# 2018/19



# [OVERSIGHT REPORT]

Council Meeting: 19 March 2020

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# 1. Introduction

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). Section 129 of the MFMA requires the Municipal Council to consider the Annual Report of its municipality and municipal entities and to adopt an Oversight Report. Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism through which Council can fulfil its oversight responsibilities. MPAC's primary role is to consider the Annual Report, receive input from the various role-players and prepare a draft Oversight Report for consideration by Council.

# a. What is an Annual Report

The purpose of the Annual Report is:

- to provide a record of the activities of the municipality or entity;
- to provide a report on performance in service delivery and against the budget;
- to provide information that supports the revenue and expenditure decisions made; and
- to promote accountability to the local community for decisions made

When tabled, the annual report should include four main components, each of which has an important function in promoting governance and accountability.

The main components are:

- The annual performance report as required by section 46 of the MSA.
- Annual Financial Statements submitted to the Auditor-General;
- The Auditor-General's audit report on the financial statements in terms of section 126(3) of the MFMA;
- and The Auditor-General's audit report on performance in terms of section 45(b) of the MSA.

Other components required to be included in the annual report are set out in the MFMA section 121 and the MFMA Circular No 11 issued 14 January 2005.

Section 127 of the MFMA states "The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control."

Section 129 further stipulates the process of the Oversight and Annual Report:

"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.

The oversight report is thus clearly distinguished from the annual report. The annual report is submitted to the council by the accounting officer and the mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by council. The oversight report is a report of the municipal council and follows consideration and consultation on the annual report by the council itself.

#### 2. STATEMENT AND PURPOSE OF THE MPAC

It is imperative to have an understanding of the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality.

The following table displays the nature of the accountability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Mayor	Community
Mayor	Policy, budgets, outcomes, management of / oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	The Administration	Mayor
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

# 3. THE MUNCIPAL PUBLIC ACCOUNTS COMMITTEE

MPAC is a committee of Council established under section 79 of the Municipal Structures Act, 1998 and Resolution no C113/2014 to perform an oversight function on behalf of council and not a duplication of other committees of council, such as Finance Committee or that of the Audit Committee.

The Municipal Public Accounts Committee consists of the following Councillors

Chairperson: Ald C November

Members: Cllr CM Lamprecht

Cllr R Brinkhuys Cllr S Fredericks Cllr C Wood

Observer: Audit Committee Chairperson: Reyhana Gani

# Council has delegated to the following function to the MPAC Committee:

- 1) Undertake a review and analysis of the Annual Report
- 2) Invite, receive and consider inputs from Councillors and Portfolio Committees, on the Annual Report
- 3) Consider written comments received on the Annual Report from the public consultation process
- 4) Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report
- 5) Receive and consider Councils' Audit Committee views and comments on the annual financial statements and the performance report
- 6) To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the annual report
- 7) Evaluation of in-year, and mid-year assessments.
- 8) To examine the AFS and audit reports, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee and the Auditor General's recommendations have been implemented.
- 9) To promote good governance, transparency and accountability on the use of municipal resources

# 4. PROCESS AND CIRCULATION OF THE ANNUAL REPORT

The draft annual report was submitted to the Auditor General on 15 October 2019 where after it was presented to the Performance Audit Committee on 17 January 2020.

The draft annual report was then presented to council by the Executive Mayor on 23 January 2020 and, after adoption, subsequently submitted to the Auditor General, National Treasury and Provincial Treasury on 24 January 2020.

The draft annual report was advertised for comments from 23 January 2020 to 20 February 2020.

The Annual Report was circulated by making copies available and advertising its availability for comments as follows:

Notices for comments was given in both local newspapers, 30 January 2020 and 03 February 2020.

- On the municipality's website www.twk.org.za as well as the following offices:
  - 6 Plein Street, Caledon
  - Arbour Drive Grabouw
  - Hoofweg Villiersdorp
  - Fontein Street Botrivier
  - Ds. Botha Street Greyton
  - Strydom Avenue Genadendal
  - Buitekant Street Riviersonderend

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The following MPAC meetings took place:

- 1. **05 February 2020:** pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report.
- 2. **04 March 2020**: Public hearings The local community and any organ of state were to be allowed to make representations on the annual report
- 3. **10 March 2020:** Presentation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors.
- 5. SUMMARY OF FINDINGS RELATED TO ANNUAL REPORTING

The MPAC are satisfied with the processes followed relating to the annual report and concur that all legal requirements relating to annual reporting has been followed.

6. SUMMARY OF PRESENTATIONS RECEIVED FROM COMMUNITY AND OTHERS

The following table reflects the key written representation received from the respective organisations/individuals relating to the content of the Annual Report.

Representation Submitted by:	Key Issues Raised	Determination by MPAC
Individual Councillors	None	
Private Individuals	None	
Other organised community structures (business, churches, sporting bodies, agriculture, labour, etc.)	None	See attached notice to community requesting for comments on the Annual Report : Appendix 2
Internal Auditors	None: Concurred that all legislative requirements relating to the annual report have been adhered to.	
Audit Committee	None	
Auditor General	Draft Annual Report was forwarded to the AG prior to adoption by council. The AG therefor provided all their comments before the Draft Annual Report was submitted to MPAC. The MPAC therefor did not receive any comments from the AG other than the MPAC briefing note.	MPAC confirms no written comments other than the MPAC briefing note was received from the AG.
Auditor General	See Appendix 4: MPAC briefing document	The comments of the Auditor General relating to the annual report are noted. Further comments and responses on the MPAC briefing note is dealt with later in this report.
Other spheres of government	Provincial treasury: See Appendix 5.  Confirms the municipality adhered all legislative requirements.  Provincial treasury further confirms that the municipality complied with the provisions in Circular 63 excluding the tabling of the annual report two months after the financial year end.	Circular 63 is merely a guideline. This requirement will always prove troublesome as the financial statements must be submitted on 31 August, the financial statements form part of the Annual Report, submitting the Annual Report on to council on the same day as the due date for AFS is not practical.

7. COMMENTS AND ISSUES RAISED DURING VARIOUS PLATEFORMS AND COMMITEES WHERE THE ANNUAL REPORT WAS DISCUSSED.

# 7.1 Performance Audit Committee

The Audit Committee thanked the administration for a well-prepared Annual Report.

The Audit Committee recommended that the Annual Report be adopted by council.

# 7.2 1st MPAC/Oversight Committee Meeting

The Annual Report was presented to the MPAC and MPAC members had the chance to pose question to management on the annual report.

The minutes of the 1st MPAC meeting is contained in Appendix 6, and readers are requested to consult the minutes for detailed discussions and decisions.

After discussion, questions and answer no request for changes to the annual report.

Comments from the 1<sup>st</sup> MPAC meeting for council consideration will be contained in the recommendations to council.

# 7.2.2 2<sup>nd</sup> MPAC/Oversight Committee Meeting

No comments nor request for presentation was received by the public on by the closing date for comments. Written submission was received from Provincial Treasury (Appendix 5) and Audit General (Appendix 4).

## 8. Conclusion

As Chairperson of the MPAC I would like to thank the MPAC Committee Members, the Executive Mayor, Mayoral Committee, the Municipal Manager and Executive Management Team (EMT), as well as the various contributors to the Annual Report 2018/2019 for their diligence and constructive commitment during the oversight period. The MPAC is satisfied that the Annual Report 2018/2019 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.

In formulating the resolution, the following MPAC members was in attendance

Name	Capacity	Meeting Attendance, 10 March 2020
Ald C November	Chairperson	Х
Cllr CM Lamprecht	Member	Х
Cllr R Brinkhuys	Member	Х
Cllr S Fredericks	Member	Х
Cllr C Wood	Member	х
Mr. R Gani	Member	Apology tendered and Mr. W
		Zybrands attended as her
		representative

# 9. Council to note the following:

- 1. The CFO stated that during the audit, the Auditor General identified certain instances of irregular expenditure relating to non-compliance with SCM prescripts. These irregular expenditure has been disclosed in the audited annual financial statements (note 53.3 on page 75 VOLUME II of this report). The municipality want to indicate to readers of the annual report that value for money was received and no financial losses was suffered as a result of irregular expenditure. The irregular expenditure will be referred to a Council Committee to be investigated in terms of section 32 of the MFMA.
- 2. MPAC is disappointed that their request to access the management report before the compilation of the oversight report could not be accommodated.
- 3. MPAC therefor feel that this limit their scope of work and ultimately their recommendation to council.
- 4. MPAC is concerned about the non-attendance and non-submission of reports by ward councilors to the speaker. MPAC wants speaker to address this issue.
- 5. Public and Ward Committee meetings. MPAC wants council to note that it is clear from the annual report that for certain wards numerous official are sent to attend meeting whilst in others only a limited number of officials are in attendance. MPAC wants the Municipal Manager to ensure that officials are evenly spread when it comes to ward committee meetings and public meetings.
- 6. Land invasions: Control and functioning are a concern for MPAC (refer to point 9 in minutes of 1<sup>st</sup> MPAC meeting)
- 7. Land availability for cemeteries remains a concern as well as the state of some of the cemeteries.
- 8. The Municipal Public Accounts Committee wants to reiterate its disappointment that no member of the public commented on the Annual Report but appreciates the inputs and recommendations from the Provincial Treasury and the Auditor General. The public's lack of involvement forfeited their opportunity to let their voices be heard.

# 10. RECOMMENDATIONS TO COUNCIL

- 1. That cognisance be taken of the Oversight Report on the 2018/2019 Annual Report of Theewaterskloof Municipality.
- 2. That efforts be made to get the public involved in the annual report process to enable them to comment.
- 3. That the Council, having fully considered the 2018/2019 Annual Report, adopts the Oversight Report.
- 4. That the 2018/2019 Annual Report of Theewaterskloof Municipality be adopted without reservation,
- 5. That the Oversight Report be made public in accordance with section 129(3) of the Municipal Finance Management Act (Act 56 of 2003)
- 6. The minutes of those meetings where the Annual Report was discussed be distributed in accordance with section 129 (2) (b).
- 7. That the Oversight Report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Municipal Finance Management Act (Act 56 of 2003)

Ald C November
CHAIRPERSON

APPENDIX 1. COUNCIL MINUTES WHERE
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DRAFT ANNUAL REPORT WAS ADOPTED



# MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[23 JANUARIE /JANUARY 2020]

# **RAADSVERGADERING / COUNCIL MEETING**

# **NOTULE / MINUTES**

# 23 JANUARIE / JANUARY 2020

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

# ITEM TITEL/ITEM TITLE

C08/2020 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: IDP: 2018/2019

**DRAFT ANNUAL REPORT** 

R08/2020 KANTOOR VAN DIE MUNISIPALE BESTUURDER: DEPARTEMENT STRATEGIESE ONDERSTEUNING EN GOP:

**GOP: 2018/2019KONSEP JAARVERSLAG** 

[Report compile in both languages / Verslag saamgestel in beide tale]

# LêER NOMMER/FILE NUMBER

9/1/1

# **PURPOSE OF REPORT**

To submit the 2018/2019 Annual Report to Council for discussion and comments in order to comply with chapter 12 of the MFMA and for the purpose as detailed below.

# **DOEL VAN VERSLAG**

Om die 2018/2019 Jaarverslag aan die Raad voor te lê vir bespreking en kommentaar ten einde te voldoen aan hoofstuk 12 van die MFMA en vir die doel soos hieronder uiteengesit.

# **BACKGROUND**

The purpose of the Annual Report is as follows:

- To provide a record of the activities of the municipality (or entity)
- To provide a report on performance in service delivery and the implementation of the budget.
- To promote accountability to the local community.

# **AGTERGROND**

Die doel van die Jaarverslag is soos volg:

- Om 'n rekord van die aktiwiteite van die munisipaliteit (of entiteit) te voorsien.
- Om 'n verslag oor prestasie by dienslewering en die implementering van die begroting te voorsien.
- Om aanspreeklikheid aan die plaaslike gemeenskap te bevorder.

# DISCUSSION

Every municipality (and municipal entity) must prepare an Annual Report for each financial year in accordance with Chapter 12 of the MFMA.

As a medium capacity municipality it is required that we compile our Annual Report in terms of Chapter 12 of the MFMA and National Treasury's Circular Number 63 with effect from 2012.

In terms of Section 127 (2) the Mayor must within seven (7) months after the end of the financial year, table in the Municipal Council the Annual Report of the municipality (and municipal entity under the municipality's sole and shared control).

Immediately after the Annual Report is tabled to council, the accounting officer must (in accordance with Section 21A of the Municipal Systems Act) make the Annual Report public and invite the local community to submit comments pertaining to the Annual Report which then is to be submitted to the Auditor-General, the relevant Provincial Treasury and the Provincial Department of Local Government.

Inability to Table Annual Report:

If the Mayor, for whatever reason, is unable to table the Annual Report to the council (and municipal entity under the municipality's sole and shared control) within the seven (7) months after the end of the financial year to which the report relates, the Mayor must promptly submit to the council a written explanation referred to in Section 133 (1) (a) setting out the reasons for the delay, together with any components of the Annual Report listed in Section 121 (3) or (4).

The council of the municipality must within nine (9) months after the financial year end (March) adopt the Annual Report of the municipality (and of any municipal entities under the municipality's sole and shared control in terms of Section 129 of the MFMA).

Oversight Reports on Annual Reports:

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).

Council Meeting open to public and certain public officials:

In terms of Section 130 the meetings of the municipal council at which an Annual Report is to be discussed or at which decisions concerning an Annual Report are to be taken, must be open to the public and any other organs of state, and a reasonable time must be allowed for discussion of written submissions received from the local community or organs of state and for them to address the council.

Submissions to Provincial Legislature:

The accounting officer must submit the Annual Report tabled in terms of Section 127 (3) and the Oversight Report on the Annual Report adopted in terms of Section 129 (1) to the Provincial Legislature within seven (7) days after the council has adopted the relevant Oversight Report.

# **BESPREKING**

Prosesse & Wetgewing

Elke munisipaliteit (en munisipale entiteit) moet 'n Jaarverslag vir elke finansiële jaar voorberei in ooreenstemming met Hoofstuk 12 van die MFMA.

As 'n medium kapasiteit munisipaliteit word vereis dat ons ons Jaarverslag opstel ingevolge Hoofstuk 12 van die MFMA en Nasionale Tesourie se Omsendbrief Nommer 63 met ingang vanaf 2012.

Ingevolge Artikel 127 (2) moet die Burgemeester binne sewe (7) maande na die einde van die finansiële jaar, die Jaarverslag van die munisipaliteit (en munisipale entiteit onder die munisipaliteit se alleen- en gedeelde beheer) by die Munisipale Raad ter tafel lê.

Onmiddellik nadat die Jaarverslag by die Raad ter tafel gelê is moet die rekenpligtige amptenaar (in ooreenstemming met Artikel 21A van die Munisipale Stelsels Wet) die Jaarverslag rugbaar maak en die plaaslike gemeenskap nooi om kommentare in te dien oor die Jaarverslag wat dan by die Ouditeur-Generaal, die relevante Provinsiale Tesourie en die Provinsiale Departement van Plaaslike Regering ingedien moet word.

Onvermoë om Jaarverslag Ter Tafel te lê:

Indien die Burgemeester, vir watter rede ookal, nie by magte is om die Jaarverslag by die Raad Ter tafel te lê nie (en munisipale entiteit onder die munisipaliteit se alleen- en gedeelde beheer) binne die sewe (7) maande na die einde van die finansiële jaar waarna die verslag verwys, moet die Burgemeester onmiddelik 'n skriftelike verduideliking, na verwys in Artikel 133 (1)(a), aan die raad indien wat die redes vir die vertraging uiteensit, tesame met enige komponente van die Jaarverslag gelys in Artikel 121 (3) of (4).

Die Raad van die munisipaliteit moet binne nege (9) maande na die finansiële jaar-einde (Maart) die Jaarverslag van die munisipaliteit (en van enige munisipale entiteite onder die munisipaliteit se alleen- en gedeelde beheer ingevolge Artikel 129 van die MFMA), goedkeur.

# Oorsig Verslae oor Jaarverslae:

Ingevolge Artikel 129 (1) moet die raad van die munisipaliteit die Jaarverslag van die munisipaliteit (en munisipale entiteit onder die munisipaliteit se alleen- en gedeelde beheer) oorweeg, en moet 'n Oorsig Verslag goedkeur wat die raad se kommentare oor die Jaarverslag, teen nie later nie as twee (2) maande vanaf die datum waarop die Jaarverslag by die raad ter tafel gelê was. Dit moet 'n stelling insluit of die raad:

- Die Jaarverslag goedgekeur het met of sonder voorbehoude;
- Die Jaarverslag verwerp het; of
- Die Jaarverslag verwys het vir hersiening van daardie komponente wat hersien kan word.
  - Ingevolge Artikel 129 (2) moet die Rekenpligtige Amptenaar:
- Raad en raadskomitee vergaderings bywoon waar die Jaarverslag bespreek word vir die doel om te reageer op vrae oor die verslag; en
- Afdrukke van die Notules van daardie Vergaderings aan die Ouditeur-General, die relevante Provinsiale Tesourie en die Provinsiale Departement van Plaaslike Regering indien.
- Artikel 129 (3) vereis dat die rekenpligtige amptenaar 'n Oorsigverslag binne sewe (7) dae van die goedkeuring daarvan rugbaar maak (in ooreenstemming met Artikel 21A van die Munisipale Stelsels Wet).

Raadsvergadering oop vir die publiek en sekere openbare amptenare:

Ingevolge Artikel 130 moet die vergaderings van die munisipale raad waarop 'n Jaarverslag bespreek gaan word of waarop besluite oor 'n Jaarverslag geneem gaan word oop wees vir die publiek en enige ander staatsorgane, en moet 'n redelike tyd toegelaat word vir bespreking van geskrewe vertoë ontvang vanaf die plaaslike gemeenskap of staatsorgane, en vir hulle om die raad aan te spreek.

Voorleggings aan die Provinsiale Wetgewer:

Die rekenpligtige amptenaar moet die Jaarverslag, ter tafel gelê ingevolge Artikel 127 (3), en die Oorsigverslag oor die Jaarverslag goedgekeur ingevolge Artikel 129 (1), aan die Provinsiale Wetgewer indien binne sewe (7) dae nadat die raad die toepaslike Oorsigverslag goedgekeur het.

# **LEGAL RESPONSIBILITIES**

As indicated under discussions.

# **WETLIKE IMPLIKASIES**

Soos aangetoon onder bespreking.

# FINANCIAL IMPLICATIONS

None

# FINANSIËLE IMPLIKASIES

Geen

# **CLIENT CARE IMPLICATIONS**

None

# **KLIËNTESORG IMPLIKASIES**

Geen

# **RISK MANAGEMENT IMPLICATIONS**

None

# **RISIKOBESTUUR IMPLIKASIE**

Geen

# **RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:**

# It is recommended:

- 1. That the tabling of the 2018/2019 Draft Audited Annual Report in Council by the Executive Mayor, be noted;
- 2. That the Draft Annual Report for 2018/19 be handed over to the MPAC committee for further perusal and the compilation of the Oversight Report to Council
- 3. That the Draft Audited Annual Report be made public immediately after the tabling in Council; and
- 4. That the local community be invited to submit representations in connection with the draft annual report.

# **AANBEVELING DEUR ITEM OUTEUR AAN RAAD:**

# Daar word aanbeveel:

- 1. Dat die Konsep Geouditeerde Jaarverslag vir 2018/19 soos voorgelê aan die Raad deur die Uitvoerende Burgemeester, in ag geneem word;
- 2. Dat die Konsep Geouditeerde Jaarverslag vir 2018/19 aan die MKOOR oorhandig word vir verdere handeling en die voorbereiding van die Oorsig Verslag vir voorleging aan die Raad.
- 3. Dat die Konsep Geouditeerde jaarverslag openbaar gemaak word onmiddellik nadat dit aan die Raad voorgelê is; en
- 4. Dat die plaaslike gemeenskap uitgenooi word om kommetaar te lewer in verband met die konsep jaarverslag.

# **RESOLVED BY COUNCIL: 23 JANUARY 2020**

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman PU Stanfliet, and seconded by Councillor JI Arendse, it was resolved as follows:

- 1. Council note the tabling of the 2018/2019 Draft Audited Annual Report in Council by the Executive Mayor.
- 2. That the Draft Annual Report for 2018/19 be handed over to the MPAC committee for further perusal and the compilation of the Oversight Report to Council.
- 3. That the Draft Audited Annual Report be made public immediately after the tabling in Council.
- 4. That the local community be invited to submit representations in connection with the draft annual report.

For finalization by the Deputy Director: IDP & Strategic Support, Mr. SP Cronje.

# **BESLUIT VAN DIE RAAD: 23 JANUARIE 2020**

Nadat die Voorsitter geleentheid aan die Raadslede gegee het, en die item behoorlik bespreek is, word op aanbeveling van Raadsheer PU Stanfliet, gesekondeer deur Raadslid JI Arendse, as volg besluit:

- 1. Die Raad neem kennis van die Konsep Geouditeerde Jaarverslag vir 2018/19 soos voorgelê aan die Raad deur die Uitvoerende Burgemeester.
- 2. Dat die Konsep Geouditeerde Jaarverslag vir 2018/19 aan die MKOOR oorhandig word vir verdere handeling en die voorbereiding van die Oorsig Verslag vir voorleging aan die Raad.
- 3. Dat die Konsep Geouditeerde jaarverslag openbaar gemaak word onmiddellik nadat dit aan die Raad voorgelê is; en
- 4. Dat die plaaslike gemeenskap uitgenooi word om kommetaar te lewer in verband met die konsep jaarverslag.

Vir afhandeling deur die Adjunk-Direkteur: GOP & Strategiese Ondersteuning, Mnr. SP Cronje.





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epos: oomsyd2@gmail.com Facebook@transoverberg

WIL U HIER **ADVERTEER** KONTAK SYDNEY 0823399935

30 Jan - 06 Feb.

### THEEWATERSKLOOF MUNISIPALITEIT

KENNISGEWING: MUMISIPALE KOMITEE OOR OPENBARE REKENING[, INKOOR) - DORSIG EN ONTLEDING VAN 2018/2019 JAARVERSLAG

Nagiens die MHA-enteendoorder 23 van die Word op Nursigiale Finansielle Bestaur, 2003 (Mei 156 van 2003), word likermee kanning joppe die die Theorenamisjorf Mansisyalities in Kontilee ver Opentiare Rekeringer in Mansissalikus in Kontilee ver Opentiare Rekeringer in Mansissalikus van Henderschelk uit die Nooraning op nichtliching van die Jeanvenlag 2016/2018, gedinaduker in om sicos volg te vergeden:

- 1. 07 Februarie 2020, stal was san die beduir om duidelikhold to liny oor die intead van die
- Of Februaria 2020, seu view ass die herbair om duteilieheid is ihn oor die intesed van die Februaria 518th die 16 gewennieg.
   Of Marz 2020. Openbare verhoer. Lies placetike permending en enige stesscopere sal verbal kan inje ook die paranstag, Tittige verhoede en assibedings meet von 20 Februarie 2020 as mm. V. Verwerde gestuur verhoer. Verprinsegtieber zug. 25. Erfore verweed om aanbedangs meet vertgeeel word meet skriffestiles kommentaar op die jaarwenslag 201stags.
   Iff Marz 2020. Kantibeding van die konsep ontstjerestag, met insgenating van die mentage en verbeit van die zubliek, verbeinvoordigen van die fooderungseersat, doortoorgaene, die 2024 die ontdiverse en suudsides.
   18 Marz 2020. Voordingsjing van die recolusie by de stad.

Die konseigienwerdig vir die finansiële jaar 2018/2019 is tyders die Restovergadering vas 28 Januarie 2020 legeden ingevolge arbail 127 van die 1941 op Manspele Finansiële Gebaux, 2013 (Mat 35 van 2000) en is vannt 23 Januarie 2020 iss 20 Februarie 2020 begeldbaar en opendam

Dis is op die manapaliteit so webwert by wany het zow, so asook by die volgende kontroe

Pleinstraal & Caledon Arbaunylain, Grabouw Hookwig, Williersdorp Fontelindraat, Boenvier Ds. Botha-bitselt, Greyton

Strydomizan, Genadendai Bullekantstraet, Riviersondurend

Die plaasilie publiek asook staatsorgere word hiermes genool on skiritades voorleggings oor di konset jaanvestig en finansiëlle state in doon en dit teen nie later as 20 Februarie 2010 ty die volgende advis in it dien:

Die Beebunden GOP te Pleinstraal 6 / Posibus 24 Caledon 7230 di

rig e-poz am <u>Venetrinariigitot, creuze</u> Kommentiar kap od, striftelia y de Hurisigiale Bioliussias by die begenneende algies regulation nord vors Vrietag, 20 Februaria 2000 17:00/j) of dusiyale gement. Komsepjalenvenstag: 2016/2019 on in die jendentoks by die Caledon-kambor geptiese word.

GERRIT MATTHYSE MUNISIPALE BESTULIADER Picinsynal 6 / Politys 24, Caladon 7230



# **IHEEWATERSKLOOF MUNICIPALITY**

NOTICE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE IMPACI - REVIEW AND ANALYSIS OF 2110/2019 ANNUAL REPORT AND INVITATION FOR PUBLIC COMMISTS

Notice in ferritry given in terms of the MFMA Clinicker No. 32 of the Marielpal Finance Management Act, 2005 (Act 25 of 2005) that the Therentendood Managinshy's Assistant Public Accounts Committee, regardable for the President and Analysis of the 2016/2019 Annual Report is scheduled to meet as fabrues:

- 1. Of February 2009; pose questions to Management la gel clerity on the contents of the Annual Report.
  Financial statements and the Annual Report.

  2. (M. March 2000; Public Insurance. The local community and any organ of state will be allowed to make in approximation on the servicel report. (Any required for presentations about to formation to the V. Annuales. "Specialisticalistic regulation to the 26 February 2010. Earn Research for presentations must be recommuned for written advantagion at communities.

  3. 11 Barch 2010; "Presentation of the dark oversigal report, taking into consideration the vives and known of the protect, presentation of the Annual Research."

  3. 12 Barch 2010; "Presentation of the dark oversigal report, plant of cases, Council's such contribute and Councilos.

  3. 12 Barch 2010; "Presentation of the dark oversigal report, plant of cases, Council's such contribute and Councilos.

  3. 12 Barch 2010; "Presentation of the dark oversigal report, plant of cases, Council's such contribute and Councilos.

  3. 12 Barch 2010; "Presentation of the Annual Councilos of Councilos audit contributes and Councilos."

  3. 12 Barch 2010; "Presentation of the Annual Councilos of Councilos audit contributes and Councilos."
- committee and Councitors.
  4. 19 March 2029: Tabling of resolution of council.

The Orah Annual Region for the 2018/2019 Shandal year-nat stabled at the Council Mosting of 23 January 2029 in terms of Section 127 of the Halacipus Franco Managamen Act (2000 [Act St of 2009] and is well-blevior public comments from 23 January 2029 to 20 February 2029.

It is available on the municipality's website <u>more left goo</u>use his well as the following offices:

6 Plein Street, Caladon Arbour Drive Stabouw Hoofweg Villersdorp Fonlein Street Bottvi Dv. Botto Street Greyton Stryton Avenue Genadendal Baltekant Street Riversponderend

The local public bit was an organic of state and beneby invoted to make automicronic in verticing on the Depth Annual Report as well as financial scalarizatio and submit on later them 20 February 2020 to the following address:

The Manager IDP at it Plein Street / P.O. Box 24 Caledon 7230 or orial to <u>perchannization coulta</u>

Comparts can do los actividad in versing to the Managar at the under-nacional address sector Friday, 35 February 1020 (12:00) or dearly marked. <u>Death</u>

<u>Amenial Resorts: 2618/2019</u> and placed in the Tendar Spar at the Calabotic Obsess.

Mr. Gentt Matthys MUNICIPAL MAKAGER 6 Pieln Steen / P.O. Box 24 Cikindon 7250



# UMASIPALA THEEWATERSKLOOF MUNICIPALITY

EAZIRO: IKONITI YEAKHAWUNTI ZOLUNTU JIKENASIPALA MPACE UKUHLOLWA NORLALUTTO LVENGZBI,O YOMTAKA KA QUISZDIN

Kufistahwa kasian spokremiyapo ye-4/HAA dovišoojhula No 12 youwido keelaali Umbello, 2000 (Affordin 56 ha-2003) shina Romel ye-Albameeli aduursi plantisolopia kuhtisopali menoli Tenedarisoko (Lavanduvio kuuhido notu-Halinya Higrado yoliyaha 2015/2018 econospolekee ukshingana ngoluistoo kilandisoyo:

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  2. Mi Berkin 2000 krend kuturus Uzuyi keselekulakei kunye neligii ke idoko kuntumente kuturus 1000 kenel kuturus Uzuyi keselekulakei kunye neligii ke idoko kerisa kuturus 1000 kenel kuturus 10

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tyaknnandia lovi waballa kannasipalia <u>seon želkulon za</u> kwakunya nakwazi olisi plandalayo:

6 Pleis Street, Calacon Hoolway Viberadorp Fortein Street Bothvier

Ds. Boths Street Greaton

Stryforn Avenue Geradendal Bullekan: Street Riviersonderend

(Arris: hengingal kwalunya namatiko harhulunanta ayamayiyia ikuba invikalise tahmi operiordehenia hafisi henkipudo yokhjala kwaluniya mannivazo xirmali bashqeriste urigadulanga umite varna 20 febbuwan 2008 kue olicu lacquiyya;

The Manager IDP at 6 Plain Street / P.O. Box 24 Caladron 7200 or

ermil is japotolijani juoja ja Jamo riigillanyteen opalutohiiken ja lähen ja japotolijani ja japotolijani ja japotolijani ja ja japotolijani Japotoli kinagia jamotojani, uurtei see 25 kurfestenenti 2020 (1700) (sianya subsendera opalususinen <u>Ulita kentinansia Tennata ke 2015/2015</u> (vyliana teeteksia yeTennata soi. Oli Jamotolijani ja

Zorbe istmo ziya kuswalinsakia ngocosalalo, basa kumenyea abamal cikuba banika lumno ngociplamo kwilicomi yeAktawumi zitumu ukaMasapala ngomila we-20 Febbuswal 2020.

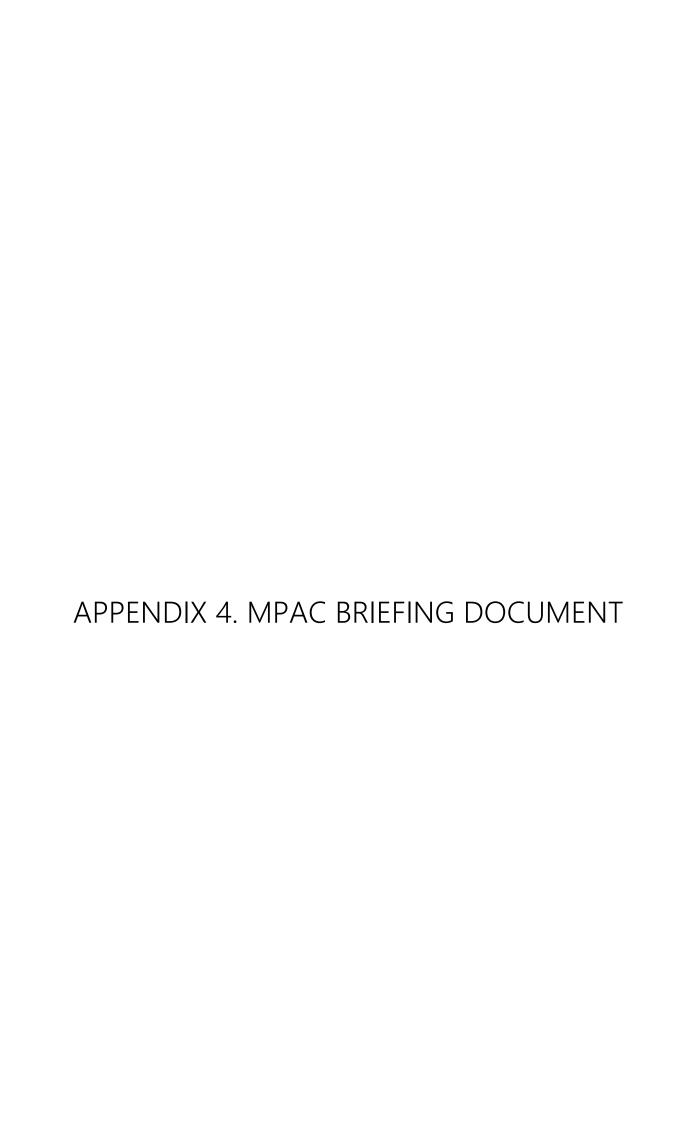
GERRIT MATTYSE UNPHATHI KANASIPALA 6 Piein Street / P.O. Box 24 Cales 7230

2 Theewaterskloof Mericoaley

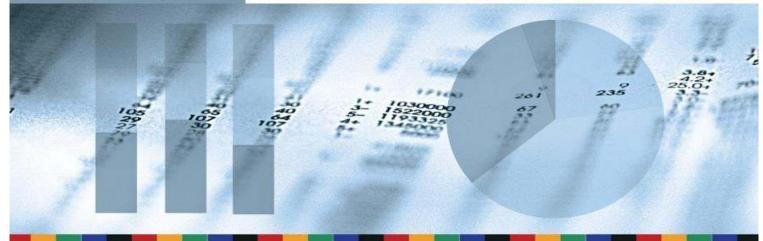


# RESOLVED BY THE PERFORMANCE- AND AUDIT COMMITTEE: 17 JANUARY 2020

- 1. The Performance- and Audit Committee note the 2018/19 Draft Annual Report.
- 2. The Deputy Director: Corporate Services should follow up the Councillor declarations with the Speaker.
- 1. Irregular expenditure should be explained with a narrative in the Annual Report to prevent the impression that this could be equated to fruitless and wasteful expenditure inter alia by referring to the Financial Statements.
- 1. The CFO should give feedback to the Auditor- General regarding the PAC's concern about the high audit costs in spite of the Auditor-General having discussed saving options with the PAC.
- 2. The Performance- and Audit Committee recommends to Council that it approve the 2018/19 Draft Annual Report.







**Theewaterskloof Municipality** 

4 March 2020



Auditing to build public confidence



Theewaterskloof Municipality 2018-19

# THEEWATERSKLOOF MUNICIPALITY

# **CONTENTS**

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3.	Key focus areas	3
4.	MPAC resolutions	4
5.	Emerging Risks	4
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8.	Irregular expenditure	6

# 1. INTRODUCTION

# 1.1 Reputation promise of the Auditor-General of South Africa

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

# 1.2 Purpose of document

The purpose of this document is to provide an executive summary of the audit outcomes of the financial audit, audit of performance information and compliance with laws and regulations of Theewaterskloof Municipality for the 2018-19 financial year.

#### 1.3 Overview

In terms of Sec 155(1)(b) of the Constitution of the Republic of South Africa 1996, the auditee is categorised as (Category B) which is defined as a municipality that shares municipal executive and legislative authority in its area with a category C.

The vision of Theewaterskloof municipality:

"A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all."

# 1.4 Organisational structure – key role players

Incumbent
Councillor C. Vosloo
Councillor M Sileku
Mr G Matthyse
Mr D Louw

# 1.5 Funding

As disclosed on page 322 of the municipality's annual report, Theewaterskloof Municipality spent R578 million of a budget of R669,28 million, resulting in an overall under-expenditure of R91,28 million – 13.64% underspent (2017-18: R68,67 million – 12% underspent).

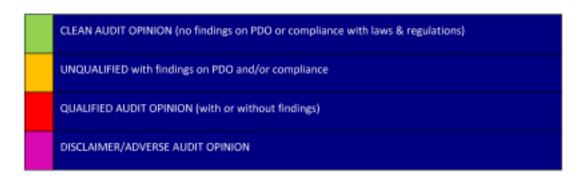
As disclosed on page 323 of the municipality's annual report, the municipality also had cash inflows from operating activities of R127,66 million compared to the budgeted amount of R58 804 850 (2017-18: R95,33 million compared to budget of R82,56 million).

Detailed explanations for the variances between budget and actual of expenditure and cash flows from operating activities are set out on pages 384 to 385 of the municipality's annual report.

# 2. AUDIT OPINION HISTORY

Details	2018-19	2017-18	2016-17
Audit opinion			
Findings on compliance with key legislation			
Material misstatements in financial statements submitted	No	No	No
Procurement and contract management	No	Yes	No
Revenue management	No	No	No
Expenditure management	No	No	No
Utilisation of conditional grants	No	No	No
Strategic plan and performance management	No	No	No
Consequence management	No	No	No
Findings on predetermined objectives	No	No	No
Internal control deficiencies	No	Yes	No

# **Audit opinions**



PDO = Predetermined objectives (audit of performance information/service delivery/annual performance report)

# **Emphasis of matters**

# 2.1. Restatement of corresponding figures

- As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors discovered during the 2018-19 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2019.
- As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of reclassification of expenditure by nature in the financial statements of the municipality at, and for the year ended, 30 June 2019.

# 2.2 Material losses/impairments

- As disclosed in note 3 to the financial statements, the municipality, provided for the impairment for receivables from exchange transactions amounting to R144,9 million (2017-18: R126,3 million).
- As disclosed in note 4 to the financial statements, the municipality, provided for the impairment for receivables from non-exchange transactions amounting to R70,7 million (2017-18: R75,8 million).

# 2.3 Underspending of capital budget

As disclosed in the statements of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R11,9 million (2017-18 R43.3 million) which represents and underspending of 13,5% (2017-18 33%).

# 2.4 Underspending of the conditional grant

As disclosed in note 26.08 to the financial statements, the municipality underspent its conditional grant: water and sanitation by R28 919 000.

# 3. KEY FOCUS AREAS

# 3.1 Predetermined objectives

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives:

Key Performance Area	Pages in annual performance report
Basic service delivery	94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives.

#### Other matter

I draw attention to the matter below.

Achievement of planned targets: Refer to the annual performance report on pages 94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124 for information on the achievement of planned targets for the year.

**Adjustment of material misstatements:** I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Key performance area: Basic service delivery. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

# 3.2 Compliance focus areas

No material findings were raised on any of the compliance focus areas.

# 3.3 Internal control deficiencies

No significant deficiencies in internal control were identified.

# 4. MPAC RESOLUTION

- **4.1** Progress on the following resolutions on the prior year annual report will be assessed after the MPAC provides feedback to council on the annual report and progress on prior year resolutions for 2018-19 annual report.
  - Concerning statistics of services falling outside municipal mandate e.g. grade 12 dropouts. Council should clarify what they are doing to improve these statistics.
  - The rate of houses delivered vs the growth in housing demand is concerning. In 2017/18 houses build 157 vs housing demand growth between 2016/17 and 2017/18 1602.
  - The municipality is advised to ensure that demand and acquisitioning is properly planned to limit the
    use of SCM regulation 36 to instances where deviations are unavoidable and that such cases are
    properly motivated/justifiable and documented as per paragraph 4.2.5 of the MPAC briefing
    document stating.
  - After the management report from the AG is presented to the Steering committee an MPAC meeting must be convened where this report is presented.

# 5. EMERGING RISKS

**5.1 New pronouncements:** *Standards of GRAP:* ASB GRAP pronouncements that will become effective in the following financial year.

# 5.2 Background to PAA amendments

• *Material irregularities:* In terms of section 1(g) of the Public Audit Amendment Act, 2018 (Act No. 5 of 2018) a material irregularity is defined as any *non-compliance* with, or contravention of, legislation, *fraud*, *theft or a breach of a fiduciary duty* identified during an audit performed under this Act that resulted in or is likely to result in a *material financial loss*, the *misuse or loss of a material public resource* or *substantial harm to a public sector institution or the general public*.

# 5.3 Risks that require continuous monitoring

**SCM Regulation 32:** The supply chain management regulations issued in terms of the MFMA allows for the accounting officer to procure goods and services for the municipality or municipal entity under a contract secured by another organ of state in terms of regulation 32. However, the procurement must occur whilst the originating contract is enforceable, i.e. active contract, and the nature, scope and duration of the contract must be consistent. Contracts secured through the application of regulation 32 cannot be amended, in terms of section 116(3) of the MFMA, if those amendments change the scope of the original contract. Non-adherence to these principles will be considered for non-compliance.

The principles and conditions when participating in contract secured by another organ of state in terms of regulation 32, which are as follows:

- The contract must have been procured through a competitive bidding process (not a deviation).
- The contract must be active at the time of participation.
- The procuring institution may not procure beyond the scope of the original contract.

**Deviations:** In terms of Municipal Supply Chain Management Regulation 36, an accounting officer may deviate from competitive bidding procurement processes, provided that such deviation is properly approved and justifiable and that all procurement complies with section 217 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), i.e. that the procurement is done in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

• The municipality's deviation register reflects that R34,1 million of contracts were concluded during the 2018-19 financial year using deviations (2017-18: R28 million), the largest procurement deviations relating to impracticality.

Bid adjudication committee (BAC) composition: MFMA regulation 29(2) states that a BAC must consist of at least four senior managers of the municipality or municipal entity. Each award should be adjudicated by a committee that is composed in compliance with regulation 29(2). Principles were confirmed with National Treasury, however were in some cases, municipalities do not have the staff establishment to have an adequately composed BAC, this does not negate the responsibility of complying with regulation 29(2). Then municipalities are referred to section 170 of the MFMA regarding departures from treasury regulations or conditions.

# 5.4 Audit findings on the annual performance report that may have an impact on the audit opinion in future:

The planned and reported performance information of selected objectives was audited against the additional criteria as developed from the Performance Management Reporting Framework such as presentation and disclosure and relevance.

• Material audit findings arising from the audit against the additional criteria do not have an impact on the audit opinion(s) of the selected objectives in this report. However, it may impact on the audit opinion in future.

# 6. Other Reports

# **Investigations**

No investigations were conducted during the period 2018-19.

# 7. Other audits

No other audits were conducted during the period 2018-19.

# 8. Irregular expenditure

Irregular expenditure for Theewaterskloof Municipality has increased from R18,47 million in the prior year to R100,39 million in the current year. Of the R100,39 million, R82,54 million relates to irregular expenditure that was identified in the current which relates to non-compliance of previous years. The non-compliance relates to non-compliance with procurement regulations.

# APPENDIX 5. COMMENTS RECEIVED FROM PROVINCIAL TREASURY



Ms Nadia Rinquest Local Government Budget Office Email: nadia.rinquest@westerncape.gov.za tel: +27 021 483 8692 fax: +27 21 483 4680

Reference: PTR/12/21/15/4

# The Municipal Manager

Theewaterskloof Municipality PO Box 24 CALEDON 7230

For Attention: The Municipal Manager, Mr G Matthyse

# PROVINCIAL TREASURY COMMENTS ON THE TABLED 2018/19 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 new annual report template and MFMA Circular No. 63 on 26 September 2012. 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 Theewaterskloof Municipality with the MFMA and Annual report MFMA Circular 63 is as follows:

- a. The Municipality submitted the draft 2018/19 Annual Performance Report together with the AFSs to the Auditor General by 31 August 2019.
- b. The unaudited Annual report was not tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c. The Annual report was tabled to Council on **23 January 2020** which is within 7 months after the end of the financial year in accordance to MFMA section 121(1).
- d. The draft Annual report was placed on the website on 28 January 2020 which is in accordance to section 75 of the MFMA.
- e. The Annual Report was published on the municipal website and adverts placed in local newspapers inviting public to comment for 28 days after the report was tabled.

# 2.2 Format of the Annual Report as per MFMA Circular 63

- a. The Annual Report fully complies with the Annual Report Template as described by MFMA Circular 63 as it includes all the required components and appendices.
- b. A comprehensive and detailed Mayor's Foreword is included in the draft version as per Circular 63 guidelines.
- c. The Municipal Managers Foreword with relevant information is included in the draft version as per MFMA Circular 63 guidelines.
- d. The draft Annual Report provides a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2018/19 financial year.

# 3. SERVICE DELIVERY INFORMATION AND PERFORMANCE

Municipal KPA	Number of targets in SDBIP	Number of targets achieved	Number of targets not achieved	Percentage of targets achieved
Basic Service Delivery	41	25	16	61.0%
Financial Viability	13	10	3	76.9%
Good Governance	28	22	6	78.6%
Institutional Development	11	8	3	72.7%
Local Economic Development	10	7	3	70.0%
Total	103	72	31	69.9%

# **Comments**

a. Chapter 3 provides comprehensive details regarding the service delivery performance of the municipality for the 2018/19 financial year. The municipality achieved 69.9 per cent (72 of

- 103) of its targets at the end of the financial year resulting in an increase in performance when compared to the previous year.
- b. The majority of targets not achieved are related to the 'Basic Service Delivery' KPA. 16 of the 41 targets set for the year were not achieved. The Municipality has provided comprehensive reasons for under-achievement and corrective measures as to how it will address these targets in the new financial year.
- c. Access to basic services for indigent households has increased significantly in the 2018/19 financial year and while funding remains a challenge, all targets set for provision of services to indigent households have been achieved and exceeded.

### 4. GENERAL

- Several local economic development initiatives were planned and implemented during the 2018/19 financial year. The Municipality is making a concerted effort to support and bolster Local Economic Development in the municipal area and region.
- b. The Auditor-General's Report and findings on the 2017/18 and 2018/19 financial years as submitted by the Auditor-General is included as Chapter 6 of the draft Annual Report. The Municipality had regressed in its audit status for the 2017/18 financial year however, it regained its clean audit status in 2018/19.

#### 5. CONCLUSION AND RECOMMENDATIONS

Theewaterskloof Municipality has complied with legislation regarding tabling, publishing the report for comments, submission to Provincial Treasury and placement on the website within the time frames prescribed in the MFMA section 75 and 121.

Full compliance to the prescribed format of the report is achieved as the draft 2018/19 Annual Report included all the required components and appendices as detailed in MFMA circular 63.

The Governance section in Chapter 2 of the Annual Report provides a thorough overview of the political and administrative structure within the municipality.

The performance report included in pages 85-211 indicates that the Municipality achieved 69.9 per cent of its targets for 2018/19 (72 of 103 targets were met). This shows an improvement in performance from the previous year where 60.6 per cent of targets were achieved. For the 31 targets not achieved, the Municipality has addressed the under-performance by providing reasons and corrective actions that will be taken to meet the targets.

Theewaterskloof Municipality produced a comprehensive 2018/19 Annual Report reflecting detailed information pertaining to the Municipality's performance during the year under review.

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

# **THEEWATERSKLOOF**



# MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING [MPAC] / MUNISIPALE KOMITEE OOR OPENBARE REKENING [MKOOR]

**MINUTES / NOTULE** 

05 FEBRUARIE / FEBRUARY 2020

# MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY MPAC COMMITTEE MEETING/ MKOOR KOMITEEVERGADERING

#### **NOTULE / MINUTES**

#### [05 FEBRUARIE / FEBRUARY 2020]

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
A.	OPENING: VERWELKOMING OPENING: WELCOME	1
B.	BYWONINGSREGISTER ATTENDANCE REGISTER	
B.1	Present Teenwoordig	1 - 2
B.2	Application(s) for leave of absence Aansoek(e) om verlof tot afwesigheid	2
C.	STATEMENT(S) AND ANNOUNCEMENT(S) BY THE CHAIRMAN VERKLARING(S) EN MEDEDELING(S) DEUR DIE VOORSITTER	
D.	DISCUSSIONS / BESPREKINGS	
	Draft Annual Report 2018/19	3 - 7
E.	VERDAGING	8

# THEEWATERSKLOOF MUNISIPALITEIT / MUNICIPALITY

NOTULE VAN DIE MKOOR KOMITEE SE VERGADERING GEHOU OP 05 FEBRUARIE 2020 OM 09:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, CALEDON

MINUTES OF THE MPAC COMMITTEE MEETING HELD ON 05 FEBRUARY 2020 AT 09:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON

#### A. OPENING EN VERWELKOMING/

Die Voorsitter, Raadsheer C November, verwelkom almal teenwoordig.

Raadslid S Fredericks open die vergadering met gebed.

#### **OPENING AND WELCOME**

The Chairperson, Alderman C November, welcomed all present.

Councillor S Fredericks opened the meeting with prayer.

#### B. <u>BYWONINGSREGISTER/ATTENDANCE REGISTER</u>

#### B.1 <u>Teenwoordig/Present</u>

Rdh/Ald C November Rdl/Cllr R Brinkhuys Rdl/Cllr CM Lamprecht Rdl./Cllr S Fredericks Rdl./Cllr. R Mienies Voorsitter / Chairperson

Mnr./Mr. GF Matthyse

Munisipale Bestuurder Municipal Manager

Me./Mrs. Z Nel-Gagiano

Adjunk-Direkteur : Korporatiewe Dienste Deputy Director : Corporate Services

Mnr./Mr. J Barnard

Adjunk-Direkteur: Gemeenskapsdienste Deputy Director: Community Services

Mnr./Mr. D Louw

Direkteur : Finansiële Dienste Director : Financial Services

Mnr./Mr. SP Cronje

Wnde Adjunk-Direkteur: Gemeenskaps-

ontwikkeling

Acting Deputy

Director:

Community

Development

Mnr./Mr. D Damons

Adjunk-Direteur: Tegniese Dienste Deputy Director: Technical Services

Mnr./Mr. E Nontshiza

Adjunk-Direkteur: Beplanning Deputy Director: Planning

Mnr./Mr. FH du Toit Adjunk-Direkteur: Elektriese Dienste

**Deputy Director: Electrical Services** 

Mnr./Mr. A Opperman Chief Executive Auditor

Hoof Uitvoerende Ouditeur

Mnr./Mr. V Arendse Bestuurder : GOP

Manager: IDP

Mnr./Mr. J Pienaar Bestuurder: Stadsbeplanning & Boubeheer

Manager: Town Planning & Building Control

Me./Mrs M Faul Bestuurder: Korporatiewe Dienste

Manager: Corporate Services

#### B.2 <u>Aansoek(e) om verlof tot afwesigheid : (3/2/1/3)</u> Application(s) for leave of absence : (3/1/1/3)

Geen / None

#### C. AANKONDIGINGS DEUR DIE VOORSITTER

Die Voorsitter dui aan dat hy teleurgesteld is oor die feit dat 'n behoorlike Agenda nie vir hierdie vergadering opgestel en versprei is nie.

Die MKOOR is ingestel ingevolge artikel 79 van die Wet op Munisipale Strukture en 'n behoorlike Agenda moet vir elke vergadering opgestel word.

Mnr Verohne Arendse reageer soos volg:

- Die doel van die eerste vergadering is dat Bestuur gehoor gee aan die kwessies wat gedurende die vergadering deur die MKOOR-lede geopper is en duidelikheid daaroor verskaf. (MKOOR-lede moet vrae aan Bestuur stel.)
- 2. Op die tweede vergadering sal die insette van die gemeenskap/ belanghebbendes bespreek word en 'n behoorlike Agenda vir die vergadering sal versprei word.
- 3. Die Voorsitter sal op die derde vergadering sy oorsigverslag vir bespreking aan die MKOOR voorlê.

#### ANNOUNCEMENTS BY THE CHAIRPERSON

The Chairperson mentioned that he is disappointed in the fact that a proper Agenda for this meeting was not prepared and distributed.

That MPAC is established in terms of Section 79 of the Structures Act and that a proper Agenda must be compiled for each meeting.

Mr Verohne Arendse reply as follows:

- 1. That the purpose of the 1<sup>st</sup> meeting is for Management to address the issues raised by the MPAC Members during the meeting and to give clarity. (MPAC Members to pose questions to Management.)
- 2. 2<sup>nd</sup> Meeting will discuss the inputs from the Community/Stakeholders and that a proper Agenda will be distributed for the meeting.
- 3. 3<sup>rd</sup> Meeting will the Chairperson present his oversight report to the MPAC Committee for discussion.

#### D. BESPREKINGS

#### <u>Bespreking oor jaarverslag – vrae oor die jaarverslag 01/07/2018 tot 30/06/2019</u> word aan Bestuur gestel

<u>Rdl Fredericks</u> – opleiding in Worcester (Nekkies) – bestuursverslag is vir bespreking ingedien – nie van TWK ontvang nie.

<u>Munisipale Bestuurder</u> – OG se bestuursverslag oor TWK is deur die Munisipale Bestuurder ontvang. Die status van die bestuursverslag is op die vergadering van die Prestasie- en Ouditkomitee bespreek. Die OG is van mening dat dit 'n verslag tussen die OG en Bestuur is as 'n aanloop tot die finale verslag = prerogatief van Munisipale Bestuurder om te besluit om verslag aan ander strukture in die munisipaliteit te versprei. OG het aangedui dat TWK onder geen verpligting staan om die verslag te versprei nie. Die Munisipale Bestuurder het geen versoek om toegang tot die TWK-bestuursverslag ontvang nie. Wanneer versoeke ontvang word, sal dit deur die Munisipale Bestuurder oorweeg word.

<u>Rdh November</u> meld dat die MKOOR-lede op enige stadium die TWK-bestuursverslag van die Munisipale Bestuurder kan aanvra.

<u>Rdl Fredericks</u> – die toesighoudende rol van die MKOOR is nie slegs van toepassing aan die politieke kant nie, maar ook aan die administratiewe kant. As iets in die bestuursverslag weggesteek word, is dit 'n probleem vir Rdl Fredericks. Moet 'n toesighoudende rol vervul. Dit is voorheen op vergaderings aangeroer. Kon deur die jaar met bestuur gesprekke gehou het. Verslag moet voor die Raad dien – behoorlike inligting is nie beskikbaar om aanbevelings te maak nie.

<u>Rdl November</u> – is nie ingelig dat daar geen ad hoc MKOOR-vergaderings gehou word nie. MKOOR hou toesig oor bestuur en die Raad. Bykomende vergaderings is aangevra – Munisipale Bestuurder moet kennis neem. MKOOR sal dit afsonderlik bespreek.

- 1. Bl. 12 = Munisipale Bestuurder se oorsigverslag: "Nadelige sosiale gedrag, veral die vernieling van munisipale bates, as gevolg van toenemende armoede". Stellings is nie waar nie moet deur die Munisipale Bestuurder hersien word.
- 2. Bl. 12 = Ouditresultaat "ongekwalifiseerde oudit" = 2018/19 moet verander word na 2017/2018. Bladsy met wysiging is op Raadsvergadering onder Raadslede versprei.

- 3. Bl. 27 = verwys na inligting van 2017 = is geen bywerking beskikbaar nie? Word vervat in die sosio-ekonomiese profiel altyd een jaar laat. 2018-syfers sal eers in Februarie/Maart 2020 beskikbaar wees.
- 4. Bl. 48 = verskonings aangebied word nie in profiel aangedui nie = moet aan die Speaker gegee word. Moet deur administrasie reggestel word.
- 5. Bl. 57 60 = Wykskomitee funksioneer nie behoorlik nie. Waarom lê sekere wyke nie verslae aan die Speaker se kantoor voor nie? As Wyksraadslede nie die reëls nakom nie, moet die Speaker die niebywoning van/nie-indiening van verslae oor vergaderings aanspreek. Kennis word geneem van kommer wat deur MKOOR-lede uitgespreek is.
- 6. Bl. 62 aantal amptenare teenoor aantal lede wat vergaderings bywoon, bv. Wyk 2. Waarom is daar op sekere vergaderings baie amptenare teenoor slegs twee amptenare by ander vergaderings? Amptenare moet eweredig oor alle wyke versprei word.
- 7. Bl. 76 8 aan die gang is dit opgelos of is dit steeds aan die gang. Dit sou normaalweg op hierdie stadium opgelos wees. Anton sal opvolg en terugvoer aan MKOOR gee.
- 8. Jaar-op-jaar verslag Interne ouditverslae/OG-verslae = word TWK se vordering/probleme aangespreek. Kleiner risiko's = stortingsterrein.
- 9. Bl. 78 = grondbesettings = eerste punt – slegs een struktuur per erf toegeken. Volg TWK dit op? Daar is tans amper 3-4 strukture per erf. Geen rekords word oor voorvalle gehou nie en geen verslae word ingedien nie. Dit moet dringend na gekyk word. Enige vordering in hierdie verband. SOP hersien en nuwe een is opgestel. Provinsiale departement gebruik TWK SOP om SOP's in die Wes-Kaap te standaardiseer. Baie veranderinge aan SOP. Nuwe poste, nuwe rolle en funksies word in nuwe SOP behandel. Niks op rekord nie - 'n kommer vir MKOOR - die merk van strukture = vind nie plaas nie. Siyanzela het baie onbewoonde strukture. Talle gesprekke = groot uitdaging is Grabouw se bestuur van plakkerbeheer = is tans besig om 'n vergadering met alle rolspelers te reël, insluitend Provinsie en TWK = hoe om die probleem in Grabouw aan te pak. Voetnota!!! Hierdie verslag was vir 2018/19 - wat is in die tussentyd gedoen. (Mnr. J. Barnard en mnr. V. Arendse) - sal in die oorsigverslag aangedui word. (Moet in die oorsigverslag aangedui word - dit is die verslag van die Prestasie-ouditkomitee en Ouditkomitee se Voorsitter.)
- 10. Bl. 84 2.12 = TWK kan nie die vlak van bevrediging van die publiek meet nie. TWK begeef hom op gladde ys. Kan TWK op enige ander plek befondsing bekom? Befondsing is uiteindelik van Stats SA ontvang om 'n opname oor kliëntebevrediging te onderneem. Nadat alles afgehandel is, sal inligting aan die Raad oorgedra word.
- 11. Bl. 88 89 = Opsomming van resultate 10% van SPA's nie bereik nie; 19% van SPA's amper bereik = korporatiewe taal nie verstaanbaar vir man in die straat nie bl. 87 opsommende verduideliking.
- 12. Bl. 133 3.2.2 Aantal jare se syfer bly dieselfde is geen nuwe huise gebou nie? Ondersoek deur mnr. Damons

- 13. Bl. 23/24 TWK se meganisme om bevolking te meet Census SA gesprek deernisgevalle nie 'n ware beeld van die bevolking van TWK nie. Bl. 21 probeer om hierdie aangeleentheid aan te spreek (algemene gevoel uitgespreek).
- 14. Bl. 187 begraafplase = groot probleem vir TWK. Grabouw-mense word in begraafplase se ryvlakke begrawe. Dit moet bespoedig word. 'n Manier moet gevind word om die OIB-proses te bespoedig. Kromvlei-begraafplaas = bykomende stuk grond langsaan die begraafplaas = kan dit nie verkry word om as deel van die Kromvlei-begraafplaas te ontwikkel nie? Volledige verslag oor huidige status / hoe om die probleme van vol/amper vol begraafplase aan te spreek hom om dit te oorkom = Johan Viljoen is tans besig met verslag = sal teen die einde van Februarie 2020 ingedien word vir bespreking. Ondersoek is gedoen oor die stuk grond aanliggend aan Kromvlei. Benodig nog Departement Openbare Werke se handtekening. Proses om verskillende stukke grond te bespoedig. Slegs beperkte stukke grond moet na die groter prentjie kyk (strategiese punt). Moeilik om geskikte grond vir begraafplase te verkry. Stortings vind by begraafplase plaas moet deur mnr. Barnard ondersoek word.
- 15. Bl. 197 opgradering van sportfasiliteit in Grabouw (Pineview Park) = gegewe die toestand sal dit nie meer gebruik word nie. Daar is nog geld in die huidige begroting vir Pineview Park sal ablusiegeriewe opgradeer. Verskeie vergaderings is belê = Munisipale Bestuurder met belanghebbendes van sportkodes.
- 16. Bl. 263 OG-verslag = no. 36 en 37 = duidelikheid is nodig. Verskillende interpretasie OG se interpretasie bly finaal. Platforms vir gekombineerde sekerheid eksterne oudit en interne ouditkomitees, FARMCO.
- 17. Bl. 278 Komitee oor Finansiële Volhoubaarheid waarom bestaan dit nie meer nie. Vorige Raad rolle en verantwoordelikhede lê nou by die Finansies Komitee.
- 18. Bl. 81-87 Aantekeninge tot die finansiële state = no. 66 "verwante partye".

#### **DISCUSSIONS**

## <u>Annual report discussion – pose questions to Management on Annual Report – 01/07/2018 to 30/06/2019</u>

<u>Cllr Fredericks</u> – training in Worcester (Nekkies) – management report was handed for discussion – not received from TWK.

<u>Municipal Manager</u> - AG Management report of TWK was received by the Municipal Manager. During the Performance and Audit Committee, the status of the management report was discussed. It is the AG's view that it is a report between the AG and Management as a built up towards to the final report = prerogative of Municipal Manager to decide to distribute report to other structures in the Municipality. AG indicated that TWK are under no obligation to distribute the report. The Municipal Manager did not receive any request for access to the TWK Management Report. After requests received, will be considered by Municipal Manager.

<u>Aldm November</u> mentioned that the MPAC Members can request the TWK Management report from Municipal Manager at any stage.

<u>Cllr Fredericks</u> – MPAC oversight role not only political side but also on administrative side. If something is hidden in the management report, it is problem for Cllr Fredericks. Must perform oversight role. Was previously raised at other meetings. Could through the year engaged with management. Report must be put to Council – not proper information available to make recommendations.

<u>Cllr November</u> – not told no ad-hoc MPAC meetings. MPAC oversight over executive and council. Additional meetings requested – Municipal Manager must take note. MPAC Committee will discuss separately.

- 1. P12 = Municipal Managers Overview's report : "Adverse social behaviors, especially the vandalizing of municipal assets, as a result of escalating poverty". Statements not true must be reviewed by Municipal Manager.
- 2. P12 = Audit outcome "unqualified audit" = 2018/19 must be changed to 2017/2018. Amendment page was distributed to Councillors at Council Meeting.
- 3. P27 = refers to information of 2017 = are there no update available? Contained in the social economic profile always 1 year late. 2018 figures will only be available in February / March 2020.
- 4. P48 = apologies rendered not indicated in profile = must be posed to the Speaker. Must be rectified by administration.
- 5. P57 60 = Ward Committee not functioning properly. Why does certain wards not submit reports to the Speakers office? If Ward Councillors not abide by the rules, the Speaker must address the non-attendance/no-submission of meetings. Note concern raised by MPAC Members.
- 6. P62 number officials versus number members attend meetings e.g. Ward 2. Why does have certain meeting many officials attend versus just 2 officials at other meetings. Officials must be fairly spread through all wards.
- 7. P76 8 in progress was it resolved or are it still in progress. Normally it will be resolved at this stage. Anton will follow-up and revert back to MPAC.
- 8. Year-on-year report Internal Audit reports/AG reports = does TWK progress / problems addressed. Minor risks = dumping site.
- 9. P78 = land invasions = first bullet point only 1 structure allocated to a plot. Does TWK follow it up? Currently nearly 3 4 structures per erf. No occurrence books kept and reports submitted. Need to look at it urgently. Any progress in this regard. SOP reviewed and a new one drafted. Provincial Department use TWK SOP to standardized SOP's in Western Cape. Many changes to SOP. New positions, new roles and functions addressed in new SOP. Nothing on record a concern for MPAC marking of structures = not happening. Siyanzela a lot of unoccupied structures. Several discussions = big challenge Grabouw squatter control management = currently busy to arrange a meeting with all role-players including Province and TWK = how going to tackle that problem in Grabouw. Footnote!!! This report was for 2018/19 what has been

- done in the meantime. (Mr J Barnard & Mr V Arendse) will reflect in the oversight report. (Must be reflected in the Oversight report this is the report of the PAC & AC Chairperson.)
- 10. P84 2.12 = TWK not able to measure the level of satisfaction of the public, TWK is walking on thin ice. Is there anywhere else TWK can obtain funding? Funding was finally received from Stats SA to conduct client satisfaction survey. After everything is finalized, information will be correspondent to Council.
- 11. P88 89 = Summary of results 10% KPI's not met; 19% of KPI's almost met = corporate language not understand by man in the street p87 summarised explanation.
- 12. P133 3.2.2 Number of each year remains the same figure was no new houses built? Investigate by Mr Damons.
- 13. P23/24 TWK mechanism to measure population Census SA discussion indigent not a true reflection of the population of TWK. P21 try to address this matter (general feeling stated).
- 14. P187 cemeteries = big problem for TWK. Grabouw people are buried in driveways of graveyards. This need to be fast tracked. A way must be find to speed up the EIA process. Kromvlei cemetery = additional piece of land next to cemetery = can that not be obtained to be developed as part of the Kromvlei cemetery. Full report on current status / how to address the problems with full/nearly full cemeteries how to overcome that = Johan Viljoen is currently busy with report = will be submitted by the end of February 2020 for discussion. Investigation was done on the adjacent piece of land to Kromvlei. Still need signature from Department of Public Works. Process to expedite various pockets of land. Only limited pieces of land need to look at the bigger picture (strategy point). Difficult to obtain suitable land for cemeteries. Waste dump at cemeteries must be investigated by Mr Barnard.
- 15. P197 upgrading of sport facility in Grabouw (Pineview Park) = will stop using it due to the state thereof. Current budget still money available for Pineview Park will upgrade ablution facilities. Various meetings were scheduled = Municipal Manager with stakeholders of sport codes.
- 16. P263 AG report = nr 36 & 37 = need clarification. Different interpretation AG's interpretation remains final. Combined assurance platforms external audit and internal audit committees, FARMCO committee.
- 17. P278 Financial sustainability committee why does it not exists any more. Previous council roles and responsibilities vests now in the Finance Committee.
- 18. P81 87 Notes to the financial statements = nr 66 "related parties".

#### E. <u>ADJOURNMENT / VERDAGING</u>

Die vergadering verdaag om 12:05. The meeting was adjourned at 12:05.

OPGESTEL EN BYGEHOU DEUR :

COMPILED AND RECORDED BY: M FAUL

BESTUURDER: KORPORATIEWE DIENSTE/ MANAGER: CORPORATE SERVICES







NAAM EN VAN / NAME AND	HANDTEKENING / SIGNATURE
SURNAME	
Raadslede / Councillors :	
Raadsheer/Alderman C November	Mounty
Raadslid/Councillor C Lamprecht	M,
Raadslid/Councillor S Fredericks	1 Offin
Raadslid/Councillor R Brinkhuys	Anthuy?
Raadslid/Councillor R Mienies	R. Manies
Amptenare/Officials:	
Mnr/Mr GF Matthyse	-(1)
Me/Mrs Z Nel-Gagiano	An
Mnr/Mr J Barnard	Hole.
Mnr/Mr D Louw	1
Mnr/Mr SP Cronje	100
Mnr/Mr D Damons	
Mnr/Mr E Nontshiza	
Mnr/Mr FH du Toit	Milson
Mnr/Mr E Nontshiza	twinter

Mnr/Mr A Opperman	M. C3-
Mnr/Mr V Arendse	in De
Me/Mrs M Faul	Mauc
J Piergar	

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

#### THEEWATERSKLOOF



# MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING [MPAC] / MUNISIPALE KOMITEE OOR OPENBARE REKENING [MKOOR]

**MINUTES / NOTULE** 

**04 MAART / MARCH 2020** 

# MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY MPAC COMMITTEE MEETING/ MKOOR KOMITEEVERGADERING

# NOTULE / MINUTES [04 MAART / MARCH 2020]

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
A.	OPENING: VERWELKOMING OPENING: WELCOME	

- B. <u>BYWONINGSREGISTER</u> <u>ATTENDANCE REGISTER</u>
- B.1 Present Teenwoordig
- B.2 Application(s) for leave of absence Aansoek(e) om verlof tot afwesigheid
- C. STATEMENT(S) AND ANNOUNCEMENT(S) BY THE CHAIRMAN
  VERKLARING(S) EN MEDEDELING(S) DEUR
  DIE VOORSITTER
- D. <u>CONFIRMATION OF MINUTES AND/OR REPORTS</u> BEKRAGTIGING VAN NOTULES EN/OF VERSLAE

Minutes: MPAC Committee meeting: 05 February 2020 Notule: MKOOR Komiteevergadering: 05 Februarie 2020

#### E. <u>DISCUSSIONS/BESPREKINGS</u>

Comments received from Public, Stakeholders and other Organs of State/
Kommentaar ontvang vanaf die Publiek, Belanghebbendes en ander Staatsorgane

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY /
		NR

- F. <u>URGENT MATTERS/ DRINGENDE AANGELEENTHEDE</u>
- G. <u>ADJOURNMENT/VERDAGING</u>

### **THEEWATERSKLOOF** MUNISIPALITEIT / MUNICIPALITY

NOTULE VAN DIE MKOOR KOMITEE SE VERGADERING GEHOU OP 04 MAART 2020 OM 14:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, CALEDON

MINUTES OF THE MPAC COMMITTEE MEETING HELD ON 04 MARCH 2020 AT 14:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON

#### A. **OPENING EN VERWELKOMING/**

Die Voorsitter, Raadsheer C November, verwelkom almal teenwoordig en open die vergadering met gebed.

#### **OPENING AND WELCOME**

The Chairperson, Alderman C November, welcomed all present and opened the meeting with prayer.

#### B. BYWONINGSREGISTER/ATTENDANCE REGISTER

#### **B.1** Teenwoordig/Present

Rdh/Ald C November RdI/Cllr R Brinkhuys Rdl/Cllr CM Lamprecht Rdl./Cllr S Fredericks

Voorsitter / Chairperson

Me./Mrs. R Gani

Voorsitter: Prestasie- en Ouditkomitee

Chairperson: Performance- and Audit

Committee

Mnr./Mr. D Louw

Wnde Munisipale Bestuurder

Acting Municipal Manager

Me./Mrs. Z Nel-Gagiano

Adjunk-Direkteur: Korporatiewe Dienste Deputy Director: Corporate Services

Mnr./Mr. J Barnard

Adjunk-Direkteur: Gemeenskapsdienste Deputy Director: Community Services

Mnr./Mr. SP Cronje

Adjunk-Direkteur: Wnde Gemeenskaps-

ontwikkeling

Acting Deputy

Director:

Community

Development

Mnr./Mr. D Damons

Adjunk-Direteur: Tegniese Dienste Deputy Director: Technical Services

Mnr./Mr. KE Nontshiza

Adjunk-Direkteur: Beplanning Deputy Director: Planning

Mnr./Mr. FH du Toit

Adjunk-Direkteur: Elektriese Dienste

**Deputy Director: Electrical Services** 

Mnr./Mr. A Opperman

Chief Executive Auditor

Hoof Uitvoerende Ouditeur

Mnr./Mr. V Arendse

Bestuurder : GOP Manager : IDP

Me./Ms. A Carelse

GOP & Prestasie Administrateur

IDP & Performance Administrator

Me./Mrs M Staal

Sekretariaatdienste

**Secretariat Services** 

#### Besoekers/Visitors

Me./Ms. M Kotze

**AGSA** 

Me./Ms. U Mnqanqeni

**AGSA** 

Mnr./Mr. D Swanson

DLG

## B.2 Aansoek(e) om verlof tot afwesigheid : (3/2/1/3) Application(s) for leave of absence : (3/1/1/3)

Rdl./Cllr. C Wood

Skriftelike verskoning / Written apology

Mnr./Mr. GF Matthyse

Verskoning / Apology

#### C. <u>ANNOUNCEMENTS BY THE CHAIRPERSON</u>

The Chairperson mentioned that he hopes that this will be a fruitful meeting and that everyone must bear with one another.

The Chairperson also requested that the Agenda and previous minutes and all relevant documents also be loaded on the USB sticks.

#### D. <u>CONFIRMATION OF MINUTES AND/OR REPORTS</u> <u>BEKRAGTIGING VAN NOTULES EN/OF VERSLAE</u>

Bekragtiging van Notule van MKOOR vergadering: 05 Februarie 2020

#### **BESLUIT:**

Om op voorstel van Raadslid S Fredericks, en gesekondeer deur Raadslid R Brinkhuys, die Notule van die MKOOR vergadering van 05 Februarie 2020 hiermee goed te keur, te bekragtig en deur die Voorsitter te laat onderteken as *prima facie* bewys van die juistheid daarvan.

**Confirmation of Minutes of MPAC Meeting: 05 Feburary 2020** 

#### **RESOLVED:**

To on proposal by Councillor S Fredericks, and seconded by Councillor R Brinkhuys, approve, confirm and have signed the Minutes of a MPAC Meeting of 05 February 2020 as <u>prima facie</u> evidence of its correctness.

#### E. BESPREKINGS/DISCUSSIONS

<u>Comments received from Public, Stakeholders and other Organs of State / Kommentaar ontvang vanaf die Publiek, Belanghebbendes en +ander Staatsorgane</u>

No comments were received from the Public. We received comments from the Auditor General and from Provincial Treasury.

Mr Verohne Arendse took the committee through Provincial Treasury's comments.

Thereafter Ms Unathi Mnqanqeni (representative of AGSA) presented their comments to the Committee.

<u>Cllr Fredericks</u> – Deviations: If I look at the comments in terms of the deviations, we have registered an amount of R34m in deviations. What is the main reason that we are at such a high amount?

 $\underline{\mathit{Mr}\ D\ \mathit{Louw}}$  – This is a big issue. There are various interpretations pertaining deviations.

My opinion is to stay clear from it. Operations is busy with a tender for service providers in a framework to avoid deviations.

<u>Cllr Fredericks</u> – Agree in a way with the CFO. We should stay as far as possible away from deviations. We must investigate to see how we can reduce this high amount in deviations. This issue to be included as a footnote in the Annual report.

Mr J Barnard - We are busy with a 3 year tender which will limit deviations.

<u>Ald November</u> – We must be cautious to not make people suspicious by using one service provider over and over.

<u>Cllr Fredericks</u> – In terms of this high amount of deviations in repairing fleet, that a proper research be done for us to have our own workshop and a report by submitted for consideration. Why do other municipalities have their own workshop, but we cannot have one?

<u>Ald November</u> – A study be done on how much money was spent on repairing vehicles vs appointing a person to do this.

#### Irregular Expenditure

<u>Cllr Fredericks</u> – The amount increased from R18m to R100m. Want an explanation as this is of great concern.

Explanations was then given by the CFO, Mr D Louw.

The Chairperson then mentioned that he is satisfied that the Administration noted the concerns of the Committee and will look into the matter.

#### F. URGENT MATTERS / DRINGENDE AANGELEENTHEDE

#### Management Report

<u>Ald November</u> – This issue is coming on for some time now when we requested the document from the Municipal Manager. As the AG is here now, they can give guidance. The Chairperson mentioned that he requested the report via e-mail and then read the Municipal Managers's response.

<u>Cllr Fredericks</u> – The Management report was handled at a SALGA training session. How can it then be confidential as stated by the Municipal Manager? We want to make sure we are in line on how we run this municipality.

<u>AG Representative</u> – (The AG then gave clarification). The AG mentioned that the Management Report is a public document and that the accounting officer (Municipal Manager) can make it available to the MPAC Committee.

<u>Ald C November</u> – Requested that the Management Report be circulated and then a Special MPAC meeting must be scheduled.

<u>Cllr Fredericks</u> – Don't know want the reason is that that document is withheld from the Committee. Space is made for speculations and we do not want to speculate. We have the right to as questions.

<u>Mnr A Opperman</u> – At last Council meeting it was resolved that we keep to the MPAC Terms of Reference until the amendment of the Structures Act. We leave the Management report for now.

Councillor Fredericks then mentioned that he have a few questions for clarity on the Annual report.

- 1. P43 Date for submission is 29 March 2020 which is on a Sunday.
  - Mr V Arendse then explained that the time for submission is 10 working days. We always take the last day of the 10 days.
- 2. P 50 Comment of resolutions of Council. 3 Resolutions referred back to item author. What happened to that items?
- 3. P 61 64 What plans are in place to ensure the involvement of communities? (It was stated poor attendance at meetings)
- 4. P76 Under finding: What measures are in place to ensure that we engage with the minor transgressions?
- 5. P80 Comment was made: Issue of vacancies has been identified as a risk. What is done about it?
- 6. Employment Equity What are the main causes that we don't reach our EE targets?

- 7. P70 190 Basic Service Delivery: There are targets not met. Speaks to the Housing transfers.
- 8. P 287 289 List of priorities: Can we have an update of the priorities?
- P295 Disclosure of financial interest: There are only a few officials who disclosed financial interests. What is in place to ensure that the officials disclose their interests/

#### G. ADJOURNMENT / VERDAGING

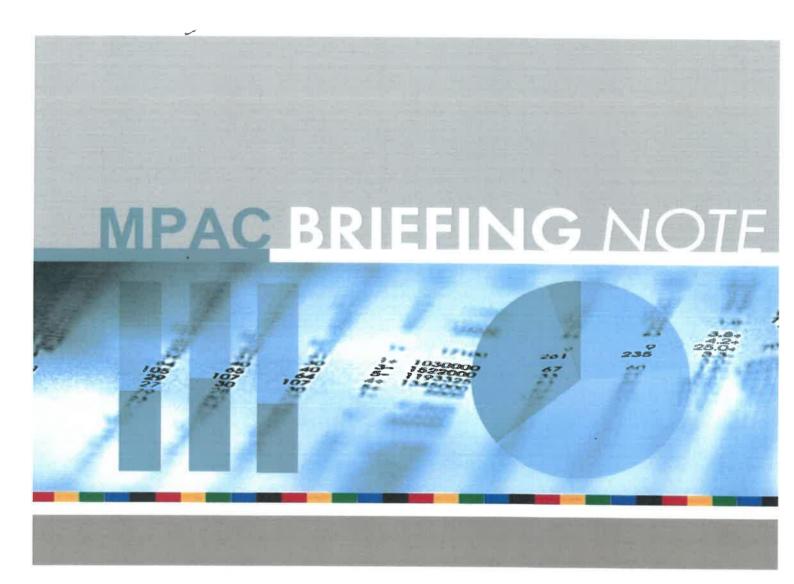
Die vergadering verdaag om 15:32 The meeting was adjourned at 15:32.

**OPGESTEL EN BYGEHOU DEUR: ......** 

**COMPILED AND RECORDED BY:** 

M STAAL

SEKRETARIAATDIENSTE/ SECRETARIAT SERVICES



## Theewaterskloof Municipality

4 March 2020



Auditing to build public confidence

2018-19

#### THEEWATERSKLOOF MUNICIPALITY

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#### 1. INTRODUCTION

#### 1.1 Reputation promise of the Auditor-General of South Africa

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

#### 1.2 Purpose of document

The purpose of this document is to provide an executive summary of the audit outcomes of the financial audit, audit of performance information and compliance with laws and regulations of Theewaterskloof Municipality for the 2018-19 financial year.

#### 1.3 Overview

In terms of Sec 155(1)(b) of the Constitution of the Republic of South Africa 1996, the auditee is categorised as (Category B) which is defined as a municipality that shares municipal executive and legislative authority in its area with a category C.

The vision of Theewaterskloof municipality:

"A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all."

#### 1.4 Organisational structure – key role players

Designation	Incumbent
Executive Mayor	Councillor C. Vosloo
Deputy Executive mayor	Councillor M Sileku
Accounting Officer	Mr G Matthyse
Chief Financial Officer	Mr D Louw

#### 1.5 Funding

As disclosed on page 322 of the municipality's annual report, Theewaterskloof Municipality spent R578 million of a budget of R669,28 million, resulting in an overall under-expenditure of R91,28 million – 13.64% underspent (2017-18: R68,67 million – 12% underspent).

As disclosed on page 323 of the municipality's annual report, the municipality also had cash inflows from operating activities of R127,66 million compared to the budgeted amount of R58 804 850 (2017-18: R95,33 million compared to budget of R82,56 million).

Detailed explanations for the variances between budget and actual of expenditure and cash flows from operating activities are set out on pages 384 to 385 of the municipality's annual report.





#### 2. AUDIT OPINION HISTORY

Details	2018-19	2017-18	2016-17
Audit opinion			
Findings on compliance with key legislation			
Material misstatements in financial statements submitted	No	No	No
Procurement and contract management	No	Yes	No
Revenue management	No	No	No
Expenditure management	No	No	No
Utilisation of conditional grants	No	No	No
Strategic plan and performance management	No	No	No
Consequence management	No	No	No
Findings on predetermined objectives	No	No	No
Internal control deficiencies	No	Yes	No

#### **Audit opinions**

CLEAN AUDIT OPINION (no findings on PDO or compliance with laws & regulations)

UNQUALIFIED with findings on PDO and/or compliance

QUALIFIED AUDIT OPINION (with or without findings)

DISCLAIMER/ADVERSE AUDIT OPINION

PDO = Predetermined objectives (audit of performance information/service delivery/annual performance report)





#### **Emphasis of matters**

#### 2.1. Restatement of corresponding figures

- As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors discovered during the 2018-19 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2019.
- As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of reclassification of expenditure by nature in the financial statements of the municipality at, and for the year ended, 30 June 2019.

#### 2.2 Material losses/impairments

- As disclosed in note 3 to the financial statements, the municipality, provided for the impairment for receivables from exchange transactions amounting to R144,9 million (2017-18: R126,3 million).
- As disclosed in note 4 to the financial statements, the municipality, provided for the impairment for receivables from non-exchange transactions amounting to R70,7 million (2017-18: R75,8 million).

#### 2.3 Underspending of capital budget

As disclosed in the statements of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R11,9 million (2017-18 R43.3 million) which represents and underspending of 13,5% (2017-18 33%).

#### 2.4 Underspending of the conditional grant

As disclosed in note 26.08 to the financial statements, the municipality underspent its conditional grant: water and sanitation by R28 919 000.

#### 3. KEY FOCUS AREAS

#### 3.1 Predetermined objectives

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives:

Key Performance Area	Pages in annual performance report
Basic service delivery	94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported





performance information to determine whether it was valid, accurate and complete. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives.

#### Other matter

I draw attention to the matter below.

**Achievement of planned targets:** Refer to the annual performance report on pages 94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124 for information on the achievement of planned targets for the year.

Adjustment of material misstatements: I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Key performance area: Basic service delivery. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

#### 3.2 Compliance focus areas

No material findings were raised on any of the compliance focus areas.

#### 3.3 Internal control deficiencies

No significant deficiencies in internal control were identified.

#### 4. MPAC RESOLUTION

- **4.1** Progress on the following resolutions on the prior year annual report will be assessed after the MPAC provides feedback to council on the annual report and progress on prior year resolutions for 2018-19 annual report.
  - Concerning statistics of services falling outside municipal mandate e.g. grade 12 dropouts. Council should clarify what they are doing to improve these statistics.
  - The rate of houses delivered vs the growth in housing demand is concerning. In 2017/18 houses build 157 vs housing demand growth between 2016/17 and 2017/18 1602.
  - The municipality is advised to ensure that demand and acquisitioning is properly
    planned to limit the use of SCM regulation 36 to instances where deviations are
    unavoidable and that such cases are properly motivated/justifiable and documented as
    per paragraph 4.2.5 of the MPAC briefing document stating.
  - After the management report from the AG is presented to the Steering committee an MPAC meeting must be convened where this report is presented.

#### 5. EMERGING RISKS

**5.1 New pronouncements:** *Standards of GRAP:* ASB GRAP pronouncements that will become effective in the following financial year.

#### 5.2 Background to PAA amendments

 Material irregularities: In terms of section 1(g) of the Public Audit Amendment Act, 2018 (Act No. 5 of 2018) a material irregularity is defined as any non-compliance with, or contravention of, legislation, fraud, theft or a breach of a fiduciary duty identified





during an audit performed under this Act that resulted in or is likely to result in a *material* financial loss, the misuse or loss of a material public resource or substantial harm to a public sector institution or the general public.

#### 5.3 Risks that require continuous monitoring

**SCM Regulation 32:** The supply chain management regulations issued in terms of the MFMA allows for the accounting officer to procure goods and services for the municipality or municipal entity under a contract secured by another organ of state in terms of regulation 32. However, the procurement must occur whilst the originating contract is enforceable, i.e. active contract, and the nature, scope and duration of the contract must be consistent. Contracts secured through the application of regulation 32 cannot be amended, in terms of section 116(3) of the MFMA, if those amendments change the scope of the original contract. Non-adherence to these principles will be considered for non-compliance.

The principles and conditions when participating in contract secured by another organ of state in terms of regulation 32, which are as follows:

- The contract must have been procured through a competitive bidding process (not a deviation).
- The contract must be active at the time of participation.
- The procuring institution may not procure beyond the scope of the original contract.

**Deviations:** In terms of Municipal Supply Chain Management Regulation 36, an accounting officer may deviate from competitive bidding procurement processes, provided that such deviation is properly approved and justifiable and that all procurement complies with section 217 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), i.e. that the procurement is done in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

• The municipality's deviation register reflects that R34,1 million of contracts were concluded during the 2018-19 financial year using deviations (2017-18: R28 million), the largest procurement deviations relating to impracticality.

**Bid adjudication committee (BAC) composition:** MFMA regulation 29(2) states that a BAC *must consist of at least four senior managers* of the municipality or municipal entity. Each award should be adjudicated by a committee that is composed in compliance with regulation 29(2). Principles were confirmed with National Treasury, however were in some cases, municipalities do not have the staff establishment to have an adequately composed BAC, this does not negate the responsibility of complying with regulation 29(2). Then municipalities are referred to section 170 of the MFMA regarding departures from treasury regulations or conditions.

### 5.4 Audit findings on the annual performance report that may have an impact on the audit opinion in future:

The planned and reported performance information of selected objectives was audited against the additional criteria as developed from the Performance Management Reporting Framework such as presentation and disclosure and relevance.

 Material audit findings arising from the audit against the additional criteria do not have an impact on the audit opinion(s) of the selected objectives in this report. However, it may impact on the audit opinion in future.



Theewaterskloof Municipality 2018-19

#### 6. Other Reports

#### Investigations

No investigations were conducted during the period 2018-19.

#### 7. Other audits

No other audits were conducted during the period 2018-19.

#### 8. Irregular expenditure

Irregular expenditure for Theewaterskloof Municipality has increased from R18,47 million in the prior year to R100,39 million in the current year. Of the R100,39 million, R82,54 million relates to irregular expenditure that was identified in the current which relates to non-compliance of previous years. The non-compliance relates to non-compliance with procurement regulations.





Ms Nadia Rinquest Local Government Budget Office Email: nadia.rinquest@westerncape.gov.za tel: +27 021 483 8692 fax: +27 21 483 4680

Reference: PTR/12/21/15/4

#### The Municipal Manager

Theewaterskloof Municipality PO Box 24 CALEDON 7230

For Attention: The Municipal Manager, Mr G Matthyse

#### PROVINCIAL TREASURY COMMENTS ON THE TABLED 2018/19 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 new annual report template and MFMA Circular No. 63 on 26 September 2012. 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 Theewaterskloof Municipality with the MFMA and Annual report MFMA Circular 63 is as follows:

- a. The Municipality submitted the draft 2018/19 Annual Performance Report together with the AFSs to the Auditor General by 31 August 2019.
- b. The unaudited Annual report was not tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c. The Annual report was tabled to Council on **23 January 2020** which is within 7 months after the end of the financial year in accordance to MFMA section 121(1).
- d. The draft Annual report was placed on the website on 28 January 2020 which is in accordance to section 75 of the MFMA.
- e. The Annual Report was published on the municipal website and adverts placed in local newspapers inviting public to comment for 28 days after the report was tabled.

#### 2.2 Format of the Annual Report as per MFMA Circular 63

- a. The Annual Report fully complies with the Annual Report Template as described by MFMA Circular 63 as it includes all the required components and appendices.
- b. A comprehensive and detailed Mayor's Foreword is included in the draft version as per Circular 63 guidelines.
- c. The Municipal Managers Foreword with relevant information is included in the draft version as per MFMA Circular 63 guidelines.
- d. The draft Annual Report provides a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2018/19 financial year.

#### 3. SERVICE DELIVERY INFORMATION AND PERFORMANCE

Municipal KPA	Number of targets in SDBIP	Number of targets achieved	Number of targets not achieved	Percentage of targets achieved
Basic Service Delivery	41	25	16	61.0%
Financial Viability	13	10	3	76.9%
Good Governance	28	22	6	78.6%
Institutional Development	11	8	3	72.7%
Local Economic Development	10	7	3	70.0%
Total	103	72	31	69.9%

#### **Comments**

a. Chapter 3 provides comprehensive details regarding the service delivery performance of the municipality for the 2018/19 financial year. The municipality achieved 69.9 per cent (72 of

- 103) of its targets at the end of the financial year resulting in an increase in performance when compared to the previous year.
- b. The majority of targets not achieved are related to the 'Basic Service Delivery' KPA. 16 of the 41 targets set for the year were not achieved. The Municipality has provided comprehensive reasons for under-achievement and corrective measures as to how it will address these targets in the new financial year.
- c. Access to basic services for indigent households has increased significantly in the 2018/19 financial year and while funding remains a challenge, all targets set for provision of services to indigent households have been achieved and exceeded.

#### 4. GENERAL

- Several local economic development initiatives were planned and implemented during the 2018/19 financial year. The Municipality is making a concerted effort to support and bolster Local Economic Development in the municipal area and region.
- b. The Auditor-General's Report and findings on the 2017/18 and 2018/19 financial years as submitted by the Auditor-General is included as Chapter 6 of the draft Annual Report. The Municipality had regressed in its audit status for the 2017/18 financial year however, it regained its clean audit status in 2018/19.

#### 5. CONCLUSION AND RECOMMENDATIONS

Theewaterskloof Municipality has complied with legislation regarding tabling, publishing the report for comments, submission to Provincial Treasury and placement on the website within the time frames prescribed in the MFMA section 75 and 121.

Full compliance to the prescribed format of the report is achieved as the draft 2018/19 Annual Report included all the required components and appendices as detailed in MFMA circular 63.

The Governance section in Chapter 2 of the Annual Report provides a thorough overview of the political and administrative structure within the municipality.

The performance report included in pages 85-211 indicates that the Municipality achieved 69.9 per cent of its targets for 2018/19 (72 of 103 targets were met). This shows an improvement in performance from the previous year where 60.6 per cent of targets were achieved. For the 31 targets not achieved, the Municipality has addressed the under-performance by providing reasons and corrective actions that will be taken to meet the targets.

Theewaterskloof Municipality produced a comprehensive 2018/19 Annual Report reflecting detailed information pertaining to the Municipality's performance during the year under review.





#### **MPAC KOMITEE**

#### **04 MAART 2020**

RAADSLID	HANDTEKENING
RAADSHEER C NOVEMBER	Woven).
RAADSLID C LAMPRECHT	
RAADSLID S FREDERICKS	
RAADSLID R BRINKHUYS	Menkhuej
RAADSLID C WOOD	Skriftelike Verskoning
ME R GANI	
AMPTENAAR	HANDTEKENING
MNR GF MATTHYSE	Verskening
MNR J BARNARD	Sell 2
MNR D LOUW	
MNR D DAMONS	
ME Z NEL-GAGIANO	
MNR KE NONTSHIZA	January.
MNR FH DU TOIT	JUNE V
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MNR A OPPERMAN	(10)
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Unathi Mrgangeni AYSA	CP42
DOMOURY S WAMSON DLG	D'
Agatha booter	Dovere
Reyhona Gani Chairpersonale	
performite committee	1
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	23

#### **Myrna Staal**

From:

Daniel Du Toit

Sent:

02 March 2020 07:59 AM

To:

Celeste Kellies

Cc:

Myrna Staal; Lizell Kilowan

Subject:

RE: Apology for family responsibility

Reg so

From: Celeste Kellies

Sent: Monday, 02 March 2020 07:52

To: Daniel Du Toit <ddutoit@twk.org.za>

Cc: Myrna Staal < MyrnaSt@twk.org.za >; Lizell Kilowan < LizellSa@twk.org.za >

Subject: FW: Apology for family responsibility

Speaker

Kan ek datums so deurgee aan Myrna vir verskonings?

Groete Celesté

From: CAROLINE WOOD [mailto:carolinegenadendal@gmail.com]

Sent: Monday, March 02, 2020 6:59 AM

To: Celeste Kellies < CelesteKe@twk.org.za >
Subject: Apology for family responsibility

Greetings Speaker Aldm Du Toit I please make apology for meetings till date 6march as I have to assist with my brother's funeral and his children 1 who are still in school I am now again on my way to the Strand late yesterday night 2 of his children was rush in to hospital due to trauma they dont handle his death well .regards thanks Cllr Wood .

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

#### **THEEWATERSKLOOF**



# MUNISIPALE KOMITEE OOR OPENBARE REKENINGE [MKOOR]/ MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING [MPAC]

**NOTULE / MINUTES** 

10 MAART / MARCH 2020

# MKOOR KOMITEEVERGADERING/ MPAC COMMITTEE MEETING

#### NOTULE / MINUTES

#### [10 MAART / MARCH 2020]

ITEM	ITEM BESKRYWING / DESCRIPTION	BLADSY /
NR		PAGE
		NR

- A. <u>OPENING: VERWELKOMING</u> <u>OPENING: WELCOME</u>
- B. <u>BYWONINGSREGISTER</u> ATTENDANCE REGISTER
- B.1 Present Teenwoordig
- B.2 Application(s) for leave of absenceAansoek(e) om verlof tot afwesigheid
- C. STATEMENT(S) AND ANNOUNCEMENT(S) BY
  THE CHAIRMAN
  VERKLARING(S) EN MEDEDELING(S) DEUR
  DIE VOORSITTER
- D. <u>CONFIRMATION OF MINUTES AND /OR REPORTS /</u>
  BEKRAGTIGING VAN NOTULES EN/OF VERSLAE

Minutes: MPAC Committee Meeting:

04 March 2020 /

Notule: MKOOR Komiteevergadering:

04 Maart 2020

E. DISCUSSIONS/BESPREKINGS

Oversight Report / Oorsigverslag

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE
		NR

- G. URGENT MATTERS / DRINGENDE AANGELEENTHEDE
- F. <u>VERDAGING</u>

# THEEWATERSKLOOF MUNISIPALITEIT / MUNICIPALITY

NOTULE VAN DIE MKOOR KOMITEE SE VERGADERING GEHOU OP 10 MAART 2020 OM 14:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, CALEDON

MINUTES OF THE MPAC COMMITTEE MEETING HELD ON 10 MARCH 2020 AT 14:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON

#### A. OPENING EN VERWELKOMING

Die Voorsitter, Raadsheer C November, verwelkom almal teenwoordig en open die vergadering met gebed.

Die Voorsitter rig `n spesiale woord van welkom aan Raadslid Wood, eerste MKOOR vergadering wat sy bywoon en Mnr W Zybrands wat namens Me Gani die vergadering bywoon.

#### **OPENING AND WELCOME**

The Chairperson, Alderman C November, welcomed all present and opened the meeting with prayer.

The Chairperson raised a special word of welcome to Councillor Wood, as this is the first MPAC meeting she will attend, and Mr W Zybrands who attends the meeting on behalf of Ms Gani.

#### B. BYWONINGSREGISTER/ATTENDANCE REGISTER

#### **B.1** Teenwoordig/Present

Rdh/Ald C November Rdl/Cllr R Brinkhuys Rdl/Cllr CM Lamprecht Rdl./Cllr S Fredericks Rdl./Cllr C Wood Voorsitter / Chairperson

Mnr./Mr. WJ Zybrands Namens die Voorsitter van die Prestasie- en

Ouditkomitee

On behalf of the Chairperson of the

Performance- and Audit Committee

Mnr./Mr. D Louw Wnde Munisipale Bestuurder

Acting Municipal Manager

Me./Mrs. Z Nel-Gagiano Adjunk-Direkteur : Korporatiewe Dienste

Deputy Director: Corporate Services

Mnr./Mr. J Barnard Adjunk-Direkteur: Gemeenskapsdienste

Deputy Director: Community Services

Mnr./Mr. SP Cronje Wnde Adjunk-Direkteur: Gemeenskaps-

ontwikkeling

Acting Deputy Director: Community

Development

Mnr./Mr. D Damons Adjunk-Direteur: Tegniese Dienste

Deputy Director: Technical Services

Mnr./Mr. KE Nontshiza Adjunk-Direkteur: Beplanning

Deputy Director: Planning

Mnr./Mr. A Opperman Chief Executive Auditor

Hoof Uitvoerende Ouditeur

Mnr./Mr. V Arendse Bestuurder : GOP

Manager: IDP

Me./Ms. A Carelse GOP & Prestasie Administrateur

IDP & Performance Administrator

Me./Ms M Staal Sekretariaatdienste (Eerste gedeelte van

vergadering tot voor Oorsigverslag)

Secretariat Services (First part of the

meeting until Oversight Report)

Me./Mrs M Faul Bestuurder: Korporatiewe Dienste (Tweede

gedeelte van vergadering vanaf Oorsigverslag tot einde van vergadering) Manager: Corporate Services (Second part of the meeting from Oversight Report until

the end of the meeting.)

#### **Besoekers/Visitors**

Geen / None

#### B.2 <u>Aansoek(e) om verlof tot afwesigheid : (3/2/1/3)</u> <u>Application(s) for leave of absence : (3/1/1/3)</u>

Mnr./Mr. GF Matthyse Siekteverlof / Sick leave

#### C. ANNOUNCEMENTS BY THE CHAIRPERSON

The Chairperson thanks the Committee for their deliberations in the past meetings.

#### D. <u>CONFIRMATION OF MINUTES AND/OR REPORTS</u>

The Committee requested that the comments of the AGSA as well as the comments from the Chairperson of the Performance- and Audit Committee regarding the management report be included in the Minutes of 04 March 2020. (Correct wording for minutes was provided by Mrs U Mnqanqeni (AGSA) and Mrs R Gani (Chairperson of the Performance- and Audit Committee)).

#### Confirmation of Minutes of MPAC Meeting: 04 March 2020

#### **RESOLVED:**

To on proposal by Councillor S Fredericks, and seconded by Councillor CM Lamprecht, approve, confirm and have signed the Minutes of a MPAC Meeting of 04 March 2020 as *prima facie* evidence of its correctness with the amendments as indicated above.

#### E. <u>DISCUSSIONS</u>

#### **OVERSIGHT REPORT**

Mr V Arendse present the Oversight Report to the Committee and are the following amendments be noted:

9. Council to note the following – point 5 must "not" be replaced with "note".

The Committee Members comment as follows:

#### 1. Councillor C Wood:

- a) Requested a hard copy of the 2018/19 Draft Annual Report.
- b) During the Council Meeting of 23/01/2020 Councillors were requested to comment on the Draft Annual Report.
- c) Public participation of Draft Annual Report newspapers not available in Voorstekraal/Bereaville lack of communication as the community does not have the privilege to comment on the Draft Annual Report.
- d) 9. Council to note the following: 1. ..... The irregular expenditure will be referred to a Council Committee to be investigated in terms of Section 32 of the MFMA does the Agenda-items of the Section 32 Committee also serve before MPAC?

Alderman November comments as follows on the comments from Councillor Wood:

- a) Oversight report is just in a draft form.
- b) Will be presented to Council for adoption and after the adoption, MPAC will play its oversight/monitoring role.
- c) Public participation process draft Annual Report was also available at all libraries in TWK.

#### 2. Councillor S Fredericks:

a) Councillor Fredericks mentioned that it was unfortunate that Councillor Wood was not part of the whole process.

b) Council has delegated the following functions to the MPAC Committee

 with specific reference to point 9. - "to promote good governance, transparency and accountability on the use of municipal resources." – in terms of the management report, MPAC will performs its functions of good governance, transparency and accountability.

Alderman November comments as follows on the comments of Councillor Fredericks:

- a) In terms of the Management Report TOR of MPAC allows limited scope to oversight report and Annual Report.
- b) To broaden the scope of MPAC need to wait for the amendment to the relevant legislation.

On proposal by Councillor S Fredericks and seconded by Councillor R Brinkhuys, the "Recommendations to Council" as indicated under point 10 of the Draft Oversight Report, be forwarded to Council for approval.

Alderman November thank the MPAC Committee Members for all their inputs, extent his gratitude to Ms Gani for her inputs, Mrs Z Nel-Gagiano for her valuable legal inputs, Mr V Arendse for all his efforts which was put in and the Administration for the Agendas and Minutes.

#### F. ADJOURNMENT / VERDAGING

Die vergadering verdaag om 15:45. The meeting was adjourned at 15:45.

OPGESTEL EN BYGEHOU DEUR : .	
COMDILED AND DECODDED BY .	M EAIII

BESTUURDER: KORPORATIEWE DIENSTE/
MANAGER: CORPORATE SERVICES