



BREED VALLEY
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In your reply, please quote:

Reference:

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RE: REPRESENTATIONS SUBMITTED ON THE 2021/22 ANNUAL REPORT (FINAL DRAFT)

This memorandum serves to inform Council of all representations submitted on BVM's 2021/22 Annual Report (Final Draft) by members of society and/or stakeholders, particularly the Auditor-General of South Africa (AG), Provincial Treasury (PT) and Provincial Department of Local Government (DLG). As reference, Council should note the following pertaining to the call for representations on the 2021/22 Annual Report:

- On 25 November 2022, a copy of the 2021/22 Annual Report (First Draft) was circulated to the AG;
- On 8 December 2022, a public notice was published in the Worcester Standard sensitising all stakeholders that the 2021/22 Annual Report (First Draft) would be available for public representation on 12 December 2022;
- The abovementioned document was published on the municipal website on 12 December 2022 and subsequently open for public representation;
- On 14 December 2022, an updated version, titled 2021/22 Annual Report (Final Draft), was submitted to the AG, PT and DLG. This version contained internal quality reviewed inputs, MPAC inputs and all outstanding financial- and audit related information (inclusive of all annexures to the Annual Report). Apart from the addition of outstanding information, no significant amendments were made to the content of the report;
- On 15 December 2022, this version of the report was uploaded on the municipal website and distributed to all municipal town offices and libraries.

The information presented in the tables below, depict the representations received from various stakeholders on the 2021/22 Annual Report (First Draft and/or Final Draft):

- AG (Date Received: 15 December 2022):

AG Correspondence			Management Comment
Pages	Section	Comment	
28 and 29	1.4.4 Financial overview	the surplus does not equate to audited surplus of 51 Million	As agreed with the AG, the surplus amount does not have to be adjusted as it is trivial.
92	2.10.3 Deviations from normal procurement processes	Deviations as per afs note 50 is 23 mil but the annual report says 26mil	<p>In principle, management agrees with the AG. A decision was taken by management that all rate-based and "as-and-when needed" deviations must be reported with a zero amount against a line item to avoid under / over statement.</p> <p>The AR (section 2.10.3) has been amended accordingly.</p>



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109	3.4.1 Performance indicators set in the approved Top Layer SDBIP for 2021/22 per strategic objective	Page 109: TL30 was changed based on the COMAF issued, however no evidence was provided to confirm whether the change in the annual report went through the necessary processes.	A copy of the Council item/resolution, in which the amendment of TL30's description was recommended to- and subsequently approved by Council, will be submitted to the AG. In addition, proof of publication and circulation of the revised AR has been published on the website and was open for public comment until date and time of closure. This comment did not warrant a potential amendment to the AR.
161	3.7.17 Ward 17	Page 161: Formatting of "Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m) (CRR & CWD Grant)" is not consistent with the others in the table	The conversion from MS Word to PDF tends to skew the text formatting. As the matter is trivial, no amendment will be made to the AR.
179	3.10.6 Capital expenditure: Electricity services	Page 179: The total number in point 3.10 table is not straight	The cell/value formatting has been adjusted to improve the display of the cell value.
253	3.28.4 Service delivery indicators: Fire services and disaster management	The KPI name is not the same as the amended SDIBP. The SDIBP kpi name makes reference to 100 inspections but the annual report KPI name makes reference to 500	Management agrees that the KPI name has not been adjusted in the Amended SDBIP, which should've been done. However, the AG should be guided by the amendment of the actual target (from 100 to 500) within the same document (Council resolution C23/2022 for Council's reference). As the intention was to increase the target (which has been approved by Council), the description on the electronic performance management system and AR was aligned accordingly. Therefore, no further amendment will be made to the AR as the description is in line with the intended/revised target.

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325	Table 5,5,2	Total outstanding service debtors to revenue: Percentage has changed - cannot track to changes due to COMAFS	<p>In principle, management agrees with the AG. It should be noted that the initial ratio was calculated based on figures contained within a pre-audited set of annual financial statements (AFS). Upon conclusion of the audit, and publication of the final audited AFS, all financial information in chapter 5 (including the component in question) was updated and recalculated where applicable.</p> <p>The ratio pertaining to the comparative year (2020/21) was amended from 14.48% to 14.22% (in accordance with the final audited AFS).</p>
325	Graph	Graph still shows unchanged amounts	<p>The graph has been revised in accordance with the abovementioned amendment.</p>
330	Table 5,5,6	Table percentages changed	<p>In principle, management agrees with the AG. It should be noted that the initial calculations were based on figures contained within a pre-audited set of annual financial statements (AFS). Upon conclusion of the audit, and publication of the final audited AFS, all financial information in chapter 5 (including the component in question) was updated and recalculated where applicable.</p> <p>The % reported in the AR is correct, hence, no further amendment necessary.</p>
275	Table 3,36,2	Column 2020/21 summation error	<p>Management does not agree with the AG's comment. The total in the applicable column adds up to 9, which is correct. As a result, no amendments have been made to this component.</p>

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324	Table 5,5,1	Current Ratio has changed - cannot trace to a COMAF	W.r.t the current ratio please note COMAF 3 was issued for the ratio of the 2021/22 financial year. For the 2020/21 financial year the ratio should be 1.8262518, therefore the rounding is 1.83. The ratios have been correctly calculated and reported in the final audited AFS and AR.

- PT:
No representations received by date and time of closure.
- DLG:
No representations received by date and time of closure.
- The Community/Stakeholders of BVM and Other Stakeholders:
No representations received by date and time of closure.

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