

2021/22



**Theewaterskloof**  
Municipality

**[OVERSIGHT REPORT]**

Council Meeting: 23 March 2023

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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
<b>Council</b>	Approving policy and budget	Mayor	Community
<b>Mayor</b>	Policy, budgets, outcomes, management of / oversight over municipal manager	Municipal Manager	Council
<b>Municipal Manager</b>	Outputs and implementation	The Administration	Mayor
<b>Chief Financial Officer and Senior Managers</b>	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 79A of the Municipal Structures Amendment Act, 2021 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 MA Nomkoko

Council has delegated 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 August 2022.

The draft annual report was submitted to the Auditor General on 28 October 2022 and again on 13 January 2023 where after it was presented to the Performance Audit Committee on 20 January 2023.

The draft annual report was first presented to council by the Executive Mayor on 25 January 2023. The draft annual report was then adopted and subsequently submitted to the Auditor General, National Treasury and Provincial Treasury on 27 January 2023.

The draft annual report was advertised for comments from 26 January 2023 to 17 February 2023. 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 01 February 2023.

- On the municipality's website [www.twk.gov.za](http://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 availability of the annual report was communicated through the social medial platforms.

**The following MPAC meetings were scheduled to take place:**

1. **10 February 2023: at 10:00** Ask questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report.
2. **24 February 2023: at 10:00** Public hearings - The local community and any organ of state were allowed to make representations on the annual report.
3. **09 March 2023: 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	Comments was received prior to council meeting. The Audit committee did compliment TWK for improvement on the annual report of the years. All issues raised was addressed and questions for clarity was directed to specific directorates.	MPAC takes not and want to thank the Audit committee for the work they are doing and for vital role they play as an oversight body.
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. No comments were received after the council meeting and the AG also did not attend the MPAC meeting open to stakeholders.	MPAC took note all issues raised was corrected prior to the MPAC meetings. MPAC also note that AG was given ample opportunity to provide input. MPAC is disappointed that the AG did not attend the meeting open to organs of state and stakeholders.
Auditor General Other spheres of government	As referred to above Provincial treasury: See Appendix 5. Confirms the municipality adhered all legislative requirements. Provincial treasury further confirms that the municipality complied with the provisions in Circular 63. 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.	MPAC welcomes the positive comments provided by Provincial Treasury. MPAC also indicated that there were minor factual mistakes contained in the comments provided by provincial treasury. These factual mistakes will be brought under the attention of provincial treasury. .

## **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. The Audit Committee indicated that TWK has made huge strides in approving the Annual Report, both in printability and content.

#### **7.2.1 1<sup>st</sup> 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 Municipal Manager had another urgent meeting to attend. Legislation clearly state that the Municipal Manager must be present at all meetings where the annual report is discussed by council or a subcommittee of council.

#### **7.2.2 2<sup>nd</sup> 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 24 February 2023 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 2<sup>nd</sup> MPAC meeting for council consideration will be contained in the recommendations to council.

#### **7.2.3 3<sup>rd</sup> 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). The comments received from Provincial Treasury was discussed and the positive feedback was welcomed by MPAC.

MPAC also noted that the concerns raised by themselves was echoed by Provincial Treasury's Report.

## **8. RECOMMENDATIONS TO COUNCIL**

- 1. That cognisance be taken of the Oversight Report on the 2021/2022 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 note that the municipality is in the process of developing a citizen's annual report that might increase participation in the process. The request for a service provider has been advertised.**
- 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 2021/2022 Annual Report, adopts the Oversight Report.
7. That the 2021/2022 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).

## 9. 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 2021/2022 for their diligence and constructive commitment during the oversight period.

It deserves special note, that despite another extremely challenging year, 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 third 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 2021/2022.

The Annual Report does not display a perfect municipality but does display one with clean governance. The appointment of senior managers will further assist in this regard. Although most of the appointments took part in the latter part of the year, the impact of stability can already be seen.

I trust that these senior managers will now also assist to improving our performance results. 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 display achievements not disappointments, it should be our pride and not something we would want to hide.

Although the above, to a large extend, 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.

I also have to single out our Municipal Manager, although not appointed as Municipal Manager at the period under review, your leadership and knowledge was on display during our engagements on the Annual Report. I could clearly see that you take pride in the work of the municipality and will hold your managers accountable for lack of performance. I am convinced that your impact will be reflected in the 2022/2023 Annual Report.

As a relatively new MPAC committee this was a good learning experience and I give you my word that our oversight role will improve and strengthen as our term continue. We could already see the significant



improvement (in only our second round), in the way we interrogated the annual report and difficult yet relevant questions we posed.

The MPAC is satisfied that the Annual Report 2021/2022 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 role and give you assurance that we will deliver.

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

Name	Capacity	Meeting Attendance, 09 March 2023
<b>Cllr T Mangcayi</b>	Chairperson	Attended
<b>Ald BB Mkhwibiso</b>	Member	Attended
<b>Cllr MA Nomkoko</b>	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 2023**

## **ITEM OPSKRIF/ITEM HEADING**

**C01/2023 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: IDP: 2021/2022 DRAFT ANNUAL REPORT**

**R01/2023 KANTOOR VAN DIE MUNISIPALE BESTUURDER: DEPARTEMENT STRATEGIESE ONDERSTEUNING EN GOP: GOP: 2021/2022 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 2021/2022 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 2021/2022 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:

- a. Om 'n rekord van die aktiwiteite van die munisipaliteit (of entiteit) te voorsien.
- b. Om 'n verslag oor prestasie by dienslewering en die implementering van die begroting te voorsien.
- c. 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.

## **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 onmiddellik '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.

### **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 2021/2022 Draft Audited Annual Report in Council by the Executive Mayor, be noted.**

2. That the Draft Annual Report for 2021/22 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 2021/22 soos voorgelê aan die Raad deur die Uitvoerende Burgemeester, in ag geneem word.
2. Dat die Konsep Geouditeerde Jaarverslag vir 2021/22 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 belanghebbendes uitgenooi word om kommentaar te lewer in verband met die konsep jaarverslag.

**RESOLVED BY COUNCIL: 25 JANUARY 2023**

After the Chairperson had given the Councilors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor RL Mienies, and seconded by Councilor JR Michels, it was resolved as follows:

1. Council noted the tabling of the 2021/2022 Draft Audited Annual Report in Council by the Executive Mayor.
2. That the Draft Annual Report for 2021/22 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 will 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 Manager: IDP, Mr. V Arendse.*

**BESLUIT DEUR DIE RAAD: 25 JANUARIE 2023**

Nadat die Voorsitter geleentheid aan die Raadslede gegee het, en die item behoorlik bespreek is, word op aanbeveling van Raadslid RL Mienies, gesekondeer deur Raadslid JR Michels as volg besluit:

1. Die Raad neem die Konsep Geouditeerde Jaarverslag vir 2021/22 soos voorgelê aan die Raad deur die Uitvoerende Burgemeester, in ag.



2. **Dat die Konsep Geouditeerde Jaarverslag vir 2021/22 aan die MKOOR oorhandig word vir verdere handeling en die voorbereiding van die Oorsigverslag vir voorleging aan die Raad.**
3. **Dat die Konsep Geouditeerde Jaarverslag openbaar gemaak sal word onmiddellik nadat dit aan die Raad voorgelê is.**
4. **Dat die gemeenskap en ander belanghebbendes 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**



**APPENDIX 3. PERFORMANCE- AND AUDIT  
COMMITTEE MINUTES**

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY  
**THEEWATERSKLOOF**



**PERFORMANCE- AND AUDIT  
COMMITTEE MEETING**

**MINUTES**

**20 JANUARY 2023**

**THEEWATERSKLOOF MUNICIPALITY**  
**PERFORMANCE AND AUDIT COMMITTEE**

**MINUTES**

**[20 JANUARY 2023]**

ITEM NR	ITEM DESCRIPTION	PAGE NR
A.	<b><u>OPENING: WELCOME</u></b>	1
B.	<b><u>ATTENDANCE REGISTER</u></b>	1
B.1	Present	
B.2	Apologies	
C.	<b><u>STATEMENTS AND COMMUNICATIONS BY THE CHAIRPERSON</u></b>	1
D.	<b><u>STATEMENTS AND COMMUNICATIONS BY THE MUNICIPAL MANAGER</u></b>	
E.	<b><u>DECLARATION OF INTEREST</u></b>	
F.	<b><u>FINALISATION OF THE AGENDA</u></b>	2
G.	<b><u>CONFIRMATION OF MINUTES</u></b>	2
G.1.	Special Performance- and Audit Committee Meeting: 25 November 2022	
G.2.	Performance- and Audit Committee Meeting: 02 December 2022	
G.3	<b><u>MATTERS ARISING FROM MINUTES</u></b>	2
	None	
H.	<b><u>PERFORMANCE MANAGEMENT REPORTS</u></b>	
P&AC01/2023	Strategic Support and IDP: 2021/2022 Draft Annual Report [9/1/1]	3 - 7
I.	<b><u>GENERAL</u></b>	
	None	

ITEM NR	ITEM DESCRIPTION	PAGE NR
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J.        **DATE OF NEXT MEETING**

10 March 2023

K.        **CLOSURE**





**E. DECLARATION OF INTEREST**

None to declare.

**F. FINALISATION OF AGENDA**

The agenda was accepted without additions thereto.

**G. CONFIRMATION OF MINUTES**

**G.1 Minutes of a Special Performance- and Audit Committee Meeting: 25 November 2022**

The Minutes of the Special Performance- and Audit Committee Meeting of 25 November 2022 was adopted unanimously.

**G.2 Minutes of a Performance- and Audit Committee Meeting: 02 December 2022**

The Minutes of the Performance- and Audit Committee Meeting of 02 December 2022 was adopted unanimously.

**G.3 MATTERS ARISING FROM MINUTES**

None

**H. PERFORMANCE MANAGEMENT REPORTS**

## **ITEM HEADING**

### **P&AC01/2023 OFFICE OF THE MUNICIPAL MANAGER: DEPARTMENT STRATEGIC SUPPORT AND IDP: 2021/2022 DRAFT ANNUAL REPORT**

*[English version of the report is the original]*

## **FILE NUMBER**

9/1/1

## **PURPOSE / AIM OF REPORT**

To submit the 2021/2022 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:

- 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.

## **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:

- d. Approved the Annual Report with or without reservations;
- e. Rejected the Annual Report; or
- f. 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 2021/22 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. E Lakey

- Must look at the spelling, grammar and the spacing between words.
- Mayor's Foreword and Executive – must look at the correct spelling of “pro poor”. There are other areas in the document, that a consistent spelling must be observed.
- The format of the dates in the document for example 20 Dec 2022 or 20/Dec/2022 must be decided use a single format throughout the document.
- Must ensure that all the pages are numbered.
- Please correct the proportions of the photographs throughout the document Comment/bracket in the wrong place.
- Abbreviations for months - only the first 3 letters - must be consistent throughout the document.
- Acronyms must be added to the “Glossary” as well.
- Bottom of page 140: “This is a regression on the performance of 2020/21 (73%) decreasing achievement by 15%.” – 15% not properly explained in Annual Report. Must be explained at a high level in the Annual Report – whether it is good or bad.
- Qualitative aspects regarding service delivery not addressed in the report.
- Page 141: Basic service delivery is quite concerning.
- Water losses report not included in the Annual Report.

Mr V Arendse

- Pages 188 - 195 addresses everything relating to water provision.
- Page 195 the measures for water saving is indicated.
- Will add the water losses specifically in the document.

Mr. B Vink

- What was done to curb water losses in the municipality e.g. procurement of prepaid water meters. Must be mentioned in the Annual Report.

Mr. E Lakey

- Housing Section – Knoflokskraal not included in the document.

Mr. V Arendse

- An oversight report regarding Knoflokskraal will be requested from the Directorate and included in the Annual Report.

Alderman KIJ Papier [Mayor]

- Knoflokskraal does not belong to Theewaterskloof Municipality, it belongs to Department of Public Works.
- Mr Arendse can request the available information from the relevant directorate and include it in the Annual Report.

Ms V Jobe

- The Auditor-General's Findings - is there anything that the Municipality have been started with?

Mr. V Arendse

- The AG's Management Report was only released by the end of November 2022.
- An audit action plan will be compiled during January 2023 with the findings and the comments of the Directorates on the findings will be included.

Mr. E Lakey

- The waste drop-off facility – there seems to be no staff allocated at the facility to monitor and maintain the facility.
- Are there some actions put in place to mitigate the unlawful access to the sites?
- Put something positive about this in the document regarding the Botriver Spoorweg Dam Pump where TWK constructed a concrete enclosure to secure the pump from further vandalism.

Mr B Vink

- Comments/Questions on the Annual Report forwarded via email to Mr Arendse. How will this be addressed?
- Must add the Occupational Health and Safety to the Annual Report.

Mr. V Arendse (response on the email forwarded by Mr Vink)

- Point 5 – Disaster Management: Numbering is incorrect. Will be corrected.
- Specific Comments (Point 1 – 4): Response will be requested from the Directorates and forwarded to the Performance- and Audit Committee Members. Annual Report will be amended if possible.

Mr. E Lakey

- Page 193: Financial Performance: Water Services (Employee Cost) – must indicated in the Annual Report where the information is reflected or otherwise the cost must be included.

Mr. V Arendse (response on the email forwarded by Ms Gani)

- No 1 – Annual Report without the comments from the Directorates was provided to the AG by the end of November 2022. On 13/01/2023 an updated version was provided to the AG for comments. No comments received. Amended Annual Report will be provided to the AG, after the public participation, with the comments included. Normally the AG will provide comments on this Annual Report at this stage which then will be submitted to MPAC for discussion.
- No 2 - Acting - everyone was still acting. Page 74 - Mr Jonkers left the second last week of June and Mr Ngubo was acting.
- No 3 Acting of Directors - No Director was appointed yet.
- No 4 - There is only one employee in Disaster Management.
- No 5 – Page 281 (3.23.4 Capital expenditure: Financial Services): The minus percentages in the table (variance from original budget) - referring to the actual expenditure which is less than the original budget. An explanation must be given in the document. Total project values must be included, if possible.

**RESOLVED BY THE PERFORMANCE- AND AUDIT COMMITTEE: 20 JANUARY 2023**

- 1. The Performance- and Audit Committee noted the 2021/22 Draft Annual Report.**
- 2. The Performance- and Audit Committee noted that a 2021/22 Citizen Draft Annual Report will be compiled and used during the public participation process.**
- 3. The Members of the Performance- and Audit Committee requested that feedback must be given on the responses/comments received regarding the 2021/22 Citizen Draft Annual Report.**

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

I. **DATE OF NEXT MEETING**

The next meeting is scheduled for the 10 March 2023.

J. **CLOSURE**

As there was no further discussion, the meeting was adjourned at 10:55.

**COMPILED AND MAINTAINED BY**

.....  
**S BARON**  
**SECRETARIAT SERVICES**

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

.....  
**MR E LAKEY**

**DATE:.....**

**APPENDIX 4. MPAC COMMITTEE  
MINUTES**



MUNISIPALITEIT - UMASIPALA - MUNICIPALITY

# THEEWATERSKLOOF



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

**NOTULE / MINUTES**

**24 FEBRUARIE / FEBRUARY 2023**

**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**MPAC COMMITTEE MEETING/**

**MKOOR KOMITEEVERGADERING**

**NOTULE / MINUTES**

**[24 FEBRUARIE / FEBRUARY 2023]**

<b>ITEM NR</b>	<b>ITEM BESKRYWING / DESCRIPTION</b>	<b>BLADSY / PAGE NR</b>
L.	<b><u>OPENING: VERWELKOMING</u></b> <b><u>OPENING: WELCOME</u></b>	1
M.	<b><u>BYWONINGSREGISTER</u></b> <b><u>ATTENDANCE REGISTER</u></b>	1
B.1	Present Teenwoordig	
B.2	Application(s) for leave of absence Aansoek(e) om verlof tot afwesigheid	
C.	<b><u>VERKLARING(S) EN MEDEDELING(S) DEUR</u></b> <b><u>DIE VOORSITTER</u></b> <b><u>STATEMENT(S) AND ANNOUNCEMENT(S) BY</u></b> <b><u>THE CHAIRMAN</u></b>	
D.	<b><u>BESPREKINGS</u></b> <b><u>DISCUSSIONS</u></b>  Vrae en antwoorde rakende die Konsep 2021/2022 Jaarverslag tussen Bestuur en MKOOR/ Questions and answers on Draft 2021/2022 Annual Report between Management and MPAC.	2 - 6
E.	<b><u>VERDAGING</u></b> <b><u>ADJOURNMENT</u></b>	

# **THEEWATERSKLOOF MUNICIPALITY**

**MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 24 FEBRUARY 2023 AT 09:40 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.**

---

## **A. OPENING AND WELCOME**

The Chairperson, Councillor T Mangcayi, welcomed all present.

## **B. ATTENDANCE REGISTER**

### **B.1 Present**

Councillor T Mangcayi	Chairperson
Alderman BB Mkhwibiso	
Councillor MA Nomkoko	
Mr. B Ngubo	Municipal Manager (Virtual attendance)
Mr. WSE Solomons-Johannes	Director: Community Services (Virtual attendance)
Mr A Riddles	Acting Director Finance
Ms.N Baliso	Acting Director: Technical and Infrastructure Implementation Services
Mr. HM Gxoyiya	Director: Economic Development and Planning
Mr. A Opperman	Chief Audit Executive
Ms. J Uys	Senior Internal Auditor
Mr. V Arendse	Manager: IDP/Performance Management
Ms. A Abrahams	IDP Section
Ms M Faul	Manager: Corporate Services
Ms. S Baron	Secretariat Services
Mr E Lakey	Chairperson of the Performance- and Audit Committee (Virtual attendance)

### **Visitors**

None

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

Mr. J Amansure - Other work related commitments

## **C. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON**

None

## **D. DISCUSSIONS**

**Questions and answers on Draft 2021/2022 Annual Report between Management and MPAC:**

Mr V Arendse

- Comments of Internal Audit Section and Performance- and Audit Committee Members were included in the amended Draft Annual Report which was submitted to Council for consideration.

\*\*\*\*\*

**1.4.1. Financial Overview 2021/22 (p. 59)**

Cllr T Mangcayi – it seems that the Municipality is depending a lot on grants.

Mr A Riddles:

- The Municipality cannot rely on loans anymore – must find other funding sources.
- Own revenue is underperforming – collection rate is low.
- Equitable share – subsidy below covering of basic services.
- Operating grant – sticker conditions apply.
- Municipality needs to change the way they budget.

Municipal Manager:

- Need to mitigate the risk which still exists.
- R4.5million grant funding received – will supplement additional funding.

\*\*\*\*\*

**1.4.2. Comment on operating ratios (p. 60) – influx of people**

Cllr T Mangcayi – influx of students in the Municipality – are they part of the temporary workers of the Municipality?

Mr A Riddles:

- Stipend is paid by the College.
- The Municipality just provide space for the students to complete their course.
- Temporary workers will be reduced.
- Encourage internships – grant funding
- Appointment of EPWP workers – grant funding

\*\*\*\*\*

**Overberg JDMA Interface and Project Meeting**

Cllr T Mangcayi – **Nr. 8 (p. 90) Shared Services – Pound for stray animals** – how far is this process?

Mr V Arendse: Shared service between ODM and Theewaterskloof Municipality.

Mr W Solomons-Johannes:

- Appointment of Consultants for project is finalized.
- EIA in process – awaits approval.
- Project will be managed by the district.

Cllr T Mangcayi – **Nr. 12 (p. 91) Rectification and upgrade of external toilets** – how far is this process?

Mr W Solomons-Johannes:

- WECCO was appointed for this project in terms of TEC01.
- Currently busy with the eradication of outside toilets in Genadendal.

\*\*\*\*\*

**2.7 Fraud Prevention and Ani-Corruption documents (p.113)**

Cllr T Mangcayi – documents not approved by Council are concerning.

Municipal Manager:

- The Municipality does not have a Risk Officer for 3 years.
- Functions divided between two officials.
- This was also an audit finding.
- Documents must serve before Council before 30 June 2023.
- Hotline created to report Municipal Fraud and Corruption – [mm@twk.gov.za](mailto:mm@twk.gov.za)

Mr E Lakey:

- Performance- and Audit Committee does have a concern regarding the non-appointment of a district CRO as well as regular meetings of FARMCO which is not held.
- Is the hotline only for staff or for external people as well?

Municipal Manager:

- Hotline is only for staff members
- DPLG does have a hotline for external people.
- Staff moral was low – Imbiso was held – Municipal Manager meet with staff.

\*\*\*\*\*

**2.6.3 Strategic risks for the Municipality – Unlawful Land Invasion (p. 112)**

Aldm BB Mkhwibiso – is there a squatter control policy in place?

Mr HM Gxoyiya – currently in the process drafting a land invasion policy.

Municipal Manager:

- SOP not in place.
- Used Red Ants in 2022 over weekend – ±R1.5million

- Tender for the appointment of a panel of Security Services advertised – awarding of tender in process.
- ***SOP needs to be developed/updated if one is in place and feedback must be provided to MPAC at its next meeting.***

\*\*\*\*\*

**The Effectiveness of Internal Controls – Water distribution losses (p.116)**

Clr T Mangcayi – it was highlighted by the Performance- and Audit Committee as a big concern.

Mr A Riddles:

- Dealt with by the Joint Task Team.
- Distribution points metered – bulk and community.
- Infrastructure old (network and pipelines) – result into pipe bursts.
- Production losses – bulk meters installed at reservoirs.
- Controls and initiatives are in place.
- Application for funding was done for the medium- and long term roll-out of meters.

Municipal Manager:

- Ageing infrastructure does not cater for the growth in South-Africa.
- Application for funding was made at the Department of Water and Sanitation for R1.9billion. Awaiting approval letter.
- Will be accommodated in the Adjustment Budget.
- Business plan was submitted with the letter.
- Qualified Technical Engineer must be appointed.
- Projects are already in place when money is received.
- BSC; BEC and BAC procurement processes do have an influence on projects.
- Underground asbestos pipes in Botrivier need to be replaced urgently.

\*\*\*\*\*

## **SDBIP 2021/2022**

### **TL45 (p. 149) – Financial viability measured in terms of the outstanding service debtors as at 30 June 2022:**

Mr A Riddles: Outstanding debt is reduced when it is submitted to Council to consider the write-off of debt. Prescription – debt mature / irrecoverable must also be taken into consideration.

### **TL11 (p.155) – Construct top structures for Grabouw Roodakke by 30 June 2022:**

Mr HM Gxoyiya: Service provider was off-site.

### **TL12 (p.156) – Construct top structures for Grabouw Hillside by 30 June 2022:**

Mr HM Gxoyiya: Project was changed. New EIA. Inform contractor to go back to original project approval.

### **TL16 (p. 158) – Service 100 sites for the Villiersdorp Destiny by 30 June 2022 & TL17 (p.159) – Service 164 sites for Villiersdorp Berg en Dal by 30 June 2022:**

Mr HM Gxoyiya: Projects were unlocked. Asla was appointed. Currently busy with projects.

### **TL18 (p.159) – Service 272 sites for Botrivier Beaumont by 30 June 2022:**

Mr HM Gxoyiya: Target achieved – must not be red. Currently awaiting approval of EIA for phase 2.

Municipal Manager: Timeframes must be put in place to expedite outstanding EIA's of housing projects. ***Mr H Gxoyiya must submit a list of all outstanding EIA's to the District Municipality.***

### **TL58 (p.165) – Limit unaccounted water to less than 18% as at 30 June 2022:**

Mr WSE Solomons-Johannes:

- Water losses Committee appointed.
- Riviersonderend - successfully implement project to install prepaid water meters.
- Project will be implemented next in Greyton/Genadendal.
- Currently in the process to procure the water meters as well as the appointment of a service provider to install the meters.
- Ageing infrastructure in towns is also a problem.
- Asbestos pipeline in Botrivier needs to be replaced.

**TL68 (p.168) – Spend 95% of the allocated capital budget for the implementation of the digital mobile two-way radio communication system by 30 June 2022:**

Mr WSE Solomons-Johannes: Contract amendments were done. ICASA was paid for the licences.

**TL74 (p. 173) – Complete tender specification for the construction of DLTC in Grabouw by the end of June 2022:**

Mr WSE Solomons-Johannes: Technical design is completed.

***A meeting must be arranged between the MPAC Members and Mr Solomons-Johannes to discuss this matter as well as the hop-on and drop-off facility in Grabouw.***

**TL9 (p.174); TL36 (p.184); TL37 (p.185) & TL (p.185) – spend 95% of capital budget:**

Mr A Riddles:

- MIG grant funding – 40% must be spend by December 2022.
- By the end of March 2023 allocated projects must have BAC approval.
- Permanent MM and CFO must be in place to sign off projects.

**E. ADJOURNMENT**

The meeting was adjourned at 11:15.

**COMPILED AND MAINTAINED BY:**

.....  
**S BARON**  
**SECRETARIAT SERVICES**

**APPROVED BY THE CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE [MPAC]:**

.....  
**COUNCILLOR T MANGCAYI**

**DATE:.....**



MUNISIPALITEIT - UMASIPALA - MUNICIPALITY  
**THEEWATERSKLOOF**



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

**NOTULE / MINUTES**

**24 FEBRUARIE / FEBRUARY 2023**

**MUNISIPALITEIT THEEWATERSKLOOF**  
**MUNICIPALITY**  
**MPAC COMMITTEE MEETING/**  
**MKOOOR KOMITEEVERGADERING**  
**NOTULE / MINUTES**  
**[24 FEBRUARIE / FEBRUARY 2022]**

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
N.	<b><u>OPENING: VERWELKOMING</u></b> <b><u>OPENING: WELCOME</u></b>	1
O.	<b><u>BYWONINGSREGISTER</u></b> <b><u>ATTENDANCE REGISTER</u></b>	1
B.1	Present Teenwoordig	
B.2	Application(s) for leave of absence Aansoek(e) om verlof tot afwesigheid	
C.	<b><u>VERKLARING(S) EN MEDEDELING(S) DEUR</u></b>  <b><u>DIE VOORSITTER /</u></b> <b><u>STATEMENT(S) AND ANNOUNCEMENT(S) BY THE</u></b> <b><u>CHAIRMAN</u></b>	1
D.	<b><u>BESPREKINGS/ DISCUSSIONS</u></b>  <b>The local community and any organ of state will be allowed to make representations on the Annual Report</b>  Discussion of comments received from Public, Stakeholders and other Organs of State	2 - 6
E.	<b><u>VERDAGING / ADJOURNMENT</u></b>	

# **THEEWATERSKLOOF MUNICIPALITY**

**MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 24 FEBRUARY 2023 AT 11:20 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.**

---

## **F. OPENING AND WELCOME**

The Chairperson, Councillor T Mangcayi, welcomed all present.

## **G. ATTENDANCE REGISTER**

### **B.1 Present**

Councillor T Mangcayi	Chairperson
Alderman BB Mkhwibiso	
Councillor MA Nomkoko	
Mr. B Ngubo	Municipal Manager (Virtual attendance)
Mr. WSE Solomons-Johannes	Director: Community Services (Virtual attendance)
Mr A Riddles	Acting Director Finance
Ms.N Baliso	Acting Director: Technical and Infrastructure Implementation Services
Mr. HM Gxoyiya	Director: Economic Development and Planning
Mr. A Opperman	Chief Audit Executive
Ms. J Uys	Senior Internal Auditor
Mr. V Arendse	Manager: IDP/Performance Management
Ms. A Abrahams	IDP Section
Ms M Faul	Manager: Corporate Services
Ms. S Baron	Secretariat Services
Mr E Lakey	Chairperson of the Performance- and Audit Committee (Virtual attendance)

### **Visitors**

None

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

Mr. J Amansure - Other work related commitments

## **H. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON**

None

## I. **DISCUSSIONS**

- Comments was only received from the Western Cape Government – Provincial Treasury dated 23 February 2023. (A copy of the letter is attached as annexure to the Minutes).

### **DISCUSSION DURING MEETING:**

#### Mr V Arendse:

- Comments received from Internal Audit Department as well as the Performance- and Audit Committee Members were included in the Draft Annual Report before submission to Council for consideration.
- No other comments were received from the local community or any organ of state in respect of the Draft Annual Report.
- Funding was received to draft a “Citizen Annual Report”. Currently in process.
- Note must be taken that Councillors will only comment on the Oversight Report during the Council Meeting and not on the Annual Report.

#### Mr A Riddles:

- BBBEE amendments will be done.
- PAIA and POPIA legislation need to be taken into consideration.

The Municipal Manager comments that the fact that no public comments have been received, is quite concerning and ways must be put in place to motivate the public to comment on the Draft Annual Report in the future.

**J. ADJOURNMENT**

The meeting was adjourned at 11:40.

**COMPILED AND MAINTAINED BY:**

.....  
**S BARON**  
**SECRETARIAT SERVICES**

**APPROVED BY THE CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE [MPAC]:**

.....  
**COUNCILLOR T MANGCAYI**

**DATE:.....**

MUNISIPALITEIT - UMASIPALA - MUNICIPALITY  
**THEEWATERSKLOOF**



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

**NOTULE / MINUTES**

**09 MAART / MARCH 2023**

**MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY**

**MPAC COMMITTEE MEETING/**

**MKOOOR KOMITEEVERGADERING**

**NOTULE / MINUTES**

**[09 MAART / MARCH 2023]**

<b>ITEM NR</b>	<b>ITEM BESKRYWING / DESCRIPTION</b>	<b>BLADSY / PAGE NR</b>
P.	<b><u>OPENING: VERWELKOMING</u></b> <b><u>OPENING: WELCOME</u></b>	1
Q.	<b><u>BYWONINGSREGISTER</u></b> <b><u>ATTENDANCE REGISTER</u></b>	1
B.1	Teenwoordig Present	
B.2	Aansoek(e) om verlof tot afwesigheid Application(s) for leave of absence	
C.	<b><u>VERKLARING(S) EN MEDEDELING(S) DEUR</u></b>  <b><u>DIE VOORSITTER</u></b> <b><u>STATEMENT(S) AND ANNOUNCEMENT(S) BY</u></b>  <b><u>THE CHAIRMAN</u></b>	1
D.	<b><u>BEKRAGTIGING VAN NOTULES EN/OF VERSLAE</u></b> <b><u>CONFIRMATION OF MINUTES AND /OR REPORTS</u></b>  Notule: MKOOR (Vrae en antwoorde – Bestuur/MKOOR) - 24 Februarie 2023 / Minutes: MPAC (Questions and answers – Management/ MPAC) – 24 February 2023  Notule: MKOOR (Kommentare ontvang) - 24 Februarie 2023 / Minutes: MPAC (Comments received) - 24 February 2023	2
E.	<b><u>BESPREKINGS / DISCUSSIONS</u></b>  Oorsigverslag / Oversight Report	2

ITEM NR	ITEM BESKRYWING / DESCRIPTION	BLADSY / PAGE NR
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F. VERDAGING  
ADJOURNMENT



# **THEEWATERSKLOOF MUNICIPALITY**

**MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON 09 MARCH 2023 AT 10:00 IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, CALEDON.**

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## **K. OPENING AND WELCOME**

The Chairperson, Councillor T Mangcayi, welcomed all present.

Mr. A Opperman opened the meeting with a prayer.

## **L. ATTENDANCE REGISTER**

### **B.1 Present**

Councillor T Mangcayi	Chairperson
Alderman BB Mkhwibiso	
Councillor MA Nomkoko	

Mr. B Ngubo	Municipal Manager
Mr. WSE Solomons-Johannes	Director: Community Services
Mr A Riddles	Acting Director Finance
Mr. D Damons	On behalf of the Acting Director: Technical and Infrastructure Implementation Services
Mr. J Amansure	Acting Director: Corporate Services
Mr. HM Gxoyiya	Director: Economic Development and Planning
Mr. A Opperman	Chief Audit Executive
Mr. V Arendse	Manager: IDP/Performance Management
Ms. A Abrahams	IDP Section
Ms M Faul	Manager: Corporate Services
Ms. S Baron	Secretariat Services

### **Visitors**

None

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

Ms. N Baliso	Other work commitments
Mr. E Lakey	Other work commitments

## **M. STATEMENTS/ANNOUNCEMENTS BY THE CHAIRPERSON**

None

**D. CONFIRMATION OF MINUTES**

**D.1 MPAC Meeting: 24 February 2023 (Questions and Answers – Management/MPAC)**

**RESOLVED :**

To on a proposal by Alderman BB Mhwibiso, and seconded by Councillor MA Nomkoko, to approve, confirm and have signed the Minutes of a MPAC Meeting of 24 February 2023 as prima facie evidence of its correctness.

**D.2 MPAC Meeting: 24 February 2023 (Comments received)**

**RESOLVED :**

To on a proposal by Alderman BB Mhwibiso, and seconded by Councillor MA Nomkoko, to approve, confirm and have signed the Minutes of a MPAC Meeting of 24 February 2023 as prima facie evidence of its correctness.

**E. DISCUSSION OF 2021/22 OVERSIGHT REPORT**

The 2021/22 Oversight Report was presented by the Manager: IDP/Performance Management, Mr V Arendse.

Several concerns were raised regarding the wording of point 8 in the Oversight Report.

9.5 Submission of the draft Annual Report to the Ward Committees was also discussed in detail and several concerns were also raised in this regard.

**RESOLVED BY MPAC: 09 MARCH 2023**

- 1. MPAC noted the 2021/2022 Oversight report presented and recommend that the report be presented to Council.**
- 2. It is noted that point 8 of the recommendation is for internal purposes only and not for distribution to the public in terms of Section 129(3) of the MFMA (Act 56 of 2003).**
- 3. That a meeting be scheduled between the Office of the Municipal Manager, the Public Participation Section and the MPAC Chairperson to discuss the implementation of point 9.5.**

*For finalization by the Manager: IDP/Performance Management, Mr. V Arendse.*

**F. ADJOURNMENT**

The meeting was adjourned at 10:25.

**COMPILED AND MAINTAINED BY:**

.....  
**S BARON**  
**SECRETARIAT SERVICES**

**APPROVED BY THE CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS  
COMMITTEE [MPAC]:**

.....  
**COUNCILLOR T MANGCAYI**

**DATE:.....**

**APPENDIX 5. COMMENTS RECEIVED  
FROM PROVINCIAL TREASURY**



**Reference: PTR 13/5/2**

The Acting Municipal Manager  
Theewaterskloof Municipality  
PO Box 24  
Caledon 7230

For attention: Mr B. Ngubo

**PROVINCIAL TREASURY COMMENTS ON THE TABLED 2021/22 ANNUAL REPORT**

**1. INTRODUCTION**

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

**2. LEGISLATIVE COMPLIANCE**

**2.1 Conformance**

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

- a) The Municipality submitted the draft 2021/22 Annual Report together with AFS to the Auditor General by the **25 January 2023** which is within the legislative deadline.
- b) The unaudited Annual report was tabled into Council (25 January 2023) at least 7 months after the end of the budget year in accordance with MFMA Circular 63.
- c) The Annual report was made public on the **27 January 2023**, and the public was invited to comment by the deadline of **17 February 2023**.

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

- The Annual Report complies with the Annual Report Template as prescribed by MFMA Circular 63 as all the relevant chapters are included. All the relevant annexures have also been included in the Annual Report.
- The draft Annual report was placed on the website on the **27 January 2023**, which is within 2 days after tabling in council or on the date on which it must be made public, whichever occurs first in accordance with section 75 of the MFMA.
- The Mayor's Foreword has been included and contains all the relevant components.
- The Municipal Manager's Foreword is included and provides a comprehensive overview of the annual performance of the Municipality.
- The Annual Report provide a comprehensive overview of the demographics, population, growth, highlights, and challenges faced in the municipal area during the 2021/22 financial year.
- The Report provide description and pictures of projects embarked on and completed as a form of its portfolio of evidence.

## 3. Chapter 3: Service Delivery Information and Performance

### High Level Summary – Key Performance Areas

Strategic Objective	Number of targets in SDBIP	Number of targets achieved	Percentage Achieved
<b>SO1:</b> To ensure a healthy and productive workforce by creating a conducive working environment.	1	1	100%
<b>SO2:</b> To provide democratic, responsive and accountable government for the local communities.	11	9	81.8%
<b>SO3:</b> Refine and improve the institutional capacity of the municipality.	3	1	33.3%
<b>SO4:</b> Work towards a sustainable future through sound financial management and continuous /revenue growth.	6	4	66.6%
<b>SO5:</b> To maintain and improve basic service delivery and social amenities for the TWK community.	11	9	81.8%
<b>SO6:</b> To ensure continuous and sustainable maintenance, replacement and upgrades of municipal infrastructure	15	9	60%
<b>SO7:</b> Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Project.	14	4	28.5%
<b>SO8:</b> Upgrading of informal Settlements and Prioritising the most needy in housing allocation.	1	1	100%
<b>SO9:</b> Promote the second and township economy (SMME Development).	2	1	50%

Strategic Objective	Number of targets in SDBIP	Number of targets achieved	Percentage Achieved
<b>SO10:</b> Create an enabling environment in order to maintain existing business and attract new investment into the TWK area	-	-	-
<b>SO11:</b> Increase community safety through traffic policing, bylaw enforcement	2	0	0%
<b>SO12:</b> Improved Environmental Management	2	1	50%
<b>SO13:</b> Improve the social fabric of the TWK community	1	0	0%
<b>TOTAL</b>	<b>69</b>	<b>40</b>	<b>58.0%</b>

### Comments

Chapter 3 of the Annual Report provides an overview of the key service achievements of the Municipality during 2021/22 in terms of the deliverables achieved compared to the strategic objectives and key performance indicators in the Integrated Development Plan (IDP).

The tabled annual report reflects that 58.0 per cent (40 of 69) of the top levels key performance indicators (KPIs) during the year under review which equates to a 42.0 per cent variance between planned and actual performance.

Most targets not achieved are related to *Strategic Objective 7: Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Project* and *Strategic Objective 6: To ensure continuous and sustainable maintenance, replacement and upgrades of municipal infrastructure*. The underperformance of the above-mentioned Strategic Objectives is concerning as this directly affects service delivery. The Municipality has provided reasons and corrective measures for the missed targets, indicating that they should be addressed going forward.

### Free Basic Service and Indigent Support

- To improve the living conditions of the people within the municipal area, Theewaterskloof provides free basic services to indigent households. The indigent support includes water (6 Kl all households), electricity (7kwh), weekly refuse removal and free sanitation.

To improve service delivery within the Theewaterskloof Municipal area, the municipality implemented the following capital projects:

- Upgrading of storm water network in Muller Street.
- Resealing of roads
- Tesselaarsdal- bulk water upgrade phase 2
- Water network upgrading - Caledon (Basil Newmark Raw Water,

### Backlogs in service delivery

Theewaterskloof Municipality faces the following backlogs with respect to service delivery:

- Housing backlogs due to the influx of people from other provinces creating a social and economic problem
- Rapidly deteriorating infrastructure and the subsequent service delivery inadequacies
- Ageing water, sewer, roads and storm water infrastructure

### **Employment creation.**

- Through its Expanded Public Works Programme, three hundred and ninety-four (394) job opportunities were created in the municipal area
- Twenty-five (25) work opportunities were created through cleaning of storm water channels, pothole repairs and cleaning of open spaces
- To support tourism within the municipal area, two hundred thousand rand (R200 000) was made available for the 2021/22 financial year

### **Black Economic Empowerment**

- The Municipality did not disclose information on “**B-BBEE COMPLIANCE PERFORMANCE INFORMATION** in 2021/22 annual report.

### **Auditor General findings and other findings**

- The Auditor general has awarded the Municipality a clean audit for the 2021/22 financial year.

## **4. CONCLUSION AND RECOMMENDATIONS**

The Municipality adhered to all the requirements of the MFMA insofar the timeous development, tabling and submission of the draft annual report is concerned.

The Municipality has provided explanations and corrective measures for the missed targets which indicates they are being addressed. Theewaterskloof Municipality has produced a comprehensive report for 2021/22 reflecting detailed information pertaining to the Municipality's 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.

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



**MS NADIA RINQUEST**

**DIRECTOR (ACTING): LOCAL GOVERNMENT BUDGET OFFICE**

**DATE: 23 February 2023**