of Cllr E Baron (MMC for Corporate Services) who held four (4) meetings during the period 1 November 2021 to 30 June 2022.

2.3.4.2 Planning and Development Portfolio Committee

Before the Local Government elections the Planning and Development Portfolio Committee consisted of nine (9) councillors under the alternated leadership of Cllr J Miller (MMC for Planning and Development), Cllr L Cyster (MMC of Human Settlements and Property Management) and Cllr MA Andreas (MMC for Rural Management) who held one (1) meeting during the period 1 July 2021 to 30 October 2021.

Table 17: Planning and Development Portfolio Committee

Planning and Development Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	LT van Niekerk	Chairperson	4
2	MA Andreas	Co-Chairperson	
3	L Cyster	Committee Member	
4	PBA Cupido	Committee Member	
5	MM Adriaanse	Committee Member	
6	E Baron	Committee Member	
7	CO Davids	Committee Member	
8	LE Bolani	Committee Member	
9	S Ganandana	Committee Member	
10	JV Daniels	Committee Member	
11	M Jacobs	Committee Member	

After the Local Government elections, the Planning and Development Portfolio Committee consisted of eleven (11) councillors under the alternated leadership of Cllr LT van Niekerk (MMC for Planning and Development) and Cllr MA Andreas (MMC of Human Settlements and Property Management) who held four (4) meetings during the period 1 November 2021 to 30 June 2022.

2.3.4.3 Engineering Services Portfolio Committee

Before the Local Government elections, the Engineering Services Portfolio Committee consisted of nine (9) councillors under the leadership of Ald JF le Roux (MMC of Engineering Services) who held two (2) meetings during the period 1 July 2021 to 30 October 2021.

Table 18: Engineering Services Portfolio Committee

Engineering Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	TG Bester	Chairperson	4
2	RB Arnolds	Committee Member	
3	VC Booysen	Committee Member	
4	J Miller	Committee Member	
5	L Cyster	Committee Member	
6	J Smit	Committee Member	
7	S Ganandana	Committee Member	
8	N Godongwana	Committee Member	
9	N Nongogo	Committee Member	
10	AJ du Plessis	Committee Member	
11	B Jacobs	Committee Member	

After the Local Government elections, the Engineering Services Portfolio Committee consisted of eleven (11) councillors under the leadership of Cllr TG Bester (MMC of Engineering Services) who held four (4) meetings during the period 1 November 2021 to 30 June 2022.

2.3.4.4 Finance Portfolio Committee

Before the Local Government elections, the Finance Portfolio Committee consisted of nine (9) councillors under the leadership of Ald GC Combrink (Deputy Executive Mayor) who held three (3) meetings during the during the period 1 July 2021 to 30 October 2021.

Table 19: Finance Portfolio Committee

Finance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	GC Combrink	Chairperson	6
2	HJN Matthee	Committee Member	
3	E Baron	Committee Member	
4	S Ross	Committee Member	
5	F Jacobs	Committee Member	
6	LC Arendse	Committee Member	
7	JH Adams	Committee Member	
8	M Nobala	Committee Member	
9	BP Duba	Committee Member	
10	A Fourie	Committee Member	
11	J de Kock	Committee Member	

After the Local Government elections, the Finance Portfolio Committee **consisted** of eleven (11) councillors under the leadership of Ald GC Combrink (Deputy Executive Mayor) who held six (6) meetings during the period 1 November 2021 to 30 June 2022.

2.3.4.5 Community Services Portfolio Committee

Before the Local Government elections, the Community Services Portfolio Committee **consisted** of fourteen (14) councillors under the alternated leadership of Ald R Smuts (MMC for Public safety), Cllr E Gouws (MMC for Social Services), Cllr LT van Niekerk (Sport, Recreation, Arts and Culture) and Cllr C Kearns (MMC for Environment, Parks and Open Spaces) who held two (2) meetings during the period 1 July 2021 to 30 October 2021.

Table 20: Community Services Portfolio Committee

Community Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	E Gouws	Chairperson	4
2	LC Arendse	Chairperson	
3	AMB Appollis	Chairperson	
4	L Cyster	Chairperson	
5	B van Willingh	Committee Member	
6	FP Cupido	Committee Member	
7	T Mooi	Committee Member	
8	Z Xhego	Committee Member	
9	N Nongogo	Committee Member	
10	LC Matthee	Committee Member	
11	AM Stulweni	Committee Member	

After the Local Government elections, the Community Services Portfolio Committee **consisted** of eleven (11) councillors under the alternated leadership of Cllr AMB Appollis (MMC for Public Safety), Cllr E Gouws (MMC for Social Development), Cllr LC Arendse (Sport, Recreation, Arts and Culture) and Cllr L Cyster (MMC for Parks, Waste and Cemeteries) who held four (4) meetings during the period 1 November 2021 to 30 June 2022.

2.3.4.6 Governance and Compliance Portfolio Committee

After the Local Government elections, the Governance and Compliance Portfolio Committee was established and **consisted** of eleven (11) councillors under the leadership of Cllr J Miller (MMC for Governance and Compliance) who held one (1) meeting during the period.

The following members served on the Audit Committee for the 2021/22 financial year:

Table 22: Audit Committee

Audit Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr R Najjaar	Chairperson	Hons B. Compt; and Certified Internal Auditor (Re-appointed till 31 July 2024)
2	Mr RG Nicholls	Committee Member	Chartered Accountant; and Certified Internal Auditor (Re-appointed till 31 July 2024)
3	Mr C Whittle	Committee Member	Chartered Accountant (Re-appointed till 31 July 2024)
4	Mr. P. Strauss	Committee Member	Chartered Accountant (Appointed till 31 July 2023)

Audit Committee meetings are attended by the Mayor (or the appointed representatives), the Accounting Officer, Chief Audit Executive, Auditor General, Chief Risk Officer and members of the Strategic Management Team. The Audit Committee conducts an annual assessment of its performance which includes a self-assessment completed by the Committee Members as well as a performance assessment completed by the Accounting Officer, Mayor and the Chief Audit Executive. The outcome of the performance assessment is reported to Council annually together with an improvement plan to address areas identified for improvement.



2.3.7 Fraud and Risk Management Committee (FARMCO)

FARMCO has been established by Council to assist the Accounting Officer (City Manager) to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. This is achieved by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement. The following members served on FARMCO for the 2021/22 financial year:

Table 23: FARMCO Members

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr T Blok (Term started January 2021)	Chairperson (External)	Certified Director Chartered Accountant (SA) Certified Internal Auditor (CIA) Certified Information Systems Auditor (CISA) B. Accountancy (Hons) (University of Stellenbosch) B. Comm (Hons) Information Systems (University of Cape Town)

Table 24: Top Administrative Structure

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
1	 <p>City Manager Dr Johan H Leibbrandt</p>	<ul style="list-style-type: none"> • Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes; • Evaluates and contributes to the improvement of governance management processes; • Manages financial services in order to ensure financial viability, compliance and reporting; • Provides corporate services to the institution to ensure efficient support of organisational processes; • Provides and manages planning, economic development and environmental management services; • Renders integrated community services to enhance community development in general and promotes a clean and safe environment; and • Maximises infrastructure development and delivers a service to all communities of Drakenstein.
2	 <p>Corporate Services Seraj Johaar</p>	<ul style="list-style-type: none"> • Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures; • Renders human resource management and support services to the Municipality that will sustain the optimum utilisation of the Municipality's human capital; • Provides effective and efficient information and communication technology services; • Provides comprehensive communication and intergovernmental relations services; • Coordinates and provides functional and administrative support to the political office-bearers; • Provides office management services to the Executive Mayor; and • Renders property and facilities management services.

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
3	 <p>Chief Financial Officer Bradley Brown</p>	<ul style="list-style-type: none"> • Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices; • Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance; • Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions; and • Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.
4	 <p>Planning and Development Jacqueline Samson</p>	<ul style="list-style-type: none"> • Manages the rendering of spatial and land use planning, surveying, valuations and building control services; • Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism; • Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation; and • Renders management and line function administrative support services. • Rural development.
5	 <p>Engineering Services Marius Wust</p>	<ul style="list-style-type: none"> • Manages Civil Engineering Services including water, sewerage, streets, storm water and traffic engineering; • Manages Electrical Engineering Services; • Manages Solid Waste Services, including waste collection, disposal facilities, waste minimisation, awareness and education, waste diversion, street sweeping, community projects, area cleaning and Waste to Energy; and • Manages project and building projects/programmes.


Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
6	 <p>Community Services Gerald Esau</p>	<ul style="list-style-type: none"> • Manages the provisioning and maintenance/operation of parks, sport facilities and cemeteries; • Manages the rendering of protection services to ensure the safety of the community; • Provides for the development of human settlements administration and support services to address the housing needs in the area; and • Provides and manages the rendering of community development, library and information services.

Table 26: Immovable assets disposed

Properties for which final approval was granted from 1 July 2021 – 30 June 2022			
Serial No.	Properties sold	To	Purpose
Column Ref.	A	B	C
1	Portion of Erf 947 Wellington	F and S Projects CC	Residential Purposes
2	Erf 1333 Mbekweni	Ethiopian church of South Africa	Church purposes
3	Erf 8581 Wellington	Beacon of Light Worship Centre	Church purposes
4	Portions E1, E2 and F of Erf 11261 Paarl	Pople Family Trust	Industrial/parking
5	Erven 30822 and 30823 Drommedaris Paarl	Hamba Vawgeli NPC	Community Hall, ECD, Aftercare facility
6	Portion C of Erf 4921 Paarl	Adsum Investments Pty Ltd	Industrial / extension of existing property
7	Portion E of Erf 4921 Paarl	The Reginald Trust	Industrial / extension of existing property
8	Portion B of Erf 4921 Paarl	Quotro Developers	Industrial / extension of existing property
9	Portion D of Erf 4921 Paarl	Material Boards	Industrial / extension of existing property
10	Portion G of Erf 4921 Paarl	Northern Lights Trading 334 (Pty) Ltd	Industrial / extension of existing property
11	Portion F of Erf 4921 Paarl	Alley Property Trust	Industrial / extension of existing property
12	Portion A of Erf 4921 Paarl	Eastern Horizon	Industrial / extension of existing property
13	Erf 30260 Nontaka Street, Drommedaris, Paarl	Sun Rise Educare	ECD purposes
14	Erf 26440 Paarl	Elitha Lethu Creche	ECD purposes
15	Portion of road serve, Keerom Street, Wellington	Wellington Varsity Lodge (Pty) Ltd	Parking

2.17 BYLAWS

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

In terms of Section 160(4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- The bylaws serve before the various structures of the Council;
- The bylaws are advertised in the local media for objections or comment;
- The bylaws are open for inspection at all municipal offices and libraries; and
- The bylaws are forwarded to the local radio station for broadcasting.

processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.1 Legislative Requirements

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality’s and any service provider’s performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2021/22 APR is attached to this Annual Report as Volume V.

3.1.2 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The APR highlights the strategic performance in terms of the Municipality’s Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the Municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

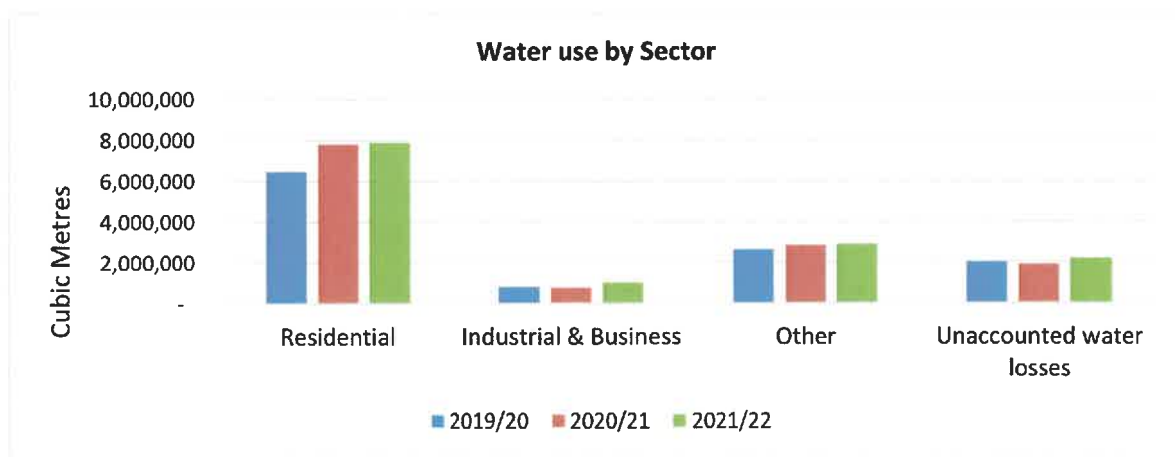
3.1.3 Performance Management Policy

The Municipality adopted a Performance Management (PM) Policy during 2011. The Municipality reviewed the policy during the 2020/21 financial year. The PM Policy articulates the Municipality’s objectives in order to promote accountability and the overall strategy of the Municipality. Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Table 29: Total use of water by sector (cubic metres)

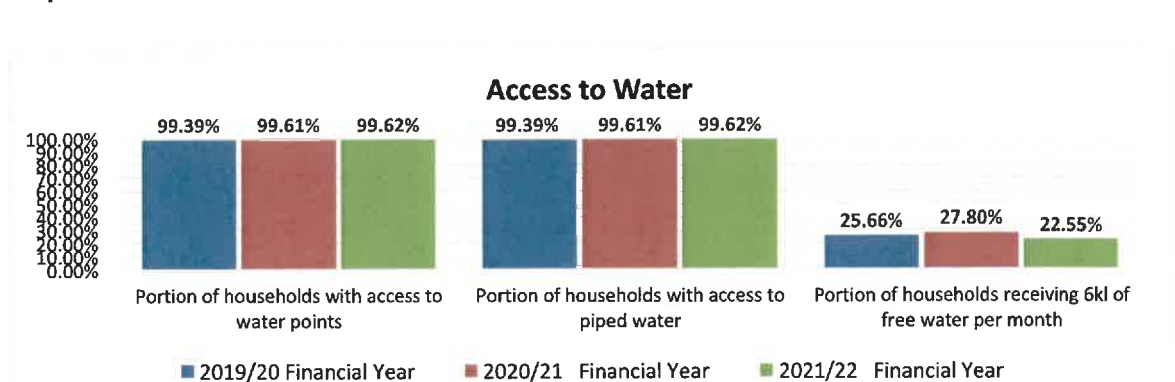
Water Use Details									
Serial No.	Year	Kilolitres					Water Losses	Water Bought/Produced	% Water Losses (Tech.)
		Residential	Industrial / Business	Other	Total Water Sold				
Column Ref.	A	B	C	D	E	F	G	H	
1	2019/20	6,503,628	832,685	2,651,722	9,988,035	2,038,876	12,026,911	16.92	
2	2020/21	7,836,430	779,912	2,868,090	11,484,432	1,913,887	13,398,319	14.3	
3	2021/22	7,906,427	1,039,228	2,912,282	11,857,937	2,220,307	14,078,244	15.77	

Graph 2: Water use by Sector



In the graph below households' access to water are depicted, it must be noted that since 2018/19 financial year only indigent households received 6kl of free water per month.

Graph 3: Households Access to Water



**Note that the percentage of households with access to water indicated in the graph does not include rural households.*

3.7.5 Operating Expenditure

Electricity services, as a trading service, generated an operating surplus of **R283.5** million for the 2021/22 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

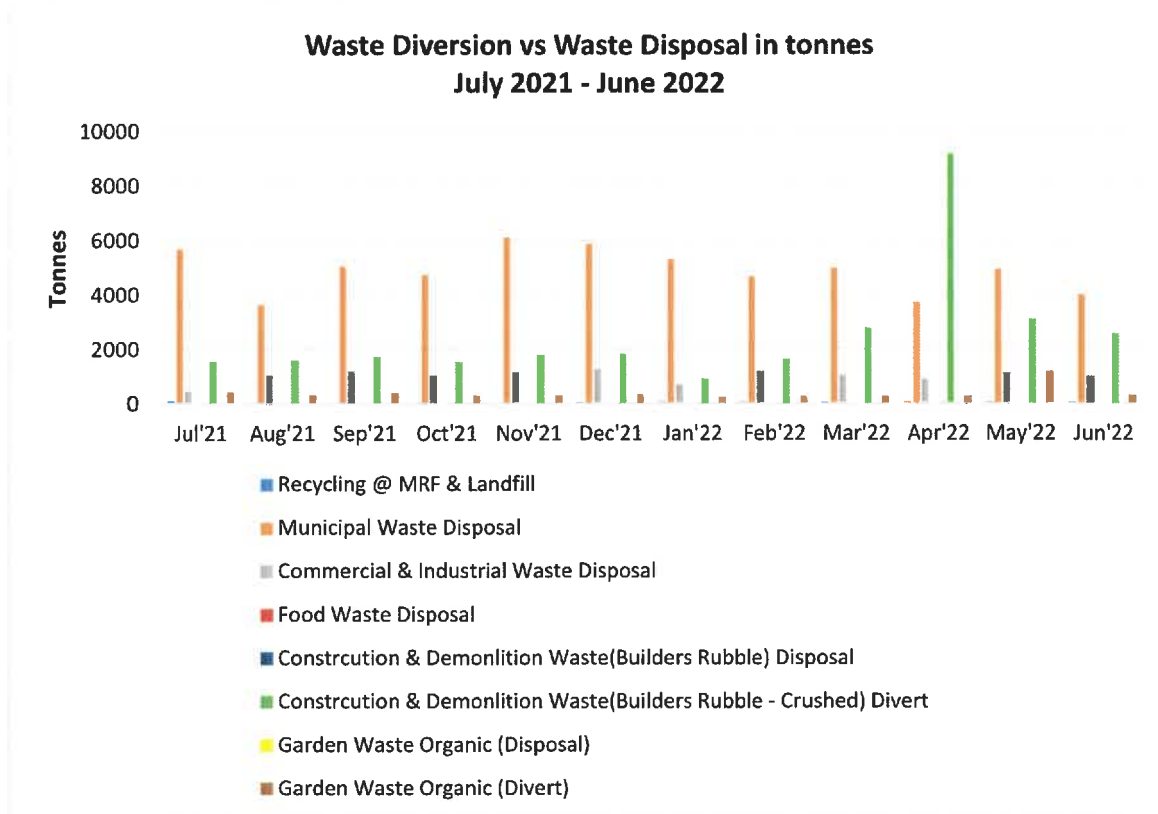
Table 44: Operating Revenue and Expenditure: Electricity Services

Operating Revenue and Expenditure: Electricity Services						
Serial No.	Description	2020/21 Actual Results	2021/22			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(1,308,476,676)	(1,482,824,918)	(1,464,641,753)	(1,455,876,555)	-0.6%
2	Total Operating Revenue	(1,308,476,676)	(1,482,824,918)	(1,464,641,753)	(1,455,876,555)	-0.6%
3	Employee related costs	58,124,627	59,557,908	61,061,726	60,507,087	0.9%
4	Impairment losses on financial assets	17,916,153	18,948,682	1,948,682	1,562,092	19.8%
5	Interest paid	67,088,950	67,270,368	67,270,368	67,270,367	0.0%
6	Contracted services	13,486,247	18,286,407	19,803,179	18,645,856	5.8%
7	Depreciation and amortisation	44,745,848	47,623,650	47,623,650	49,167,518	-3.2%
8	Inventory consumed	8,958,231	8,320,646	11,484,108	10,685,462	7.0%
9	Operational Costs and Losses	828,308,852	990,053,645	967,383,154	964,536,967	0.3%
10	Total Operating Expenditure	1,038,628,908	1,210,061,306	1,176,574,867	1,172,375,348	0.4%
11	Operating (Surplus) / Deficit	(269,847,768)	(272,763,612)	(288,066,886)	(283,501,207)	-1.6%

3.7.6 Employee Statistics

The Electricity Services Section has 242 posts on the organisational structure approved by Council on 30 June 2022 of which 97 posts are frozen and 145 posts funded at year-end. The section had 129 filled and 16 vacant posts at year-end, and based on the number of vacancies (16) had a vacancy rate of 11%.

Graph 6: Solid Waste Disposal and Diversion Statistics



3.8.2 Service Delivery Levels

The table below indicates that a solid waste kerbside refuse removal service is rendered at 43,321 formal households within Drakenstein, using a 240L wheelie bin. All 41 registered informal settlements and 1 non-registered informal settlement, receive a weekly door-to-door black bag waste removal service. Communal skips are placed in high-density and informal areas and serviced at least once a week. No services are rendered below the minimum service level by the Municipality.

Table 46: Solid Waste Removal Service Delivery Levels

Solid Waste Removal Service Delivery Levels				
Serial No.	Description	2019/20 Actual Number	2020/21 Actual Number	2021/22 Actual Number
Column Ref.	A	B	C	D
1	Solid Waste Removal (Minimum level and above)			
2	Removed at least once a week (bins)	42,027	42,635	43,321
3	Removed at least once a week (black bags)	5,999	7,206	7,587
4	Sub-Total: Minimum service level and above	48,026	49,841	50,908
5	Minimum service level and above percentage	100%	100%	100%
6	Solid Waste Removal: (Below minimum level)			
7	Removed at least once a week	-	0	0
8	Removed less frequently than once a week	-	0	0
9	No rubbish disposal	-	0	0
10	Sub-Total: Below minimum service level	-	-	0
11	Below minimum service level percentage	-	0%	0%
12	Total number of household service points	48,026	49,841	50,908

**Indicating service points*

Waste minimisation, diversion and recycling

A separate collection of recyclable waste is implemented in certain residential areas, contributing to waste being diverted from landfill. Clear bags are issued to participating residents and collected on the same day as refuse collection.

Waste picker integration

The sorting of the recyclable material created the opportunity to implement the wastepreneurs project. This project started as an initiative to remove the illegal, informal reclaimers from the landfill and accommodate them separately where they could sort and store recyclables and then sell it to buy-back centers to generate an income.

Drakenstein Municipality is one of four (4) municipalities, identified by the Provincial Department of Environmental Affairs and Development Planning, where the best suitable model for the integration of the waste pickers, will be investigated and implemented. There is constant support for this project from the waste industry side by means of donating PPE and other hygienic commodities. This restores the dignity of the female waste pickers.

Sanitary ware were donated by UWC, DEA&DP officials and colleagues. The success of the project has triggered the need to expand the project to other areas as well. This will assist in mitigating the nuisance caused by illegal **waste pickers** roaming the streets on refuse collection day.

3.9.4 Housing Statistics

Table 52: Housing Statistics

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	New applications captured on the WCHDDB	359	Daily capturing of new applications within 5 days.
2	Number of cancelled applications	15,988	Cancelled application involves persons who did not update their information when required.
3	Number of persons assisted	5,845	The number of persons assisted with housing opportunities.
4	Number of active persons on the waiting list	20,792	Active persons refer to persons who updated their information during the course of the year.
5	Total number of persons on the demand database	42,836	The total number of persons on the demand database (waiting list), including the active, cancelled and assisted.
6	Housing allocations	17	New allocations to Council rental units – next qualified applicants on the waiting list.
7	Transfers of rental units	111	Successfully attended to in cases where the tenant passed on, etc.
8	Exchanges	7	Tenants agreements and medical reasons.
9	Issue of starter kits for fire victims	204	Informal structures were destroyed during a fire.
10	Renewal of Lease Agreements	233	Successfully completed renewals of lease agreements..
11	Housing Consumer Education	254	Consumer Education conducted with existing and new tenants.

3.9.5 Evictions

At the end of the financial year, Drakenstein Municipality had approximately 1,426 evictions cases registered (ESTA 583 and PIE 843) and as a result, causing it to still remain one of the national hotspots in the country for evictions. Evictions, particularly ESTA Evictions are posing a huge risk to the municipal resources. Land and finances for resettlement are resources that are not necessarily readily available given all of the other challenges already faced by local government. Instances where land owners apply for mass evictions are especially challenging since this puts a huge strain on already dwindling resources. This is a challenge that needs to be managed very carefully.

Table 59: Stormwater Infrastructure

Stormwater Infrastructure					
Serial No.	Kilometres				
	Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Column Ref.	A	B	C	D	E
1	2019/20	356.77	1.02	0.480	355.27
2	2020/21	356.77	0	0	356.77
3	2021/22	377.18	0	0	377.18

3.11.5 Capital Expenditure

The Roads and Stormwater Section spent R35.9 million or 99.9% of the final adjustments budget on roads and stormwater infrastructure projects (traffic engineering included) for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 60: Capital Expenditure 2021/22 - Roads & Stormwater (Traffic Engineering included)

Capital Expenditure 2021/22: Roads & Stormwater (Traffic Engineering Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading Of Oosbosch Street	14 288 000	24 813 567	24 813 466	0,0%
2	Reseal of Streets/Road Network Paarl	4 000 000	3 999 545	3 999 545	0,0%
3	Upgrading of Areas Around Paarl East Aprons	3 000 000	2 866 034	2 866 033	0,0%
4	Intersection Wellington Industrial Park Upgrade	1 203 404	1 203 404	1 203 404	0,0%
5	Upgrading of Sidewalks	2 500 000	2 495 945	2 495 944	0,0%
6	Other Capital Projects	490 000	553 246	509 690	7,9%
7	Total Capital Expenditure	25 481 404	35 931 741	35 888 081	0,1%

3.11.6 Major Projects Completed

- No major storm water systems were undertaken.

3.11.7 Operating Expenditure

Roads and stormwater services, as a community service, generated an operating deficit of R126.4 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 77: Employees - Library Services

Employees: Library Services								
Serial No.	Job Level	2020/21	2021/2022					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	6	11	3	8	5	3	37.5%
4	T09 - T11	3	30	25	5	2	3	60.0%
5	T06 - T08	51	60	9	51	49	2	3.9%
6	T03 - T05	11	28	17	11	11	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	72	130	54	76	68	8	10.5%

3.18 CEMETERIES AND CREMATORIA

Drakenstein Municipality has 13 cemeteries. The COVID 19 epidemic has placed a heavy burden on Parys Cemetery especially as a result of the overflow of burials from Wellington and Simondium. Before COVID 19, most funerals took place in Parys Cemetery. More burial space, smaller roads, and footpaths have been closed to allow for extra burials in certain blocks. Parys, Saron (73km from Paarl) and Hermon Cemeteries (43 km from Paarl) have reasonable space available.

Due to the heavy burden on our cemeteries and COVID 19 pandemic, the Municipality has identified Nieuwedrift as a potential new cemetery

Environmental Authorisation was granted by Department of Environmental Affairs and Development Planning (DEADP), received on 7 December.

Subsequent to the Environmental Authorisation as obtained, Drakenstein Municipality were still obliged to disseminate the document to all relevant stakeholders to lodge any further appeals. We still await the outcome of the appeals.

The Environmental Authorisation as granted was also submitted on 13 December 2021 for the attention of Cape Winelands District Municipality who must submit the application to the National Department of Health.

Regular follow-ups will be directed to Cape Winelands to check on the progress of the submission to the National Department of Health. The exemption application has been approved by the Cape Winelands District Municipality. Drakenstein Municipality is now

awaiting approval from National Government. By-Law to Burial Policy was revised and served before Council in April 2022 and was approved.

The Department is currently busy doing Alien clearing project in Parys Cemetery which will allow up to 1,300 new grave sites. Studies are also being done in Hillcrest to create more burial space for up to 2 years.

3.18.1 Service Statistics

During the year under review, 1,754 burials took place at an average of 138 burials per month. Drakenstein Municipality does not have a municipal crematorium.

The State of Disaster was lifted in March 2022

Table 78: Summary of burials and cremation

Summary of burials and cremation				
Serial No	Month	Year		
		2019/20	2020/21	2021/22
Column Ref.	A	B	C	D
1	July	155	126	297
2	August	155	190	529
3	September	139	175	282
4	October	144	180	194
5	November	181	131	137
6	December	179	164	178
7	January	215	337	212
8	February	168	644	165
9	March	151	538	200
10	April	116	507	146
11	May	108	111	157
12	June	155	160	145

Drakenstein Crematorium which is under private ownership have received permission to operate 24 hours a day and can perform up to 30 cremations per day.

3.18.2 Service Delivery Levels

The aim is to perform maintenance at cemeteries every 6 to 8 weeks. This includes horticultural maintenance and minor grave maintenance.

3.18.3 Capital Expenditure

The Cemeteries Section spent R3.061 million or 100% of the final adjustments budget on cemetery services infrastructure projects for the year under review.

Table 79: Capital Expenditure 2021/22 - Cemeteries & Crematoria

Capital Expenditure 2021/22: Cemeteries & Crematoria					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Cemeteries (IUDG)	2,391,304	3,060,552	3,060,551	0.0%
2	Total Capital Expenditure	2,391,304	3,060,552	3,060,551	0.0%

3.18.4 Major Projects Completed

No major projects although the Division Cemetery other than the appointed of a consultant for the new proposed Nieuwedrift Cemetery.

3.18.5 Operating Expenditure

Cemeteries services, as a community service, generated an operating deficit of R1.0 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 80: Operating Revenue and Expenditure: Cemeteries & Crematoria

Operating Revenue and Expenditure: Cemeteries & Crematoria						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(3,874,842)	(3,206,173)	(4,363,142)	(4,131,672)	-5.3%
2	Total Operating Revenue	(3,874,842)	(3,206,173)	(4,363,142)	(4,131,672)	-5.3%
3	Employee related costs	3,817,290	4,285,513	3,822,207	3,952,193	-3.4%
4	Contracted services	607,176	893,704	1,400,646	843,847	39.8%
5	Depreciation and amortisation	6,544	7,003	7,003	7,231	-3.2%
6	Inventory consumed	327,299	370,288	226,488	181,914	19.7%
7	Operational Costs and Losses	183,247	298,000	154,000	138,099	10.3%
8	Total Operating Expenditure	4,941,556	5,854,508	5,610,344	5,123,284	8.7%
9	Operating (Surplus) / Deficit	1,066,714	2,648,335	1,247,202	991,612	-20.5%

3.18.6 Employee Statistics

The Cemeteries Services function has 44 posts on the organisational structure approved by Council on 30 June 2022 of which 22 posts are frozen and 22 posts funded at year-end. The section had 19 filled at year-end and based on the number of vacancies (3) had 13.6% vacancy rate.

Table 81: Employees - Cemeteries and Crematoria

Employees: Cemeteries and Crematoria								
Serial No.	Job Level	2020/21	2021/2022					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	1	0	1	1	0	0.0%
3	T12 - T14	1	2	1	1	1	0	0.0%
4	T09 - T11	0	0	0	0	0	0	0.0%
5	T06 - T08	7	7	1	6	5	1	16.7%
6	T03 - T05	14	34	20	14	12	2	14.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	24	44	22	22	19	3	13.6%

Note: The vacancy rate includes seasonal worker posts that will only be filled during holiday season.

3.19 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

The Community Development Section manages two town halls, eight community halls, two Multi-Purpose Thusong Centres and 16 public ablution facilities. The Multi-Purpose Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These services include social services, service point access social pension and grants, consumer protection and numerous municipal services. The municipal halls are also managed by this section, and these include the Wellington Town Hall and Paarl City Hall, as well as the Huguenot, Gouda, Fairyland, Mbekweni and Colibri Community Halls.

3.19.1 Service Statistics

The total number of people that accessed services for the year under review from the Paarl East Thusong Centre is 32,642 and the total number for Mbekweni Thusong Centre is approximately 11,330 people. The facilities are open for hire and service statistics are being developed for these new facilities. Other relevant information includes the number of functions at the halls and Thusong Centres as reflected below.

Table 82: Town Halls, Community Halls and Thusong Centres

Town Halls, Community Halls and Thusong Centres				
Serial No	Facility	Number of Functions		
		2019/20	2020/21	2021/22
Column Ref.	A	B	C	D
1	Paarl Town Hall	45	10	30
2	Wellington Town Hall	62	6	43
3	Huguenot Community Hall	90	21	72
4	Fairyland Community Hall	54	7	36
5	Mbekweni Community Hall	68	42	34
6	Colibri Community Hall	45	8	37
7	Safmarine Community Hall	0	0	0
8	Simondium Community Hall	41	14	37
9	Gouda Community Hall	41	0	31
10	Saron Community Hall	33	0	39
11	Paarl-East Thusong Service Centre	69	45	69
12	Mbekweni Thusong Service Centre	66	31	74

3.19.2 Service Delivery Levels

The halls are frequently used, and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities. The current staff shortages also influence the turnaround times for readiness. Upgrades at the halls and Thusong Centres will ensure that service delivery will improve. The Thusong of Mbekweni and Paarl East have a provincial compliance evaluation of 75%.

Irrespective the above-mentioned challenges, there was a significant increase in the use of all our facilities post the COVID-19 pandemic.

3.19.3 Capital Expenditure

The Community Development Section spent R1,737 or 100% of the final adjustments budget on capital projects for the year under review.

Table 83: Capital Expenditure 2021/22 - Community Halls, Facilities and Thusong Centres

Capital Expenditure 2021/22: Community Halls, Facilities and Thusong Centres					
Serial No	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	160 000	1 737	1 737	0,0%
2	Total Capital Expenditure	160 000	1 737	1 737	0,0%

3.19.4 Major Projects Completed

No major projects have been completed for Community Halls.

3.19.5 Operating Expenditure

Community halls, facilities and Thusong centres, as a community service, generated an operating deficit of R11.12 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 84: Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres

Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(388,394)	(234,755)	(234,755)	(305,199)	30.0%
2	Total Operating Revenue	(388,394)	(234,755)	(234,755)	(305,199)	30.0%
3	Employee related costs	5,998,673	6,870,773	6,332,416	6,478,751	-2.3%
4	Contracted services	268,779	379,351	35,802	19,528	45.5%
5	Depreciation and amortisation	3,197,206	3,399,971	3,399,971	3,510,439	-3.2%
6	Inventory consumed	385,633	333,991	870,475	581,647	33.2%
7	Operational Costs and Losses	821,822	43,548	53,548	833,454	-1456.5%
8	Total Operating Expenditure	10,672,113	11,027,634	10,692,212	11,423,820	-6.8%
9	Operating (Surplus) / Deficit	10,283,720	10,792,879	10,457,457	11,118,620	6.3%

3.19.6 Employee Statistics

The Community Halls, Facilities and Thusong Centres Services Section has 82 posts on the organisational structure approved by Council on 30 June 2022 of which 19 posts are frozen and 63 posts funded at year-end. The section had 62 filled at year-end and based on the number of vacancies (1) had a 1.6% vacancy rate.

Table 86: Capital Expenditure 2021/22 - Child Care, Aged Care & Social Programmes

Capital Expenditure 2021/22: Child Care, Aged Care & Social Programmes					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	170 000	185 789	93 647	49,6%
2	Upgrading of Containerised Night Shelter	-	467 216	237 160	49,2%
3	Total Capital Expenditure	170 000	653 005	330 807	49,3%

3.20.4 Major Projects Completed

Frequent engagements were held with the DCAS Provincial Department will continue to ensure participation of the Arts and Culture sector in provincial initiatives. The section also executed the Mayoral Ward Projects and projects was completed. The first phase of the overnight shelter was established for the Street people to provide shelter within the Drakenstein municipal area.

3.20.5 Operating Expenditure

Child care, aged care and social programmes, as a community service, generated an operating deficit of R10.1 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 87: Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes

Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	1,359	0	0	0	0.0%
2	Total Operating Revenue	1,359	0	0	0	0.0%
3	Employee related costs	8,071,221	9,045,796	8,718,165	8,063,182	7.5%
4	Contracted services	338,434	433,524	96,450	93,709	2.8%
5	Depreciation and amortisation	185,302	198,276	198,276	204,718	-3.2%
6	Inventory consumed	978,094	1,304,033	1,696,822	1,376,300	18.9%
7	Operational Costs and Losses	238,620	263,729	361,202	318,000	12.0%
8	Total Operating Expenditure	9,811,671	11,245,358	11,070,915	10,055,909	9.2%
9	Operating (Surplus) / Deficit	9,813,030	11,245,358	11,070,915	10,055,909	-9.2%

Table 91: Operating Revenue and Expenditure: Environmental Management (Pollution Control included)

Operating Revenue and Expenditure: Environmental Management (Pollution Control included)						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(2,853,688)	(657,500)	(4,058,668)	(2,782,839)	-31.4%
2	Total Operating Revenue	(2,853,688)	(657,500)	(4,058,668)	(2,782,839)	-31.4%
3	Employee related costs	145,647	183,713	190,944	185,628	2.8%
4	Contracted services	116,409	1,222,000	649,394	499,829	23.0%
5	Depreciation and amortisation	10,121	10,829	10,829	11,181	-3.3%
6	Inventory consumed	141,695	184,300	19,800	29,454	-48.8%
7	Operational Costs and Losses	9,279	69,200	97,700	65,880	32.6%
8	Total Operating Expenditure	423,152	1,670,042	968,667	791,972	18.2%
9	Operating (Surplus) / Deficit	(2,430,536)	1,012,542	(3,090,001)	(1,990,867)	-35.6%

3.22.5 Employee Statistics

The Environmental Management Division has 17 posts on the organisational structure approved by Council on 30 June 2022 of which 11 posts are frozen and 6 posts funded at year-end. The section had 5 filled posts at year-end and based on the number of vacancies (1) had a 16.7% vacancy rate.

Table 92: Employees: Environmental Management

Employees: Environmental Management								
Serial No.	Job Level	2020/21	2021/2022					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	3	9	6	3	3	0	0.0%
4	T09 - T11	1	6	5	1	1	0	0.0%
5	T06 - T08	0	1	0	1	0	1	100.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	17	11	6	5	1	16.7%

3.23 BIODIVERSITY AND LANDSCAPE (INCLUDING OPEN SPACES)

Parks form an integral part of a community's health and is vital to the quality of life of its citizens. It is a valuable recreational space for people to connect to the outdoors. The section manages approximately 550 hectares parks, main routes, gardens and open spaces. The section is also responsible for tree maintenance, weed and pest control and nature

COMPONENT G: SECURITY AND SAFETY

3.24 INTRODUCTION

This part of the report deals with the traffic, licensing, law enforcement, and fire and disaster management services rendered for the year under review.

3.25 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During 2021/22, a large number of offences were dealt with. The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of the aforementioned contributed to a high accident rate;
- Corrective measures taken inter alia include selective law enforcement on safety belts, cell phones, number plates and public transport enforcement;
- The appointment of a new service provider for automatic speed enforcement is effective in dealing with excessive speed;
- Traffic safety talks at various institutions to address irresponsible driver behavior and pedestrian safety; and
- We've launched drag racing operations in Paarl and Wellington with the assistance of SAPS and Provincial Traffic with fairly huge successes.

3.25.1 Service Statistics

Table 96: Traffic, Licensing and Law Enforcement Service Data

Traffic, Licensing and Law Enforcement Service Data				
Serial No.	Details	2019/20 Actual	2020/21 Actual	2021/22 Actual
Column Ref.	A	B	C	D
1	Number of road traffic accidents during the year	3,228	3,356	3,599
2	Number of bylaw infringements attended	2,553	3,523	8,743
3	Number of traffic officers in the field on an average day	8 – Early Shift 8 – Late Shift 16 = officers per day	5 – Shift One 6 – Shift Two 11 = officers per day	4 – Early Shift 4 – Late Shift 8 = officers per day
4	Number of traffic officers on duty on an average day	8 – Early Shift 8 – Late Shift 16 = officers per day	11 – Testing Station 5 – Shift One 6 – Shift Two 22 = officers per day	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 = officers per day

3.26.4 Major Projects Completed

- Smoke alarm project: Installation of smoke alarms in the informal settlements of Paarl East, Mbekweni and Simondium respectively.
- Stakeholder engagement: A Memorandum of Understanding entered and signed by Drakenstein Farm Watch and Cape Winelands District for their important role they play in community safety.
- DSSN: An integral partner for the establishment of a Centralised Control Centre located at 60 Breda Street and the phased-in approach is still ongoing.

3.26.5 Operating Expenditure

Fire and disaster management services, as a community service, generated an operating deficit of R42.7 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 104: Operating Revenue and Expenditure: Fire and Disaster Management Services

Operating Revenue and Expenditure: Fire and Disaster Management Services						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(399,467)	(435,000)	(135,000)	(201,081)	48.9%
2	Total Operating Revenue	(399,467)	(435,000)	(135,000)	(201,081)	48.9%
3	Employee related costs	40,055,759	41,705,300	40,254,288	41,130,447	-2.2%
4	Contracted services	332,194	382,676	364,518	234,478	35.7%
5	Depreciation and amortisation	204,886	219,308	219,308	226,648	3.3%
6	Inventory consumed	1,152,357	795,606	417,407	367,983	11.8%
7	Operational Costs and Losses	869,337	1,005,528	934,794	892,341	4.5%
8	Total Operating Expenditure	42,614,533	44,108,418	42,190,315	42,851,897	-1.6%
9	Operating (Surplus) / Deficit	42,215,066	43,673,418	42,055,315	42,650,816	1.4%

3.26.6 Employee Statistics

The Fire and Disaster Management Section has 176 posts on the organisational structure approved by Council on 30 June 2022 of which 90 posts are frozen and 86 posts funded at year-end. The section had 78 filled posts at year-end and based on the number of vacancies (8) had a 9.3% vacancy rate.

3.29.2 Service Delivery levels

All agendas are in terms of the approved Standard Operating Procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

3.29.3 Capital Expenditure

The Executive and Council section spent R55.1 thousand or 75.6% of the final adjustments budget on executive and council infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 112: Capital Expenditure 2021/22 - Executive and Council

Capital Expenditure 2021/22: Executive & Council Support					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	72 787	55 050	24,4%
2	Total Capital Expenditure	-	72 787	55 050	24,4%

3.29.4 Major Projects Completed

In order to promote virtual political meetings, all councillors have been given access to electronic platforms to facilitate virtual meetings.

3.29.5 Operating Expenditure

Executive and Council generated an operating deficit of R135.6 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

3.30 FINANCIAL SERVICES

The major key performance area is the focus on long-term financial sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short-, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

The debtors' payment period for the 2021/22 financial year (before considering the provision for impairment) was 61.8 days, which is below the targeted number of 70 days. The number of days for the 2020/21 financial year (before considering the provision for impairment) was 64.5 days, which is below the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) increased to 44.3 days at 30 June 2022 compared with the to 41.1 days as at 30 June 2021. The Municipality's debtors' collection period in days (before impairment) decreased by 2.7 days and the Municipality's debtors' collection period in days (after impairment) regressed by 3.2 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the increasing external loan debt of Council, which amounted to 62.3% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2021/22 financial year. Although Council policy wise has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme in prior years. It is envisaged that the gearing ratio will decrease to about 54.9% in the 2022/23 financial year and to about 32.3% in accordance with the Long Term Financial Plan by the 2026/27 financial year.

3.30.1 Service Statistics

Table 115: Debt Recovery

Debt Recovery							
Serial No.	Revenue Service	2020/21 (R'000)			2021/22 (R'000)		
		Billed	Collected	% Collection Rate	Billed	Collected	% Collection Rate
Column Ref.	A	B	C	D	E	F	G
1	Property Rates	347,999	322,242	92.6%	521,799	511,065	97.9%
2	Electricity	1,072,406	1,013,015	94.5%	1,113,577	1,095,399	98.4%
3	Water	158,513	164,884	104.0%	190,284	171,933	90.4%
4	Sanitation	121,786	112,442	92.3%	158,353	149,916	94.7%
5	Refuse	127,660	119,386	93.5%	191,944	178,367	92.9%
6	Other	82,439	186,533	226.3%	5,248	3,243	61.8%
7	Totals	1,910,803	1,918,502	100.4%	2,181,206	2,109,922	96.7%

3.30.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.30.3 Capital Expenditure

The Financial Services Department spent R848.8 thousand or 80.9% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 116: Capital Expenditure 2021/22 - Financial Services

Capital Expenditure 2021/22: Financial Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Computer Hardware	-	626 336	625 985	0,1%
2	Computer Equipment	-	184 288	184 288	0,0%
3	Other Capital Projects	-	238 546	38 546	83,8%
4	Total Capital Expenditure	-	1 049 170	848 819	19,1%

3.30.4 Major Projects Completed

No major capital projects were completed in the Department of Financial Services.

3.30.5 Operating Expenditure

Financial Services, as a support service, generated an operating surplus of R377.5 million for the 2021/22 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

Table 117: Operating Revenue and Expenditure: Financial Services (Procurement Services excluded)

Operating Revenue and Expenditure: Financial Services (Procurement Services excluded)						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(424,645,078)	(430,080,298)	(446,193,323)	(470,466,935)	5.4%
2	Total Operating Revenue	(424,645,078)	(430,080,298)	(446,193,323)	(470,466,935)	5.4%
3	Employee related costs	56,772,885	60,804,443	61,102,344	58,938,006	3.5%
4	Impairment losses on financial assets	3,382,241	8,264,706	5,764,706	807,770	86.0%
5	Interest paid	-	0	0	0	0.0%
6	Contracted services	4,888,476	4,494,585	3,974,660	3,842,705	3.3%
7	Depreciation and amortisation	695,368	754,489	754,489	724,678	4.0%
8	Inventory consumed	1,123,705	1,545,185	1,972,363	1,643,103	16.7%
9	Operational Costs and Losses	27,132,923	28,602,532	28,524,332	27,031,139	5.2%
10	Total Operating Expenditure	93,995,598	104,465,940	102,092,894	92,987,401	8.9%
11	Operating (Surplus) / Deficit	(330,649,480)	(325,614,358)	(344,100,429)	(377,479,534)	9.7%

3.30.6 Employee Statistics

The Financial Services Department (Procurement Services Division excluded) has 215 posts on the organisational structure approved by Council on 30 June 2022 of which 146 approved posts was funded. The section had 131 filled posts at year-end and based on the number of vacancies (15) had a 10.3% vacancy rate.

Table 118: Employees - Financial Services (Procurement Services Excluded)

Employees: Financial Services (Procurement Services Excluded)								
Serial No.	Job Level	2020/21	2021/2022					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	2	2	0	2	2	0	0.0%
2	T15 - T17	3	5	0	5	4	1	20.0%
3	T12 - T14	14	23	9	14	13	1	7.1%
4	T09 - T11	2	7	2	5	2	3	60.0%
5	T06 - T08	71	116	41	75	67	8	10.7%
6	T03 - T05	42	62	17	45	43	2	4.4%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	134	215	69	146	131	15	10.3%

3.31 HUMAN RESOURCE SERVICES

The Human Resources Division consists of four sections namely, Training and Development, Personnel administration, Benefits and Recruitment services, Labour Relations, OHS and Employee Assistance services and Organisational Efficiency services. The total number of current staff is thirty five.

The Human Resources Section coordinated the appointment of 99 employees inclusive of seasonal workers and promotions. The Municipality is committed to the principles of employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves. The Municipality also recognises the skills that our internal staff possesses hence it has embarked on a process of promoting internal staff through advertising some posts internally.

The HR Division has driven the Staff Optimisation process to ensure that skills are utilised effectively from one department to the other. We are still embarking and encourage departments to be effectively involved in promoting Succession Planning, coaching and mentoring and transferral of skills. We believe in capacitating staff, as a result when the LGSETA offered HR study opportunities, we registered our **interested officials**. We have seven staff members are studying towards a qualification in Human Resources.

HR is continuously playing a vital role in terms of the Extended Public Works Programme by assisting various departments by creating all appointed EPWP employees on the HR/Payroll System, we also provide them with the UI19 forms when their contracts end so that they can go and register as unemployed with the department of Home Affairs.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of

Properties for which final approval was granted from 1 July 2021 – 30 June 2022			
Serial No.	Properties sold	To	Purpose
Column Ref	A	B	C
6	Remainder Erf 4403 Wellington	Beveratech Properties (Pty) Ltd	For consolidation with existing property/expansion of existing business premises
7	Portion of Erf 13259, Paarl	Qweli Developers (Pty) Ltd	Commercial/Industrial

Table 127: Properties leased

Serial No	Properties leased	To	Purpose
Column No.	A	B	C
1	Erf 19511 Berlyn Street	Berlyn Sentrum PTY(LTD)	Parking
2	Erven 123 &124 Hermon	Wi-fi Africa (Isizwe)	Free Wifi
3	Erf 3952 Paarl	IEC	Office space
4	Portion of erf 29318 Paarl	Gratefullness Soup Kitchen	Soup Kitchen

3.33.2 Service Delivery Levels

Service delivery levels are determined in the Standard Operating Procedures for every key activity or service being rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.33.3 Capital Expenditure

The Property Services Section spent R1.2 million or 112.6% of the final adjustments budget on municipal property infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 128: Capital Expenditure 2021/22 - Property Services

Capital Expenditure 2021/22: Property Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Corporate Facility Aircons	250,000	446,213	446,213	0.0%
2	Renovation to Market Street Building	-	328,668	328,668	0.0%
3	Buildings: Upgrade of Civic Centre	-	-	131,174	0.0%
4	Network Points	-	120,164	120,164	0.0%
5	Bar Fence at Wellington Museum	-	117,472	117,472	0.0%
6	Other Capital Projects	1,000,000	25,884	25,883	0.0%
7	Total Capital Expenditure	1,250,000	1,038,401	1,169,572	-12.6%

3.33.4 Major Projects Completed

The Facilities and Building Maintenance section is responsible for the maintenance of Corporate Buildings and offices, as well as maintaining the Municipality's leased properties. This maintenance and upgrades are financed through the capital and operational budgets. Table 129 below reflects the capital projects completed, and table 130 below the maintenance done from the operational budget.

Table 129: Capital and Maintenance Projects

Capital, Operational and Maintenance Projects		
Serial No.	Project Description	Rand
Column Ref.	A	B
1	Paarl Townhall gutters - Supply and install	75,376.00
2	Supply and install blinds - Civic Centre	19,253.00
3	Network points at Mill Street and IT	15,000.00
4	UPS system for Paarl Tourism Building	57,000.00
5	Construction of a Soup Kitchen Ward 25	92,140.42
6	Construction of new roof at Bergendal Library	189,033.36
7	Councill chambers - Replace downlights	R15 500,00
8	Directional signs - Supply and install	R13 472,00
9	Electric DB board for new aircons - 60 Breda	R195 100,00
10	Nedbank move project	R1 100 000,27
11	Civic Centre Waterproofing project	R949 171,48
12	Nedbank maintenance project	R418 984,71
13	Fire remedial work on existing partitioning walls at Markets Street building	R191 687,50
14	Upgrading of main stores building phase 1	R1 191 530,97

3.33.5 Operating Expenditure

Property services, as a community service, generated an operating deficit of R31.3 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

The IRM Section is responsible for the risk management function at Drakenstein Municipality through a process of facilitation and providing advice to all stakeholders.

The IRM section is also responsible for the Combined Assurance function and during the 2021/22 Financial year the Business Continuity function was added.

The FRM Section is based on four pillars, Prevention, Detection, Investigation and Feedback with regards to lessons learned.

3.35.1 Service Statistics

A Fraud and Risk Management Committee (FARMCO) meeting, providing an oversight over the division's function, is scheduled for each quarter of the financial year and took place as scheduled.

A total of 26 Risk Champions were nominated from current employment during the 2017/18 financial year and formally appointed. Training was provided by a representative of the Governance Department of Provincial Government and follow up training provided by the IRM Section.

One Annual Risk Identification and Assessment Workshop was performed for each of the five directorates and four divisions reporting to the City Manager, to compile a register where tactical risks were identified. Quarterly risk assessment updates were performed with the above directorates and divisions.

The Strategic Risk Register is revised towards on an annual basis at the strategy session during the first Quarter of each calendar year.

3.35.2 Service Delivery Levels

All of the Division's service levels were fully complied with.

3.35.3 Capital Expenditure

The Risk Management Services Section had **no** capital projects for the 2021/22 year.

3.35.4 Major Projects Completed

The revised Combined Assurance Policy as well as the first Business Continuity policy were approved by Council in the 2021/22 financial year.

Further to that a comprehensive Business Continuity plan was drafted.

3.38 OTHER ADMINISTRATIVE SECTIONS

Other Administrative sections comprise all other sections providing support to various Directorates across the Municipality.

3.38.1 Operating Expenditure

Other Administrative Sections generated an operating deficit of R48.1 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 142: Operating Revenue and Expenditure: Other Administrative Sections

Operating Revenue and Expenditure: Other Administration						
Serial No.	Description	2020/21 Actual Results	2021/22			Positive / (Negative) % Variance Between Column D & E
			Original Approved Budget	Final Adjustments Budget	Actual Results	
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(5,282,241)	(2,364,200)	(2,506,200)	(1,887,361)	-24.7%
2	Total Operating Revenue	(5,282,241)	(2,364,200)	(2,506,200)	(1,887,361)	-24.7%
3	Employee related costs	49,471,809	52,274,103	52,255,347	51,316,659	1.8%
4	Contracted services	2,097,008	4,626,465	4,544,163	3,562,725	21.6%
5	Depreciation and amortisation	1,603,355	2,131,018	2,131,018	1,755,776	17.6%
6	Inventory consumed	814,150	1,255,499	1,087,619	1,626,470	-49.5%
7	Operational Costs and Losses	4,292,678	5,808,629	5,496,194	4,654,385	15.3%
8	Total Operating Expenditure	58,279,000	66,095,714	65,514,341	62,916,014	4.0%
9	Operating (Surplus) / Deficit	52,996,759	63,731,514	63,008,141	61,028,653	-3.1%

3.39 INTERNAL AUDIT

3.39.1 Operating Expenditure

Internal Audit generated an operating deficit of 9.2 million for the 2021/22 financial year. The deficit is subsidised with the surpluses made by trading services.

4. ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

4.1 INTRODUCTION

One major role that the Human Resources is tasked with is to ensure that employees are looked well after and that their morale is enhanced on a continuous basis. The following programmes are implemented annually but some could unfortunately not be implemented due to COVID-19:

- Women's Day;
- Employee Excellence Awards;
- Christmas decorations; and
- Mandela Day.

Only the following mentioned programmes could be implemented in 2021/22:

- Internal and External Bursaries;
- Long Service Ceremony; and
- Employee Assistance Program.

The Employee Assistance Program provides access to professional counselling services for its employees and those in need of professional assistance are encouraged to use the program. The EA programme also implements Trauma Debriefing for employees exposed to traumatic incidents whilst on duty and offers an Addiction Support Group to all employees that have completed their rehabilitation programme.

4.2 TOTAL EMPLOYMENT

The total number of employees at the end of June is 1,705 and we have filled 99 positions in the financial year 2020/21. Terminations were mainly due to pensioners, death and very few dismissals.

4.2.1 Employee Totals per GFS Classification

The total number of employees (1,706) at the end of the 2021/22 financial year is depicted per GFS classification or functional area in the table below. The organisational structure approved by Council on 30 June 2022 provides for 1,931 posts taking Drakenstein's future growth into consideration. The number of budgeted vacant positions is 225 and the number

of frozen posts is 1,721. The vacancy rate of 11.7% as at the end of the 2021/22 financial year, based on only budgeted positions.

Table 145: Total Employees per GFS Classification

Total Employees per GFS Classification								
Serial No.	Description of Departments/Divisions	2020/21		2021/2022				Vacancy Rate
		Number of Employees	Number of Approved Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	
Column Ref.	A	B	C	D	E	F	G	H
1	Water Services	78	183	98	85	76	9	10.6%
2	Wastewater (Sanitation) Services	118	193	70	123	112	11	8.9%
3	Electricity Services	132	242	97	145	129	16	11.0%
4	Waste Management	127	341	209	132	118	14	10.6%
5	Housing (Human Settlements and Rental Stock (Rural Development Excluded))	70	141	69	72	65	7	9.7%
6	Roads and Stormwater	158	262	101	161	153	8	5.0%
7	Planning Services	47	82	31	51	45	6	11.8%
8	Economic Growth	7	13	5	8	7	1	12.5%
9	Library Services	72	130	54	76	68	8	10.5%
10	Cemeteries and Crematoria	24	44	22	22	19	3	13.6%
11	Community Halls, Facilities & Thusing Centres	62	82	19	63	62	1	1.6%
12	Child Care, Aged Care & Social Programmes	7	8	1	7	5	2	28.6%
13	Environmental Management	5	17	11	6	5	1	16.7%
14	Biodiversity and Landscaping (Parks)	153	340	183	157	149	8	5.1%
15	Traffic, Licensing and Law Enforcement	111	320	207	113	107	6	5.3%
16	Fire and Disaster Management	81	176	90	86	78	8	9.3%
17	Sport and Recreation	69	204	83	121	64	57	47.1%
18	Executive and Council Support	11	11	0	11	11	0	0.0%
19	Financial Services	134	215	69	146	131	15	10.3%
20	Human Resources	35	66	31	35	35	0	0.0%
21	ICT Services	11	15	4	11	9	2	18.2%
22	Property Services	0	0	0	0	0	0	N/A
23	Legal and Administrative Services (Legal Services and Property Administration)	12	20	8	12	9	3	25.0%
24	Risk Management	3	6	3	3	3	0	0.0%
25	Procurement Services	43	63	16	47	40	7	14.9%
26	Other	203	478	240	238	206	32	13.4%
27	Sub-Total	1,773	3,652	1,721	1,931	1,706	225	11.7%
28	Finance Interims					2		
29	Total	1,773	3,652	1,721	1,931	1,708	225	11.7%

4.2.2 Employee Vacancy Rate per Occupational Level

The Municipality filled a significant number of priority vacancies across all departments in the 2021/22 financial year. The vacancy rate for funded positions is 13.0% for the financial year reflected below.

Table 146: Employee Vacancy Rate per Occupational Level

Vacancy Rate per Occupational Level 2021/2022									
Serial No.	Designation	Total number of approved posts	Vacancies (approved posts)	Vacancy rate (approved posts)	Number of Frozen posts (unfunded)	Number of Approved Budgeted Posts	Number of Employees (Filled Vacancies)	Number Budgeted Vacancies (Unfilled Vacancies)	Vacancy rate (budgeted posts)
Column Ref.	A	B	C	D	E	F	G	H	I
1	City Manager	1	0	0%	0	1	1	0	0%
2	CFO	1	0	0%	0	1	1	0	0%
3	Section 57 Managers	4	0	0%	0	4	3	1	25%
4	Senior Management: Levels 16 - 18	74	25	34%	20	54	49	5	9%
5	Senior Management: Levels 13 - 15	126	51	40%	45	81	75	6	7%
6	Highly skilled supervision: Levels 9 - 12	773	489	63%	441	332	284	48	14%
7	Total	979	565	58%	506	473	413	60	13%

Table 148: Employment Equity Targets/Actuals by Race Classification

Employment Equity Targets/Actuals by Race Classification				
Serial No.	2021/22			
	Race Classification	Overall Target (as per 5 year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	African	759	459	60.47%
2	Coloured	1,417	1,120	79.04%
3	Indian	4	8	200.0%
4	Whites	517	118	22.82%
5	Total	2,697	1,705	63.22%

4.3.2 Employment Equity Targets/Actuals by Gender Classification

Table 149: Employment Equity Targets/Actuals by Gender Classification

Employment Equity Targets/Actuals by Gender Classification				
Serial No.	2021/22			
	Gender Classification	Overall Target (as per 5 year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	Male	1,384	1,095	79.11%
2	Female	1313	610	46.45%
3	Total	2,697	1,705	63.21%

4.3.3 Employment Equity by Race and Gender within Occupational Levels

The overall number of employees by race and gender within the occupational levels at year-end are depicted in the table below.

Table 150: Number employees by Race and Gender within the Occupational Levels

Number of Employees by Race and Gender within the Occupational Levels											
Occupational Level Description	Male					Female					Grand Totals
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	0	3	0	2	5	0	1	0	0	1	6
Senior Management	4	10	0	14	28	7	8	0	3	18	46
Professionally qualified and experienced specialists and mid-management.	7	37	1	11	56	4	14	1	7	26	82
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	19	114	2	30	165	18	41	0	15	74	239
Semi-skilled and discretionary decision making	100	319	1	13	433	72	215	1	12	300	733
Unskilled and defined decision making	146	252	2	8	408	82	106	0	3	191	599
Total Employees	276	735	6	78	1,095	183	385	2	40	610	1,705

Table 160: Skills Development – Budget Allocation

Serial No.	Financial Year	Allocated Budget	Actual Expenditure	% Expenditure
Column Ref.	A	B	C	D
1	2019/2020	R925,000	R412,233	44.57%
2	2020/2021	R1,100,000	R781,525	71.05%
3	2021/2022	R700,452.00	R700,406.22	99.99%

Serial No.	Item	Allocated Budget	Actual Expenditure	Balance
Column Ref.	A	B	C	D
1	Training Vote Number 2021/22	R700,452.00	R700,406.22	R45.78
2	External Bursaries 2021/22	R400,000.00	R268,655.97	R131,344.03
3	Rural Bursaries 2021/22	R400,000.00	R71,679.97	R328,320.03
4	Internal Bursaries 2021/22	R400,000.00	R315,420.00	R84,580.00
5	Professional Bodies Affiliation and Annual Membership	R100,000.00	R30,879.44	R69,120.56

4.5.4 MFMA Minimum Competencies

Twenty-five (25) municipal officials must achieve the prescribed competencies. Eighteen (18) officials comply with the regulations, one scheduled for training and six posts are vacant.

Table 161: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [Regulation 14(4)(b) and (d)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [Regulation 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [Regulation 14(4)(e)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	3
5	Any other Financial Officials	66	0	66	66	66	47
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	2	0	2	2	2	2
9	Total	75	0	75	75	75	55

It is clear from the above that the total workforce expenditure as a percentage of the total actual operating expenditure has fluctuated over the last three financial years from 28.7 to 30.1% to 27.4%. This percentage is well within National Treasury's norm of 25% to 40% and will steadily rise over the next few years to Drakenstein's target of about 30%.

4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2020/21 and 2021/22 years is depicted in the table below. Salaries and wages have increased with **R3,402,939** year-on-year.

Table 162: Personnel Expenditure per Line Item

Personnel Expenditure per Line Item					
Serial No.	Description	2020/21 Actual Expenditure	2021/22 Actual Expenditure	Variance Amount	Variance %
Column Ref.	A	B	C	D	E
1	Salaries and Wages	472,757,047	481,502,170	8,745,123	1.8%
2	Salaries	472,757,047	481,502,170	8,745,123	1.8%
3	Other Allowances and contributions	201,899,119	206,939,663	5,040,544	2.5%
4	Social contributions - UIF, pensions and medical aid etc.	108,654,250	112,508,161	3,853,911	3.5%
5	Travel, accommodation and other allowances	29,048,647	29,210,676	162,029	0.6%
6	Housing benefits and allowances	4,194,525	3,501,891	(692,634)	-16.5%
7	Overtime payments	26,599,972	34,964,714	8,364,742	31.4%
8	Acting Allowance	1,872,146	1,710,542	(161,604)	-8.6%
9	Shift Allowance	2,291,930	2,290,229	(1,701)	-0.1%
10	Standby Allowance	9,232,642	9,645,665	413,023	4.5%
11	Night Shift Allowance	3,040,267	3,001,029	(39,238)	-1.3%
12	Cell Allowance	4,087,152	4,082,765	(4,387)	-0.1%
13	Workman Compensation	3,444,765	3,222,706	(222,059)	-6.4%
14	Contribution to leave reserve	1,819,097	1,799,186	(19,911)	-3.3%
15	Provision for TASK backpay	6,627,428	-	(6,627,428)	-100.0%
16	Provision for performance bonuses	986,298	1,042,099	55,801	5.7%
17	Defined Benefit Plan Expense:	38,377,549	27,994,821	(10,382,728)	-27.1%
18	Post Employment Health Care Benefits	30,311,532	18,490,023	(11,821,509)	-39.0%
19	Ex Gratia Pension Benefits	63,450	(145,274)	(213,724)	-312.2%
20	Long Service Awards	7,997,567	9,650,072	1,652,505	20.7%
21	Expenditure Recharged	-	-	-	
22	Expenditure Recharged to Capital	-	-	-	
23	Total Employee Related Costs	713,033,715	716,436,654	3,402,939	0.5%

4.7 DISCLOSURES OF FINANCIAL INTERESTS

Disclosures have been made by officials and Councillors concerning their financial interests, as required by Municipal Performance Regulations 805 of 2006 and are set out in Appendix I. No transgressions due to financial interests occurred.

5.4 GRANT PERFORMANCE

5.4.1 Grants received and its performance

Drakenstein utilised R321.2 million and 3.1% more than the R311.4 million allocated in the original budget.

Table 165: Operating and Capital Transfers and Grants

Serial No.	Description	Operating and Capital Transfers and Grant				2021/2022 Variance	
		2020/2021 Actual	2021/2022 Budget	2021/2022 Adjustment Budget	2021/2022 Actual	Original Budget (%)	Adjustment Budget (%)
Column Ref.	A	B	C	D	E	F	G
1	Operating Transfers and Grants						
2	National Government	275,019,067	254,832,000	254,832,000	254,831,998	0.00%	0.00%
3	Equitable share	187,332,000	171,259,000	171,259,000	171,259,000	0.00%	0.00%
4	IUDG	57,927,000	52,326,000	52,326,000	52,325,999	0.00%	0.00%
5	Finance Management Grant (FMG)	1,550,000	1,550,000	1,550,000	1,550,000	0.00%	0.00%
6	Electrification Grant (INEP)	17,000,000	18,315,000	18,315,000	18,315,000	0.00%	0.00%
7	Electricity demandside Grant	0	4,000,000	4,000,000	4,000,000	0.00%	0.00%
8	Expanded Public Works Grant (EPWP)	4,093,000	3,287,000	3,287,000	3,287,000	0.00%	0.00%
9	IIPSAS	3,022,068	0	0	0	0.00%	0.00%
10	Water Infrastructure	4,095,000	4,095,000	4,095,000	4,094,999	0.00%	0.00%
11	Provincial Department	89,522,413	46,796,766	46,796,766	46,023,624	-1.65%	-1.65%
12	Library Personnel	18,487,632	20,004,000	20,004,000	17,394,783	-13.04%	-13.04%
13	Community Development Workers	11,619	113,000	113,000	446,676	295.29%	295.29%
14	Kinston / Lantana	2,683,930	151,981	151,981	151,981	0.00%	0.00%
15	1068 Houses	139,555	0	0	49,919	0.00%	0.00%
16	Paarl East	1,185,332	52,296	52,296	52,296	0.00%	0.00%
17	Amstelhof	0	0	0	10,348	0.00%	#DIV/0!
18	Chester Williams, Lovers Lane	0	241,231	241,231	124,700	-48.31%	-48.31%
19	Finance Management Support	0	1,000,000	1,000,000	931,383	-6.86%	-6.86%
20	Proclaimed Roads	57,247,999	17,591,909	17,591,909	17,498,009	-0.53%	-0.53%
21	Mbkweni Thusong Centre	150,000	343,332	343,332	343,332	0.00%	0.00%
22	Schoongezicht	8,118,345	2,597,017	2,597,017	4,452,796	71.46%	71.46%
23	Employee Bursaries	0	250,000	250,000	242,035	-3.19%	-3.19%
24	Public Employment	0	2,000,000	2,000,000	2,000,000	0.00%	0.00%
25	Sport Development	0	900,000	900,000	899,906	0.00%	0.00%
26	Capacity Building	0	0	0	0	0.00%	0.00%
27	Greenest Town Award	260,000	0	0	0	0.00%	0.00%
28	Accelerated Housing	238,000	252,000	252,000	125,460	-50.21%	-50.21%
29	Rsep	1,000,000	1,300,000	1,300,000	1,300,000	0.00%	0.00%
30	Other Grants	5,374,116	5,004,170	5,004,170	4,335,430	-13.36%	-13.36%
31	Training Grant	705,178	1,251,693	1,251,693	864,535	-30.93%	-30.93%
32	Neumarkt	0	3,752,477	3,752,477	3,470,894	-7.50%	-7.50%
33	OR Thambo Emergency Kits	1,815,250	0	0	0	0.00%	0.00%
34	De Kraal	2,853,688	0	0	0	0.00%	0.00%
35	District Municipality	1,647,001	6,226,000	6,226,000	5,545,047	-10.94%	-10.94%
36	Cape Winelands	460,000	6,226,000	6,226,000	5,545,047	-10.94%	-10.94%
37	COVID 19	1,187,001	0	0	0	0.00%	0.00%
38	Other grant providers	32,186,870	10,448,667	10,448,667	10,448,667	0.00%	0.00%
39	Le Parc Estate	1,411,776	0	0	0	0.00%	0.00%
40	Jan van Riebeeck Drive	340,623	0	0	0	0.00%	0.00%
41	Lady Blake	28,588	0	0	0	0.00%	0.00%
42	Newton Development	798,884	0	0	0	0.00%	0.00%
43	The Acres	5,570,175	0	0	0	0.00%	0.00%
44	ChurchStreet Developments	96,613	0	0	0	0.00%	0.00%
45	Vlakkeland	23,940,211	0	0	0	0.00%	0.00%
46	Wind Park	0	196,238	196,238	196,238	0.00%	0.00%
47	Cummings Street	0	105,790	105,790	105,790	0.00%	0.00%
48	Val De Vie Estate	0	4,340,906	4,340,906	4,340,906	0.00%	0.00%
49	Newton	0	138,087	138,087	138,087	0.00%	0.00%
50	Bainskloof Pass	0	464,697	464,697	464,697	0.00%	0.00%
51	Wemmershoek Road (R301) and Minor Lustigan Road	0	542,985	542,985	542,985	0.00%	0.00%
52	BRB/ Cecilia Street Intersection	0	654,013	654,013	654,013	0.00%	0.00%
53	Cecilia Street	0	3,854,001	3,854,001	3,854,001	0.00%	0.00%
54	Cape Winelands District Municipality (Fire Equipment)	0	151,950	151,950	151,950	0.00%	0.00%
55	Total Operating Transfers and Grants	403,749,467	323,307,604	323,307,604	321,184,766	-0.7%	-0.7%

5.4.2 Grants received from sources other than DoRA

Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R66.4 million compared with the R131.8 million of the 2020/21 financial year.

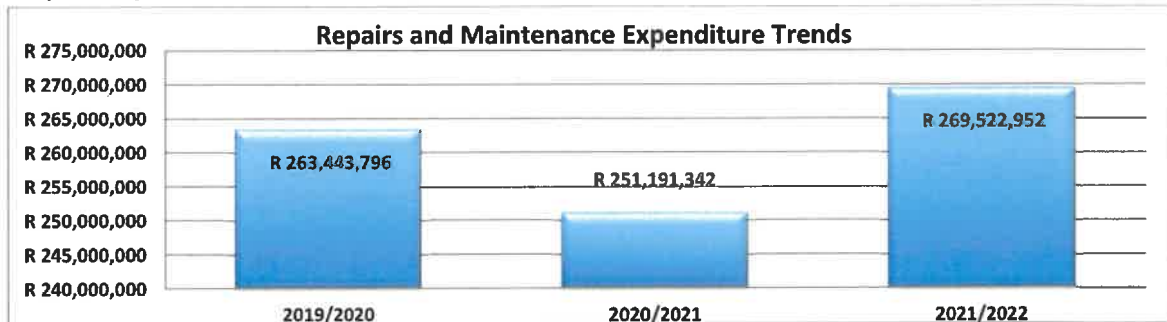
Table 166: Grants received from sources other than the Division of Revenue Act (DoRA)

Grants received from sources other than Division of Revenue Act (DORA)			
Serial No.	Description	2020/2021	2021/2022
		Actual	Actual
Column Ref.	A	B	C
1	Grants other than from DORA		
2	Provincial Department	89,522,413	46,023,624
3	Library Personnel	18,487,632	17,394,783
4	Community Development Workers	11,619	446,676
5	Kingston / Lantana	2,683,930	151,981
6	1068 Houses	139,555	49,919
7	Paarl East	1,185,332	52,296
8	Amstelhof	0	10,348
9	Chester Williams, Lovers Lane	0	124,700
10	Finance Management Support	0	931,383
11	Proclaimed Roads	57,247,999	17,498,009
12	Mbekweni Thusong Centre	150,000	343,332
13	Schoongezicht	8,118,345	4,452,796
14	Employee Bursaries	0	242,035
15	Public Employment	0	2,000,000
16	Sport Development	0	899,906
17	Capacity Building	0	0
18	Greenest Town Award	260,000	0
19	Accelerated Housing	238,000	125,460
20	Rsep	1,000,000	1,300,000
21	Other Grants	8,396,184	4,335,430
22	Traning Grant	705,178	864,535
23	Neumarkt	0	3,470,894
24	OR Thambo Emergency Kits	1,815,250	0
25	De Kraal	2,853,688	0
26	IIPSAS	3,022,068	0
27	District Municipality	1,647,001	5,545,047
28	Cape Winelands	460,000	5,545,047
29	COVID 19	1,187,001	0
30	Other grant providers	32,186,870	10,448,667
31	Le Parc Estate	1,411,776	0
32	Jan van Riebeeck Drive	340,623	0
33	Lady Blake	28,588	0
34	Newton Development	798,884	0
35	The Acres	5,570,175	0
36	ChurchStreet Developments	96,613	0
37	Vlakkeland	23,940,211	0
38	Wind Park	0	196,238
39	Cummings Street	0	105,790
40	Val De Vie Estate	0	4,340,906
41	Newton	0	138,087
42	Bainskloof Pass	0	464,697
43	Wemmershoek Road (R301) and Minor Lustigan Road	0	542,985
44	BRB/ Cecilia Street Intersection	0	654,013
45	Cecilia Street	0	3,854,001
46	Cape Winelands District Municipaity (Fire Equipment)	0	151,950
47	Total Operating Transfers and Grants	131,752,468	66,352,768

5.5 REPAIRS AND MAINTENANCE EXPENDITURE

From the chart below, it can be seen that the investment in repairs and maintenance costs has substantially decreased from R263.4 million in the 2019/20 to R251.2 million in the 2020/21 financial year before increasing to R269.5 million. The repairs and maintenance costs of R269.5 million represents 10.3% of the total operating expenditure of R2.604 billion for the year under review.

Graph 8: Repairs and Maintenance Expenditure Trends



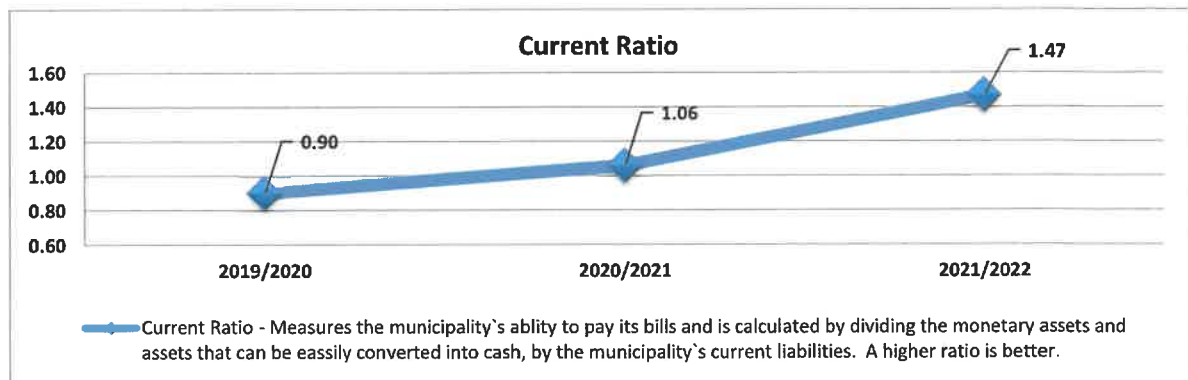
5.6 FINANCIAL RATIOS

The following section reflects the key financial ratios.

5.6.1 Current Ratio

The Current Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows an upwards trend over the three years under review and the Municipality had a ratio of 1.47:1 in the 2021/22 financial year.

Graph 9: Current Ratio



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 INTRODUCTION

As depicted in the report, R221.6 million or 92.7% of the final capital adjustments budget amount of R239.1 million was spent during the year under review.. More information on the type of infrastructure spent will now be discussed below.

5.8 CAPITAL EXPENDITURE

The following three tables depict the information on capital spent on basic services, social services and operational services.

5.8.1 Capital Expenditure on Basic Services Infrastructure

An amount of R115.6 million was invested in basic services infrastructure (electricity, water, waste water, refuse, roads and stormwater) which represents 92.2% of the R125.3 million allocated for basic services infrastructure in the final adjustments budget.

Table 167: Capital Expenditure on Basic Services Infrastructure

Capital Expenditure 2021/22: Basic Services and Road Infrastructure							
Serial No.	Capital Project Description	Actual 2020/21	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Basic Services and Road Infrastructure	153,074,799	89,518,981	125,300,349	115,584,383	-29.1%	7.8%
2	Total Capital Expenditure	153,074,799	89,518,981	125,300,349	115,584,383	-29.1%	7.8%

5.8.2 Capital Expenditure on Social Infrastructure

An amount of R21.7 million was invested in social infrastructure which represents 92.2% of the R23.6 million allocated for social infrastructure in the final adjustments budget.

Table 168: Capital Expenditure on Social and Economical Infrastructure

Capital Expenditure 2021/22: Social and Economical Infrastructure							
Serial No.	Capital Project Description	Actual 2020/21	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Social and Economical Infrastructure	44,442,520	19,211,088	23,569,787	21,726,636	-13.1%	7.8%
2	Total Capital Expenditure	44,442,520	19,211,088	23,569,787	21,726,636	-13.1%	7.8%

5.9.1 Grants

Grants, as depicted in the table above, amounted to R112.8 million or 72% of the total capital expenditure of R157.1 million for the year under review. This is less than the R143.7 million or 65% of the total capital expenditure of R221.6 million for the 2021/22 financial year.

5.9.2 Own Revenue from CRR

Own revenue, as depicted in the table above, amounted to R44.3 million or 28% of the total capital expenditure of R157.1 million for the year under review. This is less than the R77.9 million or 35% of the total capital expenditure of R221.6 million for the 2020/21 financial year.

5.9.3 External Borrowings

No capital expenditure was funded from external borrowings, as no new loans were taken up.

5.9.3.1 Gearing Ratio

The gearing ratio stood at 62.3% at year-end as depicted in the graph below. This is based on total revenue excluding conditional capital and operating expenditure grants. During 2019/20 the majority of ten year external loans were restructured, as it had become unaffordable for Drakenstein to service these loans in the current economic climate. Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next four financial years. This will assist in decreasing the gearing ratio to 54.9% (2022/23), 49.0% (2023/24) 43.3% (2024/25) 37.7% (2025/26) and 32.3% (2026/27) as depicted Graph 18 below. This will result that the gearing ratio decrease to below the National Treasury norm of 45% and within the 50% norm of Council's External Borrowing Policy by 2023/24.

5.14 BORROWINGS

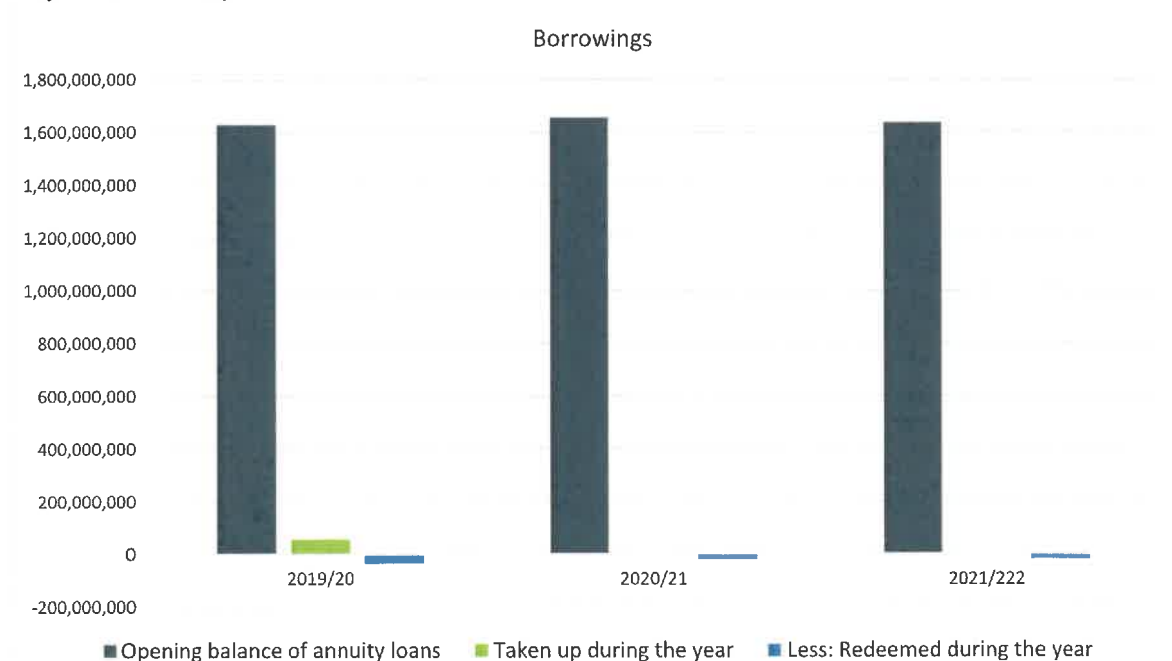
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

During the year, R18.6 million of principle debt was repaid.

Table 175: Actual Borrowings

Actual Borrowings as at 30 June 2022				
Serial No.	Annuity Loans	2019/20	2020/21	2021/22
Column Ref.	A	B	C	D
1	Opening balance of annuity loans	1,630,704,018	1,656,638,729	1,636,956,882
2	Taken up during the year	56,909,570	0	0
3	Less: Redeemed during the year	(30,974,859)	(19,681,847)	(18,555,870)
5	Closing Balance of Annuity Loans	1,656,638,729	1,636,956,882	1,618,401,012

Graph 19: Borrowings



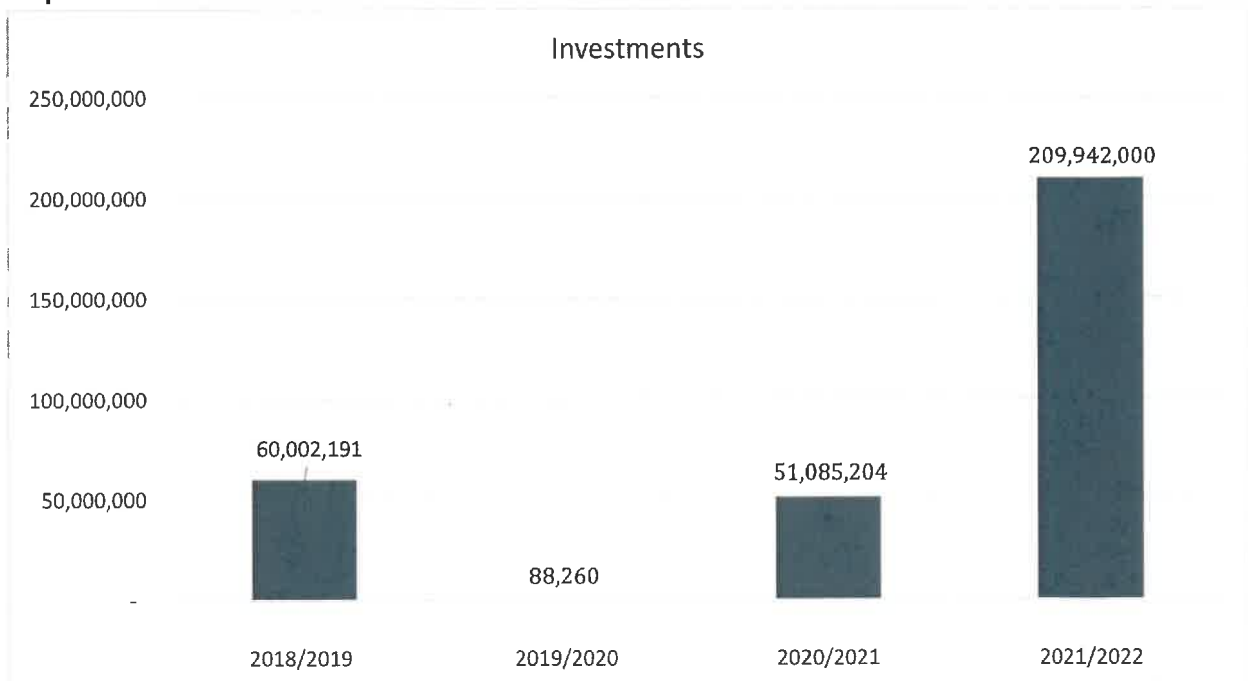
5.15 INVESTMENTS

Investments have increased since the previous financial year in line with the measures as set out for financial recovery in the long term financial plan.

Table 176: Municipal and Entity Investments

Municipal and Entity Investments				
Serial No.	Instrument	2019/2020	2020/2021	2021/2022
Column Ref.	A	B	C	D
1	Securities – National government	-	-	-
2	Listed Corporate Bonds	82,298	39,706	0
3	Deposits – Bank	5,963	51,045,498	209,942,000
4	Deposits – Public Investment Commissioners	-	-	-
5	Deposits – Corporation for Public Deposits	-	-	-
6	Bankers Acceptance Certificates	-	-	-
7	Negotiable Certificates of Deposit – Banks	-	-	-
8	Guaranteed Endowment Policies (sinking)	-	-	-
9	Repurchase Agreements – Banks	-	-	-
10	Municipal Bonds	-	-	-
11	Other	-	-	-
12	Municipality sub-total	88,260	51,085,204	209,942,000

Graph 20: Investments



5.16 PUBLIC PRIVATE PARTNERSHIPS

There were no public private partnerships during 2021/22.

6. AUDITOR-GENERAL AUDIT FINDINGS

The Annual Financial Statements as set out in Volume I and the Annual Performance Report as set out in Volume V was submitted to the Auditor-General on 31 August 2022. The Auditor-General performed their audit during the months of September 2022 to November 2022 and submitted their Auditor-General's Report (attached hereto as Volume II) as required by Section 126(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) to the Municipality on 30 November 2022.

COMPONENT A: AUDITOR-GENERAL OPINION ON 2021/22 FINANCIAL YEAR

6.1 AUDITOR-GENERAL REPORT FOR 2021/22

In the tables below the Auditor-General's opinion on the 2021/22 annual financial statements and other legal and regulatory matters are discussed.

6.1.1 Auditor-General report on the 2021/22 financial statements

Drakenstein Municipality for the 2021/22 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 178: Auditor-General Report on 2021/22 Financial Performance

Auditor-General Report on 2021/22 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.1.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 179: Auditor-General Report on 2021/22 Other Matters

Auditor-General Report on 2021/22 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings