

MUNISIPALITEIT
VAN
PRINS ALBERT



MUNICIPALITY
OF
PRINCE ALBERT

OVERSIGHT REPORT ON THE PRINCE ALBERT MUNICIPAL ANNUAL REPORT FOR THE REPORTING PERIOD 1 JULY 2014 TO 30 JUNE 2015

1. BACKGROUND

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

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

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 reports 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 a report of the municipal council and follows consideration and consultation on the annual report by the council itself.

The Prince Albert Municipality’s Oversight Committee consists of the following Councillors:

Cllr I J Windvogel
Cllr NS Abrahams
Cllr S Botes
Cllr C Stols

Councillor NS Abrahams served as the Chairperson of the Committee. The minutes of the Oversight Committee meeting held on 18 March 2016 is attached as Annexure D to this report.

2. PUBLIC PARTICIPATION ON THE ANNUAL REPORT: 2014/15

The draft Annual Report was considered by Council on 27 January 2016, where in principle approval were granted to make the draft Annual Report for 2014/15 public and invite public comments on said document. Minutes is attached as Annexure A.

The draft Annual Report for 2014/15 was placed on the municipal website as well as the libraries and municipal offices in Prince Albert, Klaarstroom and Leeu-Gamka. Notices inviting comments on the draft Annual Report for 2014/15 was placed on notice boards within the respective communities and an advertisement was placed in the official reporting newspaper, the Prince Albert Friend. As an initiative to improve the oversight and accountability of the Municipality, the draft annual report was also tabled at all four ward committees. The period for commenting on the draft annual report closed on 29 February 2016.

The Oversight report and draft final Annual Report will be tabled to Council on 23 March 2016, which will be within the legislatively prescribed two month period.

The draft Annual Report was circulated amongst the members of the Audit Committee for comment. Their comments is attached. No formal report from the Chairperson of the Audit and Performance Committee confirming their independency and input on the annual report of the reporting year will be now included in the final Annual Report. This is attached as Annexure E to this report.

Comments received on the draft Annual Report is attached as Annexure B.

Recommendation by the Oversight Committee

- (i) That the Oversight Committee confirms that the draft Annual Report for 2014/15 was tabled on 27 January 2016 and that it was advertised for public comment and are ready for adoption by Council on 23 March 2016, within the prescribed legislative timeframe.
- (ii) The Oversight Committee commends the Municipality for taking the draft Annual Report to the ward committees to ensure improved accountability and oversight.
- (iii) That, while the format prescribed in MFMA Circular 63 was not strictly followed, the information contained in the Annual Report includes the information suggested to be contained in the Annexures.
- (iv) That the report from the Chairperson of the Audit and Performance Committee be included in the draft Annual Report in future.
- (v) That the technical compilation of the Annual Report be improved in future.

3. COMMENTS BY THE OVERSIGHT COMMITTEE

- (i) The Oversight Committee agrees that the information contained in the Prince Albert Municipal Annual Report for 2014/15 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.

- (ii) The Oversight Committee is satisfied that the matters raised by the Auditor-General were addressed by the Audit Action Plan on which the Administration report at every General Council meeting.
- (iii) In addition to the above the Oversight Committee wish to address the following matters raised in the Annual Report with corresponding actions, as per Annexure C.

Oversight Committee recommendations

- (i) That Council having fully considered the Annual Report of the municipality for the 2014/15 financial year and representation thereon, adopt the Oversight Report together with the Annual Report without reservations;
- (ii) That the report of the Chairperson of the Audit Performance Committee be included in the report.
- (iii) That the Oversight Report be made public in accordance with Section 129 (3) of the Municipal Finance Management Act 56 of 2003;
- (iv) That the Oversight Report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Municipal Finance Management Act 56 of 2003;
- (v) That Council instructs the Accounting Officer to ensure that the matters raised in Annexure C be addressed.

Annexure C

MATTER OF CONCERN	ACTION REQUIRED	RESPONSIBLE PERSON	TIMEFRAME
Prince Albert Municipality's financial position is not sustainable, because the Municipality is heavily reliant on grants and the Municipality has challenges on its liquidity position as short term debts with the cash at its disposal renders it 'Commercially Insolvent'.	<ul style="list-style-type: none"> (i) Council to draft an income enhancement strategy and implementation plan (ii) Draft business plans for external funding and submit to possible donors / departments 	<p style="text-align: center;">AO, Council</p> <p style="text-align: center;">All directorates</p>	Decemer 2016
High staff vacancy rate	<ul style="list-style-type: none"> (i) Council to review organisational design and do an internal evaluation of job alignment / work study (ii) Funding to be secured to fill critical vacancies 	AO, MCC	Continuous
The low capital expenditure	<ul style="list-style-type: none"> (iii) Capital expenditure must be monitored on a monthly basis 	AO	Continuous
Municipal code outdated	<ul style="list-style-type: none"> (i) Municipal code to be reviewed, including delegations 	AO, MCC	Continuous
Portfolio of evidence and targets in SDBIP are not linked	<ul style="list-style-type: none"> (i) Review of performance targets to ensure correct reporting targets and evidence (ii) Cognisance should be taken that (i) above is already underway and will include process plans and standard operating procedures 	AO, All directorates	SDBIP reviewed
Traffic and by-law enforcement to be strengthened	<ul style="list-style-type: none"> (i) Law enforcement management plan to be drafted and implemented 	MCC	Continuous
Provision of protective clothing and office / other equipment for staff	<ul style="list-style-type: none"> (i) Investigate alternative provision of clothing and equipment 	All directorates	February 2016
Concern exists on the maintenance requirements of existing infrastructure and increased pressure on bulk infrastructure due to budget constraints	<ul style="list-style-type: none"> (i) Council to draft an infrastructure contribution policy. (ii) Management to draft a maintenance plan on existing infrastructure needs 	All directorates	July 2016
Inclusion of report of Chairperson of the Audit and Performance Committee	<ul style="list-style-type: none"> (i) Chairperson to provide said report at financial year end 	AO	July 2017

ANNEXURE D

NOTULE VAN OORSIGKOMITEE GEHOU OM 10:00 OP VRYDAG, MAART 2016 IN DIE MUNISIPALE RAADSAAL TE PRINCE ALBERT

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1. TEENWOORDIG:

Raadslid N S Abrahams
Raadslid I J Windvogel
Raadslid C Stols

Voorsitter
Gekoöpteer

AANWESIG:

A Vorster
Gemeenskapsdienste

Bestuurder: Korporatief en

2. AANSOEKE OM VERLOF TOT AFWESIGHEID / *APPLICATIONS FOR LEAVE*

I Windvolgel

3. VERWELKOMING / *WELCOME*

Die voorsitter, raadslid N S Abrahams verwelkom die teenwoordiges.

4. OPENING MET GEBED / *OPENING WITH PRAYER*

Raadslid C Stols open die vergadering met gebed.

5. OORSIGVERSLAG DEUR DIE OORSIGKOMITEE RAKENDE DIE JAARVERSLAG VIR 2013/14

DOEL VAN VERSLAG

Die Jaarverslag word deur die Rekenpligtige Beampte en Uitvoerende Burgemeester aan die Raad voorgelê en vorm deel van die verantwoordingdoening rakende die owerheid se prestrasie oor die betrokke verslagjaar. 'n Oorsigverslag op die jaarverslag word gesien as die Raad se kommentaar op die jaarverslag en die owerheid se prestasie in die betrokke verslagjaar.

Die Raad is verantwoordelik om die prestasie van die Munisipaliteit te moniteer en te bestuur soos voorgeskryf in die Grondwet, 1996, die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003), en die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No 32 van 2000).

Artikel 129(1) van die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003) bepaal dat die Raad die jaarverslag van die Raad moet oorweeg en 'n oorsigverslag daarop moet aanvaar.

AGTERGROND

Die konsep jaarverslag vir die verslagjaar 2014/15 is in Januarie 2015 aanvaar en is ge-adverteer vir publieke kommentaar in die plaaslike pers en in die plaaslike biblioteke en munisipale kantore sowel as sleutel-kenningsgewingsborde binne die gemeenskap. Geen kommentaar is van enige lid van die publiek of 'n raadslid ontvang nie.

Die Raad moet voor of op 27 Maart 2016 die finale jaarverslag, tesame met die oorsigverslag daarop aanvaar.

Die oorsigverslag op die jaarverslag en die finale jaarverslag van die Raad moet in terme van artikel 129 van die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003, hierna verwys as die MFMA) binne twee maande na die tertafellegging van die verslag goedgekeur gewees het.

Lede van die Oorsigkomitee is versoek om hul kommentaar op die konsep jaarverslag vir 2014/2015 saam te stel, waarop die voorsitter van die Oorsigkomitee hul bevindinge aan die Raad sal oordra tydens die finale oorweging van die jaarverslag op 27 Maart 2016.

AANBEVELING VAN DIE OORSIGKOMITEE

- (i) Die Oorsigkomitee bevestig dat die inligting soos vervat in die Prince Albert konsep jaarverslag vir 2014/15 'n regverdigte en redelike rekord van die prestasies en aktiwiteite van die Munisipaliteit in die betrokke verslagjaar is en dat dit deeglik deur die Oorsigkomitee oorweeg en aanvaar is sonder enige wysigings of voorbehoud.
- (ii) Die Oorsigkomitee is tevrede dat die aangeleenthede uitgewys in die verslag van die Ouditeur-Generaal aangespreek word in die Oudit Aksieplan waarop die administrasie by die algemene raadsvergaderings oor verslag doen.
- (iii) Die Oorsigkomitee wys die volgende areas van kommer met gepaardgaande voorgestelde aksieplan soos per bylae A tot hierdie notules uit en versoek die Verantwoordbare Beampte om die aangeleenthede soos geïdentifiseer in die betrokke Bylae , te implementeer.
- (iv) Die Oorsigkomitee beveel aan dat die voorsitter van die Oorsigkomitee laasgenoemde se aanbevelings vervat in 'n verslag vir voorlegging aan die Raad.

6. AFSLUITING

Die voorsitter bedank die teenwoordiges vir hul deelname en die vergadering verdaag in goeie orde om 10:30.

Aanhangsel A

AREA	STAPPE GENEEM TE WORD	VERANTWOORDELIKE PERSOON	TYDSRAAMWERK
<p>Prince Albert Munisipaliteit se finansiële posisie is nie volhoubaar nie aangesien die owerheid oor-afhanklik is van toelaes en die uitdagings rondom skuldinvordering die owerheid se likiditeit in gedrang bring en die owerheid se korttermyn skuld, versoen met die kontant beskikbaar, die owerheid kommersieël insolvent maak.</p>	<p>(ii) Raad moet dringend 'n inkomste maksimaliseringsstrategie en implementeringsplan ontwerp</p> <p>(iii) Besigheidsplanne moet opgestel en by eksterne departemente / donateurs ingedien word om eksterne befondsing te verseker</p>	<p>MB, Raad</p> <p>Alle direktorate</p>	<p>Desember 2016</p>
<p>Lae kapitale spandering</p>	<p>Kapitale spandering moet maandeliks gemonitor word ten einde tydige besteding te verseker</p>	<p>MB</p>	<p>Deurlopend</p>
<p>Hoë persentasie vakatures op die organogram</p>	<p>(iv) Hersiening van organisatoriese ontwerp en interne evaluering ten opsigte van belyning en optimale aanwending van personeel deur middel van interne werkstudie</p> <p>(v) Verkryging van fondse om kritiese poste te vul</p>	<p>MB, BK&GD</p>	<p>Deurlopend</p>
<p>Munisipale kode is verouderd</p>	<p>(vi) Hersiening van munisipale kode, ingesluit delegasies</p>	<p>MB, BK&GD</p>	<p>Deurlopend</p>
<p>Verkeers- en wetstoepassingsbestuur moet verbeter</p>	<p>(vii) Verkeers- en wetstoepassingsbestuurplan moet opgestel en implementeer word.</p>	<p>BK & GD</p>	<p>Onmiddellik</p>
<p>Voorsiening van beskermde klere en toerusting / kantoor-en ander toerusting</p>	<p>(viii) Ondersoek alternatiewe metodes vir die voorsiening van beskermde klere en toerusting.</p>	<p>Alle direktorate</p>	<p>Januarie 2017</p>
<p>Kommer bestaan rakende die onderhoudsvereistes van bestaande infrastruktuur en die groeiende druk op grootmaat infrastruktuur weens begrotingsbeperkings</p>	<p>(ix) Raad moet 'n infrastruktuursbydrae beleid aanneem.</p> <p>(x) Bestuur moet 'n onderhoudsplan ten opsigte van bestaande infrastruktuur behoeftes opstel.</p>	<p>Alle direktorate</p>	<p>Julie 2017</p>

Insluiting van die verslag van die voorsitter van die Oudit en Prestasiekomitee	(xi) Voorsitter moet verslag teen jaareinde beskikbaar stel	MB	Julie 2017
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