

**Umsobomvu Municipality**  
Continuously Rising

**OVERSIGHT REPORT  
ON THE 2018/19  
ANNUAL REPORT**

**REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON IT'S  
OVERSIGHT ROLE WITH REGARD TO THE 2018/19 DRAFT ANNUAL REPORT**

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## 1. CHAIRPERSON'S FOREWORD

The Constitution of the Republic of South Africa, 1996 (S152) states that:

*"(1) The objects of local government are –*

- (a) To provide democratic and accountable government for local communities;*
- (b) To ensure the provision of services to the communities in a sustainable manner;*
- (c) To promote social and economic development*
- (d) To promote a safe and healthy environment*
- (e) To encourage the involvement of communities and community organisations in the matters of local government"*

Sub-section (2) then qualifies within which parameters a municipality must do this. It states that-

*"A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)".*

The Annual Report gives further expression to these Constitutional provisions by:

- Providing a record of the activities of the municipality during the financial year.
- Providing a report on performance against the budget and
- Promoting accountability to the local community for the decisions made throughout the year.

Council is vested with the responsibility to oversee the performance of the municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA).

The Mayor therefore must submit to Council the Annual Report that provides a record of the activities of the municipality, a report on the performance against the budget of the municipality and thereby promoting accountability to the local community for the decisions made throughout the year, as envisaged by section 152(1)(d) of the Constitution.

The Municipal Public Accounts Committee therefore in its work should check 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.

"The MFMA now requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals" (MFMA Circular 11 dd 14 January 2005)

"The functions of the MPAC are: Approval of the Annual Report means that the executive and administration have discharged in full, their accountability for

decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community. Council has assigned the responsibility of the Oversight Report on the Annual Report to MPAC in terms of Council resolution 3/01/2019 dated 29 January 2019.

The Terms of Reference, of MPAC, states:

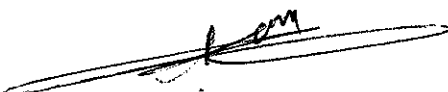
- (a) To consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard. The Committee must receive the report no more than two weeks after tabling to Council.
- (b) To compile an Oversight Report and table it in Council no later than two months 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.

As noted in our Oversight Report, Umsobomvu Local Municipality's 2018/19 Annual Report contains many positive elements and is a significant improvement over previous years' reports as it complies with the National Treasury guidelines in most areas. But we also note areas of deficiency indicated by the Auditor General and the challenges that are to be addressed and resolved amicably. We encourage and are ready to support the Mayor and Municipal Manager and his personnel in continuing ULM's record of continuous improvement by addressing the issues noted in our Report.

All in all, the year under review has been one of steady progress despite the many challenges encountered during the period in overview.

On behalf of the current Councillors serving on the Municipal Public Accounts Committee, I would like to congratulate the Mayor, Councillor M.S. Toto and Councillors serving on the Municipal Public Accounts Committee, Councillor J.P. Mathee and Councillor E. Humphries, as well as the Municipal Manager, Mr A. C. Mpela, and his staff for the significant success that is demonstrated by the 2018/19 Annual Report.

On behalf of the Oversight Committee,



**COUNCILLOR M.A. SESTILE**  
**CHAIRPERSON: OVERSIGHT COMMITTEE**

## 2. OVERVIEW AND PROCESS

The Constitution of the Republic of South Africa, 1996 (S152) states that:

*“(1) The objects of local government are –*

- a) To provide democratic and accountable government for local communities;*
- b) To ensure the provision of services to the communities in a sustainable manner;*
- c) To promote social and economic development*
- d) To promote a safe and healthy environment*
- e) To encourage the involvement of communities and community organisations in the matters of local government”*

Sub-section (2) qualifies within which parameters a municipality must carry out its mandate. It states that *“A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)”*.

The Annual Report gives further expression to these Constitutional provisions by:

- ❖ Providing a record of the activities of the municipality during the financial year.
- ❖ Providing a report on performance against the budget, and
- ❖ Promoting accountability to the local community for the decisions made throughout the year.

Council is vested with the responsibility to oversee the performance of the municipality as required by the Constitution, 1996 (Act 108 of 1996), the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Municipal Systems Act, 2000 (Act 32 of 2000) (MSA).

The Speaker, or Mayor (in the case of Umsobomvu it is the same position) must submit to Council the Annual Report that provides a record of the activities of the municipality, a report on the performance against the budget of the municipality and thereby promoting accountability to the local community for the decisions made throughout the year as envisaged by Section 152(1)(d) of the Constitution.

The Municipal Public Accounts Committee therefore, in the execution of its mandate, should check whether the information contained in the Annual Report is a fair and a reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon.

*“The MFMA now requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals” (MFMA Circular 11 dated 14 January 2005)*

The approval of the Annual Report means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 (Act 32 of 1998) a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members.

Furthermore Section 79(2) of the Municipal Structures Act, 1998 (Act 117 of 1998) provides the framework and guidelines within which such committees of council shall operate. During the 2009 conference of the Association of Public Accounts Committee (APAC) a resolution was taken stating that the conference supports the establishment of Municipal Public Accounts Committees (MPACs) in each municipality in the country as part of improving financial management and accountability at local level. It can be unequivocally stated that since the establishment of MPACs that the financial management of municipalities improved and that the time and monies invested in these committees are well spent.

Thus in order to enhance, promote and consolidate the oversight role of the Council over the executive, the Department of Cooperative Governance and Traditional Affairs, having consulted the National Treasury and SALGA has instructed that all municipalities establish MPACs. The focus of the MPAC will be to assist Council to hold the executive to account and to ensure the effective and efficient use of municipal resources.

The 2018/19 Draft Annual Report was tabled to Council on the 30<sup>th</sup> January 2020 in compliance with Section 127 (2) of the Municipal Finance Management Act, 56 of 2003.

The Municipal Public Accounts Committee is a Section 79 Committee established by Council in terms of Section 79 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and populated same per Council Resolution 08/08/2017 dated 18 August 2017.

This Oversight Report is tabled by the Umsobomvu Local Municipality's Public Accounts Committee under the Chairpersonship of Councillor M.A. Sestile.

The Municipal Public Accounts Committee is tasked to review all the activities of the municipality for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 and provides guidance in financial matters and assist in maintaining oversight within the broader governance context. Every effort has been made to ensure that the facts are correct and applicable to the mandate of the Municipal Public Accounts Committee.

## **2.1 Legal Framework**

The Municipal Public Accounts Committee is a Section 79 Committee established by Council in terms of Section 79 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended. A Municipal Public Accounts Committee was established by Council per Council Resolution 08/08/2017 dated 18 August 2017 who took responsibility for all MPAC functions.

In accordance with National Treasury's Circular 32, Committee members received the following information to guide and inform members of their roles and responsibilities in carrying out their oversight functions:

- (i) The 2018/19 Annual Report;
- (ii) The Municipal Financial Management Act (MFMA), Pocket Version;
- (iii) National Treasury's Circular 32, The Oversight Report;
- (iv) National Treasury's Circular 11, Annual Report: Guidelines;
- (v) The 2018/19 Integrated Development Plan (IDP);
- (vi) The 2018/19 Service Delivery and Budget Implementation Plan; and
- (vii) The 2018/19 ULM Budget document.

Induction training was presented by SALGA for all new Councillors after election and another session was conducted by the Municipal Manager on Policies and By-Laws. A separate training course was presented to the MPAC members on the Oversight process by the Manager Corporate Services prior to the public hearings.

## 2.2 Accountability Framework for Local Government

It is important to have a proper understanding of the responsibility framework for municipalities in order to correctly comprehend the purpose of the Oversight Report as it differs from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the culpability framework for local government:

Responsible body / individual	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Mayor	Community
Mayor	Policy, budgets, outcomes, management of/oversight over Municipal Manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	Administration	Mayor (Council)
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial management and operational functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Financial Management Act, 2003 (Act 56 of 2003) hereinafter referred to as the MFMA, requires the Council to consider the

annual report of its municipality and to adopt an "Oversight Report" containing the Council's comments on the annual report. The Oversight Report must include a statement whether the Council:

- (i) Has approved the annual report, with or without reservations;
- (ii) Has rejected the annual report.

### **2.3 Community Participation Process**

The Committee scheduled three Public Hearing meetings on the 3 March 2020 in Norvalspont, 4 March 2019 in Noupoort and 10 March 2019 in Colesberg. (minutes of each meeting are attached), to:

- (i) review the results of individual reviews;
- (ii) attempt to reach consensus on each of the issues raised; and
- (iii) to review responses to the Committee's questions of the Municipal Manager and his staff and the community's input about the Annual Report.

Additionally, the Committee solicited other input and comments on the Annual Report by inviting all Councillors to attend the Public Hearings to provide their comments and ask questions about the Annual Report. The community members were invited per official notice published in the local media and on the official notice boards to provide their comments, in writing, and/or by attending public meetings of the Committee.

The 2018/19 Annual Report was made available to the community and other bodies and same was open for inspection at the following places:

Colesberg:           Main Office  
                          Colesberg Library  
                          Mongezi Juda Library  
                          Multi-Purpose Community Centre

Noupoort            Noupoort Administrative Office  
                          Noupoort Library

Norvalspont        Norvalspont Administrative Office

Official Website    [www.umsobomvumun.co.za](http://www.umsobomvumun.co.za)

Notices informing the public and interested parties that the Draft Annual Report is available for inspection have been placed in the printed media and on the various official notice boards.

### **3. COMPOSITION OF MPAC**

In terms of Council Resolution 08/08/2016 dated 18 August 2016, Council appointed the following Councillors to serve on the MPAC:



The composition of the Committees is as follows:

### **Composition of the Municipal Public Accounts Committee (MPAC)**

<b>Name</b>	<b>Portfolio</b>	<b>Political Affiliation</b>
Councillor M.A. Sestile	Chairperson	African National Congress
Councillor J.P. Matthee	Member	Democratic Alliance
Councillor E. Humphries (Mrs)	Member	African National Congress

### **Oversight Committee Support Staff**

B.J. Kapp                                      Senior Manager: Corporate Services

The Committee did not co-opt any person to the Committee to assist with its work to consider the Oversight Report.

The Oversight Committee held meetings on the following dates:

3 March 2020                      Norvalspont, Masizakhe Community Hall;  
4 March 2020                      Noupoort, Kwazamuxelo Community Hall;  
10 March 2020                    Colesberg, Lowryville Community Hall.

Minutes of these meetings are attached as **Annexures 5 to 7**.

### **4. FUNCTIONS OF THE MPAC**

The functions of the MPAC with regard to oversight are to:

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

### **5. SUMMARY OF POSITIVE ASPECTS OF THE 2018/19 ANNUAL REPORT**

The Committee believes the 2018/19 Annual Report reflects a substantial and positive improvement in ULM's annual planning, budgeting and reporting processes. It is a significant improvement over the previous Annual Reports adopted by Council. The 2018/19 Report complies with all of the MFMA

requirements and with National Treasury's guidelines for annual reports, as contained in Circular 11 issued by National Treasury.

The Committee notes, and commends the ULM management team, for preparing a well-organized, informative and readable document, in the format suggested by National Treasury. It also needs to be mentioned that the current format has been replaced with a new standardised format introduced to Council in the 2013/14 financial year and the presentation thereof will gradually improve once all statistical information has been collected and filled out for all the reporting periods. This comparative information is useful tool in assessing improvement, stagnation or deterioration.

## **6. CONTENT OF THE 2018/19 ANNUAL REPORT**

The document's organization is an excellent example of the template that is prescribed by National Treasury in Circular 11, including the extensive Functional Service Delivery Report as contained in Annexure A of Circular 11.

Clearly, a substantial amount of high quality work is reflected in the 2018/19 Annual Report. The Committee notes specifically that most of the information required to be included by the MFMA is included. Specifically, the 2018/19 Annual Report contains the following items:

### **CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**

Component A: Mayor's Foreword  
Component B: Executive Summary

- ❖ Municipal Manager's Overview
- ❖ Municipal Overview
- ❖ Municipal Functions, Population And Environmental Overview
- ❖ Service Delivery Overview
- ❖ Financial Health Overview
- ❖ Organisational Development Overview
- ❖ Auditor General Report
- ❖ 2018/19 IDP/Budget Process

### **CHAPTER 2 – GOVERNANCE**

Component A: Political and Administrative Governance

- ❖ National Key Performance Indicators-Good Governance and Public Participation
- ❖ Introduction to Governance
- ❖ Governance Structure

Component B: Intergovernmental Relations

- ❖ Intergovernmental Relations

Component C: Public Accountability and Participation

- ❖ Public Accountability and Participation

#### Component D: Corporate Governance

- ❖ Risk Management
- ❖ Anti-Corruption And Fraud
- ❖ Audit Committee
- ❖ Performance Audit Committee
- ❖ Internal Auditing
- ❖ By-Laws and Policies
- ❖ Communication
- ❖ Website
- ❖ Supply Chain Management
- ❖ Disclosure of Financial Interest

### CHAPTER 3

- ❖ Overview of Performance Within Organisation
- ❖ Introduction to Strategic Municipal Performance for 2018/19
- ❖ **Component A: Basic Services**
  - ❖ Water Provision
  - ❖ Waste Water (Sanitation) Provision
  - ❖ Electricity
  - ❖ Waste Management (This Section To Include. Refuse Collections, Waste Disposal, Street Cleaning and Recycling)
  - ❖ Housing
  - ❖ Free Basic Services and Indigent Support
- ❖ Component B: Road Transport
  - ❖ Roads
  - ❖ Waste Water (Storm water Drainage)
- ❖ Component C: Planning and Local Development
  - ❖ Planning
  - ❖ Local Economic Development (Including Tourism and Market Places)
- ❖ Component D: Community & Social Services
  - ❖ Libraries and Museums
  - ❖ Cemeteries
  - ❖ Child Care; Aged Care; Social Programmes
- ❖ Component E: Security and Safety
  - ❖ Public Safety
- ❖ Component G: Corporate Policy Offices and Other Services
  - ❖ Executive and Council
  - ❖ Financial Services
  - ❖ Human Resource Services

- ❖ Component H: Service Delivery Priorities for 2018/19
- ❖ Development of Service Delivery Priorities for 2018/19

#### **CHAPTER 4 – NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

- ❖ Introduction to the Municipal Workforce
- ❖ Employment Equity
- ❖ Vacancy Rate
- ❖ Staff Turnover Rate
  
- ❖ Managing Municipal Workforce
- ❖ Injuries
- ❖ Sick Leave
- ❖ HR Policies and Plans
  
- ❖ Capacitating Municipal Workforce
- ❖ Skills Matrix
- ❖ Skills Development – Training Provided
- ❖ Skills development - Budget Allocation
- ❖ MFMA Competencies
  
- ❖ Managing the municipal Workforce Expenditure
- ❖ Personnel Expenditure

#### **CHAPTER 5 – FINANCIAL PERFORMANCE**

- ❖ Component A: Statements of Financial Performance
- ❖ Financial Summary
- ❖ Financial Performance per Municipal Function
- ❖ Grants
- ❖ Asset Management
- ❖ Financial Ratios based on Key Performance Indicators
  
- ❖ Component B: Spending Against Capital Budget
- ❖ Capital Expenditure: Source of Finance
- ❖ Capital Spending
- ❖ Municipal Infrastructure Grants
  
- ❖ Component C: Cash Flow Management and Investments
- ❖ Cash Flow
- ❖ Gross Outstanding Debtors per Service
- ❖ Total Debtors Age Analysis
- ❖ Borrowing And Investments

#### **CHAPTER 6 – AUDITOR GENERAL AUDIT FINDING**

- ❖ Component A: Auditor-General Opinion 2015/16
- ❖ Auditor General Report 2015/16
- ❖ Component B: Auditor-General Opinion 2018/19

- ❖ Auditor General Report 2018/19
- ❖ List of Abbreviations
- ❖ Annexure A: Audited Financial Statements 2018/19
- ❖ Annexure B: Auditor General's Report 2018/19
- ❖ Annexure C: Audit Action Plan
- ❖ Annexure D: Audit Committee's Report 2018/19

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## 7. SUMMARY OF REPRESENTATIONS RECEIVED FROM BODIES/ INDIVIDUALS

The following table reflects the key written representations received from/made by the respective bodies/individuals relating to the contents of the Annual Report.

Representation Submitted by	Key Issues Raised	Corrective Steps to be Implemented
Councillors	None.	N/A
Auditor General	<b>Restatement of Figures</b> The corresponding figure for 30 June 2017 had to be restated as a result of errors in the AFS for the year ending 30 June 2018.	
Auditor General	<b>Material Impairment</b> Material impairments of R129 415 609 (2017: R106 640 887) was incurred as a result of poor outstanding debt collections	
Auditor General	<b>Emphasis of Matters</b> Material losses. Water losses to the amount of R4 794 159 (2017: R8 994 741). This figure represents 37.36% (2017: 56.21% of water purchased. Electricity losses to the amount of 3 983 360 (2017: R6 299 445). This figure represents 14.68% (2017: 23.71%) of electricity purchased. Impairment of trade losses to the amount of R11 073 432 (2016: R31 096 756)	Investigation to be conducted to locate and address water and electricity losses.  Trade losses decreased substantially but proper provision should be made for impairment on trade debtors and depreciation when the budget is compiled.

	<p>Uncertainty of outcome of litigation</p>	<p>The outcome of the pending litigation could not be determined and no provision for any liability has been made in the AFS.</p>
	<p><b><u>Performance Report</u></b>  <u>Objective 5: Ongoing maintenance of municipal infrastructure</u></p> <p>Insufficient performance information was presented to ensure that performance was consistent with the approved performance planning documents relating to TL 11; TL 41; TL 42; TL 43 and TL 44. Percentages reported in the performance report were inconsistent with supporting evidence presented to the AG.</p>	
	<p><u>Objective 6: Provide appropriate services to all households.</u></p> <p>Corrective measures taken to improve performance of indicators TL30 and TL 32 were inadequate to improve performance relating to non-achievement of the targets. Insufficient audit evidence was presented to support the measures taken to improve performance against indicators TL 12; TL 14; TL 15 and TL 46</p>	
	<p><u>Objective 7: Provide quality and sustainable municipal infrastructure within available resources.</u></p> <p>The measures taken to improve performance of the indicator listed under TL 57 were inadequate to address the corrective measure required to improve performance relating</p>	

	to non-achievement of targets.	
Audit Committee	None.	
Public input at Public Hearings	None.	
Other spheres of Government	None.	N/A

**8. SUMMARY OF ISSUES AND CONCERNS WITH THE 2018/19 ANNUAL REPORT**

The List of Issues and Concerns with the 2018/19 Annual Report contains the specific items noted by the Committee. The Committee had a look at the various pieces of legislation and drafted same in a table format to identify compliance and or non-compliance and recommended remedial actions.

Generally, these issues fall into the following categories:

ORIGINAL

	<p>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>The use of any donor funding support</p>	<p>What donor funding has the municipality received? Have the purposes and the management agreements for the funding been properly agreed upon? Have the funds been used in accordance with agreements? Has the use of funds been effective in improving services to the community? What actions need to be taken to improve utilisation of the funds?</p>	<p>1. Has there been disclosure of donor funding received in the Annual Report, if applicable?</p>	<p>No donor funding were received, but donations of property were received from SASSA and same has been disclosed in the AFS.</p>	
<p>Agreements, contract and projects under Private-Public-Partnerships</p>	<p>Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.</p>	<p>1. Have details of all PPP's been disclosed in the Annual Report, if applicable?</p>	<p>No PPP's were entered into during the financial year or are currently running as long term contracts.</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. 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</p>	<p>1. Is there a high level summary detailing the overall performance of the municipality against its strategic objectives</p>	<p>The quarterly performance evaluation of the Municipal Manager and that of Managers reporting directly to the Municipal Managers has been done.</p>	



	<p>on the overall performance of the municipality. This information may be found in an executive summary section of the annual report or in statistical tables.</p>		
<p>Information on long-term contracts</p>	<p>Details of all long-term contracts including levels of liability to the municipality should be included, council should ensure all information is correctly supplied.</p>	<p>1. Have all long term contracts been disclosed?</p>	<p>No long term contracts</p>
<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. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. 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>The Municipality is considering the purchase of the new Financial System to enhance the performance of the Municipality, but that has been postponed to afford National Treasury an opportunity to evaluate all financial systems and make recommendations on suitable systems.</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</p>	<p>1. Has a summary of the long-term capital plans been disclosed?</p>	<p>The Long-Term Capital Plans have been disclosed, especially in the Technical Section. However, a more detailed plan would be included in future to capture backlogs in terms of (MIG) and Department of Energy (DE).</p>

	<p>summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. 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.</p>			
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Other considerations recommended	For Consideration	Questions	Response	Recommended Corrective Action
Supply Chain Management Regulations and Policy	<p>Certain disclosures on Supply Chain matters are required to be included in the Annual Report.</p>		<p>The Supply Chain matters has been disclosed</p>	
Timing of reports		<p>1. Was the Annual Report tabled by 31 January, as per legislative requirements?</p> <p>2. Has a schedule for consideration of the report been adopted?</p>	<p>1. The Draft Annual Report was tabled to Council on 28 January 2020</p> <p>2. Council adopted the Draft Annual Report</p>	
Oversight Committee or other mechanism		<p>1. What mechanisms have been put in place to prepare the oversight report?</p>	<p>A schedule for the adoption of the Oversight Report has been adopted by the Oversight Committee</p>	

<p>Payment of performance bonuses to municipal officials</p>		<p>2. Has a schedule for its completion and tabling been adopted?</p>		
<p>Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager of 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 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. Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.</p>	<p>1. Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p> <p>2. If so has a proper evaluation of performance been undertaken?</p> <p>3. Was the evaluation approved by council?</p> <p>4. Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</p>	<p>1. The payment of performance bonuses is subject to the adoption of the Annual and evaluation of managers' performance report by Council.</p> <p>2. Proper evaluation has been conducted by the Performance Evaluation committee.</p> <p>3. Evaluation was submitted to Council and subsequently approved.</p> <p>4. Performance Report submitted to Council and approved</p>		

		<p>5. Are the payments justified in terms of performance reported in the annual report?</p>	<p>5. Payments were done in accordance with council approval and outcome of the Performance Assessment</p>	
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WATERBURY

## 9. RESERVATIONS AND COMMENTS

### 9.1 Format of Annual Report

A substantial amount of high quality work is reflected in the 2018/19 Annual Report and it is noted by the Committee. The Committee notes specifically that all of the information required to be included by the MFMA, is included. The Committee is further satisfied with the overall format of the Annual Report and the required Annexures thereto.

### 9.2 Emphasis of Matters Raise by the Auditor General on the Annual Financial Statements as well as the Annual Report

#### 9.2.1 Material losses

##### Performance Report

##### Objective 5: Ongoing maintenance of municipal infrastructure

Insufficient performance information was presented to ensure that performance was consistent with the approved performance planning documents, relating to TL 11; TL 41; TL 42; TL 43 and TL 44. Percentages reported in the performance report were inconsistent with supporting evidence presented to the AG.

##### Objective 6: Provide appropriate services to all households.

Corrective measures taken to improve performance of indicators TL30 and TL 32 were inadequate to improve performance relating to non-achievement of the targets. Insufficient audit evidence was presented to support the measures taken to improve performance against indicators TL 12; TL 14; TL 15 and TL 46

##### Objective 7: Provide quality and sustainable municipal infrastructure within available resources.

The measures taken to improve performance of the indicator listed under TL 57 were inadequate to address the corrective measure required to improve performance relating to non-achievement of targets.

#### 9.2.1.1 Material Impairment

Material impairments of R135 608 084 (2018: R129 415 609) was incurred as a result of poor outstanding debt collections.

#### 9.2.1.2 Material Losses

##### Electricity Losses

Electricity losses to the amount of R7 237 122 (2018: R3 983 428) was disclosed in the AFS in the 2018/19 financial year. This figure represents 30.48% (2018: 14.68%) of electricity purchased.

## Water Losses.

Water losses to the amount of R2 242 055 (2018: R4 794 150 was disclosed in the AFS in the 2018/19 financial year. This figure represents 53.19% (2018: 14.68% of water purchased. This figure represents an increase of 38.51% in losses.

The excessive year on year losses incurred on water and electricity is an extreme concern to the Committee. It is noted that the losses increased during the period in overview. The losses are not within the norm for electricity and water losses and urgent attention should be given to this matter as these losses represent huge financial losses to the municipality. The year on year losses has the influence that tariffs increase on year to year basis with approximately the CPI index. Electricity losses are approximately ten times the CPI index whilst that of water represents a ration of eight times the CPI index. This situation has the impact that tariffs are out of line and the municipality has to fund these losses from other sources of income which are generally rates and taxes, electricity, water, refuse and sewerage.

The norm for electrical network losses amounts to 10 -15%, and the norm for water losses amounts to 15% and officials should strive to bring down losses to be in line with the accepted norms. Having the current situation regarding losses, it is the Committee's view that the KPI's set in the SDBID regarding trade losses are not linked to the real situation. In the Top Layer SDBIB only electricity losses are set as a KPI whereas water losses are not set as a Top Level KPI.

## **Management's Response**

Distribution losses in water and electricity have both financial and non-financial causes. The non-financial losses in the network are due to ageing of infrastructure. The reduction in these losses can only be managed as soon as the networks are upgraded. Bids for the procurement of service providers have been advertised to submit a report to Council to establish the causes of the excessive water and electricity losses.

Impairment of Trade debtors increased due to a change in measurement of the impairment of bad debts and due to the recommendation from the AG to ensure that the provision is more in-line with GRAP.

## **Recommendation**

- That (i) a detailed report be submitted to Council on the reasons for the substantial losses and measures to be implemented to bring losses down to the accepted norms;
- (ii) water losses be included in the SDBIP as a Top Level KPI.

### **9.2.2 Restatement of Corresponding Figures**

The corresponding figure for 30 June 2018 had to be restated as a result of errors in the AFS for the year ending 30 June 2019.

## Management's Response

No comment, as this matter was corrected during the audit.

## Recommendation

That (i) it be noted that the fault has been corrected and that the Committee is satisfied with the explanation.

### 9.3 Predetermined Objectives

The Committee is concerned that the Auditor General raised concerns with regard to predetermine objectives contained in the performance report. Objectives 5, 6 and 7 were identified by the Auditor General as areas of concern.

#### 9.3.1 Objective 5: Ongoing maintenance of municipal infrastructure

The reported achievement in the Performance report does not correspond with the supporting evidence relating to TL 25; TL 26; TL 27 and TL 28. The percentages reported in the performance report were inconsistent with supporting evidence presented to the AG.

Indicator Number	Indicator Description	Reported Value	Audited Value
25	60% of the Road Transport maintenance budget spent by June 2019	90%	17%
26	60% of the electricity maintenance budget spent by June 2019	121%	436%
27	60% of the Water Management maintenance budget spent by June 2019	60%	95%
28	60% of the Waste Water Management maintenance budget spent by June 2019	60%	74%

## Management's Response

Management agrees with the finding and explained to the AG that with the implementation of the new financial system it was only after the AFS was signed off that the correct figures were available. Although the figures submitted for auditing were incorrect, it did not have a negative impact on performance evaluation.

## Recommendation

That (i) it be noted that only one indicator was reported higher than the audited figure whilst the reported achievement for the rest of the indicators were higher than the audited figures;

- (ii) it be noted that the reporting and or lack of correct reporting was corrected and that the incorrect figures did not have the effect that alterations had to be effected to the evaluation scores;

**9.3.2 Objective 6: Provide appropriate services to all households.**

The AG was unable to obtain sufficient audit evidence for the reported achievement of the indicators for TL 32; TL 35; TL 36; TL 37 and TL 38.

Insufficient audit evidence was presented to support the measures taken to improve performance against indicators TL 12; TL 14; TL 15 and TL 46 which had the effect that it could not be determined whether adjustments were required to the achievements in the Performance report.

Indicator Number	Indicator Description	Reported Value	Audited Value
32	Spend 100% of the library grant by June 2019	100%	88.69%
35	Provide free basic electricity to indigent households as at June 2019	1600	1661
36	Provide free basic water to indigent households as at June 2019	1600	1983
37	Provide free basic sanitation to indigent households as at June 2019	1600	1893
38	Provide free basic refuse removal to indigent households as at June 2019	1600	1959

**Management's Response**

TL 32 Spending on the Library grant could not be 100% due to a vacancy that existed for a portion of the financial year. The unspent funds allocated to Staff Remuneration may not be shifted to other votes to spend unspent funds.

TL 35 The audited figure is in excess of the audited figure. Although accurate figures must be supplied for auditing, the impact of the finding is very low.

TL 36 The audited figure is in excess of the audited figure. Although accurate figures must be supplied for auditing, the impact of the finding is very low.

TL 37 The audited figure is in excess of the audited figure. Although accurate figures must be supplied for auditing, the impact of the finding is very low.

TL 38 The audited figure is in excess of the audited figure. Although accurate figures must be supplied for auditing, the impact of the finding is very low.

**Recommendation**



That (i) the corrective measures forwarded by management be noted.

**9.3.3 Objective 7: Provide quality and sustainable municipal infrastructure within available resources.**

The reported achievement in the Performance report does not correspond with the supporting evidence relating to TL 29; TL 41; TL 46; TL 52 and TL 53. The numbers reported in the performance report were inconsistent with supporting evidence presented to the AG.

Indicator Number	Indicator Description	Reported Value	Audited Value
29	Conduct a study to determine the viability to supply electricity to commercial farmers and submit a report the Council by 230 June 2020	1	0
41	Number of formal residential properties connected to the municipal electrical infrastructure network and billed for services at 30 June 2020	330	438
46	Limit unaccounted for water to less than 40% as at June 2019	27%	80%
52	90% spend of the amount budgeted for the Noupoort electrical network by June 2019	100%	57%
53	90% spend of the amount budgeted for the upgrading of the Van Der Waltsfontein pipeline by June 2019	28%	95%

**Management's Response**

TL 29 Management agrees with the finding of the AG as the report was completed but not submitted to Council.

TL 41 Management agrees with the finding of the AG and the matter was resolved during the audit.

TL 46 Management does not agree with the finding of the AG and the matter was resolved during the audit as proof was provided to support the original figures.

TL 52 Management agrees with the finding of the AG.

TL 53 Management agrees with the finding of the AG.

**Recommendation**

That (i) Proper control measures be implemented to ensure that correct information is supplied to the AG for auditing.

#### **9.4 Other Matters**

##### **9.4.1 Achievement of Planned Targets**

The Committee is concerned that the information provided to the AG relating to the information on the achievement of targets was not reliable and contributed to the qualified audit opinion expressed by the AG.

##### **Management's Response**

Management agree with the finding of the AG. The most important issue responsible for the regress in audit opinion is because of the decision of the AG to classify traffic fines on an accrual basis versus the cash basis followed by the municipality.

##### **Recommendation**

- That (i) Management must ensure that information provided for auditing should be correct and of use for the AG.
- (ii) a system of collecting information from the Traffic Section to recognise the fines on an accrual basis.

#### **9.5 Report on the Compliance with Legislation**

The Committee is concerned that the Auditor General raised concerns with regard to material findings on compliance with specific matters in key legislation. The following matters were raised:

##### **9.5.1 Annual Financial Statements, Performance and Annual Report**

The financial statements were not prepared in all material respects in accordance with the requirements of Section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue and expenditure identified by the auditors in the AFS were corrected and supporting documents were provided, but the uncorrected material misstatements and supporting documents that could not be provided resulted in the AFS to be receive an qualified audit opinion.

##### **Management's Response**

Management agrees with the finding of the AG and AFS was adjusted.

##### **Recommendation**

- That (i) the corrective measures be noted.

##### **9.5.2 Expenditure Management**

- (i) Monies owed by the municipality were not always paid within 30 days as provided for in Section 65(2)(e) of the MFMA.
- (ii) Reasonable steps were not taken to prevent irregular expenditure amounting to R7 964 308 as required by Section 62(1)(d) and 95(d) of the MFMA. The stated value is not complete as management is still in the process of quantifying the full extent of irregular expenditure. The majority of irregular expenditure was caused by the non-compliance with SCM requirements.

### **Management's Response**

The reason for the irregular expenditure cited by the AG is the non-adherence to SCM procedures whereby the required number of quotations was not obtained and no deviations were approved for the non-compliance.

### **Recommendation**

- That
- (i) management to put measures in place to ensure proper contract Management;
  - (ii) management put measures in place to prevent irregular expenditure.

### **9.5.3 Revenue Management**

An effective system of internal control for revenue and debtors was not in place as required by Section 64(2)(f) of the MFMA.

### **Management's Response**

Management takes note of the finding

### **Recommendation**

- That
- (i) internal control measure be applied more stringent;
  - (ii) the provisions of Section 64(2)(f) of the MFMA be brought under the attention of employees.

### **Asset Management**

An effective system of Asset management was not in place as required by Section 63(2)(c) of the MFMA.

### **Management's Response**

Management agrees with the finding and the exception was rectified.

### **Recommendation**

That (i) Management must ensure that the asset register is updated and that obsolete assets be written off and disposed of.

#### **9.5.4 Strategic Planning and Performance Management**

A mid-Year performance assessment was not performed as required by Section 72(1)(a)(ii) of the MFMA.

##### **Management's Response**

A mid-Year performance assessment was performed as required by Section 72(1)(a)(ii) of the MFMA. The evaluation was conducted on 19 February 2019.

##### **Recommendation**

That (i) None.

#### **9.5.5 Procurement and Contract management**

Some of the goods and services with a transaction value of less than R200 00 were procured without obtaining the required price quotations in contravention of the SCM Regulations 17(a) and (c).

Awards were made to providers whose directors / principle shareholders in the service of the state in contravention with section 112(j) of the MFMA Regulation 44 of the SCM Regulations.

##### **Management's Response**

Management agrees with the finding. Three quotations cannot be obtained in all cases and deviations should be recorded to deviate from the approved process which was not always done. Only two instances occurred where goods were procure from a company who have directors in the service of the state, i.e. Afrox and Klein Spitskop Garage. This matter was addressed in previous year's findings and no institution can provide an amicable solution to the problem.

##### **Recommendation**

That (i) the explanation of management be noted.

#### **10. Internal Control Deficiencies**

The AG identified the lack of adequate oversight responsibility regarding financial and performance reporting and compliance and related internal controls.

The AFS and the Annual Performance Report had material misstatements resulting from the audit which can be attributed to the weakness in the design and implementation of internal controls and lack of review processes.

Non-compliance with laws and regulations could have prevented had compliance been properly reviewed and monitored.

### **Management's Response**

The finding of the AG is noted.

### **Recommendation**

That (i) management must ensure that internal controls are to be applied more vigorously.

### **11. Conclusion**

The Committee would like to express its satisfaction with and congratulate management with the unqualified audit report, albeit with emphasis on matters received from the Auditor General. The Committee concludes that, despite the major achievement of an unqualified audit report that was received from the Auditor General, improvement is still needed in critical areas such as the issues raised by the Auditor General under the heading "Emphasis of Matters". The Committee is of the view that the Management Team should place a high priority on producing an Annual Report and Annual Financial Statements in accordance with the MFMA and National Treasury guidelines, and strive to eliminate the emphasis of matters expressed by the Auditor General.

In an effort to adequately address the findings of the AG and Audit Action plan was developed by management and this plan is attached as an Annexure to the Oversight report to enable Council and role players to have a comprehensive insight in all the issues raised by the AG during the audit and remedial actions to be instituted by the Accounting Officer. Seeing that the Audit Action plan was part of the submission of the draft Annual report the Committee will not elaborate on the document's content.

The Committee would like to express a word of thanks to the Mayor of the Umsobomvu Council, Councillors, the entire management team of Umsobomvu municipality, the Auditor General, Audit Committee and the Internal Audit Section for their support and co-operation in completing the annual report oversight process. The Committee strongly believes that ULM and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in the following years. The Committee is grateful for the opportunity to be of service to municipality and its citizens.

### **12. Recommended resolution to be adopted by Council, in accordance with MFMA Section 129 (1):**

Having performed the following tasks:

- Reviewed and analysed the Draft 2018/19 Annual Report;
- Considered comments and representations received;

- Received and considered Council's Audit Committee's views and comments on the annual financial statements and the performance report; and
- Prepared the draft 2018/19 Oversight Report, taking into consideration the views and inputs from the public, representatives of the Auditor-General, organs of state, Council's Audit Committee, Councillors and the Accounting Officer

The MPAC has pleasure in presenting the Oversight Report to Council to consider the following resolution:

- (i) Council having fully considered the 2018/19 Annual Report of the Umsobomvu Local Municipality for the 2018/19 financial year, adopts the Oversight Report for the 2018/19 financial year;
- (ii) approves the 2018/19 Annual Report without reservations;
- (iii) the rectification of deviations listed in the Annual Report Checklist be included in the performance plans of the Municipal Manager and Managers directly accountable to the Municipal Manager;
- (iv) the oversight process be continued on an on-going basis by means of the Municipal Public Accounts Committee (MPAC), and that the MPAC perform a quarterly review of progress towards meeting ULM's IDP and budget commitments, preparation of the following year's annual report, implementation of commitments made in response to the prior year's annual report issues, and any other issues as directed by the Council;
- (v) the Oversight Report be made public as provided for in terms of Section 129(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003);
- (vi) the Oversight Report and the final 2018/19 Annual Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003);
- (v) sufficient budgetary provision is made by Council to address the capacity issues raised in the MPAC Report and those raised by the Auditor General;
- (vi) the "Recommended Corrective Actions" contained in the Checklist and Reservations And Comments be adopted and same be included in the Audit Action Plan.

Councillor M.A. Sestile (Chairperson)

Councillor J.P Matthee

Councillor E. Humphries (Mrs)

23 March 2020

## ANNEXURE A

### PUBLIC HEARING OF THE 2018/19 ANNUAL REPORT HELD IN NORVALSPONT ON 3 MARCH 2020

#### 1. OPENING AND WELCOME

The Chairperson Clr. M.A. Sestile opens the meeting with a prayer. The Chairperson extends a word appreciation to community members for responding positively to the requests of the meeting and declares meeting open.

#### 2. ATTENDANCE REGISTER

2.1 Councillors present.

As per the Attendance Register

2.2 Applications for Leave of Absence.

None.

#### 3. 2018/19 ANNUAL REPORT

The Chairperson, Clr. M.A. Sestile briefly discussed the purpose and the importance of the Public Hearing .

The Chairperson highlights the committee's responsibilities as required by the MFMA and National Treasury circulars and also highlights the Legal Framework of the comparison of the performance of the municipality, each external service provider during the financial year and the measures that were taken to improve performance.

The Chairperson also mentions that every municipality and every municipal entity must prepare an Annual Report in accordance with chapter 46 of the Municipal Systems Act. The Annual report promotes accountability of the local government of the decision made through the year by the municipality or municipal entity. The Chairperson tables the Annual Report.

Various operational issues were raised by the community and a list of these issues has been availed to all managers for their attention.

The community members accepted the Oversight Report. On proposal of S. Ngalimani seconded by Y. Africa, the report is approved.

The Chairperson requested the member of the community to close the meeting with a prayer and the meeting adjourned at approximately 18.15.

  
\_\_\_\_\_  
**COUNCILLOR M.A. SESTILE**  
**CHAIRPERSON MPAC**

## ANNEXURE B

### PUBLIC HEARING OF THE 2018/19 ANNUAL REPORT HELD IN NOUPOORT ON 4 MARCH 2020

#### 4. OPENING AND WELCOME

The Chairperson Clr. M.A. Sestile opens the meeting with a prayer. The Chairperson extends a word appreciation to community members for responding positively to the requests of the meeting and declares meeting open.

#### 5. ATTENDANCE REGISTER

2.1 Councillors present.

As per the Attendance Register

2.2 Applications for Leave of Absence.

None.

#### 6. 2018/19 ANNUAL REPORT

The Chairperson, Clr. M.A. Sestile briefly discussed the purpose and the importance of the Public Hearing .

The Chairperson highlights the committee's responsibilities as required by the MFMA and National Treasury circulars and also highlights the Legal Framework of the comparison of the performance of the municipality, each external service provider during the financial year and the measures that were taken to improve performance.

The Chairperson also mentions that every municipality and every municipal entity must prepare an Annual Report in accordance with chapter 46 of the Municipal Systems Act. The Annual report promotes accountability of the local government of the decision made through the year by the municipality or municipal entity. The Chairperson tables the Annual Report.

Various operational issues were raised by the community and a list of these issues has been availed to all managers for their attention.

The community members accepted the Oversight Report. On proposal of S. Olifant seconded by D. Booï, the report is approved.

The Chairperson requested the member of the community to close the meeting with a prayer and the meeting adjourned at approximately 18.15.

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**COUNCILLOR M.A. SESTILE**  
**CHAIRPERSON MPAC**



ANNEXURE C

THE MEETING WITH THE PUBLIC ON THE 2018/19 ANNUAL REPORT  
SCHEDULED FOR 10 MARCH 2020 WAS CALLED OFF DUE TO ADVERSE  
WHEATHER AND THE MATTERS REFERRED TO A COUNCIL MEETS THE  
PEOPLE MEETING.

ORIGINAL

**ANNEXURE D**

**UMSOBOMVU MUNICIPALITY: PUBLIC NOTICE**

**DRAFT 2018/19 ANNUAL REPORT**

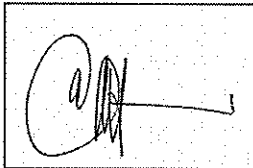
Members of the public are herewith notified in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the municipality has scheduled Public Hearings on the Draft 2018/19 Annual Report that was made public per notice 5/2020 dated 14 February 2020. These Hearings have the purpose to afford the public an opportunity to present submissions and inputs on the Draft Annual Report.

The Hearings are scheduled as follows:

**Norvalspont: 4 March 2020, Norvalspont Community Hall at 16:00;**

**Noupoort: 5 March 2020, Kwazamuxolo Community Hall at 16:00;**

**Colesberg: 10 March 2020, Lowryville Community Hall at 16:00**



**A.C. MPELA**

**MUNICIPAL MANAGER**

**Date/Datum: 17 February 2020**

**Notice Nr. 9/2020**

**UMSOBOMVU MUNISIPALITEIT: PUBLIEKE KENNISGEWING**

**KONSEP 2018/19 JAARVERSLAG**

Lede van die publiek word hiermee in terme van Hoofstuk 4 van die Plaaslike Regering: Munisipale Sisteme Wet, 2000 (Wet 32 van 2000) in kennis gestel dat die munisipaliteit Publieke Verhore gereël het ten opsigte van die Konsep 2018/19 Jaarverslag wat geadverteer is per kennisgewing 5/2020, gedateer 14 Februarie 2020.

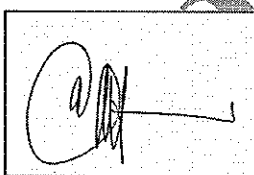
Die Verhore het ten doel om die gemeenskap 'n geleentheid te bied om voorleggings te doen op die Konsep Jaarverslag.

Die datums vir die verhore is as volg geskeduleer:

**Norvalspont:** 4 Maart 2020, Norvalspont Gemeenskapsaal om 16:00;

**Noupoort:** 5 Maart 2020, Kwazamuxolo Gemeenskapsaal om 16:00;

**Colesberg:** 10 Maart 2020, Lowryville Gemeenskapsaal om 16:00



**A.C. MPELA**

**MUNISIPALE BESTUURDER**

**Datum: 17 Februarie 2020**

**No.9/2020**

**Kennisgewing**

## **ANNEXURE E**

### **INVITATION TO SUBMIT COMMENTS ON THE 2018/19 DRAFT ANNUAL REPORT**

Notice is hereby given to the general public, interest groups and role-players in terms of Section 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 127 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that the municipality has prepared a Draft Annual Report for the financial year 2018/19 and that same has been tabled at a Council meeting dated 30 January 2020. The Draft Annual Report lies open for inspection at the various municipal offices and public Libraries for public input. The report consists of: (i) the 2018/19 Draft Annual Report; (ii) the audited Annual Financial Statements for the period 1 July 2018 to 30 June 2019; (iii) Report of the Auditor General on the 2018/19 Financial Statements; (iv) the Audit Action Plan; and (v) the 2018/19 Report of the Audit Committee. The public and interest groups are requested to submit written comments on the Draft Annual Report to the Municipal Manager on or before 13 March 2020 at close of business. Persons who cannot read or write are requested to visit the offices where they will be assisted to make submissions.

### **UITNODIGING OM VOORLEGGINGS IN TE DIEN OP DIE 2018/19 KONSEP JAARVERSLAG**

Kennis geskied hiermee aan die publiek in terme van Artikel 21A van die Wet op Munisipale Sisteme, 2000 (Wet 32 van 2000) en Artikel 127 van die Wet op Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) dat die munisipaliteit 'n Konsep Jaarverslag vir die 2018/19 finansiële jaar opgestel het en voorgelê het aan die Raad op 30 Junie 2020. Die Konsep Jaarverslag lê ter insae vir die publiek en belangegroepes by die munisipale kantore en openbare biblioteke. Die verslag bestaan uit: (i) 2018/19 Konsep Jaarverslag; (ii) die geouditeerde Finansiële State vir die tydperk 1 Julie 2018 tot 30 Junie 2019; (iii) die verslag van die Ouditeur-Generaal rakende die 2018/19 Finansiële State; (iv) 'n Ouditremidieëringsplan; en (v) die verslag van die Ouditkomitee vir 2018/19. Die publiek en belangegroepes word uitgenooi om skriftelike kommentaar in te dien na die Munisipale Bestuurder rakende die verslag voor of op 13 Maart 2019 teen sluit van besigheid. Persone wie nie kan lees of skryf nie word versoek om die kantore te besoek waar hulle bygestaan sal word om voorleggings te maak.

**A.C. MPELA**

**MUNISIPALE BESTUURDER**

Notice No. Kennisgewing Nr 5/2020

Date/ Datum: 14 February / Februarie 2020