

OVERSIGHT REPORT IN RESPECT OF 2015/2016 ANNUAL REPORT FOR THE LANGEBERG MUNICIPALITY (DIRECTOR STRATEGY AND SOCIAL DEVELOPMENT)

1. PURPOSE OF THE REPORT

To enable the Committee to execute its oversight responsibility in considering the Langeberg Municipality's Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA)

2. BACKGROUND

The draft Annual Report for 2015 / 2016 is available as a dropbox link to all councilors:

<https://www.dropbox.com/s/igekf08vakdl5r/combined%20annual%20corrected.pdf?dl=0>

STRATEGIC INTENT

Organisational Transformation and Good Corporate Governance

3. LEGAL IMPLICATIONS

- 3.1 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- 3.2 Local Government: Municipal System Act ,2000 (Act 32 of 2000) Chapter 6, as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)
- 3.3 Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

4. FOR DECISION

Council

5. EXECUTIVE SUMMARY

5.1 The Municipality's Annual Report process has been prepared according to Section **121** (1) of the MFMA, which prescribes that, every municipality must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality in accordance with section 129

5.2 **In terms of Section 129 of the MFMA**, The council must consider the annual report of the municipality, and by no later than two months from the date which the annual report was tabled in the council, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council-

- (a) Has approved the annual report with or without reservations
- (b) Has reject ted the annual report; or

- (c) Has referred the annual report back for revision of those components that can be revised.

5.3 MFMA Circular number 32 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report (s), following their tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and Council Portfolio Committees and then drafting and oversight report that may take to full Council for discussion.

5.4 In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the reports is a fair and reasonable record of the performance of the municipality in the financial year reported upon. Approval 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 in the community.

5.5 Auditor-General

The Annual report was electronically submitted to the Auditor General on 07 December 2016.

COMMENTS : AUDITOR GENERAL

From: Ndamase,Sikululwe [<mailto:SikululweN@agsa.co.za>]

Sent: 23 January 2017 04:54 PM

To: Celeste Matthys

Subject: RE: Report - Oversight report in respect of 2015-2016 annual report for the langeberg municipality

Good afternoon Mevr

We have reviewed the draft annual report in terms of *ISA 720: The auditor's responsibilities relating to other information in documents containing Audited Financial Statements* and no inconsistencies have been identified.

Kind Regards; Sikululwe Ndamase

Assistant Audit Manager: CPT11 • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4100 • Fax: +27(0)21 528 4200 • Mobile: +27(0)72 690 7991 • Email:
SikululweN@agsa.co.za

5.6 National and Provincial Treasury

- 5.6.1 The Annual Report was submitted to National and Provincial Treasury office on the 7 December 2016.
- 5.6.2 No Comments were received from Provincial Treasury

5.7 Social Media

- 5.7.1 Municipal website: **No comments were received** (Tabling of Draft Annual Report 15/16 was uploaded on 07 December 2016 and were downloaded 47 times)
- 5.7.2 Facebook: **No comments were received**
- 5.7.3 Twitter: **No comments were received**
- 5.7.4 Through the municipal Archive system 1 **written comment was received**

Annual Report: Dec 2016

Feedback to MM& Mayor & Speaker

- Water loss- This must be addressed! We cannot ask residents to save water if the municipality allows a loss of 7908 KL of water in Robertson through lack of maintenance on the water systems. The total loss of 481642 KL up to Dec 2015 is truly worrying.

1. Unaccounted for water (also called Non Revenue Water) is calculated as a 12 month rolling average due to the seasonal fluctuations in water demand. The figures used in these calculations are thus 12 month figures and not for a single month.
2. Unaccounted for water is expressed as a percentage in order to compare water systems of different sizes with each other.
3. The Unaccounted for water percentage for all Five towns in Langeberg Municipality for the 12 month period from July 2015 to June 2016 was 12,33% which is well below the national norm of 15% especially when taking into account the age of our water infrastructure.
4. Unaccounted for water also does not only consist of water losses due to leakages and pipe bursts, but from various components as indicated in the table below.

Modified IWA Water Balance for South Africa.

System Input Volume	Authorised Consumption	Billed Authorised Consumption	Billed Metered Consumption	Free Basic Water
			Billed Unmetered Consumption	Recovered Revenue
		Unbilled Authorised Consumption	Unbilled Metered Consumption	Non Revenue Water
			Unbilled Unmetered Consumption	
	Water Losses	Apparent Losses	Unauthorised Consumption	
			Customer Meter Inaccuracies	
		Real Losses	Leakage on Transmission and Distribution mains	
			Leakage and Overflows at Reservoirs	
			Leakage on Service Connections up to point of Customer Meter	

-Is a copy of the Disaster Management Plan available and where? *yes included in the IDP as annexure*

-Tables referring to 2013,2014, 2010 makes reading tedious and could be edited. *Noted the comment*

-How about a synopsis of the electrical master plan ?

The inclusion of Synopsises of all master plans in the Annual Report is impractical. All master plans are available for viewing at the relevant Directorates.

-Do we have blue drop status?

No, but the blue drop score is increasing steadily as follow:

2011 : 32,39%

2012 : 51,62%

2014 : 72,30%

- How are you addressing unregistered property and how did this happen? *housing is driving a campaign to transfer rental stock for ownership*

- Will the final IDP be discussed with us early next year? *Yews during public processes of March 2017*

-Page 28 edit dates! *Done*

-Communication is of outmost importance and I have not had feedback on queries and emails sent to you, please address this matter.

-Should the new political incumbents not be included? *No this is the APR for 15/16 ended 30 June 2016*

-LED- What expenditure was grouped under 'other'? *Expenses related to performance of groups, transport and service providers that assisted with training*

-How sustainable is the income for performers and artist? *Not that sustainable for them to be secured a regular monthly income*

-How many EPWP workers were employed? *332 jobs were created*

-What and who are the small suppliers? *Registered on the SCM database*

-How many entrepreneurs were helped by contractors?

-Why is private, registered non-government welfare organisations not contracted to do social development? *They have professionals to do community development (They should have degree in Social Work or community Development) the contract would enable them to employ qualified personnel to do a more effective job. Not a municipal function as we do projects in conjunction with DSD.*

-What benefits were there to our communities in your staff visiting the Namibian Expo? How much did this cost the rate payers?

The Cape Winelands District Municipality provided the Namibian Expo stand, free of charge to Municipalities, product owners and tourism offices. The CWDM also provide a free courier service for all products and marketing material to the expo.

A number of small businesses are also permitted to attend and are then able to market their products in Namibia. Those from the Langeberg area which have benefited in the past, include: Passionate about Pesto, Rhebokskraal Olive Estate and Cape Dry. A large number of our wine cellars attend the Namibian Expo on an annual basis or have agents marketing the products

It is very difficult to determine the return on our investment by attending the Namibian Expo. We distribute a large volume of marketing material to interested parties (Activity maps and brochures, Tourism marketing DVD and others). A lot of time is also spent having discussions with people interested in visiting the Langeberg. The most common questions include – alternative routes to Cape Town via the Langeberg, camp sites, wine cellars and activities.

The total cost to Langeberg Municipality was R24 441.56 (accommodation, flights, car rental, parking, toll plaza, meals and transport claims to and from Cape Town International Airport)

Why was there not budgeted for the cleaning of rivers of alien vegetation in the light of the enormous difference this could make to the saving of water? When are you going to clean the Willem Nels river?

The cleaning of rivers of alien vegetation is a function of the Department of Water and Sanitation under their 'Working on Water' Programme.

Any river can only be cleaned if a River Maintenance Management Plan as required by the National Environmental Management Act (NEMA) has been compiled for the whole river and approved by the Department of Environmental Affairs and Development Planning (DEA&DP).

-The immunisation rate of 73% is truly of serious concern as this holds serious repercussions for all other children going to school with those not in-oculated let alone serious health risks to the whole community. There should be serious control measures put in place to rectify the situation.

-Neonatal mortality rate of 10.8 is above the provincial rate of 6 and too high. The health fraternity need to answer for this and inform us why and how this came about and what they are going to do to change the situation.

- Teenage Pregnancy is a destroyer of young people's lives as well as the unfortunate off springs lives. Programs to be run by welfare organisations and should be subsidised by Municipality.

-Do we have a Health and welfare committee in Robertson? *All of the above concerns are currently being attended to by the DoH. The programs referred to being run by DoH and DSD with support of Municipality*

Fire Services: How many fire hydrants do we have in Robertson?

Approximately 252. A mapping exercise is underway to confirm the numbers per town.

What firefighting equipment do we have in Robertson?

The Cape Winelands Fire Brigade has a Fire Station in Robertson. They respond immediately when they are available. They usually have one big fire engine and one Land Cruiser at the Fire station

The 15 minute travel time from Ashton Fire Station to Robertson is within the response time viewed as standard for fire services.

If the fire brigade is to come from Ashton your house will be burned to the ground!! How many houses burned down in Robertson?

April – December 2016 - Formal structures 6 and informal structures 21

Traffic Control; what did the traffic cops do in this period and what actions were taken re implementation of regulations; noise etc.? How many tickets written etc.?

The Traffic Officials did their normal functions of law enforcement, learners and driver's licences, court actions and their normal administrative functions. For the 2015/16 financial year they also issued 7701 fines.

In order to address any problems referred to as Noise requires the necessary equipment and qualified staff to operate it. Noise control is not a function of Traffic.

What audit issues were resolved by November?- *Comafs issued by the AG and that was responded to by Management*

Why was there not budgeted for road maintenance and do you have funds to do so?

Funds for roads maintenance is budgeted for in the Operational Budget and not in the Capital Budget. Upgrading/Rehabilitation of roads are budgeted for in the Capital Budget.

- Staff turnover seems to be very high and needs attention?

The staff turnover is 6.8% including all employees that have left. It must be taken into consideration that 15 of these employees left on early and normal retirement (65 years). These employees are between the age of 55 and 60 years. Therefore, if you do not calculate the retirements the turnover is 4.7% that is very low.

-Code of conduct and disciplinary codes, grievance procedures, merit assessments and leave procedures need urgent attention. *Noted the comment*

- The injury on duty - 10days per person! What injuries and why so many?

The injuries on duty is normal injuries of which the most are lower back injuries, injuries to hands (Solid Waste employees removing rubbish), bee stings. The total of ten per person is an average and not that one person is on wca leave for ten days. There was one employee that had a serious injury that took up most of the days as indicated. In 90% of the cases where a working injury takes place, no wca leave is taken, because the injury was not that serious.

How many suspensions done?

8

- It is concerning that a person causing a financial loss of R10997 was only warned? Are they paying back the money?

The nature of the matter only warranted a written warning. The amount is being deducted from the involved employee's salary in terms of the policy of the municipality.

- How many of the bursary beneficiaries were successful?

24 employees received internal bursaries

- Why did community services overspend with R21, 189,492? On What?

The Mc Gregor Housing Project Provincial Grant was incorrectly allocated to the operating budget. It is for the development of the McGregor Housing Project, i.e. the preparation of the infrastructure for the building of the houses. With the unbundling of expenditure and updating the asset register it was noticed that the work done on the Mc Gregor Housing Project was Installation of services which becomes part of the asset infrastructure network; hence it was recognised in accordance with the requirements of GRAP 17. If this was not done, it would have let the asset register being understated by R21 166 301. The effect was recognized against the capital budget in terms of GRAP 17.

- Pages 265,284 and 294 unreadable *Only extractions to proof to AG that corrections were made to the AFS after Comafs were issued*

-Have corrective measures been taken to curb overtime and all deficiencies found by the Auditor? *Measures have been put in place to address the matter*

*The Annual Report was sent to us at a very inappropriate time! Slap bang in the middle of the holidays and I am sure many people are away on leave .It was a marathon read! **Noted***

Hope to have my questions answered!

Best Regards, Emma Schoeman. 16 Dec 2016

Oversight Committee

Served before the MPAC Committee on 16 January 2017 for discussion

RECOMMENDATIONS : OVERSIGHT COMMITTEE

That the annual report for 2015/2016 be considered and adopted by Council without reservations.

Dat die Jaarverslag vir 2015/2016 oorweeg word en sonder voorbehoud aanvaar word deur die Raad

This item served before the Municipal Public Accounts Committee (MPAC) on 16 January 2017
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 16 Januarie 2017
Recommendation / Aanbeveling

That the Annual Report for 2015 / 2016 be considered and adopted by Council without reservations.

Dat die Jaarverslag vir 2015 / 2016 oorweeg word en sonder voorbehoud aanvaar word deur die Raad

Hierdie item het voor 'n Statutêre Vergadering van die Raad gedien op 24 Januarie 2017
This item served before a Statutory Meeting of Council on 24 January 2017
Eenparig Besluit / Unanimously Resolved

That the Annual Report for 2015 / 2016 was considered and adopted by Council without reservations.

Dat die Jaarverslag vir 2015 / 2016 oorweeg was en sonder voorbehoud aanvaar word deur die Raad.