

ITEM-OPSKRIF/ITEM HEADING

C29/2012 OVERSIGHT COMMITTEE: OVERSIGHT REPORT IN RESPECT OF THE 2010/2011 ANNUAL REPORT FOR THEEWATERSKLOOF MUNICIPALITY

R29/2012 OORSIGKOMITEE: OORSIGVERSLAG TEN OPSIGTE VAN DIE 2010/2011 JAARVERSLAG VIR THEEWATERSKLOOF MUNISIPALITEIT

[English version of the report is the original/ Engelse weergawe van die verslag is die oorspronklike]

LÊERNOMMER/FILE NUMBER

3/2/10/R

PURPOSE / AIM OF REPORT

To inform Council about the work of the Oversight Committee and to make a recommendation to Council as required in terms of Section 129(1) of the MFMA, Act 56 of 2003.

For purposes of considering this item, Councillors are requested to also refer to the Annual Report which was tabled on 25th January 2012.

DOEL VAN VERSLAG

Om die Raad in te lig omtrent die werk van die Oorsigkomitee en om 'n aanbeveling aan die Raad te doen soos vereis ingevolge Artikel 129(1) van die MFMA, Wet 56 van 2003.

Vir doeleindes van oorweging van hierdie item, word Raadslede versoek om ook te verwys na die jaarverslag wat op 25 Januarie 2012 ter tafel gelê is.

BACKGROUND

In terms of **Section 129(1)** the council of the municipality must **consider** the Annual Report of the municipality (and municipal entity under the municipality's sole and shared control), and must **adopt an Oversight Report** containing the council's comments on the Annual Report by no later than **two (2) months** from the date on which the Annual Report was tabled in the council. It must include a statement whether the council has:

- Approved the Annual Report with or without reservations;
- Rejected the Annual Report; or
- Referred the Annual Report for revision of those components that can be revised.

In terms of **Section 129 (2)** the Accounting Officer must:

- **Attend council and council committee meetings** where the Annual Report is discussed for the purpose of responding to questions concerning the report; and

- **Submit copies** of the Minutes of those Meetings to the Auditor-General, the relevant Provincial Treasury and the Provincial Department of Local Government.
- **Section 129 (3)** requires the accounting officer to **make public** an Oversight Report within seven (7) days of its adoption (in accordance with Section 21A of the Municipal Systems Act).

In terms of MFMA S127 (5): Immediately after the Annual Report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must-

(a) (i) make public the Annual Report; and
(ii) invite the local community to submit representations in connection with the Annual Report;

The Annual Report together with the Annual financial Statements was submitted to the combined Performance and Audit Committee on **12 January 2012** for consideration and comments.

The 2010/2011 Annual Report together with the Financial Statements was tabled at council on **25 January 2012** and advertised in the Grabouwer and KontreiNuus from 27 January 2012 to 24 February 2012 for public comment. Four additions were published inviting members of the public to submit written inputs. A copy of the advertisement is attached as **APPENDIX 1**.

A notice was placed in both the Grabouwer and kontreiNuus on 24 February 2012 highlighting the meeting scheduled of the Oversight committee and inviting the public to submit written inputs and/or present their inputs to the Oversight Committee at a public hearing scheduled for 09 March 2012. A copy of the advertisement is attached as **APPENDIX 2**.

MFMA 129 (4) -The National Treasury may submit guidelines on –

- (a) The manner in which the municipal councils should consider annual reports and conduct public hearings; and
(b) The functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

MFMA Circular Number 32 recommends the establishment of an Oversight Committee for the detailed analysis and review of the Annual Report, following its tabling in council, receiving and reviewing representations made by the public, inputs from councillors and council portfolio committees and then drafting an oversight report that may be taken to full council for discussion.

The members of the Oversight committee are as follows:

Councillors:

Chairperson: Cllr M Koegelenberg
Cllr J Hendriks
Cllr A Cupidu
Cllr M Plato
Cllr N Pieterse

External Member: Chairperson of the Audit Committee – Mr Lawrence

The Oversight Committee met on the following dates:

- 2nd March 2012 - pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report.
- 9th March 2012 - Public hearings – The local community and any organ of state were allowed to make representations on the annual report.
- 16th March 2012 - Preparation of the draft oversight report and formulation of Resolution, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors.

An Oversight Committee workshop was held on 19 January 2012 to discuss the terms of Reference of the Oversight Committee.

One written submission on the Annual report was received from Mr B du Toit.

Minutes of proceedings at each session/meeting held are attached as **APPENDICES 3.1, 3.2 and 3.3.**

AGTERGROND

Ingevolge **Artikel 129(1)** moet die raad van die munisipaliteit die Jaarverslag van die munisipaliteit (en munisipale entiteit onder die munisipaliteit se alleenlike en gedeeldebepaling) **oorweeg**, en nie later as **twee (2) maande** vanaf die datum waarop die Jaarverslag in die raad ter tafel gelê is, 'n **Oorsigverslag aanvaar** wat die raad se kommentaar oor die Jaarverslag insluit. Dit moet 'n verklaring insluit of die raad:

- Die Jaarverslag met of sonder voorbehoud goedkeur;
- Die Jaarverslag afkeur; of
- Die Jaarverslag terugverwys vir hersiening van daardie komponente wat hersien kan word.

Ingevolge **Artikel 129 (2)** moet die Rekenpligtige Beamppte:

- **Raads- en raadskomiteevergaderingsbywoon** waar die Jaarverslag bespreek word ten einde op vroeë tyd oor die verslag te reageer; en
- **Afskrifte** van die Notules van daardie Vergaderings aan die Ouditeur-generaal, die betrokke Provinsiale Tesourie en die Provinsiale Departement van Plaaslike Regering voorlê.
- **Artikel 129 (3)** vereis van die rekenpligtige beamppte om 'n Oorsigverslag **openbaar te maak** binne sewe (7) dae na aanvaarding daarvan (ooreenkomstig Artikel 21A van die Wet op Munisipale Stelsels).

Ingevolge MFMA Art.127 (5): moet die rekenpligtige beamppte van die munisipaliteit onmiddellik na tertafellegging van die Jaarverslag in die Raad ingevolge subartikel (2): -

- (i) die Jaarverslag openbaar maak; en
- (ii) die plaaslike gemeenskap nooi om verhoër te word oor die Jaarverslag te rig;

Die Jaarverslag tesame met die Jaarlikse Finansiële State is op **12 Januarie 2012** vir oorweging en kommentaar aan die gekombineerde Prestasie- en Ouditkomitee voorgelê.

Die 2010/2011 Jaarverslag tesamemet die Finansiële State is op **25 Januarie 2012** in die Raad ter tafel gelê en van 27 Januarie 2012 tot 24 Februarie 2012 vir openbare kommentaar in die GrabouwerenkontreiNuusgeadverteer. Die advertensie waarin lede van die publiek genooi is om skriftelike insette te lewer, is in vier uitgawes gepubliseer. 'n Afskrif van die advertensie word as **AANHANGSEL 1** aangeheg.

'n Kennisgewing is op 24 Februarie 2012 in die GrabouwerenkontreiNuusgeplaas waarin die geskeduleerde vergadering van die Oorsigkomitee bekend gemaak is en waarin die publiek uitgenooi is om skriftelike insette te lewer en/of hulle insette aan die Oorsigkomitee te lewer by 'n openbare verhoor wat vir 09 Maart 2012 geskeduleer is. 'n Afskrif van die advertensie word as **AANHANGSEL 2** aangeheg.

MFMA 129 (4) (*nie-amptelike vertaling*)- Nasionale Tesourie kan riglyne voorskryf –

- (a) Die wyse waarop munisipale rade jaarverslae moet oorweeg en openbare verhore moet hou; en
- (b) Die funksionering en samestelling van enige openbare rekeninge of oorsigkomitees wat deur die raad ingestel is om die raad by te staan om 'n jaarverslag te oorweeg.

MFMA Omsendbrief Nommer 32 beveel die daarstel van 'n Oorsigkomitee aan vir die gedetailleerde ontleding en hersiening van die Jaarverslag na tertafellegging daarvan in die raad, die ontvangs en oorweging van versoë wat deur die publiek gemaak is, insette van raadslede en portefeuljekomitees en die opstel van 'n oorsigverslag wat vir bespreking na die volle raad geneem kan word.

Die lede van die Oorsigkomitee is as volg:

Raadslede:

Voorsitter: Rdl. M Koegelenberg
Rdl. J Hendriks
Rdl. A Cupido
Rdl. M Plato
Rdl. N Pieterse

Eksterne Lid: *Voorsitter van die Ouditkomitee – Mnr. Lawrence*

Die Oorsigkomitee het op die volgende datums vergader:

- 2 Maart 2012 – stel vrae aan Bestuur om duidelikheid te verkry oor die inhoud van die Jaarlikse Finansiële State en die Jaarverslag.
- 9 Maart 2012 – Openbare verhore – Die plaaslike gemeenskap en enige staatsorgaan is toegelaat om versoë oor die jaarverslag te rig.

- 16Maart 2012 –Opstel van die konsep- oorsigverslag en formulering van Besluit, met inagneming van die uitgangspunte en insette van die publiek, verteenwoordigers van die Ouditeur-generaal, staatsorgane, die Raad se Ouditkomitee en Raadslede.

'n Oorsigkomitee-werkswinkel is op 19 Januarie 20112 gehou om die opdrag van die Oorsigkomitee te bespreek.

Een skriftelike voorlegging oor die Jaarverslag is van mnr. B du Toit ontvang.

Notule van die verrigtinge by elke sessie /vergadering word as **AANHANGSELS 3.1, 3.2 en 3.3**aangeheg.

DISCUSSION

3.1 Public Involvement:

Only one comment/input was received from the public. This is an issue that needs to be addressed in future. A better platform needs to be developed to allow the public to participate. A vote of thanks to Mr B du Toit from Badenhorst Auditors, who listed a number of issues included in **APPENDIX 3.2**. Although the Annual Report was submitted to the respective Portfolio committees for input, no responses were received.

Mr W Barnard represented the Caledon Business Chambers at the Public Hearing. Issues and responses from Top Management is included in **APPENDIX 3.2**

3.2 Engagement with Senior Officials

The list of issues received was submitted to the s57 employees for input. Responses to issues raised are included in **APPENDIX 3.2**.

3.3 Reservations of the Oversight Committee

1. The Oversight Committee process needs to be improved upon with the new cycle with respect to involvement of the councillors, council committees and public.
2. Cllr Pieterse queried if the revision (down scaling) of the organogram will not hamper service delivery in future with respect to staff shortages.
3. Cllr Pieterse queried if the municipality have a plan for the future filling of posts?
4. Committee was dissatisfied with the lack of detail with respect to sick leave.
5. A comparison of the municipalities' tariffs with other neighbouring municipality is not included.
6. The Annual Report does not provide and overview with respective to economic development in the respective towns.

3.4 Suggestions for Improvement

1. Council committee meetings with respect to the Annual Report need to commence directly after the tabling at council. The municipality needs to create a greater public awareness on its role in evaluating and commenting on the Annual Report. Invitations to submit representations must be sent to all stakeholders.
2. Increased effort needs to be put into increasing the Municipalities income in order to increase the staff structure and improve on service delivery.
3. In order to address the productivity of staff, the municipality must investigate the effectiveness of the current employee component and how to enhance their output.
4. The following additions to sick leave must be included in future Annual Reports:
 - Ø Statistics per directorate
 - Ø The target sick leave rate
 - Ø Average sick leave per directorate
 - Ø Sick leave norm.
 - Ø Municipalities course of action to address the increase in sick leave

A report on these findings must be presented to Management on a quarterly basis and to the Labour forum and council bi annually.

5. Annual benchmarks for future budgets must be included in the future Annual reports.
6. A per town report with regards to economic development must be included in future Annual reports.

3.5 Comments by Relevant Departments

All Directorates responded appropriately to the questions put to them by the Oversight Committee.

3.6 Conclusion

The oversight process was a learning curve. Better effort needs to be made in improving the process. The Top management must be commended for ensuring that most of the objectives set in the IDP were realised.

A special vote of thanks and appreciation to the Municipal Manager, Mr Stan Wallace and his Management team for their contribution towards this process and ensuring compliance in terms of the MFMA.

The Oversight Committee wants to reiterate its disappointment that only one member of the public commented on the Annual Report. The public's lack of involvement forfeited their opportunity to let their voices be heard.

The Oversight committee considered the final Annual Report as envisaged in the MFMA circular Number 32 and Section 129 of the MFMA and takes note of the comments from the combined Performance and Audit committee.

Representatives of the Office of the Auditor-General and Provincial Departments of Local Government and Finance have been invited to attend the council meeting. The MFMA furthermore provides for members of the local community to address the council.

BESPREKING

3.1 Openbarebetrokkenheid:

Slegs een kommentaar is van die publiek ontvang. Dit is 'n kwessie wat in die toekoms aangespreek moet word. 'n Beter platform moet ontwikkel word om die publiek toe te laat om deel te neem. 'n Woord van dank aan mnr. B du Toit van Badenhorst Ouditeure, wat 'n aantal kwessies aangeroe het wat in **AANHANGSEL 3.2** aangegee word. Alhoewel die Jaarverslag aan die onderskeie Portefeuljekomitees vir insette voorgelê is, is geen reaksie ontvang nie.

Mnr. W Barnard het die Caledon Sakekamerby die Openbare Verhoor verteenwoordig. Kwessies en reaksies vanaf Topbestuur word in **AANHANGSEL 3.2** ingesluit.

3.2 Skakeling met Senior Amptenare

Die lys kwessies wat ontvang is, is aan die Art. 57 werknemers vir insette voorgelê. Reaksie op die kwessies wat geopper is word in **AANHANGSEL 3.2** ingesluit.

3.3 Voorbehoud van die Oorsigkomitee

1. Die Oorsigkomitee-proses moet met die nuwe siklus verbeter word ten opsigte van betrokkenheid van raadslede, raadskomitees en die publiek.
2. Rdl. Pieterse het gevra of die hersiening (afskaling) van die organigram nie dienslewering in die toekoms as gevolg van personeeltekorte sal benadeel nie.
3. Rdl. Pieterse het gevra of die munisipaliteit 'n plan het om poste in die toekoms te vul?
4. Die Komitee was ontevrede oor die gebrek aan besonderhede ten opsigte van siekteverlof.
5. 'n Vergelyking van die munisipaliteit se tariewe met anderbuurmunisipaliteite is nieingesluit nie.
6. Die Jaarverslag gee nie 'n oorsig oor ekonomiese ontwikkeling in die onderskeie dorpe nie.

3.4 VoorstelleterVerbetering

1. Raadskomiteevergaderingsoor die Jaarverslag moet direk na tertafellegging van die Jaarverslag in die Raad begin. Die munisipaliteit moet groter openbare bewustheid onder die publiek skep oor hul rol in die evaluering van, en kommentaar op die Jaarverslag. Uitnodigings om verhoë te rig moet aan alle belanghebbendes gestuur word.

2. 'n Groter poging moet aangewend word om die Munisipaliteit se inkomste te verhoogom die personeelstruktuuruitbrei en dienslewering te verbeter.
3. Ten einde die produktiwiteit van personeel aan te spreek, moet die munisipaliteit die doeltreffendheid van die huidige werknemerkomponentondersoek en hoe om hul uitset te verhoog.
4. Die volgende inligting oor siekteverlof moet in toekomstige jaarverslae ingesluit word:

- Ø Statistiek per direktoraat
- Ø Die teikensiekteverlofsyfer
- Ø Gemiddelde siekteverlof per direktoraat
- Ø Siekteverlofnorm
- Ø Munisipaliteit se plan om die toename in siekteverlof te hanteer

'n Verslag oor hierdie bevindinge moet kwartaalliks aan Bestuur voorgelê word en halfjaarliksaan die Arbeidsforum en die Raad.

5. Jaarlikse standaardstellingvirtoekomstigebegrotings moet in toekomstige Jaarverslae ingesluit word.
6. 'n Verslag per dorp ten opsigte van ekonomiese ontwikkeling moet in toekomstige Jaarverslae ingesluit word.

3.5 Kommentaar deur Betrokke Departemente

Alle Direkorate het toepaslik gereageer op die vrae wat deur die Oorsigkomitee aan hulle gestel is.

3.6 Afsluiting

Die oorsigproses was 'n leerkurwe. 'n Poging moet aangewend word om die proses te verbeter. Topbestuur verdien lof omdat die meeste van die doelwitte wat in die GOP gestel is, gerealiseer het.

'n Spesiale woord van dank en waardering gaan aan die Munisipale Bestuurder, mnr. Stan Wallace en sy Bestuurspan vir hul bydrae tot hierdie proses en omvoldoeningingevolge die MFMA teverseker.

Die Oorsigkomitee wil sy teleurstelling beklemtoon omdat slegs een lid van die publiek kommentaar op die Jaarverslag gelewer het. Die publiek se gebrek aan betrokkenheid het veroorsaak dat hulle die geleentheid om hul stem te laat hoor, verbeur het.

Die Oorsigkomitee het die finale Jaarverslag soosbeoog in MFMA omsendbriefNommer 32 en Artikel 129 van die MFMA oorweeg en neem kennis van die kommentaar van die gekombineerde Prestasie- en Ouditkomitee.

Verteenwoordigers van die Kantoor van die Ouditeur-generaal en Provinsiale Departement van Plaaslike Regering en Finansies is genooi om die raadsvergadering by te woon. Die MFMA maakverdervoorsiening vir lede van die plaaslike gemeenskap om die raad toe tespreek.

LEGAL RESPONSIBILITIES

The process is driven by legislation.

- § Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (Chapter 12) (MFMA).
- § Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6).
- § Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

WETLIKE VERANTWOORDELIKHEDE

Die proses word deur wetgewing gereël.

- § PlaaslikeRegering: Wet op Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) (Hoofstuk 12) (MFMA).
- § PlaaslikeRegering: Wet op Munisipale Stelsels, 2000 (Wet 32 van 2000) (Hoofstuk 6).
- § PlaaslikeRegering: Wet op Munisipale Strukture, 1998 (Wet 117 van 1998).

FINANCIAL RESPONSIBILITIES/ FINANSIËLE VERANTWOORDELIKHEDE

Not applicable./ Nie van toepassing nie.

RECOMMENDATION

The Oversight Committee, having fully considered the Annual Report tabled by the Executive Mayor at Council on 25 January 2012, recommend:

1. **That the Annual Report be approved with reservations as set out in paragraph 3.3 above.**

AANBEVELING

Die Oorsigkomitee, na oorweging van die Jaarverslag wat op 25 Januarie 2012 deur die Uitvoerende Burgemeester in die Raad ter tafel gelê is, beveel aan:

1. **Dat die Jaarverslag goedgekeur word met voorbehoud soos in paragraaf 3.3. hierbo uiteengesit word.**

RESOLVED BY COUNCIL : 29 MARCH 2012

After the Chairperson had given the Councillors an opportunity, and the Item had been thoroughly discussed, on a proposal by Councillor M Koegelenberg, seconded by Councillor N de Wet, it was resolved as follows:

1. **That the Annual Report be approved with reservations as set out in paragraph 3.3 above, and with the following amendments to the Annual report:**
 - 1.1 **Page 30 (Table 12 B) – That “G Carelse – Proportional Councillor” be changed to “G Carelse - Executive Mayor Committee”.**

- 1.2 Page 32 (Table 14) – That “Name of Members – OLD” be changed to “Name of Members – NEW”.**

For finalization by the Director : Development Services, Mr H Gxoyiya.

BESLUIT DEUR DIE RAAD : 29 MAART 2012

Nadat die Voorsitter Raadslede die geleentheid gebied het en die item deeglik bespreek is, op voorstel deur Raadslid M Koegelenberg, gesekondeer deur Raadslid N de Wet, is as volg besluit:

- 1. Dat die Jaarverslag goedgekeur word met voorbehoud soos in paragraaf 3.3. hierbo uiteengesit word, en met die volgende wysigings tot die Jaarverslag:**
 - 1.1 Bladsy 30 (Tabel 12 B) – Dat “ G Carelse – Proporsionele Raadslid” verander word na “G Carelse – Uitvoerende Burgemeesters Komitee”.**
 - 1.2 Bladsy 32 (Tabel 14) – Dat “Naam van Lede – OUD” verander word na “ Naam van Lede – Nuut”.**

Vir afhandeling deur die Direkteur : Ontwikkelingsdienste, Mnr. H Gxoyiya.