



**Sarah Baartman**

**DISTRICT MUNICIPALITY**

*Province of the Eastern Cape*

*progress through development*

**DRAFT**

**OVERSIGHT REPORT**

**PREPARED BY THE  
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)  
ON THE  
2016/2017 ANNUAL REPORT  
OF THE  
SARAH BAARTMAN DISTRICT MUNICIPALITY**

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## **OVERSIGHT REPORT TO BE PRESENTED TO COUNCIL**

**ON 28 MARCH 2018**

### **FOREWORD BY CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

#### **Speaker, Executive Mayor, Councillors and Officials**

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regards to the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the Council resolved that the Municipal Public Accounts Committee carry out a detailed analysis and review of the Annual Report (AR) and prepare an Oversight Report. This will enable the Council to fulfil its oversight responsibility.

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council. In the light of this responsibility, it is with privilege that I present to Council today the Oversight Report on the Annual Report for the 2016/2017 financial year on behalf of the Municipal Public Accounts Committee. Allow me to thank the legislative and administrative arms of Council for the exemplary role they played in combined assurance during the relevant financial year to ensure that the democratic cornerstones of accountability, transparency, oversight and good governance becomes synonymous with this institution.

The Municipal Public Accounts Committee therefore in its work checked whether the information contained in the Annual Report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. As prescribed by the MFMA circular 63 and 32 as well as other relevant legislation, I can confirm that the Annual Report of Sarah Baartman District Municipality was assessed with due diligence, by each member of the MPAC, and found to be a true reflection of the status and performance of the District Municipality and furthermore, complies with the lawful framework as prescribed by the MFMA. The MPAC has fulfilled its duties in terms of the provisions of the Local Government Municipal Structures Act no. 117 of 1998 and the Municipal Finance Management Act no. 56 of 2003 regarding the exercise of oversight.

As the Annual Report remains a backward looking exercise on what was achieved, the institution received an unqualified audit report, and must strive to get unqualified audit with no matters of emphasis going forward.

Yet we are forewarned that matters of performance will receive more emphasis in future external audits and as an institution we need to refocus our approach. So too, the MPAC will place greater oversight on matters of achieving the performance targets of the institution.

It is with concern that MPAC makes reference to the fact that the SDBIP targets are not met satisfactorily for a number of years.

Although the MPAC remains a functional committee and still endeavors to have a positive influence on audit outcomes, and constant vigilance is needed to keep the committee partisan free.

MPAC must assist Local Municipalities on their MPAC Workplan as well as assistance in training through a District-Wide MPAC Forum and compliance with legislative time frames and schedules on their local workplan. This matter must receive full attention from our political leadership.

MPAC has started rotating its meetings, and has had four of its ordinary meetings in local municipalities, as follows: 4<sup>th</sup> April 2017, Blue Crane Route Municipality, 6<sup>th</sup> June 2017, Makana Local Municipality 2017, 15<sup>th</sup> August 2017, Sundays River Valley Local Municipality ,31<sup>st</sup> October 2017, Ndlambe Local Municipality. In total seven of the projects in local municipalities that is funded by Sarah Baartman District Municipality was also visited and assessed.

The functions of the MPAC are:

- (a) To consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard. The Committee must receive the report no more than two weeks after tabling to Council.
- (b) To compile an Oversight Report and table it in Council no later than two months from the date of which the Annual Report was tabled, in terms of Section 129 of the MFMA.
- (c) To monitor that all submissions and calls for comment have been undertaken as per Section 127(5), 130 and 132 of the MFMA.
- (d) To review whether matters raised in past Annual Reports have been attended to, as well as whether recommendations made in previous Oversight Reports in terms of Section 129 of the MFMA have been attended to.

In dealing with the Annual Report being tabled today and recommended for adoption, the MPAC paid particular attention to the following areas:

1. Financial Performance
2. Non-financial Performance
3. Legal Requirements
4. Legal Framework
5. Mistakes and Errors

As the Chairperson of the MPAC, my objectives for the new audit period will include:

- Closely monitoring performance commencing from the planning stage
- Strengthening the capacity support to Local Municipality MPAC's and promoting the establishment of a District-Wide MPAC Forum
- The review of the Terms of Reference of the MPAC and development of a new Work Plan.
- Conducting public hearings on the Annual Report as part of our Work Plan.
  
- Conducting a workshop with MPAC on MFMA circular 32 and 63 before the next review of the Annual Report.
- MPAC rotates its District MPAC meetings in Local Municipalities, so that local communities of Sarah Baartman District have access to attend our MPAC meetings, and also make it possible for those local municipal MPAC Committees to attend and gain more experience on processes of MPAC.

For the purpose of transparency and to the knowledge of all non-executive Councillors and the public present here today, I will table this report by means of an overview approach for the purpose of clarity to Council.

**COUNCILLOR V.A. CAMEALIO-BENJAMIN**

**MPAC CHAIRPERSON**

## **INTRODUCTION**

Council is vested with the responsibility to oversee the performance of its municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of Council is particularly important for the process of considering annual reports.

The MFMA and MSA (Systems Act) recognise that Council has a critical role to play to ensure better performance by municipal departments and entities. An explicit linkage exists between the strategic goals determined by the Council through the IDP process. These strategic goals are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for Council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/Council, the administration and the public.

The MFMA was introduced to ensure sound and sustainable management of the financial affairs of municipalities. It also place greater service delivery responsibilities on managers and makes them more accountable for performance. **Whilst, in the first instance it is left to the mayor to resolve any performance failures, ultimately the Council is vested with the power and responsibility to oversee both the executive and administration.** Oversight occurs at various levels in a municipality and is explained in the following table:

### **Financial governance framework applicable to local government**

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

### **Separation of roles**

The separation of roles between the Council and administration is intended to strengthen the oversight function of Councillors. Good governance and effective oversight and accountability are based on there being this separation of functions. It is fundamental for the achievement of the objects for local government in the Constitution relating to a democratic and accountable system of local government.

Council oversees the performance of the administration through Council and committee meetings.

## **BACKGROUND**

Each municipality and each municipal entity must prepare an annual report for each financial year in accordance with the MFMA and MSA. 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.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are, therefore, required to contain information on service delivery and outcomes, in addition to financial statements.

### **The annual report:**

- **is meant to be a backward-looking document, focusing on performance in the financial year that has just ended; and**
- **must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.**

When tabled, the annual report should include three 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 report on performance in terms of section 45(b) of the MSA.

It should be noted that in terms of MFMA Circular 63 of 2012, the previous format and time frames for preparation of the annual report have been amended by National Treasury, and that the new format for the annual report is now effective. The new format as determined by National Treasury has been used in the preparation of the annual report for the 2015/2016 financial year.

Following publication of Circular 63 of 2012 by National Treasury, the Department of Local Government and Traditional Affairs expressed concern that the new format for the annual report would impact negatively on the reporting per KPA which that Department requires from municipalities in their annual reports. In an effort to also comply with the requirements of the DLGTA, the KPA reporting requirements have been included as Appendix T to the draft annual report.

**The oversight report is the final major step in the annual reporting process of a municipality.** Section 129 of the MFMA requires the Council to consider the annual report of its municipality and municipal entities and to adopt an "oversight report" containing the Council's comments on each annual report.

The oversight report must include a statement whether the Council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- 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. Thus the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.**

## **APPOINTMENT OF MPAC**

Council on 07 September 2016 appointed a Municipal Public Accounts Committee to perform the oversight function on its behalf. This includes the detailed analysis and review of the annual report, and drafting an oversight report for consideration by Council.

The MPAC comprises of non-executive members as detailed below:

Chairperson: Cr Virginia Alice Camealio-Benjamin

Members: Cr Luyanda Nase

Cr Monica Mateti

Cr Phindiwe Regina Blou

Cr Malibongwe Emmanuel Dayimani

Cr Horatio Mario Hendricks

Cr Leslie Michael Reynolds

Cr Thandazwa Wendy Katoo

Cr Thabo Augustine Grootboom

## **FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:**

In so far as the Annual Report is concerned, MPAC is required to perform the following functions:

- Undertake a review and analysis of the Annual Report.
- Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

Public was notified and invited to sit in on normal MPAC sittings which was held in the local municipalities.

## **PROCESS OF ASSESSMENT OF THE ANNUAL REPORT**

The draft annual report for 2016/2017 was tabled at the Council meeting held on 24 January 2018, when it was resolved as follows:

- (a) that the Annual Report for 2016/2017 be made public in terms of section 127(2) of the MFMA and that the local community be invited to submit representations in connection therewith;
- (b) that the draft annual report be submitted to the next meeting of the Sarah Baartman Municipal Public Accounts Committee (MPAC) for analysis and review.

In dealing with the tabled annual report, the Council is required to adopt an oversight report by not later than two months from date of tabling, which for the 2016/2017 annual report will be 28 March 2018.

### **Advertising Process**

After Council meeting on 24 January 2018, and in response to the Council resolution taken at that meeting, the SBDM Annual Report for 2016/2017 was made public in terms of section 127(2) of the MFMA and the local community was invited to submit representations in connection therewith.

Official notices advising where the annual reports could be viewed and inviting representations from the public were placed in the local newspapers and on the Municipality's website. The closing date for input was 23 February 2018. The notice was published in The Herald on 07 February 2018 and thereafter also in the first available publication of the following community newspapers:

Our Times

Talk of the Town

Kouga Express

Graaff-Reinet Advertiser

Somerset Budget

Grocotts Mail

Copies of the official notices placed in the local newspapers are attached as **Annexure "A"**. Copies of the annual report were placed in the offices of the SBDM administration as well as the offices of all local municipalities.

Copies of the report were forwarded to the following as required by the MFMA:

- Auditor-General
- Provincial Treasury
- Provincial Department of Local Government and Traditional Affairs.

A copy was also forwarded to National Treasury in compliance with the request contained in MFMA Circular 63/2012.

### **Responses received**

Only Provincial Treasury provided comments by the closing date. The comments are attached to the minutes of the Municipal Public Accounts Committee.

### **SUMMARY OF COMMENTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON ANNUAL REPORT OF SARAH BAARTMAN DISTRICT MUNICIPALITY FOR 2016/2017**

See **Annexure "E"**

### **CONCLUSION**

The MPAC commends Council, the Municipal Manager, the Senior Managers and all staff at SARAH BAARTMAN District Municipality on the strides made towards good governance and the achievement of a unqualified audit. Emphasis is placed on the work to be performed in the area of project performance and the 2016/2017 financial year must target focussed attention in this area.

Having performed the following tasks:

- Reviewed and analysed of the Annual Report;
- Considered comments and representations received ;
- Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- Prepared the draft Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors;

The MPAC has pleasure in presenting the Oversight Report to Council to consider the following resolutions which will then be forwarded to the relevant Departments and Provincial Legislature:

**DRAFT RESOLUTION TO BE ADOPTED BY COUNCIL IN ACCORDANCE WITH SECTION 129 (1) OF THE MFMA:**

- (a) That cognizance be taken of the Oversight Report on the 2016/2017 annual report of the Sarah Baartman District Municipality;
  - (b) that the Council, having fully considered the annual report referred to in (a) above, adopts the Oversight Report;
  - (c) that the 2016/2017 Annual Report of the Sarah Baartman District Municipality be adopted without reservation;
  - (d) That the Oversight Report be made public in accordance with section 129(3) of the Municipal Finance Management Act (Act 56 of 2003);
  - (e) 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).
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**SARAH BAARTMAN DISTRICT MUNICIPALITY**

**ANNUAL REPORT OF THE SARAH BAARTMAN DISTRICT MUNICIPALITY –  
2016/2017**

Pursuant to section 127 (5) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and section 21A of the Local Government: Municipal Systems Act, 200 (Act No 32 of 2000) the Sarah Baartman Municipality invites local communities to submit written comments or representations in connection with the Annual Report of the Sarah Baartman District Municipality for the period 1 July 2015 - 30 June 2016.

The Annual Report can be viewed on the SBDM's website [www.sarah.baartman.co.za](http://www.sarah.baartman.co.za). A copy is also open for inspection in the office of the Administrative Officer, Department of Finance and Corporate Services, Room 226, 2<sup>nd</sup> Floor, Standard Bank Building, Govan Mbeki Avenue, Port Elizabeth during normal office hours.

Any person who cannot write may visit the aforementioned office as stated, and receive assistance in compiling his/her comments or representations.

Any comments or representations must be submitted in writing to the Office of the Municipal Manager, P O Box 318, Port Elizabeth 6000, or 2nd Floor, Standard Bank Building, Govan Mbeki Avenue, Port Elizabeth 6001, by not later than Friday 24 February 2017.

NOTICE NO. 10 OF 2017 DATED 31 JANUARY 2017.

**SARAH BAARTMAN DISTRICT MUNICIPALITY**

**ANNUAL REPORT OF SARAH BAARTMAN DISTRICT MUNICIPALITY**

**2015/2016**

The Sarah Baartman District Municipality invites local communities to submit written comments or representations in connection with the Annual Report of the Sarah Baartman District Municipality (Including Cacadu District Development Agency) for the period 1 July 2015 – 30 June 2016. The Annual Report of the Sarah Baartman District Municipality can be viewed on the SBDM's website [www.sarah.baartman.co.za](http://www.sarah.baartman.co.za).

A copy is also open for inspection at the following places during normal office hours:

Office of the Municipal Manager, 7th Floor, Standard Bank Building, 32 Govan Mbeki Avenue, Port Elizabeth

Blue Crane Route Municipality, 67 Charles Street, Somerset East

Dr Beyers Naudé Municipality, Town Hall Building, Church Square, Graaff-Reinet

Kouga Municipality, Da Gama Road, Jeffreys Bay

Kou-Kamma Municipality, 5 Keet Street, Kareedouw

Makana Municipality, City Hall, High Street, Grahamstown

Ndlambe Municipality, Civic Centre, Causeway, Port Alfred

Sundays River Valley Municipality, 30 Middle Street, Kirkwood

Any person who cannot write may visit the aforementioned office as stated, and receive assistance in compiling his/her comments or representations.

Any comments or representations must be submitted in writing to the Office of the Municipal Manager, PO Box 318, Port Elizabeth 6000, 2<sup>nd</sup> Floor, Standard Bank Building, Govan Mbeki Avenue, Port Elizabeth 6001, by no later than Friday, 24 February 2017.

NOTICE NO 10 OF 2017 DATED FEBRUARY 2017.

**MINUTES** of a meeting of the **SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)** held in the Council Chamber, 6<sup>th</sup> Floor, Standard Bank Building, Govan Mbeki Avenue, Port Elizabeth on **Friday, 03 March 2017** at **11:00**

**PRESENT**

**Councillors**

Camealio-Benjamin VA (Mrs) (Chairperson)

Nase L

Grootboom T

Katoo TW (Ms)

Dayimani M

Mateti M (Ms)

**Local Municipalities Councillors**

Mbunge T Ndlambe Local Municipality

**Officials**

Municipal Manager (Pillay DM)

Director: Finance and Corporate Services (Lorgat R)

Acting Director: Local Economic Development (Mgudlwa T)

Senior Performance Management Systems Officer (Terblanche G)

Committee Clerk (Nkahla A T Ms)

**Local Municipalities Officials**

Nelana L

Ndlambe LM, Internal Auditor

**Other**

Gwija T

(Provincial Treasury)

Gwelana N (Ms)

(Provincial Treasury)

**APOLOGIES**

**Councillors**

Councillor L Reynolds

**SBDM Officials**

None

**Absent**

Councillor H Hendricks

Councillor PR Blou

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1. **OPENING**

The Chairperson requested Councillor Grootboom to open the meeting with a short prayer whereafter she read the notice convening the MPAC meeting.

- **At this stage, she welcomed back Mr Ted Pillay who had been re-appointed as the Municipal Manager-**

**NOTED**

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**2. APOLOGIES**

As recorded above.

**NOTED**

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**3. DECLARATION OF BUSINESS INTEREST BY MEMBERS OF THE MPAC**

None.

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**4. STATEMENTS OR COMMUNICATIONS BY THE CHAIRPERSON**

The Chairperson indicated that it was pleasing to see the Director: Finance and Corporate Services back at work as it was previously communicated that he was off sick.

She indicated that members of the committee had a great responsibility of ensuring that oversight was done properly. She added that the District Municipality (DM)

needed to ensure that assistance was being provided to Municipal Public Accounts Committees (MPACs) that were struggling and not functioning well within local municipalities (LMs). She mentioned that some LMs MPACs had not convened meetings in the current term

Further, she suggested that a next MPAC meeting should be convened at a local municipality which had not convened any MPAC meeting in the current term so that discipline and direction could be instilled.

It unanimously agreed

that a Municipal Public Accounts Committee meeting be convened at a local municipality which had not convened any MPAC meeting within the current term.

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## **5. REPORTS BY THE MUNICIPAL MANAGER**

### **5.1 Draft Annual Report – 2015/2016**

The Municipal Manager indicated the Municipal Public Accounts Committee (MPAC) was obliged to consider the report as in terms of the Council resolution taken at the Council meeting held on 25 January 2017.

Further, he reported that the Draft Annual Report (AR) was considered by the Mayoral Committee and Council whereafter a resolution to make the AR available for public comments was taken at the Council Meeting held on Wednesday, 25 January 2017. He added that advertisements to solicit comments on the AR from the public had been placed. Furthermore the AR was forwarded to the LMs and

they were requested to place advertisements on Council notice boards. He mentioned that the only input received in response to the advertisements and notices was from Provincial Treasury. A copy of the input which was circulated to members in the meeting is attached hereto.

The MPAC members went through the report.

**NOTED**

5.1.1. **Executive Mayor's Foreword and Executive Summary**

Mr Gwija from Provincial Treasury (PT) referred to page one (1) and suggested that the section should include corrective actions taken in ensuring that strategic objectives as stipulated in the Integrated Development Plan (IDP) were not achieved. He added that issues of Public Participation and accountability to clearly be stated.

Further, he referred to the second last paragraph reflected on page two (2) and advised that the statement which indicated that "SBDM was currently awaiting response of the Auditor-General (AG) on the 2015/2016 audit" should be corrected to reflect the current audit opinion which stood as "Unqualified Audit Opinion".

The Municipal Manager welcomed suggestions made by PT and confirmed that changes would be incorporated into the final AR to be submitted to Council for adoption.

**NOTED**

5.1.2. **Municipal Manager's Overview**

The Municipal Manager reported that the section covered mostly the functional areas in terms of the Key Performance Areas (KPA's) of the municipality.

Councillor Nase referred to page five (5) on page six (6) and expressed concern that the District-Wide Infrastructure Study was not completed due to the difficulty in

gathering information from local municipalities (LMs). He requested that the matter be raised with the LMs.

Continuing, Councillor Nase referred to the second last paragraph on page five (5) and indicated that he was in agreement with the finding which stated that the District Municipality should intervene and provide solutions to municipalities which had water issues as they were Water Services Authorities and Water Services Providers.

Councillor Grootboom referred to the third (3) paragraph reflected on page six (6) and enquired about funding which was directed to the DM for the Study on Rural Roads project. He raised an issue that most farm owners were constantly requesting funding from LMs for assistance in effect to leveling roads within their areas.

The Municipal Manager reported that the DM received a grant amounting to R2 million to conduct a study on roads. The aim was to assess the conditions of roads and what needed to be done.

He mentioned that the study was made annually on the state of the rural roads in the district. Further he reported that the same study could be used as business plans for which applications can be made to the Department of Roads and Public Works for certain roads to be prioritized or upgraded.

The Chairperson referred to paragraph six (6) on page six (6) raised a concern that the report indicated that the main road in Addo-Nomathamsanqa reached 80% completion. However it was not the current situation and requested the municipality to do follow-up to verify if the situation had improved.

The Senior Performance Management Systems (PMS) Officer indicated that the report only considered the previous financial year whereas what was being looked at by officials was reporting based on quarter two (2) of the current financial year. Furthermore the Nomathamsanqa Road had already been audited by AG in the previous financial year.

Further he added that the Valencia Road was indeed lagging and standing at 12% completion.

The Municipal Manager indicated that commenting on the status of the project would be corrected to show that the project was less than satisfactory and it should be clearly indicated that the progress was poor.

Mr Gwija referred to the last paragraph on page seven (7) and indicated that the name "Municipality" be corrected.

Councillor Nase referred to paragraph three (3) on page eight (8) and suggested that the DM should assist financially constrained municipalities by writing reports to National Treasury (NT) or PT requesting any cash injections.

The Municipal Manager indicated that the amalgamated municipalities were indeed struggling and were constrained financially. He reported that there were engagements in several platforms to highlight the plight of the struggling municipalities. Further he indicated that the DM would indeed continue provide support to the affected municipality.

The Senior PMS Officer referred to the last sentence reflected on the third paragraph on page eight (8) and requested that corrections should be made as it was stated that municipalities "have not taken up the offer of PMS", whereas it was introduced to all municipalities at no cost. However municipalities were not utilizing the system to the fullest.

Councillor Mateti enquired whether there were any Councillors represented on the PMS Forum. She indicated that most of the LMs were experiencing difficulties with regard to performance. Further she enquired on any possible assistance that could be provided to LMs.

The Senior PMS Officer indicated that when the PMS Forum meetings were being scheduled, Councillors were sent invitations to attend the said forum. Further he reported the assistance offered to LMs were ongoing in order to ensure that LMs were compliant to policies and were able to conduct reviews through using the system.

**At this stage, time being 12:00 Councillor Dayimani arrived in the meeting.**

Councillor Nase referred to paragraph four (4) reflected on page nine (9) and noted that the DM is facing litigations on fires as reflected on page seventy-nine (79). He enquired whether the number of litigations experienced was mainly due to LMs not performing the fire-fighting service adequately.

The Municipal Manager indicated that the DM was currently investigating whether the function was being performed adequately by LMs on behalf of the DM. He added that should the pending investigation indicate that the service was not performed properly then the DM would be obliged to take back the function from LMs.

Councillor Mateti requested clarity on the role of Disaster Management Officials stationed at LMs. Further, she added that the DM should conduct awareness campaigns to inform communities on the roles and responsibilities of disaster management.

The Municipal Manager indicated that it should be noted that the District Disaster Management Section dealt only with humanitarian needs such as providing blankets, foods and shelter to affected communities when fires or floods occurred..

**At this stage, time being 12:25 the Acting Director: Economic Development arrived in the meeting.**

Councillor Katoo referred to the fifth paragraph on page ten (10) and noted that there were quite a number of programmers that were aimed at supporting women and people with disabilities. However she complained that nothing was being done on the issue of textbook shortages in Jeffrey's Bay High School.

The Municipal Manager indicated that the Department of Education (DoE) Uitenhage District Office was responsible for the area and therefore any complaints can be elevated to the said office for assistance.

On the other hand if persistent appeals to the DoE were not yielding any results then the local municipality concerned could consider to forward the matter for the attention of the DM Executive Mayor and Municipal Manager.

Councillor Nase referred to the third paragraph on page eleven (11) and suggested the whole paragraph be corrected as percentages on number of disabled employed reflected were incorrect.

The Municipal Manager indicated that the matters would be corrected to reflect the current status.

**NOTED**

### 5.1.3 **Risk Management**

Councillor Nase enquired whether the DM would be able to comply with the set date of 01 July 2017 for the implementation of Municipal Standard Chart of Accounts (mSCOA).

The Director: Finance and Corporate Services indicated that all processes were followed and reported that the service provider who was awarded the contract had tax matters which were not updated. He reported that Council approved a budget which indicated that a service provider in question be appointed. Further, he indicated that the service provider submitted tax clearance certificates however the status on the Central Supplier Database (CSD) showed that tax matters remained not up to date. He added that the South African Revenue Services (SARS) also confirmed that the tax matters remained unresolved.

Continuing, he indicated that the service provider mentioned that their Value Added Tax (VAT) challenges were a result of late payments made by municipalities.

Councillor Nase suggested that the service provider be given until Tuesday, 07 March 2017 to sort out their tax problems and if they remained non-compliant then an alternative service provider be considered.

The Municipal Manager provided background on the matter and indicated that NT vetted all Information Technology (IT) services and drew up a list of service providers to be used by municipalities. Further, he indicated that three service providers were identified for district municipalities by NT.

**NOTED**

5.1.4. **Supply Chain Management**

Mr Gwija referred to page thirty-nine (39) under the column deviation and indicated that the quantity of deviations listed under “impractical or impossible to follow the official procurement processes” which stood at fifty-five (55) at the said page did not match the number mentioned in the Annual Financial Statements (AFS) which reported the number to be sixty-one (61).

The Municipal Manager undertook to correct the information reflected on page thirty-nine to be aligned with the AFS.

**NOTED**

5.1.5 **Capacity Building**

The Senior PMS Officer referred to page forty-nine (49) under “institutional” the third bullet point indicated that training on PMS was only provided to Kouga, Koukamma, Ndlambe and Sundays River Valley). However training had been offered to all local municipalities and requested that it should be corrected to reflect as such.

Councillor Nase referred to page fifty four (54) and enquired about the progress with regard to the introduction of the District – Agri Park.

The Acting Director: Economic Development reported that the previous Acting Director: Economic Development along with the Chief Executive Officer (CEO) of Cacadu Development Agency (CDA) attended a National Conference on Agri-Parks and was currently preparing a report which would be submitted to the Mayoral Committee.

The Municipal Manager indicated that the DM had identified that the Agri-Park for SBDM should be in the Sundays River Valley Municipality (SRVM) area. He added that the concept was relatively new for municipalities.

He mentioned that some district municipalities adopted a concept whereby satellite Agri-parks would be established. On the other hand he reported that capacity challenges were being identified by some district municipalities and therefore service providers were appointed to provide advisory duties.

The Senior PMS Officer reported he attended a Mintech meeting recently and reported that SBDM was currently lagging behind with the implementation of Agri-Parks.

It was

### **Recommended**

that a report on the progress of Agri-Park project be submitted to the next scheduled Municipal Public Accounts Committee

#### 5.1.6 **Pollution Control**

Councillor Mateti referred to page sixty-three under the heading “Introduction to Pollution Control” and raised a concern that the DM had no capacity to deal with

waste management issues. She added that the DM should always promote green-living and also assist LMs by creating awareness on pollution.

The Municipal Manager indicated that one of the weaknesses of the DM was the fact that there was no section which dealt with Environmental Management. He added that environmental management was totally different to environmental health.

He reported that in the case of environmental management issues of bio-diversity, coastal areas, dunes and rivers would be covered. Further, he reported that the Department of Environmental Affairs (DEA) at National level was approached in effort to have an official seconded to the DM but unfortunately no positive results were yielded.

The Acting Director: Economic Development indicated that follow-up with DEA had been made in January 2017 in an effort to negotiate the secondment of an Environmental Management Official to the DM. He added that the delay was on the side of the DEA. Further, he indicated that the Memorandum of Agreement (MoA) was provided to the Legal Officer of the DM who was currently interrogating the document. He added that DEA was to meet with the DM on 06 March 2017 however the DEA later communicated that they were having strategic planning sessions on the said date. He mentioned that the DEA committed to notify the DM with alternative date to continue with the discussions.

**NOTED**

5.1.7. **Health Inspection: Food and Abattoir Licensing and Inspection Etc. (Environmental Health Services)**

The Municipal Manager indicated that it should be noted that the DM requested LMs to perform the function of environmental health on behalf of the DM.

Councillor Nase suggested that the DM should ensure environmental health activities were performed adequately by LMs. He reported that there were cases in which supermarkets were marking down prices on foodstuffs that reached expiry date. He reiterated that the DM should assist LMs in ensuring that assistance was being provided to enhance performance of the function.

Continuing, Councillor Nase requested clarity with the official position on “pauper burials” and mentioned that as a Ward Councillor, communities were constantly knocking on his office requesting the service. He indicated that his local municipality communicated that there was no funding for the service.

The Municipal Manager reported that the DM did not provide any dedicated funding for pauper burials.

**NOTED**

5.1.8. **Fire Services**

Councillor Grootboom enquired whether the DM received all signed Fire Services Level Agreements (SLAs) from LMs and the funding had been transferred to the LMs respectively.

The Director: Finance and Corporate Services indicated that most of the SLAs had been received from municipalities and payment would follow suit.

**NOTED**

5.1.9. **Human Resources Services**

The Chairperson referred to the third paragraph under the heading “Priority Objectives” and requested that correction on the word “implemented” be made as the it was incorrectly reflected.

**NOTED**

5.1.10. **Property, Legal, Risk Management and Procurement Services**

The Senior PMS Officer referred to page eighty (80) and indicated that the attachment of the “Organisational Performance Scoreboard” had two pages that were missing and undertook to correct that.

**NOTED**

5.1.11. **Report of the Audit Committee for the year ended 30 June 2015**

Mr Gwija referred to the composition of the Audit Committee (AC) and enquired whether representatives from external and internal auditors only attended AC meetings by invitation only. He added that it must be corrected to indicate that it was required for them to attend the meeting.

**NOTED**

5.1.12. **Annual Financial Statements**

Councillor Nase noted that Annual Financial Statements (AFS) of CDA formed part of SBDM AR and enquired whether was done due to inability of the agency to prepare their own.

The Director: Finance and Corporate Services indicated that the agency had been audited separately however due to limited resources it was agreed with Auditor-General South Africa (AGSA) that a consolidated report for the current year was sufficient.

**NOTED**

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**-THE MEETING TERMINATED AT 13:30-**

**CONFIRMED**

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**DATE**

**CHAIRPERSON**



<p>on the financial statements of the municipality.</p>		<p>included in the tabled Annual Report?</p> <p>2. If not, when will the audit report be tabled?</p> <p>3. What are causes of the delays?</p>	<p>N/A</p> <p>N/A</p>	
	<p>The above applies to the AFS of municipal entities.</p>			

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
Any explanations that may be necessary to clarify issues in connection with the financial statements	The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS.	Taking into consideration the audit report and the audit committee comments, is sufficient explanation of financial issues contained in the notes to the statements?	Management and the audit committee reviewed the annual financial statements and made the necessary amendments to notes and disclosures.	None
	The above applies also to the AFS of municipal entities.		Management and the audit committee reviewed the annual financial statements and made the necessary amendments to notes and disclosures.	None
An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities		<ol style="list-style-type: none"> <li>1. Has an adequate assessment been included?</li> <li>2. Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?</li> <li>3. Is any other action</li> </ol>	<p>N/A</p> <p>N/A</p>	None

		needed?	No	
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	The above applies also to the AFS of municipal entities.		N/A	
Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	<p>The conclusions of the annual audit may be either</p> <ul style="list-style-type: none"> <li>- An unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;</li> <li>- A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or</li> <li>- The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed.</li> </ul> <p>The objective of the municipality should be to achieve an unqualified audit opinion.</p>	<p>1. Taking into account the audit report, audit opinion and the views of the audit committee, council should consider:</p> <ul style="list-style-type: none"> <li>- To what extent does the report indicate serious or minor financial issues?</li> <li>- To what extent are the same issues repeated from previous audits?</li> <li>- Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?</li> </ul> <p>2. Has a schedule of action to be taken been included in the annual report with appropriate dates?</p> <p>3. Has the municipality</p>	<p>No material issues</p> <p>No material issues</p> <p>Yes</p>	None

		<p>taken steps to address the issues raised in the Audit Report?</p> <p>4. Has the Audit Report been forwarded to the MEC?</p>	<p>The audit action plan is tabled at every audit committee meeting and progress with regard to resolving issues are tabled in the meeting.</p> <p>Yes</p>	
	Above applies to AFS of municipal entities.		Same approach is adopted	
Any information as determined by the municipality, entity or its parent municipality	Review all other information contained in the Annual Report.	1. Is the other information contained in the Annual Report, relevant and accurate?	Yes	None

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	Applies to municipal entities.			
<p>An assessment by the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the Municipality</p>	<p>Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, expenditure targets etc. The entity's annual report must include an assessment by the accounting officer, of performance against these objectives. In order to show the linkage between the entity and the municipality, the report of the municipality should also include the performance of entities.</p> <p>Council should comment and draw conclusions on performance and</p>	<p>1. Has the performance met the expectations of council and the community?</p> <p>2. Have the performance objectives been met?</p> <p>3. What explanations have been provided for any non-achievement?</p> <p>4. What was the</p>	<p>Yes</p> <p>Most of the performance objectives were met. The performance was satisfactory.</p> <p>N/A</p>	

	explanations provided.	impact on the service delivery and expenditure objectives in the budget?	No impact on service delivery as the entity is not involved in service delivery	
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities	Conclusions on these recommendations and the actions required should be incorporated in the oversight report.	<p>1. Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity?</p> <p>2. What actions need to be taken in terms of these</p>	Yes. The recommendations of the audit committee are minuted.	None

		recommendations?		
<b>ALLOCATIONS RECEIVED AND MADE</b>				
<p>Section 123 (1) (a)</p> <p>Allocations received by the municipality from an organ or state, a municipal entity or another municipality.</p>	<p>The annual financial statements must disclose:</p> <p>2. Details of allocations received from another organ of state in the national or provincial sphere, municipal entity or another municipality</p> <p>2. Any other allocation made to the municipality under Section 214(1)( C) of the Constitution.</p> <p>Council should comment and draw conclusions on information and explanations provided.</p>	<p>Have allocations received by an organ of state, a municipal entity or another municipality been disclosed?</p> <p>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</p> <p>Does the audit report or the audit committee recommend any action?</p>	<p>Yes</p> <p>Yes</p> <p>No</p>	<p>None</p>

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
<p>Section 123 (1) (b)</p> <p>Allocations made by the municipality to an organ of state, a municipal entity or another municipality.</p>	<p>The report should disclose:</p> <p>2. Details of allocations made to an organisation of state, a municipal entity or another municipality.</p> <p>2. Other information as may be prescribed.</p> <p>Council should comment and draw conclusions on information and explanations provided.</p>	<p>Have allocations made to an organ of state, a municipal entity or another municipality been disclosed?</p>	<p>Yes</p>	<p>None</p>
<p>Section 125</p> <p>Other compulsory disclosures and information in relation to outstanding debtors and creditors of the municipality and entities</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.</p> <p>Other disclosures required;</p> <p>Contributions to organised local labour</p>	<p>Are all the compulsory disclosures contained in the notes to the Annual Financial Statements?</p> <p>Does the audit report confirm that the disclosures have been made?</p>	<p>Yes</p> <p>Yes</p>	<p>None</p>

	<p>and amount outstanding at year end</p> <p>Total amounts paid in audit fees, taxes, levies, duties and pensions and medical aid contributions and whether there were amounts outstanding at year end</p>			
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	<p>Name of bank where accounts held and year end balances</p> <p>Summary of investments held</p> <p>Contingent Liabilities</p> <p>Material irregular, fruitless or</p> <p>Wasteful expenditure</p> <p>Details of unauthorised</p>			

	<p>Expenditure</p> <p>Particulars of non compliance with the MFMA</p> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.</p>			
Information in relation to the use of allocations received	<p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:</p>	<p>Disclosure on how allocations received have been spent per vote</p> <p>1. Has the Municipality complied with the conditions of the grants received?</p>	<p>Yes</p> <p>Yes</p>	<p>None</p>

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	<p>1.The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects.</p> <p>2. Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided</p>	<p>3. Has the Municipality had any allocation per DORA, delayed or withheld?</p> <p>4. Does the Audit report or Audit Committee recommend any action?</p>	<p>No</p> <p>No</p>	<p>None</p>

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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	<p>3. Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</p> <p>The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received</p> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this Information.</p>		<p>No Grants were delayed or withheld</p>	<p>None</p>

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
<p>124 (1) &amp; (2)</p> <p>Information relating to benefits paid by municipality and entity to councillors, directors and officials</p>	<p>Information on the following items is to be included in the notes to the annual report and AFS:</p> <p>1. Salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind;</p> <p>2. Any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors;</p> <p>3. Salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every Senior Manager;</p>	<p>1. Have the salaries, allowances and benefits paid to Councillors and the Municipal Manager, CFO and Senior Managers been disclosed?</p> <p>2. Is there a statement by the Accounting Officer, stating that salaries, allowances and benefits Paid to Councillors are within the upper limits of the framework envisaged in section 219 of the Constitution.</p>	<p>Yes</p> <p>Yes</p>	<p>None</p>
	<p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy</p>	<p>3. Have arrears for rates and services owed by Councillors, in which the arrears was for more than 90 days been disclosed including the name of</p>	<p>N/A</p>	<p>None</p>



	<p>services, how has each performed? E.g. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?</p>	<p>evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?</p> <p>4. What actions have been taken and planned to improve performance?</p> <p>5. Is the council satisfied with actions to improve performance?</p>	<p>Yes</p> <p>Various initiatives have been introduced. These include; development of a procurement plan, commencing with bid processes once the budget is adopted, regular ongoing scrutiny by Management and Mayoral Committee; better usage of PMS.</p> <p>Yes</p>	
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	<p>To what extent has performance achieved targets set by council?</p> <p>Is the council satisfied with the performance levels achieved?</p> <p>Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were</p> <p>the outcomes of public consultation and public hearings?</p> <p>To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager</p>	<p>6. Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?</p> <p>7. Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</p> <p>8. Taking into account the audit Report and opinion and the views of the audit committee, is performance considered to be efficient and effective</p>	<p>Yes</p> <p>Yes</p> <p>Performance in the 2015/2016 financial year can be considered as satisfactory</p>	

	and are these satisfactory?			
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	municipality?  What other actions are considered necessary to be taken by the accounting officers?			
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
<p>For municipal entities – an assessment of the entity’s performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality</p>	<p>This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein. Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities.</p>	<p>1. Has the entity performed in line with its service delivery agreements?</p> <p>2. Have the objectives and performance measures of the entity been aligned to the overall strategy of the municipality?</p>	<p>Yes</p> <p>Yes</p>	

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
		<p>3. To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP?</p> <p>4. Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality?</p> <p>5. What specific actions should be taken by the entity and the municipality to improve performance?</p>	See comments pertaining to this under Municipal Performance	
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality.	Does the Annual Report include detailed information on all municipal entities?	The annual report includes information on the municipal entity although not in the required format.	

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
	<p>Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.</p>			
<p>Service delivery performance on key services provided</p>	<p>This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality.</p> <p>Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality.</p> <p>This information may be found</p>	<p>1. Is there a high level summary detailing the overall performance of the municipality against its strategic objectives?</p>	<p>Yes</p>	<p>None</p>

	in an executive summary section of the annual report or in statistical tables.			
Information on long-term contracts	Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.	1. Have all long-term contracts been disclosed?	Yes	None

Financial matters	For consideration	Questions	Response	Recommended Corrective Action
<p>Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations</p>	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services.</p> <p>Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained.</p> <p>Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.</p>	<p>1. Have significant IT activities been disclosed?</p>	<p>Yes</p>	<p>None</p>
<p>Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework</p>	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets.</p>	<p>1. Has a summary of the long-term capital plans been disclosed?</p>	<p>N/A</p>	

	Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.			
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Financial matters	For consideration	Questions	Response	Recommended Corrective Action
Supply Chain Management Regulations and Policy	Certain disclosures on Supply Chain matters are required to be included in the Annual Report.	Have the Supply Chain matters been disclosed in the AFS?	Yes	None
Timing of reports		1. Was the Annual Report tabled by 31 January, as per legislative requirements? 2. Has a schedule for consideration of the report been adopted?	Yes  The time frame for the approval of the annual report forms part of the annual report -	None
Oversight committee or other mechanism		1. What mechanisms have been put in place to prepare the oversight report? 2. Has a schedule for its completion and tabling been adopted?	Meetings of MPAC held 03 March 2017 and 14 March 2017 to prepare oversight report.  No	
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such	1. Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?  2. If so has a proper evaluation of performance been	Will be dealt after formal adoption of the annual report  Yes  Yes	None

	evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report.	undertaken? 3. Was the evaluation approved by council?		
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**TABLE OF QUERIES**

<b>Nature of Query</b>	<b>Management Response</b>	<b>Responsible Official</b>	<b>Corrective Action</b>
<p><b><u>Executive Mayor’s Foreword</u></b></p> <p>Page 1 - Need to include corrective actions taken in ensuring that strategic objectives as stipulated in the IDP.</p>	<p>Amendment to be made to the annual report</p>	<p>Municipal Manager</p>	<p>Done</p>
<p>Page 2 – correction on status of AGSA audit opinion</p>	<p>The AGSA report was received for 2015/2016 to be reflected.</p>	<p>Municipal Manager</p>	<p>Done</p>
<p>Page 3 – Correction on the word “municipality”</p>	<p>Amendment made to annual report</p>	<p>Municipal Manager</p>	<p>Done</p>
<p>Page 8 – correction to reflect that all local municipalities received training on Performance Management Systems</p>	<p>Amendment made to annual report</p>	<p>Municipal Manager</p>	<p>Done</p>

Page 11 – correction on the statistics of historically disadvantaged persons	Amendment made to annual report	Municipal Manager	Done
Page 39 – to be aligned with the totals in the AFS which is 61 on page 63 of the AFS.	Amendment will be done	Municipal Manager	Done

Nature of Query	Management Response	Responsible Official	Corrective Action
Page 80 – The first page of the performance report is not complete.	Amendment to be made to annual report	Municipal Manager	Done
Page 89 – Totals in vacancy rate table to be corrected	Amendment to be made to annual report	Municipal Manager	Done
Page 127 – External and Internal Auditors attend the Audit Committee meetings “by invitation only” must be corrected.	Amendments to be made to annual report	Municipal Manager	Done

