

2020/21



Theewaterskloof
Municipality

[OVERSIGHT REPORT]

Council Meeting: 24 March 2022

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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 MUNICIPAL 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: Cllr T Mangcayi
Members: Ald BB Mkhwibiso
Cllr J Mckenzie

Council has delegated to the following functions relating to the Annual Report 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) 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.
- 8) To promote good governance, transparency and accountability on the use of municipal resources

4. PROCESS AND CIRCULATION OF THE ANNUAL REPORT

The Annual Performance Report and Annual Financial Statements was submitted to the Auditor General on 31/08/2021.

The draft annual report was submitted to the Auditor General on 22 December 2021 where after it was presented to the Performance Audit Committee on 21 January 2022.

The draft annual report was first presented to council by the Executive Mayor on 25 January 2022. The draft annual report was then adopted and subsequently submitted to the Auditor General, National Treasury and Provincial Treasury on 26 January 2022.

The draft annual report was advertised for comments from 25 January 2022 to 24 February 2022.

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

Notices for comments were given in the local newspapers on 03 February 2022.

- 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

The availability of the annual report was communicated through the social medial platforms.

The following MPAC meetings were scheduled to take place:

1. **14 February 2022: at 14:00** Ask questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report.
2. **02 March 2022: at 14:00** Public hearings - The local community and any organ of state were allowed to make representations on the annual report.
3. **11 March 2022: at 10:00** Presentation of the draft oversight report, taking into consideration the views and inputs of the Public, Representatives of the Auditor General, Organ of states, Council's Audit committee and Councillors.

5. SUMMARY OF FINDINGS RELATED TO ANNUAL REPORTING

The MPAC is 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. Internal Audit has however extensively audited both the Annual Performance Report and the Annual Report prior to submission of the draft Annual Report to council and made valid findings.	Finding Raised By Internal Audit was addressed and corrected prior to submission to council and other stakeholders. Internal Audit played a vital role in the positive comments received from both Provincial Treasury and Auditor General. MPAC extend it gratitude for the work done by them.
Audit Committee	None	
Auditor General	A 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 AG also provided comments through the issuing of the MPAC briefing note.	MPAC took note of the comments provided by the AG and concurred with the issues raised. These issues was also discussed by MPAC with management and satisfactory answers was provided.
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	MPAC welcomes the positive comments provided by Provincial Treasury. MPAC also indicated that there where minor factual mistakes contained in the comments provided by provincial

	<p>complied with the provisions in Circular 63. The annual report extensively covers strategic and technical performance data, information is presented in such a manner that allows for easy interpretation by industry role-players and the general public alike.</p>	<p>treasury. These factual mistakes will be brought under the attention of provincial treasury. .</p>
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7. COMMENTS AND ISSUES RAISED DURING VARIOUS PLATFORMS AND COMMITTEES 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.

7.2.1 1st MPAC/Oversight Committee Meeting

The purpose of this meeting was to present the Annual Report to the MPAC and MPAC members had the chance to ask question to management on the annual report.

The meeting was postponed and adjourned because the management report was not available as requested.

7.2.2 2nd MPAC/Oversight Committee Meeting

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

It should be noted that MPAC extensively questioned management on the poor performance results contained in the Annual Report.

The minutes of the MPAC meeting on 22 February 2022 is contained in Appendix 6, and readers are requested to consult the minutes for detailed discussions and decisions.

After all the discussions, questions and answer there were no request for changes to the annual report that were made.

Comments from the 2nd MPAC meeting for council consideration will be contained in the recommendations to council.

7.2.3 3rd MPAC/Oversight Committee Meeting

No comments nor request for presentation were 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).

The meeting unfortunately could not continue due to the unavailability of the Accounting Officer. Response to written submissions is contained in the conclusion and recommendation to council.

8. COUNCIL TO NOTE THE FOLLOWING:

1. That the public, officials and council notes the disappointment of MPAC relating to the fact that no comments were received from the public, officials or from any Councilor. The public, officials and Councilors lack of involvement lead to them forfeiting their opportunity to let their voices be heard.
2. MPAC urge the public, officials and members of council, to use to opportunity to comment when opportunities for comments are presented especially relating to the annual report as this is a reflection on the municipalities performance, both financial and administratively, on how it delivered on its mandate.
3. MPAC is deeply concerned about the increase on irregular expenditure.
4. Council should note that the municipality is not achieving the required level of performance achievements.
5. Council note MPAC is especially concerned about the performance in delivering of housing and related services to informal settlements.

9. RECOMMENDATIONS TO COUNCIL

1. That cognisance be taken of the Oversight Report on the 2020/2021 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. Council in principle agree to commit budget to develop a citizen's annual report that might encourage the public to actually read the annual report.
4. That the effort be made to market the annual report and improve participation.

5. That Management consider presenting the annual report to ward committees, after approval of the draft annual report, thus would require the presence of employees from all relevant departments at these meetings.
6. That the Council, having fully considered the 2020/2021 Annual Report, adopts the Oversight Report.
7. That the 2020/2021 Annual Report of Theewaterskloof Municipality be adopted without reservation,
8. That the Oversight Report be made public in accordance with section 129(3) of the Municipal Finance Management Act (Act 56 of 2003),
9. The minutes of those meetings where the Annual Report was discussed be distributed in accordance with section 129 (2) (b).
10. 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).

10. CONCLUSION

As Chairperson of the MPAC I would like to thank the MPAC Committee Members, the Executive Mayor, Mayoral Committee, and the Executive Management Team (EMT), as well as the various contributors to the Annual Report 2020/2021 for their diligence and constructive commitment during the oversight period.

It deserves special note, that despite another extremely challenging year (in the face of this unknown pandemic called covid-19), the municipality managed to perform above and beyond expectations.

The municipality managed to obtain a clean audit on both financial statements and performance report for the second consecutive year. The comments on the Annual Report received from all stakeholders was extremely positive hence they too acknowledge the hard work and commitment to reach this final point in what is in essence the final step of ending the financial year 2020/2021.

The Annual Report does not display a perfect municipality but does display one with clean governance. Further the Annual Report highlight that there are a lot of room for improvement and the administration is thus encouraged to do so.

We must take pride in what we do and remember we are serving our communities the annual report should be one of achievements and not one of disappointment.

Although the above to a large extent speak to the ethic of our administration, I would fail if I don't give recognition to my fellow councillors. Your oversight and leadership ensured that we strengthened our controls and accountability mechanisms. You must be thanked and given recognition for your role.

I encourage all my councillors to ensure that we not only maintain our standard but strive to new heights.

As a new MPAC committee thus was a good learning experience and I give you my word that our oversight role will improve and strengthen as our term continue.

The MPAC is satisfied that the Annual Report 2020/2021 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

I thank council for entrusting us with this very important roll and give you assurance that we will deliver.

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

Name	Capacity	Meeting Attendance, 11 March 2022
Cllr T Mangcayi	Chairperson	Attended
Ald BB Mkhwibiso	Member	Attended
Cllr J Mckenzie	Member	Attended

.....
Cllr T Mangcayi
CHAIRPERSON

APPENDIX 1. COUNCIL MINUTES WHERE
DRAFT ANNUAL REPORT WAS ADOPTED



MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[30 MAART /MARCH 2021]

RAADSVERGADERING / COUNCIL **MEETING**

NOTULE / MINUTES

25 JANUARIE / JANUARY 2022

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

ITEM TITEL/ITEM TITLE

C08/2022 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: IDP: 2020/2021 DRAFT ANNUAL REPORT

R08/2022 KANTOOR VAN DIE MUNISIPALE BESTUURDER: DEPARTEMENT STRATEGIESE ONDERSTEUNING EN GOP: GOP: 2020/2021 KONSEP JAARVERSLAG

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

LêER NOMMER/FILE NUMBER

9/1/1

PURPOSE OF REPORT

To submit the 2020/2021 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 2020/2021 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.

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.

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.

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 openbaar 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 openbaar 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 Staats Departemente, 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.

LEGAL RESPONSIBILITIES

As indicated under discussions.

WETLIKE IMPLIKASIES

Soos aangetoon onder bespreking.

FINANCIAL IMPLICATIONS/FINANSIËLE IMPLIKASIES

None / Geen

CLIENT CARE IMPLICATIONS/KLIËNTESORG IMPLIKASIES

None / Geen

RISK MANAGEMENT IMPLICATIONS/RISIKOBESTUUR IMPLIKASIES

None / Geen

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL:

It is recommended:

1. That the tabling of the 2020/2021 Draft Audited Annual Report in Council by the Executive Mayor, be noted.
2. That the Draft Annual Report for 2020/21 be handed over to the MPAC 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 and stakeholders 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 2020/21 soos voorgelê aan die Raad deur die Uitvoerende Burgemeester, in ag geneem word.
2. Dat die Konsep Geouditeerde Jaarverslag vir 2020/21 aan die MKOOR oorhandig word vir verdere handeling en die voorbereiding van die Oorsigverslag vir voorlegging aan die Raad.
3. Dat die Konsep Geouditeerde Jaarverslag openbaar gemaak word onmiddellik nadat dit aan die Raad voorgelê is.
4. Dat die gemeenskap en ander belanghebendes uitgenooi word om kommentaar te lewer in verband met die Konsep Jaarverslag.

DISCUSSION DURING THE MEETING:

Alderman KIJ Papier

- Was the information as shown out by the AG, included in the Annual Report?

Mr. D Louw

- The findings of the AG have been addressed.
- Audit Action Plan will be discussed at the next Management Meeting.

Councillor S Fredericks

- Noted the recommended.
- *Proposed that a point 5 be added to the recommendation namely: That all reports necessary be made available to MPAC for scrutiny which includes the Management Report.*

Proposal was seconded by Councillor YM van Tonder .

Councillor MR Nongxaza requested a five minutes caucus break, which was granted by the Speaker.

After the caucus break Councillor MR Nongxaza proposed a counter-proposal to the amended recommendation 2 in the Agenda.

That the Draft annual report for 2020/21 be handed over to the MPAC, with all the relevant documents, for further persual and the compilation of the Oversight Report to Council.

Counter-proposal was seconded by Alderman KIJ Papier.

The voting process started and each councillor raised their hands whether they voted for 1. Proposal by Councillor S Fredericks or 2. Proposal by Councillor MR Nongxaza.

The result of the voting process is as follows:

Proposal by Councillor S Fredericks and seconded by Councillor YM van Tonder = 11 votes.

Proposal by Councillor MR Nongxaza and seconded by Alderman KIJ Papier = 14 votes.

BESPREKING TYDENS DIE VERGADERING:

Raadsheer KIJ Papier

- Is die inligting, soos uitgewys deur die OG, by die Jaarverslag ingesluit?

Mnr D Louw

- Die bevindings van die OG het aandag geniet.
- Die Oudit-aksieplan sal op die volgende bestuursvergadering bespreek word.

Raadslid S Fredericks

- Neem kennis van die aanbevelings.
- *Stel voor dat 'n punt 5 by die aanbevelings gevoeg word, naamlik: Dat al die nodige verslae vir noukeurige ondersoek aan die MKOOR beskikbaar gestel word, insluitend die Bestuursverslag.*

Die voorstel word deur Raadslid YM van Tonder gesekondeer.

Raadslid MR Nongxaza versoek 'n kookusbreek van vyf minute wat deur die Speaker toegestaan word.

Na afloop van die kookusbreek maak Raadslid MR Nongxaza 'n teenvoorstel op die gewysigde aanbeveling 2 in die Agenda.

Dat die konsep-Jaarverslag vir 2020/21 aan die MKOOR oorhandig word, saam met al die betrokke dokumente, vir verdere insae en die opstel van die Oorsigverslag aan die Raad.

Die teenvoorstel word deur Raadsheer KIJ Papier gesekondeer.

Die stemproses begin en Raadslede steek hulle hand op om te stem vir 1. Voorstel deur Raadslid S Fredericks of 2. Voorstel deur Raadslid MR Nongxaza.

Die uitslag van die stemproses is soos volg:

Voorstel deur Raadslid S Fredericks en gesekondeer deur Raadslid YM van Tonder = 11 stemme.

Voorstel deur Raadslid MR Nongxaza en gesekondeer deur Raadslid KIJ Papier = 14 stemme.

RESOLVED BY COUNCIL: 25 JANUARY 2022

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MR Nongxaza and seconded by Alderman KIJ Papier it was resolved as follows:

1. **Council noted the tabling of the 2020/2021 Draft Audited Annual report by the Executive Mayor.**
2. **That the Draft Annual Report for 2020/21 be handed over to MPAC, with all the relevant documents, for further persual 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 and stakeholders be invited to submit representations in connection with the Draft Annual Report.**

For finalization by the Manger: IDP, Mr, V Arendse.

BESLUIT DEUR DIE RAAD: 25 JANUARIE 2022

Nadat die Voorsitter geleentheid aan die Raadslede gegee het, en die item behoorlik bespreek is, word op aanbeveling van Raadslid MR Nongxaza, gesekondeer deur Raadsheer KIJ Papier as volg besluit:

1. **Die Raad neem kennis van die konsep Geouditeerde Jaarverslag vir 2020/21 wat deur die Uitvoerende Burgemeester ter tafel gelê is.**
2. **Dat die Konsep Geouditeerde Jaarverslag vir 2020/21 aan MKOOR, met al die relevante dokumente, oorhandig word vir verdere handeling en die voorbereiding van die Oorsigverslag vir voorleging aan die Raad.**
3. **Dat die Konsep Geouditeerde Jaarverslag openbaar gemaak word onmiddellik nadat dit aan die Raad voorgelê is.**
4. **Dat die gemeenskap en ander belanghebendes uitgenooi word om kommentaar te lewer in verband met die Konsep Jaarverslag.**

Vir afhandeling deur die Bestuurder: GOP, Mnr V Arendse.

APPENDIX 2. ADVERT INVITING PUBLIC COMMENTS

EMS VAXI TAXI BRINGS VACCINE TO FARMING COMMUNITIES IN OVERBERG

The EMS Vaxi Taxi mobile vaccination service officially resumed its service for 2022 on Thursday 27 January 2022 when it visited Sunnyside Farm in Theewaterskloof to vaccinate 181 residents, workers and sessional workers.

Mario Marthinus, the EMS Vaxi Taxi lead in the Overberg District, says his team aims to increase vaccination uptake in the Overberg farming communities. "We want to reach the senior citizens, sessional workers, foreigners and all those living in outlying areas who are not able to travel to their nearest clinic to receive their vaccination. Many of the residents on these farms do not have internet access and are unable to register to receive the vaccine. While bringing the vaccination service to the people, we are also able to educate them on protection measures."

Clamen Botberg (16) one of the first to receive his vaccination on the day, says his whole family was able to receive their COVID-19 vaccine when the Vaxi Taxi service previously visited the farm. This

"I decided to get my vaccine to protect others from getting sick. The Vaxi Taxi made it easy to get vaccinated and be protected," says Clamen.

Like other mobile vaccination outreaches, the Vaxi Taxi service has improved access to the vaccine, as residents can receive their jabs closer to home and don't need to travel. Community members across the Western Cape can expect the mobile vaccination service in their community over the coming weeks. The Overberg Vaxi Taxi will visit Soetmelksvlei Farm in Riviersonderend next on the 10th of February 2022, where they plan to administer 250 vaccines.

Remember, you do not need to register or wait for your SMS to get your vaccination or your booster dose. You are eligible for your booster dose if you have received your one dose J&J more than two months ago or two doses of Pfizer at least six months ago.

Don't wait, vaccinate today!

THEEWATERSKLOOF MUNICIPALITY
NOTICE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
- REVIEW AND ANALYSIS OF 2020/2021 ANNUAL REPORT
AND INVITATION FOR PUBLIC COMMENTS

Notice is hereby given in terms of the MFMA Circular No 32 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) that the Theewaterskloof Municipality's Municipal Public Accounts Committee, responsible for the Review and Analysis of the 2020/2021 Annual Report is scheduled to meet as follows:

- 14 February 2022: at 14:00 pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report.
- 02 March 2022: at 14:00 Public hearings - The local community and any organ of state will be allowed to make representations on the annual report. (Any request for presentations should be forwarded to Mr. V. Arendse: - Verohnear@twk.org.za before 24 February 2022 at 10:00. Any request for presentations must be accompanied by written submission of comments on the 2020/21 Annual Report.)
- 11 March 2022: at 10:00 - 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.
- 24 March 2022: Tabling of resolution at council.


The Draft Annual Report for the 2020/2021 financial year was tabled at the Council Meeting of 25 January 2022 in terms of Section 127 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and is available for public comments from 25 January 2022 to 24 February 2022.

It is available on the municipality's website www.twk.gov.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

The local public as well as organs of state are hereby invited to make submissions in writing on the Draft Annual Report as well as financial statements and submit no later than 24 February at 10:00 to the following address:

- The Manager IDP at 6 Plein Street / P.O. Box 24 Caledon 7230 or
- email to verohnear@twk.org.za
- Comments can also be submitted in writing to the Municipal Manager at the under-mentioned address before Thursday, 24 February 2022 (10:00) or clearly marked **Draft Annual Report: 2020/2021** and placed in the Tender Box at the Caledon Offices.

Mr. J. Jonkers
 Acting Municipal Manager
 6 Plein Street / P.O. Box 24
 Caledon 7230



Forever starts with choosing the perfect wedding invite and stationary

Gezilli

WEDDING INVITES & STATIONARY

CONTACT ME
gezilli.ca@gmail.com
 062 315 7673
 CALL OR WHATSAPP

DIGITAL SET	PRINTED BASIC SET
R150 Design Fee Includes: • Save the date digital card • Digital invite • Google Form for RSVP • Excel Spreadsheet with RSVP details TOTAL: R300	R150 Design Fee Includes: • Save the date card • Invitation Card • RSVP Card • Envelope • Ribbon / Cards Binder of Choice PRICED @ R25/ SET TOTAL: R150 + X * R25

APPENDIX 3. INTERNAL AUDIT COMMITTEE MINUTES

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY
THEEWATERSKLOOF



**PERFORMANCE- AND AUDIT
COMMITTEE MEETING**

MINUTES

21 JANUARY 2022

THEEWATERSKLOOF MUNICIPALITY
PERFORMANCE- AND AUDIT COMMITTEE
MINUTES
[21 JANUARY 2022]

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C.	<u>STATEMENTS AND COMMUNICATIONS BY THE CHAIRPERSON</u>	1
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	None	
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ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
K.	<u>ICT REPORTS</u>	
	None	
L.	<u>AUDITOR GENERAL REPORTS</u>	
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	None	
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	4 March 2022	
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THEEWATERSKLOOF MUNICIPALITY

**MINUTES OF A VIRTUAL PERFORMANCE AND AUDIT COMMITTEE MEETING
HELD ON 21 JANUARY 2022 AT 09:30.**

A. OPENING / WELCOME

The Chairperson, Ms R Gani, welcomed all present.

B. ATTENDANCE REGISTER

B.1 Present

Ms R Gani	-	Chairperson [Member of the Audit Committee]
Mr E Lakey		Member of the Audit Committee
Mr W Zybrands	-	Member of the Audit Committee
 Ald. KIJ Papier		 Executive Mayor
 Mr JJ Jonkers		 Acting Municipal Manager
Mr D Louw	-	Director: Finance
Mr J Barnard	-	Deputy Director: Community Services
Mr J Amansure	-	Acting Deputy Director: Corporate Services
Mr D Damons	-	Director: Technical – and Infrastructure Implementing Services
 Mr. F du Toit		 Deputy Director: Electrical Services
Mr. A Opperman		Chief Audit Executive
Ms J Uys	-	Internal Auditor
Ms N Siqola		Internal Auditor
Mr V Arendse	-	Manager: IDP
Mrs M Faul	-	Manager: Corporate Services
Mrs S Baron	-	Secretariat Services

B.2 Apologies

Mr. KE Nontshiza MMC Training

C. STATEMENTS AND COMMUNICATIONS BY THE CHAIRPERSON

The Chairperson welcomed all the attendees back from leave as this is the first meeting of the new year.

She also welcomed the newly appointed Acting Municipal Manager to the meeting.

As this is the last meeting attending by Mr W Zybrands, the Chairperson thanked him for all his hard work and effort for this committee.

D. STATEMENTS AND COMMUNICATIONS BY THE MUNICIPAL MANAGER

None

2 E. **DECLARATION OF INTEREST**

None to declare.

F. **FINALISATION OF AGENDA**

The agenda was accepted without additions thereto.

G. **CONFIRMATION OF MINUTES**

Minutes of a Performance- and Audit Committee Meeting 26 November 2021

That the minutes of 26 November 2021 be referred to the next meeting for confirmation.

G.1 **MATTERS ARISING FROM MINUTES**

1. **Appointment of the new Performance- and Audit Committee Members**

Mr W Zybrands – The appointment process has to be completed by 31 January 2022.

Mr A Opperman – The target date for the appointment of the new members will be reached.

2. **Appointment of Directors in the two vacant Director positions**

Mr W Zybrands

- Feedback needed on the progress made regarding the appointments after re-advertising the positions.
- Were there any additional costs incurred by re-advertising the positions?
- Possible fruitless and wasteful expenditure?

Mr D Louw

- Positions were re-advertised with closing date 23/12/2021.
- Currently in the process to appoint a service provider to do the competency assessment for the filling of the positions.
- Shortlisting is scheduled for next week.
- Panel is already appointed by Council.
- Service provider was not appointed for the first round.
- No fruitless and wasteful expenditure was incurred.

Mr E Lakey

- Would it not be meaningful to appoint Consultants for a period?

Mr D Louw

3

- Not normal practice to make use of Consultants – Consultants is appointed for the process of the appointment of senior managers.

Mr E Lakey

- Need to look at transversal tenders.

The Performance- and Audit Committee resolved that feedback must be given at the next meeting regarding the outcome of the assessment.

H. PERFORMANCE MANAGEMENT REPORTS

ITEM HEADING**P&AC01/2022 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT
STRATEGIC SUPPORT AND IDP: IDP: 2020/2021 DRAFT ANNUAL
REPORT**

[English version of the report is the original]

FILE NUMBER

9/1/1

PURPOSE / AIM OF REPORT

To submit the 2020/2021 Draft Annual Report to Performance Audit and Audit Committee for discussion and comments in order to comply with chapter 12 of the MFMA and for the purpose as detailed below.

BACKGROUND

The purpose of the Draft Annual Report is as follows:

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

DISCUSSION

The Draft Annual Report will be distributed when available and thus will not be included in the Agenda.

Processes & Legislation:

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.

As per Government Gazette 43582 of 5 August 2020, two months exemption was given with regards to deadlines in the MFMA regarding the Annual Report.

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:

1. Approved the Annual Report with or without reservations;
2. Rejected the Annual Report; or
3. 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.

LEGAL RESPONSIBILITIES

As indicated under discussions

FINANCIAL RESPONSIBILITIES

None

CLIENT CARE IMPLICATION

None

RISK MANAGEMENT IMPLICATION

None

RECOMMENDATION BY ITEM AUTHOR:

It is recommended that the Performance- and Audit Committee takes note of the 2020/21 Draft Annual Report.

DISCUSSION DURING THE MEETING:

Mr V Arendse

The Draft Annual Report is presented to the Performance- and Audit Committee in order to address the issues raised by this Committee before it is submitted to Council.

Mr. W Zybrands

- The following comments relate to the draft annual report for 2020/21 considered at a meeting held on 21 January 2022.
- Firstly, the authors and compilers of this report must be congratulated. It is very comprehensive and most informative, but the sheer volume thereof and various aspects being duplicated and even triplicated detract from its value. It is acknowledged that there is a prescriptive framework that has to be complied with, but the target audience or likely reader may become exasperated or read very selectively and thus miss the big picture.
- A more user friendly and very succinct summary of the most salient points might be called for.
- The comments below are the result of some superficial speed-reading of the report and are not a reflection or evaluation of the whole report.

SPECIFIC COMMENTS BY MR ZYBRANDS:

- Page 68 - Ward 8 had 6 quarterly meetings – how is this possible?
- Page 85-88 - This is a step by step guide on using the SCM system almost in the nature of a manual. It is superfluous as SCM outcomes are dealt with elsewhere.
- Page 131 - Review these statistics. Piped water to households has reduced. This is retrogressive unless water connections were removed and residents now have to rely on communal taps. If so, it calls for an explanation.
- Page 131 - For two consecutive years exactly the same number of households (7536) were dependent on communal taps. Is this possible?
- Page 132 - The * below the table. It should be 25kl **per person** per day (Based on an average household of 8 people this equates to 200 kl per day x 30 days= 6 000litres or 6kl/pm). The # does not appear in the table and no meaning is attached thereto.
- General comment: Wherever job level vacancies are referred to it is meaningless for the average reader. For instance in the traffic department does a certain vacant post level refer to a traffic officer, a licensing officer, a person doing road-marking or a cashier?
- Page 235 - Employee statistics? Is there a management intervention/outcome?
- Page 239 - Most of the HR policies have not been reviewed for many years. Surely this must be done more regularly? Some policies have to be reviewed annually e.g budget related policies and others every 5 years. Surely HR policies also require compulsory review.
- Page 240 - There is no indication that the sick leave statistics are used as a management tool. It begs the question why collate such statistics if it is mere tick box compliance and no value added?
- Page 246 - There should be concern regarding the low level of compliance with minimum competencies and corrective measures should be indicated.
- Page 265 - The trend of decreasing debt coverage is cause for concern albeit that it is currently still acceptable.
- Page 267 - The increase in employee costs has become a trend and requires urgent attention as a turn-around is not easily achieved.
- Page 272 - The CAPEX under-expenditure is a serious problem and will be exacerbated with the further delay in the appointment of key directors. Ultimately the outcome is poor service delivery and a breach in trust between the community and the Municipality regarding unfulfilled promises.
- Page 281- In the July figure of the previous year there is an error of R100m
- Page 308 - Councillor attendance: This is a duplication of information contained elsewhere in the report. Format requirements may dictate this but couldn't it be resolved by a mere cross reference instead of a duplication? The same applies to SCM outcomes. Refer inter alia to page 222 and elsewhere.
- Page 339 - There is a blank page regarding backlogs that can be ascribed to other spheres of Government. Such backlogs which, if they remain unaddressed, will ultimately also reflect negatively on the municipality.

Mr JJ Jonkers

- The critical analysis is welcomed.
- The Draft Annual Report was already forwarded to the Auditor-General and their comments were already received.
- As this is just a draft document, all the relevant departments, as well as the public, can still comment on the document.

Mr V Arendse

- Will look at the duplication and triplication of information and correct it.
- This must be a document which can easily be read by the community.
- Comments received will form part of the Oversight Report. Response will also be provided.

Mr. E Lakey

- Page 37 – photo's does not speak to notes.
- Mayor is addressed as him/his while it is a woman.
- Reference pages must speak to each other.
- Consistency throughout report must be addressed.

Mr JJ Jonkers

The input of the Performance- and Audit Committee will be considered and included in the Draft Annual Report.

RESOLVED BY THE PERFORMANCE- AND AUDIT COMMITTEE: 21 JANUARY 2022

The Performance- and Audit Committee noted the 2020/21 Draft Annual Report and the comments provided by the Members.

For finalization by the Manager: IDP, Mr V Arendse.

ITEM HEADING

**P&AC02/2022 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT
INTERNAL AUDIT: AD HOC WATER USE LICENCE AUDIT**

[English version of the report is the original]

FILE NUMBER

5/14/1/2

PURPOSE / AIM OF REPORT

The Performance- and Audit Committee is requested to take cognisance of the enclosed report and to make recommendations if needed.

BACKGROUND**OBJECTIVE:**

The purpose of the audit is to evaluate the adequacy and effectiveness of the control activity relating to the compliance to licence conditions of Water Use for Caledon & Botrivier.

The findings identified have been broadly categorized into:

Rating	Suggested Management Action
Critical	Significant control weaknesses requiring immediate management action
Significant	Control weaknesses that are regarded as serious and require management action within a short period of time.
Housekeeping	These control weaknesses do not represent a significant risk to the control environment and can normally be corrected at a minimal cost. The correction of these control weaknesses will have the effect of an improved control environment.

SCOPE OF THE AUDIT:

Internal Audit discusses the scope of the audit with the relevant directors and managers before each audit.

The following is a summary of the scope for the Water Use Licence Audit:

1. Ensure that Caledon Boreholes comply with licence conditions.
2. Ensure that Botrivier Boreholes comply with licence conditions.

DISCUSSION

INTERNAL AUDIT OPINION:

Some Improvement Needed - A few specific control weaknesses were noted in the compliance with the water use licence conditions; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

HOUSEKEEPING

FINDING 1 – MEASURING DEVICES

Background: According to Appendix II, Condition 6 of the Licence for both Botrivier and Caledon Water Use: The Licensee shall ensure that all measuring devices are properly maintained and in good working order and must be easily accessible. This shall include a programme of checking, calibration, and/ or renewal of measuring devices.

Finding: Although all measuring devices are easily accessible and in working order, it seems that Calibration has not been done for the meters.

RISK: Financial Loss due to fines issued for non-compliance with the Licence conditions. Incorrect meter readings resulting in incorrect statistics / reporting.

POSSIBLE CAUSE: Lack of budget. Delays in processes due to Covid Lockdown regulations.

INTERNAL AUDIT RECOMMENDATION

Management should ensure that all the Licence conditions are complied with.

CORRECTIVE ACTION: TECHNICAL SERVICES

Budget will be made available and calibration will be executed. However, I would like to state that according to the works standard for metering meter calibration is set for every 2 years. So, we would budget according to make provision to execute the calibration.

COMMENTS: CHIEF AUDIT EXECUTIVE

Corrective action noted and will be followed up.

FINDING 2 – NOTICE BOARDS

Background: According to Appendix II, Condition 8 of the Licence for both Botrivier and Caledon Water Use: Notices prohibiting unauthorised persons from entering the certain areas, as well as internationally acceptable signs indicating the risks involved in case of an unauthorised entry must be displayed along the boundary fence of these areas.

Finding: Although all boreholes have signs prohibiting unauthorised access; these signs are all only in Afrikaans.

RISK: Financial Loss due to fines issued for non-compliance with the Licence conditions. Possible legal action instituted against the municipality due to damages suffered.

11

POSSIBLE CAUSE: Time constraints – Licences were only issued in December 2020, thus there were never requirements for Notice boards. Budget constraints.

INTERNAL AUDIT RECOMMENDATION

Management should ensure that all the Licence conditions are complied with.

CORRECTIVE ACTION: TECHNICAL SERVICES

The correct signage will be obtained.

COMMENTS: CHIEF AUDIT EXECUTIVE

Corrective action noted and will be followed up.

COMMENTS: OFFICE OF THE MUNICIPAL MANAGER

The recommendations as submitted, are supported.

LEGAL RESPONSIBILITIES

Not applicable.

FINANCIAL RESPONSIBILITIES

Not applicable.

CLIENT CARE IMPLICATION

Not applicable.

RISK MANAGEMENT IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR:

It is recommended:

1. That Management supports and adopts the recommendations of Internal Audit.
2. That the Performance- and Audit Committee notes the report.
3. That the Municipal Public Accounts Committee considers the report and the comments of Management and the Performance- and Audit Committee.

RECOMMENDATION BY MANAGEMENT TO PERFORMANCE- AND AUDIT COMMITTEE: 13 DECEMBER 2021

1. Management supports and adopts the recommendations of Internal Audit.

It is recommended:

2. That the Performance- and Audit Committee notes the report.
3. That the Municipal Public Accounts Committee considers the report and the comments of Management and the Performance- and Audit Committee.

RECOMMENDATION BY THE PERFORMANCE- AND AUDIT COMMITTEE TO MPAC: 21 JANUARY 2022

1. The Performance- and Audit Committee noted the report.
2. It is recommended that the Municipal Public Accounts Committee (MPAC) considers the report and the comments of Management and the Performance- and Audit Committee.

P. DATE OF NEXT MEETING

The next meeting is scheduled for the 04 March 2022.

Q. CLOSURE

As there was no further discussion, the meeting was adjourned at 10:46.

COMPILED AND MAINTAINED BY


.....
S BARON
SECRETARIAT SERVICES

APPROVED BY THE CHAIRPERSON OF THE PERFORMANCE- AND AUDIT COMMITTEE:

.....
MS R GANI

DATE:.....

THEEWATERSKLOOF MUNICIPALITY

PERFORMANCE- AND AUDIT COMMITTEE MEETING: 21 JANUARY 2022

ATTENDANCE REGISTER AND DECLARATION OF INTEREST

I, the undersigned Member, hereby declare:

- ❖ that all information, documentation and decisions regarding any matter before the committee is confidential,
- ❖ that I will treat all matters equitably and will not purposefully favour or prejudice anybody, and
- ❖ that I will disclose details of any private or business interest which I, or any close family member, partner or associate may have in any matter raised and that I will immediately withdraw from participating whatsoever.

<u>COMMITTEE MEMBERS</u>	<u>SIGNATURE</u>	<u>DATE</u>	<u>DECLARATION OF INTEREST</u>
MS R GANI	PRESENT	21/01/2022	NONE
MR E LAKEY	PRESENT	21/01/2022	NONE
MR W ZYBRANDS	PRESENT	21/01/2022	NONE

<u>COUNCILLORS</u>	<u>SIGNATURE</u>	<u>DATE</u>	<u>DECLARATION OF INTEREST</u>
ALD KIJ PAPIER	PRESENT	21/01/2022	NONE
<u>OFFICIALS</u>			
MR JJ JONKERS	PRESENT	21/01/2022	NONE
MR D LOUW	PRESENT	21/01/2022	NONE
MR J BARNARD	PRESENT	21/01/2022	NONE
MR D DAMONS	PRESENT	21/01/2022	NONE
MR F DU TOIT	PRESENT	21/01/2022	NONE
MR KE NONTSHIZA	MMC TRAINING	21/01/2022	NONE
MR J AMANSURE	PRESENT	21/01/2022	NONE
MR. A OPPERMAN	PRESENT	21/01/2022	NONE
MRS. J UYS	PRESENT	21/01/2022	NONE
MS N SIQOLA	PRESENT	21/01/2022	NONE
MR V ARENDSE	PRESENT	21/01/2022	NONE

MRS. M FAUL

PRESENT

21/01/2022

NONE

MRS. S BARON

PRESENT

21/01/2022

NONE

APPENDIX 4. MPAC BRIEFING DOCUMENT



Briefing note to MPAC

Theewaterskloof Municipality audit outcomes 2020-21

2 March 2022



AUDITOR-GENERAL
SOUTH AFRICA

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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 key legislation of the Theewaterskloof Municipality for the 2020-21 financial year.

1.3 Overview

The Theewaterskloof Local Municipality is a Category B municipality situated in the Overberg District in the Western Cape Province. It is one of four municipalities in the district, making up a third of its geographical area. Theewaterskloof Municipality is the gateway to the Overberg and is surrounded by unique natural assets such as the Theewaterskloof Dam, Kogelberg Biosphere, illustrious vineyards, crop and fruit fields, fynbos, wild flowers and blue cranes.

1.4 Organisational structure

Designation	Incumbent
Mayor	Councillor Christelle Vosloo
Deputy Mayor	Councillor Karel Papier
Municipal Manager/Accounting officer	Mr Daniël Lubbe
Chief Financial Officer	Mr Davy Louw
Director: Technical services and Planning	Vacant
Director: Development and Community services	Vacant

1.5 Funding

As disclosed in note 53 on page 80 of the municipality's annual report, the Theewaterskloof Municipality spent R549.7 million of its operating budget of R596.1 million, resulting in an overall under-expenditure of R46.4 million or 7.8% and spent R85.6 million of its capital budget of R134.9 million resulting in an overall under-expenditure of R49.3 or 36.5%.

Detailed explanations for the underspending on the expenditure budget are set out in note 52 to the financial statements on pages 77 to 79 of the AFS (included of the municipality's annual report)

2. Audit opinion history

AUDIT OPINIONS	20-21	19-20	18-19
Theewaterskloof Municipality			
PREDETERMINED OBJECTIVES	20-21	19-20	18-19
No findings			
COMPLIANCE WITH LAWS AND REGULATIONS	20-21	19-20	18-19
No findings			

AUDIT OPINION LEGEND

	CLEAN AUDIT: No findings on predetermined objectives and compliance
	UNQUALIFIED WITH FINDINGS on predetermined objectives and /or compliance
	QUALIFIED AUDIT OPINION (with/without findings on predetermined objectives and/or compliance)
	DISCLAIMER/ADVERSE AUDIT OPINION

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

3. Overview of audit outcomes

The municipality has maintained the unqualified opinion with no findings on compliance with legislation and the reported performance information. This is achieved through close monitoring of controls on a regular basis and a clear leadership tone to ensure a strong control environment is maintained.

Although concerns were raised on supply chain management and information technology, assurance providers are commended for maintaining good governance and control mechanisms to ensure the improvement of the status of submitted financial statements and performance information. The municipality's financial health/viability maintained its green status and this is a good indicator that the municipality is a financially sustainable institution. Management should strive to improve the municipality's status of supply chain management to ensure that the good governance is achieved and maintained.


Status of drivers of internal controls have regressed in respect of financial management due to findings in supply chain management areas. Internal control deficiencies around monitoring compliance with supply chain management regulations were noted, which resulted in irregular expenditure. Management should pay attention to the lack of oversight over the implementation of the action plan in respect of municipal minimum competencies for staff members that did not meet the minimum competency levels.

The municipality showed significant progress in resolving the findings noted in the previous information systems audit however, the recommendations from the prior year were not fully implemented and additional control weaknesses were identified.

Management should strengthen their review and monitoring of supply chain management processes to ensure compliance with the applicable laws and regulations.

4. Irregular expenditure

Expenditure incurred in contravention of or that is not in accordance with the requirements of the applicable procurement legislations.

	Irregular expenditure (Balance)			
	Movement	Amount incurred R 2021	Amount incurred R 2020	Amount incurred R 2019
Theewaterskloof Municipality		4 422 448	939 415	18 747 854

The irregular expenditure has increased from the previous year to R4,4 million. This was due to the lack of effective prevention and detection and inadequate review and monitoring of compliance with applicable SCM laws and regulations.

The irregular expenditure is mainly related to the following non-compliance reported in the management report:

- Non-compliance with the Preferential Procurement Regulations 2017;
- Deviations not considered to be impractical or exceptional circumstances;
- No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state
- The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis;
- A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier was used on a month-to-month basis;
- Services rendered without a contract, order or quotation;
- Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy

5. Key Focus Areas


5.1 Compliance

We did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

5.2 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 municipal key

performance area presented in the municipality's annual performance report for the year ended 30 June 2021:

Municipal key performance area	Pages in annual performance report	Opinion	Movement
Municipal key performance area – Basic service delivery	96, 103 to 113, 116 and 120 to 123	Unqualified	

I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected municipal performance area.














Other matter

I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on pages 96, 103 to 113, 116 and 120 to 123 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets.

6. Drivers of internal controls

Drivers of internal control													
Municipality	Leadership						Financial & performance management					Governance	
	Effective leadership culture	Oversight responsibility	HR management	Policies and procedures	Action plans	IT governance	Proper record keeping	Processing and reconciling controls	Reporting	Compliance	IT systems controls	Risk management	Audit committee
Theewaterskloof Municipality													

LEGEND

Preventative or detective controls are in place and are functioning effectively

Progress was made with the implementation of controls but further improvement is required where actions taken are not sustainable

Internal controls are not in place and intervention is required to design and implement appropriate controls

Vacant/Not established

7. Emerging risks

7.1 New pronouncements

Standards of Generally Recognised Accounting Practice (GRAP)

The ASB has issued the following GRAP pronouncements, with effective dates as indicated:

GRAP pronouncement	Effective date
GRAP 25 on Employee benefits (revised)	To be determined
GRAP 104 on <i>Financial instruments</i> (revised)	To be determined
IGRAP 7 on <i>The limit on a defined benefit asset, minimum funding requirements and their interaction</i> (revised)	To be determined
IGRAP 21 on <i>The effect of past decisions on materiality</i>	To be determined
Guideline on <i>Accounting for landfill sites</i>	To be determined

7.2 Withdrawal of MFMA Ministerial Exemption Notice No. 429 of 30 March 2020 (MFMA Exemption)

With effect from 30 June 2021 the Minister of Finance has withdrawn the MFMA Ministerial Exemption Notice No. 429 of 30 March 2020. As from 1 July 2021 all municipalities and municipal entities will be required to adhere to all the requirements of the MFMA going forward and ensure that all internal controls are fully effective. The implication of this is that the Auditor-General may again audit adherence with all relevant MFMA legislative requirements i.e. including those which were subject to the MFMA exemption during the 2020-21 period.

7.3 Local content

Regulation 8(2) of the Preferential Procurement Regulations 2017 requires that '*An organ of state must, in the case of designated sector, advertise the invitation to tender with a specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered.*'

The National Treasury issued an instruction, Instruction note no. 15 of 2016-17, where they have designated and provided minimum thresholds for steel products and components that are used for construction. This instruction is applicable when these products are purchased separately or used as part of a turnkey construction project and finds its basis in terms of paragraph 3.5 of the instruction.

It is acknowledged that we have not identified any non-compliance with the mentioned instruction note, as it relates to turnkey projects, in the current and

previous audits, but it does not preclude the municipality from ensuring compliance to this instruction note.

7.4 Subsequent events

There are no events that occurred after the reporting date (i.e. 30 June 2021). There nothing was noted as a subsequent event for the 2020-21 financial period.

7.5 Accounting for availability charges

Availability charges, or a different name as it may be called at your municipality, is where the municipality levies a monthly charge for having installed the relevant infrastructure network(s) (e.g. water, electricity, sewerage, etc.) in the area where the consumer resides (i.e. the network(s) is (are) available/ accessible to the consumer), but the consumer has not requested to be and is not connected to the network(s). As the consumer is not connected to the network(s), s/he does not and is not able to receive any value (goods/ service) from the municipality. The charge levied is therefore a non-exchange transaction as defined in GRAP 23.

While we have engaged with National Treasury (NT), who supports this view, we are aware that such guidance has not been communicated to the municipality. As such, we will accept the current treatment and we will pro-actively engage with NT and the Accounting Standards Board to ensure that updated guidance is issued to the municipality for implementation in the 2021-22 financial year.

7.6 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 the selected objective was audited against the following additional criteria as developed from the performance management reporting framework:

- **Presentation and disclosure – overall presentation**
 - Overall presentation of the performance information in the annual performance report is comparable and understandable
- **Relevance – completeness of relevant indicators**
 - Completeness of relevant indicators in terms of the auditee's mandate, including whether:
 - relevant core functions are prioritised in the period under review
 - relevant performance indicators are included for the core functions prioritised in the period under review

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

No findings were identified.

APPENDIX 5. COMMENTS RECEIVED FROM PROVINCIAL TREASURY

The Municipal Manager
Theewaterskloof Municipality
Po Box 24
Caledon
7230

Dear Mr Arendse

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2020/21 ANNUAL REPORT

Section 121(1) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that every municipality and every municipal entity must prepare an annual report for each financial year. 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.

MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities. 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.

The municipal council is 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.

Provincial Treasury reminded all municipalities of these responsibilities in Treasury Circular No 1 of 2022 (25 January 2022).



1. LEGISLATIVE COMPLIANCE

1.1. Conformance

The conformance assessment highlights compliance by the Theewaterskloof Municipality with the MFMA and MFMA Circular 63 as follows:

- a) The Municipality submitted the draft 2020/21 Annual Report together with the Annual Financial Statements (AFS) to the Auditor General by 31 August 2021.
- b) It could not be determined whether the unaudited Annual Report was tabled before Council at least two months after the end of the budget year in accordance with MFMA Circular 63. The Municipality should in future disclose this matter as part of the Annual Report information statement placed on the municipal website.
- c) The Annual Report was tabled before Council on 25 January 2022 which is within 7 months after the end of the financial year in accordance with MFMA section 127(2).
- d) The tabled Annual Report was placed on the website on the 31 January 2022 which is in accordance with section 75 of the MFMA i.e., 5 days after being tabled in the council.
- e) The Annual Report was made public, and the public was invited to comment on the Annual report on 3 February 2022 with a deadline of 2 March 2022. A notification calling for comments was also published in the local press. The notification was however not placed on the municipal website.

1.2. Format of the Annual Report as per MFMA Circular 63

- a) The Annual Report fully complies with the reporting template as described by MFMA Circular 63.
- b) The Mayor and Municipal Manager's Forewords are broadly in line with MFMA Circular 63 guidelines.
- c) The Annual Report provides a comprehensive overview of the demographics, population, growth, highlights, and challenges faced in the municipal area during the 2020/21 financial year.
- d) The Annual Report is in the prescribed format, however, the Municipality did not include all the recommended annexures as per MFMA Circular 63 i.e., it is only appendices A to C that have been included in the tabled Annual Report.

2. SERVICE DELIVERY PERFORMANCE

Strategic Objective	SD&IP Targets	Target Achieved	Targets not achieved	% achieved
SO 1: To provide democratic, responsible and accountable government for the local communities.	23	18	5	78.2%
SO 2: Work towards a sustainable future through sound financial management and continuous revenue growth.	8	7	1	87.5%
SO 3: To maintain and improve basic service delivery and social amenities for the TWK community.	12	11	1	91.6%
SO 4: To ensure continuous and sustainable maintenance, replacement and upgrades of municipal infrastructure.	2	2	0	100%
SO 5: Refine and improve the institutional capacity of the municipality.	2	0	2	0%
SO 6: Ensure provision of sustainable and integrated human settlement through accelerating affordable housing projects.	5	3	2	60%
SO 7: upgrading of informal settlements and prioritising the most needy in housing allocations.	2	0	2	0%
SO 8: increased community safety through traffic policing, bylaw enforcement and disaster management	1	1	0	100%
TOTAL	55	42	13	76.4%

- The Annual Report reflects that 76.4 per cent (42 of 55) of the top levels key performance indicators (KPIs) were achieved in the 2020/21 financial year. This reflects a variance of 23.6 per cent between planned and actual performance for 2020/21.
- Under-performance against basic service delivery indicator and targets appears particularly problematic given its close association with the improvement of overall quality of life. The Municipality is however doing its best to improve basic service delivery to all the inhabitants within the municipal area.
- The Municipality provided explanations and corrective measures around the missed targets which indicates they have/are being addressed.

3. BROAD-BASED BLACK ECONOMIC EMPOWERMENT DISCLOSURES

Information on compliance with the Broad-based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003) is included in the tabled Annual Report under the section titled "B-BBEE compliance performance information" on pages 277/278.

4. AUDITOR GENERAL FINDINGS

The Auditor General awarded the Municipality an Unqualified Audit Opinion for the 2020/21 financial year.

5. CONCLUSION AND RECOMMENDATIONS

The Municipality adhered to all the requirements of the MFMA insofar the timeous development, tabling and submission of the Annual Report is concerned. The Municipality produced a comprehensive report for 2020/21, reflecting detailed information pertaining to actual performance during the year under review.

Room for improvement does however remain insofar overall non-financial performance is concerned. The Municipality should strive to reduce the variance between planned and actual performance.

In conclusion, the Municipality is reminded of its responsibility to finalise and adopt the Annual Report and the Oversight Report by no later than two months from the date on which the annual report was tabled before council in terms of section 127 of the MFMA.

Kind regards



MR M BOOYSEN

DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE

DATE: 23 FEBRUARY 2022

APPENDIX 6. MPAC COMMITTEE MINUTES

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

THEEWATERSKLOOF



**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING
[MPAC]**

MINUTES

14 FEBRUARY 2022

MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

MPAC COMMITTEE MEETING/

MKOOR KOMITEEVERGADERING

MINUTES

[14 FEBRUARIE / FEBRUARY 2022]

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
A.	<u>OPENING: VERWELKOMING</u> <u>OPENING: WELCOME</u>	
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.	<u>STATEMENT(S) AND ANNOUNCEMENT(S)</u>	
<u>BY</u>	<u>THE CHAIRMAN</u>	
	<u>VERKLARING(S) EN MEDEDELING(S)</u>	
<u>DEUR</u>	<u>DIE VOORSITTER</u>	
D.	<u>DISCUSSIONS / BESPREKINGS</u>	
	Questions and answers on Draft 2020/2021 Annual Report between Management and MPAC.	
E.	<u>VERDAGING</u>	

THEEWATERSKLOOF MUNICIPALITY

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 14 FEBRUARY 2022 AT 14:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.

A. OPENING AND WELCOME

The Chairperson, Councillor T Mangcayi, welcomed all present.

Alderlady BB Mkhwibiso opened the meeting with a prayer.

B. ATTENDANCE REGISTER

B.1 Present

Councillor T Mangcayi	Chairperson
Alderlady BB Mkhwibiso	

Mr. JJ Jonkers	Acting Municipal Manager
Mr. W Solomons-Johannes	Acting Director: Community Services
Mr. D Louw	Director: Finance
Mr. D Damons	Director: Technical and Infrastructure Implementation Services
Mr. J Amansure	Acting Director: Corporate Services
Mr H Gxoyiya	Acting Director: Economic and Planning
Mr. A Opperman	Chief Executive Auditor
Mr. V Arendse	Manager: IDP
Ms S Newman	Credit Controller
Ms. M Faul	Manager: Corporate Services
Ms. S Baron	Secretariat Services

Visitors

None

B.2 Application(s) for leave of absence:

None

C. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON

Trust that we will work well together.

D. DISCUSSION DURING MEETING:

Councillor T Mangcayi

- In the Council meeting of 25 January 2022, we resolved that at our first MPAC meeting, the management report as well as the annual report must be distributed to all the MPAC Members. We only received the annual report.

Mr. V Arendse

- I was not aware of the Council resolution and for that reason, I did not include it.
- Normally it does not form part of the documents.

Alderlady BB Mkhwibiso

- In our Council meeting of the 25th January 2022, there was the request that the management report should go with this report.
- No opinion or recommendation of the Auditor-General is included.
- Cannot continue with the meeting without the management report.

Mr. V Arendse

- The opinion of the Auditor-General of the previous and current financial year it is included in Chapter 6 - page 281.
- It is a legislative requirement that the Auditor-General report must be included in the annual report.

Mr. JJ Jonkers

- On behalf of administration, we apologize for this convenience caused and we will make sure that the management report is distributed to the MPAC Members.

Mr. V Arendse

- The main idea of this meeting is to interrogate management on the Annual Report.
- There is another meeting that is open for the public and the other organs of state on the 11 March 2022.
- If you currently have questions and issues on the Annual Report, let's deal with that.
- When we have the public meeting, we can deal with the management report after that meeting.

Councillor T Mangcayi

- Cannot continue with the meeting without the management report.
- This meeting must convene within 7 days.
- New copies of the annual report must be provided to the MPAC members.

F. ADJOURNMENT

The meeting was adjourned at 14:17.

COMPILED AND RECORDED BY:

**S BARON
SECRETARIAT SERVICES**

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

THEEWATERSKLOOF



**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING
[MPAC]**

MINUTES

22 FEBRUARY 2022

THEEWATERSKLOOF MUNICIPALITY
MPAC COMMITTEE MEETING
MINUTES
[22 FEBRUARY 2022]

ITEM NR	ITEM DESCRIPTION	PAGE NR
A.	<u>OPENING: WELCOME</u>	
B.	<u>ATTENDANCE REGISTER</u>	
B.1	Present	
B.2	Application(s) for leave of absence	
C. <u>BY</u>	<u>STATEMENT(S) AND ANNOUNCEMENT(S)</u> <u>THE CHAIRMAN</u>	
D.	<u>DISCUSSIONS</u> Questions and answers on Draft 2020/2021 Annual Report between Management and MPAC.	
F.	<u>ADJOURNMENT</u>	

THEEWATERSKLOOF MUNICIPALITY

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 22 FEBRUARY 2022 AT 14:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.

D. OPENING AND WELCOME

The Chairperson, Councillor T Mangcayi, welcomed all present.

Mr A Opperman opened the meeting with a prayer.

E. ATTENDANCE REGISTER

B.1 Present

Councillor T Mangcayi Alderlady BB Mkhwibiso	Chairperson
Mr. JJ Jonkers	Acting Municipal Manager
Mr. D Louw	Director: Finance
Mr. D Damons	Director: Technical and Infrastructure Implementation Services
Mr. J Amansure	Acting Director: Corporate Services
Mr H Gxoyiya	Acting Director: Economic Development and Planning
Mr. W Solomons-Johannes	Acting Director: Community Services
Mr. A Opperman	Chief Audit Executive
Mr. V Arendse	Manager: IDP
Ms. M Faul	Manager: Corporate Services
Ms. S Baron	Secretariat Services

Visitors

None

B.2 Application(s) for leave of absence:

None

F. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON

There is still one member we need for this Committee.

D. DISCUSSION DURING MEETING:

Councillor T Mangcayi

- TL6 (page 96) - the KPI's do not met the percentage on the projects.
- Are there any corrective measures in place?

Mr JJ Jonkers

- The corrective measures are indicated in the column "Departmental KPI: Corrective Measures".
- All the reasons are explained in this column.
- It was due to the impact of Covid 19, the state of disaster, the lack of face-to-face meetings and the Directors to form part of the BAC meeting.
- We appointed the Directors to act in this positions.

Alderlady BB Mkhwibiso

- TL9 (page 98) - The acting Directors that is appointed - does this make any change on the performance?
- Is there any differences on the targets?
- Can the BAC function now?
- Must the targets not be amended?

Mr. JJ Jonkers

- When you assume duties, even if you are acting, you must take the responsibility and sign off an agreement.
- We are working on the targets.

Mr. D Damons

- The BAC can function now.
- We adjusted our budget accordingly to address the backlog.

Mr. V Arendse

- Advice was requested from Provincial Treasury relating to the signing of the Performance Agreements for Section 56 & 57 acting appointments. Awaiting their reply.

Councillor T Mangcayi

- TL30 (page 100) – The target is set for 95% of the capital budget but only 55.26% was spend.

Mr. D Damons

- The BAC could not function due to Covid-19.
- The tender was awarded last week.
- Roll-over from last year.
- Tenderer must complete tender by 30/06/2022.

Councillor T Mangcayi

- TL38 (page 108) - nothing happened.

Mr. H Gxoyiya

- There was a directive to informal settlements regarding the redirecting of funds.
- Project should have started after June 2021.
- Only started with the project for the 48 houses.
- Must expedite the project to be finalized by 30 June 2022.

Mr. V Arendse

- We had a situation in the past where Provincial Treasury allocated money to the Municipality but we was not ready to implement the project and it looks bad on our KPI's.

Mr HM Gxoyiya

- TL41 (page 110) – target not reached due to Covid.
- The matter regarding Asla will be discussed at the Council Meeting of Friday.

Alderlady BB Mkhwibiso

- Ward Councillor Report Back Meetings (page 69 – 70) – Comment: No report back meetings took place due to Covid-19.
- Not happy how the Municipality communicated with the community.
- “App” is only for young people.
- In which manner was communicated to the illiterate or the poorest of the poor?
- Was the pamphlets distributed in the 3 official languages?

Mr. W Solomons - Johannes

- Covid did play a role.
- Alternative mechanisms were in place like SMS notification; WhatsApp notices and MS Teams meetings.
- Could not engaged with the Ward Committee due to the establishment process of the new Ward Committees.

Councillor T Mangcayi

- TL62 (page 111) – Was the status of the EIA process for the TRA project submitted to Management?

Mr. HM Gxoyiya

- The report was only submitted in July 2021.
- The Beaumont project is the responsibility of Mr KE Nontshiza.

Alderlady BB Mkhwibiso

- The TRA refers to temporary residential area.
- Is the people going to be removed?
- Is there any plan for a permanent residential area?
- We can't say that everybody stay there, will get a house.

Mr. HM Gxoyiya

- We need to provide the people with a service.
- The reason we put the people there, is to start a project.

Mr. J Amansure

- TL45 (page 114) relates to skills development.
- The corrective measures are given there.
- We could not spend the budgeted amount allocated for skills development.

Councillor T Mangcayi

- TL46 (page 114) - the equity plan was not met.

Mr. J Amansure

- Appoints were made in vacant positions during that time.

Mr. D Louw

- TL17 (page 120) relates to debt outstanding.
- The Finance Department develop a plan for implementation.
- Register indigents to qualify for write-off of outstanding debt/debt not possible to collect.
- Debt collecting system will allow TWK to reach that target.
- Genadendal en Grabouw will be the main focus.

Alderlady BB Mkhwibiso

- 3.4.3 Households: Solid Waste Service Delivery Levels below minimum (page 145): Total households every year the same information in the columns.

Mr. V Arendse

- 2017-2018 latest available data (data of official stats available).
- 2011 - latest census was conducted.
- Only available data to be used.

Councillor T Mancayi

- 3.5.5 Comment on housing service performance overall (page 151) – capital expenditure reflects only 21% of the adjusted budget of R16million.

Mr. HM Gxoyiya

- The Hillside projects start long time ago and was invaded by people in the meantime.
- There must be a redesign of the Development Plan.
- Money has been rolled-over for the next financial year.

Alderlady BB Mkhwibiso

- Page 179 - The meals that was distributed (7985), how many people receive food and where was the food distributed?

Councillor T Mangcayi

We need a clear program on all the projects, monies allocated and people benefited.

Mr W Solomons-Johannes

Close-up report will be requested.

Information must be forwarded to Mr V Arendse who will distribute it to all the MPAC Members.

Councillor T Mangcayi

- 3.23.3 Impact of Covid-19 on financial sustainability (page 222) – Debtors collection rate – challenges and remedial actions must be listed.

Mr D Louw

- On page 224, the 7 bullets are the measures taken to improve revenue collection.

Alderlady BB Mkhwibiso

- How far are the Municipality with the actions taken?

Mr. D Louw

- Low collection rate is due to no effective credit control measures in place.
- Debt collection via legal actions is not so efficient as credit control.
- 2000 demand management devices ordered, when received, will be installed and restrict water usage.
- Genadendal – ownership/town establishment is an issue.

Alderlady BB Mkhwibiso

- We need to assist people to apply for indigent subsidy.
- The EPWP can go door-to-door and assist people to apply.

Mr. D Louw

- Will embark on a door- to-door campaign.
- The CDW's and CWP's will be used.

Councillor T Mangcayi

- 3.26.1.2 Challenges – Property Management (page 230) – is there any role the municipality can play to bring the red tape under the attention of Council?
- Land Audit was requested.

General remarks by Chairperson:

The Chairperson warned the MPAC Committee Members not to circulate the Management Report distributed to them.

The discussion of the Management Report is not included in this minutes due to the confidentiality thereof.

F. ADJOURNMENT

The meeting was adjourned at 16:12.

COMPILED AND RECORDED BY:

**S BARON
SECRETARIAT SERVICES**

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY
THEEWATERSKLOOF



**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING
[MPAC]**

MINUTES

11 MARCH 2022

MUNISIPALITEIT THEEWATERSKLOOF
MUNICIPALITY
MPAC COMMITTEE MEETING/
MKOOR KOMITEEVERGADERING
NOTULE / MINUTES
[11 MAART / MARCH 2022]

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
A.	<u>OPENING: VERWELKOMING</u> <u>OPENING: WELCOME</u>	
B.	<u>BYWONINGSREGISTER</u> <u>ATTENDANCE REGISTER</u>	
B.1	Teenwoordig Present	
B.2	Aansoek(e) om verlof tot afwesigheid Application(s) for leave of absence	
C.	<u>VERKLARING(S) EN MEDEDELING(S) DEUR DIE VOORSITTER</u> <u>STATEMENT(S) AND ANNOUNCEMENT(S) BY THE CHAIRMAN</u>	
D.	<u>BEKRAGTIGING VAN NOTULES EN/OF VERSLAE</u> <u>CONFIRMATION OF MINUTES AND /OR REPORTS</u> Minutes: MPAC Committee Meeting: 14 Februarie 2022 / Notule: MKOOR Komiteevergadering : 14 Februarie 2022 Minutes: MPAC Committee Meeting: 22 Februarie 2022 / Notule: MKOOR Komiteevergadering : 22 Februarie 2022	
E.	<u>BESPREKINGS / DISCUSSIONS</u> Oorsigverslag / Oversight Report	

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
G.	<u>DRINGENDE AANGELEENTHEDE</u> <u>URGENT MATTERS</u>	
F.	<u>VERDAGING</u> <u>ADJOURNMENT</u>	

THEEWATERSKLOOF MUNICIPALITY

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 11 MARCH 2022 AT 10:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.

G. OPENING AND WELCOME

The Chairperson, Councillor T Mangcayi, welcomed all present.

Councillor J Mckenzie opened the meeting with a prayer.

H. ATTENDANCE REGISTER

B.1 Present

Councillor T Mangcayi	Chairperson
Alderlady BB Mkhwibiso	
Councillor J Mckenzie	

Mr. JJ Jonkers	Acting Municipal Manager
Mr. A Riddles	Acting Director: Finance
Mr. D Damons	Director: Technical and Infrastructure Implementation Services
Mr. J Amansure	Acting Director: Corporate Services
Mr. A Opperman	Chief Audit Executive
Mr. V Arendse	Manager: IDP
Ms A Abrahams	
Ms. S Baron	Secretariat Services

Visitors

None

B.2 Application(s) for leave of absence:

Mr. W Solomons-Johannes	Other work duties
Mr. H Gxoyiya	Written Apology

I. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON

None

D. Confirmation of Minutes of MPAC Meeting: 14 February 2022

Ms M Faul signed next to Ms F Ngxowa's name - it is not acceptable and must not happen again.

RESOLVED :

To on a proposal by Alderlady BB Mkhwibiso, and seconded by Councillor T Mangcayi, to approve, confirm and have signed the Minutes of a MPAC Meeting of 14 February 2022 as prima facie evidence of its correctness.

Confirmation of Minutes of MPAC Meeting: 22 February 2022

RESOLVED :

To on a proposal by Alderlady BB Mkhwibiso, and seconded by Councillor T Mangcayi, to approve, confirm and have signed the Minutes of a MPAC Meeting of 22 February 2022 as prima facie evidence of its correctness.

E. DISCUSSION OVERSIGHT REPORT

Alderlady BB Mkhwibiso

- On point 7.2.1 - first line must be corrected.

Mr. V Arendse

- Amend and say what the purpose of that meeting was, however the meeting could not proceed because the annual report was not available.

Recommendations to Council:

Mr. JJ Jonkers

- I'm not sure what the detail is of the investigation, the colleagues must assist us.
- I wonder whether it is something that we can resolve before it go to Council.

Alderlady BB Mkhwibiso

- I hear what the Municipal Manager is saying.
- No 8 is part of the recommendation, we didn't get what we requested.
- If we can get it before Council, then maybe the recommendation can go to Council.
- I'm not sure why this is taking so long since we requested it.

Mr. JJ Jonkers

- Maybe we can change the recommendation that it is provided to MPAC.
- Maybe we can say we have oversight over this and report it.

Councillor T Mangcayi

- There is a requirement on the 26 February 2022, until today, we haven't receive anything.
- We cannot just keep quite.
- We consider the annual report without any recommendation, but there is still some information outstanding.

Mr. V Arendse

- Actually the committee wanted to amend the recommendation to accept the annual report with reservations.
- I said, let me just check what is the process in the annual report with the legislation.
- The legislation doesn't give any guideline - it just state when the annual report is adopted, public phases or when it is rejected.
- It doesn't state when it is adopted with reservations.
- I agree, it is a duplicate if it stands like this.

Mr. JJ Jonkers

- I think we must get that information from that officials.
- MPAC is feeling uncomfortable or otherwise we have to change the recommendation.

Councillor T Mangcayi

- My problem is that the committee is feeling strongly that we must get this information.
- If we are not getting this information, we must amend or remove this point.
- Then it will means that we do not accept the annual report.

Mr. JJ Jonkers

- My plea is - why can't this be resolved beforehand.

Alderlady BB Mkhwibiso

- It stand until we get the information and then accept the report without reservations.
- We need to add that this need to be done before the meeting.

Mr. V Arendse

- Can I take this on myself and see if I can remedy this situation before the Council meeting and try to speak to the relevant Directorate and setup a meeting between MPAC and that Department?
- It is not necessary for all the Directors to be here, it is just one Department who is responsible.
- If MPAC is then satisfy, then we can remove the recommendation.

Mr. A Opperman

- Can't this be just a resolution of MPAC that we follow up at the next MPAC meeting, because it will remain on the MPAC Agenda.

Alderlady BB Mkhwibiso

- I think the Municipal Manager feel that this mustn't go to Council like this.
- We want to resolve this all before the Council Meeting and then the other meeting can follow.
- This will bring a lot of questions if it goes like this.
- We need the information before the Council Meeting.

Councillor J Mckenzie

- I would like to go with the suggestion of Mr. V Arendse that he look into the situation and request a special meeting.
- It is important that this report cannot go like this to Council.

Mr. JJ Jonkers

- I support that proposal and that Mr. V Arendse will champion the situation with the Department involved to prepare themselves.

Councillor T Mangcayi

- We are giving Mr. V Arendse until next week to organize a meeting with the Department involved to get the MPAC competent and provided us with the information.

Mr. V Arendse

- Made a small mistake - there is also items that you want Council to take note of point 8.

Councillor T Mangcayi

- We made some observations that we would like to bring to the attention of Council.

- That council notes the disappointment of MPAC relating to the fact that no comments were received from the public or from any Councilor. The public and Councillors' lack of involvement led to them forfeiting their opportunity to let their voices be heard.
- MPAC urge members of council to use the opportunity to comment when opportunities for comment are presented, especially relating to the annual report, as this is a reflection on the municipalities performance, both financial and administratively, on how it delivered on its mandate.
- MPAC is deeply concerned about the increase on irregular expenditure.
- Council should note that the municipality is not achieving the required level of performance achievements.
- Council notes MPAC is especially concerned about the performance in delivering of housing and related services to informal settlements.

Mr. V Arendse

- The attention of point 2 is to state whenever there is an opportunity given, then those must be utilized.

Alderlady BB Mkhwibiso

- Must add the Public, Councillors and Officials to give comments.

F. ADJOURNMENT

The meeting was adjourned at 10:34.

COMPILED AND RECORDED BY:

S BARON
SECRETARIAT SERVICES