



BREED VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Municipal Public Accounts Committee

OVERSIGHT REPORT ON THE ANNUAL REPORT 2017-2018

A caring valley of excellence

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Introduction

Strategic Key Focus

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regards to the Annual Report and the preparation of an Oversight Report.

Council approved the establishment of the Municipal Public Accounts Committee in November 2013, "inter alia" to consider the Annual Reports. In terms of Council resolution C64/2016 discussed by the Council at the Council Meeting held on 23 August 2016, that in respect of the MPAC Committee: 1) MPAC consist of 10 (ten) members as follows: • 5 DA Councillors • 1 Councillor of each other parties/independent. 2) Cllr N. Nel be appointed as the MPAC Chairperson. 3) That the position of Chairperson of MPAC be remunerated in accordance with Government Notice 1271 dated 21 December 2015 (Determination of Upper Limits of salaries, allowances and benefits of Councillors) as a part-time Councillor Chairperson of section 79 Committee. Cllr N. Nel accepted the Nomination of Chairperson of MPAC.

Acting in terms of section 59 of the Systems Act, and subject to the following conditions, Council has delegated the following powers, functions and duties to the Committee:

- Review the financial statements and audit reports of the Municipality, consider developments since previous statements and reports, and evaluate the extent to which recommendations have been implemented.
- Consider and evaluate the Municipality's Annual Report, and as an oversight committee to make recommendations to Council when it adopts the Oversight Report on the Annual Report in terms of section 129 of the Municipal Finance Management Act.
- Review and follow up past recommendations on the Annual Report.
- Develop an annual work programme, including a monitoring mechanism (subject to the Council's approval), linked to Council's planning cycle, and concluding with the Committee's recommendations on the oversight report.
- Promote good governance, transparency and accountability regarding the use of municipal resources.
- When instructed by Council, investigate and advise Council in respect of unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32(2) of the MFMA.
- Report to Council quarterly or soon thereafter when Council has a sitting, and when deemed necessary on any matter within the terms of reference of the Committee.

- Request Councillors and/or officials of Council through the office of the Municipal Manager and the Speaker to provide input and advice to the Committee on matters as discussed on the agenda.
- Determine its own operational procedures in line with the Rules of Order for Council.
- Investigate any matter as instructed by Council, within its delegated authority.
- Obtain any information from and have access to any Councillor and or/employee through the Speaker and the Municipal Manager and direct all Councillors and employees to co-operate with any request made by the Committee within its delegated authority.
- Consider the reports of the Auditor-General and make recommendations thereon in terms of the applicable legislation to Council.

Legislation and Guidelines

The Executive Mayor of the Breede Valley Municipality has, in terms of section 127 (2) of the Municipal Finance Management Act, 56 of 2003 (MFMA), read with section 58 of the same Act, tabled the draft Annual Report for the period ended 30 June 2018 before Council at its meeting held on 3 December 2018. The Annual Report was prepared in terms of section 121 of the MFMA and section 46 of the Municipal Systems Act, 32 of 2000 (MSA). Section 129 of the MFMA requires the Council of a municipality to consider the Annual Report and by no later than two months from the date on which the Annual Report was tabled in the Council in

The statutory authority to adopt an oversight report in respect of the Annual Report 2017-2018 rest with the municipal Council.

terms of section 127 of the MFMA, adopt an Oversight Report containing the council's comments on the Annual Report, which must include a statement whether the Council has

- ✚ approved the Annual Report with or without reservations;
- ✚ rejected the Annual Report; or
- ✚ referred the Annual Report back for revision of those components that can be revised.

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

Immediately after the Annual Report has been tabled in Council, the Municipal Manager in accordance with Section 21A of the Municipal Systems Act, 32 of 2000 (MSA), must make the draft Annual Report public and invite community members to comment and/or give inputs.

Public comments and/or inputs to be confirmed at the Council meeting.

Timeframes for compilation of the Annual Report 2017-2018

Activity	Responsible person/s	Deadline	Comment
Request for Annual Report inputs to all managers and directors	Adele Yiatses	6 July 2018	Accurate information
Ignite system closes for final quarterly and end of year update	All Managers, Directors and persons who update information on IGNITE, Jeandre Hendricks	20 July 2018	Ensure that all KPI's on IGNITE are correctly and accurately updated
Ensure that accurate POE's exist for all top-layer KPI's and for all National KPI's	All Directors and Managers	6 August 2018	POE's must be as per the POE's on the SDBIP
All POE's is delivered to the Administrator: Performance Management	All Directors, Jeandre Hendriks & Cindy September	6 August 2018	POE's signed off by directors
Submission of all Annual Report inputs, excluding financial information dependent	All Managers, Directors	6 August 2018	Accurate information for Annual Report

on the financial system closure			
Submission of all statistical information for AR	Cindy September	6 August 2018	Correctness of data verified
Submission of all financial Annual Report inputs	Finance	17 August 2018	Accurate information
Review of AR inputs received	IGNITE, Directors, Managers and Cindy September	13 August 2018	Accurate information
Submission of first Draft AR to all Directors	Adele Yiatses & Cindy September	17 August 2018	Good quality
Feedback on first Draft AR by all Directors	All Directors	24 August 2018	Timeous feedback

Meetings of the MPAC

Activity	Activity	Date	Chair
Analysis of the Annual Report for the year ended 30 June 2018, Engagement between MPAC and Management	Resolved	29-Nov-18	Cllr N Nel
Analysis of the Annual Report for the year ended 30 June 2018, engagement between MPAC and Management	Resolved	04-Dec-18	Cllr N Nel
Analysis of the Annual Report for the year ended 30 June 2018, engagement between MPAC and Management	Resolved	10-Jan-19	Cllr N Nel
Analysis of the Annual Report for the year ended 30 June 2018, engagement between MPAC and Management / Conclude on the Oversight Report of the AR 2017-2018	Resolved	11-Jan-19	Cllr N Nel

Attendance of Councillors: Four (4) MPAC meetings

No of meetings	Councillor Name & Surname	Political Party
4	Naomi Nel	VF+
3	Vanessa Ida Mngcele	EFF
3	Joffrey Rumark Jack	DA
4	Mac-Lizia Jacobs	DA
4	Torique Moegammad Wehr	DA
4	Esme van der Westhuizen	DA
4	W Vrolick	DA
4	Jerrie Robinson	PDM
4	Nobantu Margaret Bushwana	ANC
3	Colin Frederick Wilskut	BO

Engagement between the MPAC and Management (MPAC Minutes)

MPAC MEETING: 29 NOVEMBER 2018

Opening

The Chairperson opened the meeting at 09:05, welcomed everyone present and asked Cllr J.R. Jack to open the meeting with prayer.

The Chairperson welcomed Cllr M. Jacobs as a member of MPAC.

STATEMENTS AND COMMUNICATIONS BY CHAIRPERSON

The Chairperson informed the Committee that Mr R. Malaka attends the meeting in preparation of the time when Ms C. September leaves BVM.

Oversight on Annual Report 2017 – 2018

Page 6: Cllr E. Van Der Westhuizen enquired on whether the houses in Sunnyside Orchards were already handed over. The MM confirmed that the houses were already handed over.

Page 11: Cllr E. Van der Westhuizen enquired when the next census will be done. The MM explained that the 2011 data is used because it is compared to the financial data. The census is however every 10 years.

Page 12: Cllr E. Van der Westhuizen requested clarity on Altona and where the residents of Altona will vote.

The MM confirmed that Mr R. Esau will request clarity from the IEC on this matter.

Page 7: Cllr E. Van der Westhuizen enquired whether residents can be requested through social media to give the names of the people being guilty of illegal dumping.

Cllr C.F. Wilskut suggested that the 2016 data be added as a column to indicate that 2016 information is used for planning purposes and not the 2011 census data.

The MM requested Ms C. September to update the information on page 15 (number of indigent households table on bottom of page).

Page 17 (Socio-economic profile): Cllr E. van der Westhuizen enquired whether the number of households is also the 2011 census data.

Ms C. September confirmed that she will add another column to include the 2016 data used for planning purposes.

Page 38 (amendment): Cllr M. Jacobs is an ordinary Councillor and Cllr J. von Willingh is a MAYCO Member.

Page 57 (2.9.2): Cllr J.R. Jack enquired whether the dates completed is correct. The MM will clarify whether these dates are correct.

Page 59: Cllr V. Mngcele enquired why the attendance percentage is so low for Community Services. The MM explained that the Directors sit on these committees and the low percentage is due to the vacancy.

Cllr T. Wehr enquired how ward committee members are elected and appointed.

Cllr C.F. Wilskut explained that ward committee members are democratically elected as per the policy of BVM.

Note: Investigate the concern with regards to how Ward Committee members are elected to certain portfolios (submit policy to Committee).

Cllr C.F. Wilskut enquired how the resolutions of this Committee are taken as serious.

Action plan: Cllr M.N. Bushwana requested that the minutes and attendance registers of the Ward Committee meetings held the previous financial year, must be submitted to the Committee at the next meeting.

Page 61 (d): Cllr E. Van der Westhuizen enquired where the appeals lodged by Appeal Bidders were applicable.

Mr J. Steyn explained that in the first appeal (BV641) the objection was against the award because there was an unsuccessful service provider. The same was with the third appeal and the tender was awarded to the successful bidder.

Cllr E. Van der Westhuizen asked whether the transformers were installed or in process. Mr J. Steyn explained that the transformers were delivered after 30 June 2018 at the Stores. This will be reported in the next financial year's Annual Report.

Cllr C.F. Wilskut enquired which of the three appeals were successful and which not.

The MM explained that there are a lot of appeals and if any person appeals against a possible award not finalized, then BVM appoint an independent person to deal with the appeal.

Page 61 (2.10.2 (a)): Cllr E. Van der Westhuizen enquired whether it can be explained for what these millions were and whether the name of the company be added. Mr J. Steyn explains that this was for the whole of BVM which means different transactions.

Page 61: Cllr C.F. Wilskut enquired what "local companies" mean and what happened to the difference between the total orders and the local companies.

Mr R. Malaka explained the local content within BVM.

Cllr C.F. Wilskut referred to page 62 (R32 million) and enquired why only R11.2 Million is spend on local companies. What is the spending bracket in terms of legislation?

The MM explained that the prescribed framework is that you need to spend at least 10% on local companies.

Cllr J.R. Jack enquired why the R32 million is budgeted for but only R11 million is used. The MM explained that the R32 million is orders that went out but R11 Million is spent within BVM.

Cllr C.F. Wilskut recommended that the LED policy be reviewed because local companies cannot compete with the big companies for tenders.

Mr R. Ontong explained BVM must comply with legislation - especially price related because some companies' prices are lower than others'.

Cllr C.F. Wilskut requested that, at the next meeting, the MM give more detail on what should happen to improve the inclusion of local companies in the awarding of tenders.

The MM indicated that administration will attend to and investigate into the low spending of purchases and how this can be improved to include local companies. The MM suggested that the groups be minimised to discuss and inform local business on tenders.

The MM confirmed that there was thorough work through the recommendations of this Committee. Deviations for each month is tabled before Council every month and there was a lot of improvement with deviations.

Cllr C.F. Wilskut enquired whether the Committee may have oversight on the new deviations and how this is implemented and what the impact is.

Action plan: Cllr C.F. Wilskut requested that two deviations of each category be submitted to the Committee to ensure that the recommendations made by the Committee of the previous financial year were implemented.

Page 63: Cllr E. Van der Westhuizen enquired on the GRAP.

Page 68: Cllr E. Van der Westhuizen enquired how regularly residents are requested to update their details.

The MM explained that there is regular updating at the helpdesk and when accounts are being paid.

Cllr E. Van der Westhuizen enquired whether there is a way in which Ward Councillors can be informed of service delivery issues.

Mr J. Steyn confirmed that this will be requested from the Call Centre.

Cllr J.R. Jack enquire the progress on the business cards of Councillors.

The MM confirmed that the information must be obtained from the Speaker's office.

Action plan: The MM must give feedback at the next meeting on the progress of the business cards of Councillors.

MPAC CONTINUATION MEETING: 04 DECEMBER 2018

The Chairperson opened the meeting, welcomed everyone present and asked Cllr E. Van der Westhuizen to open the meeting with prayer.

The Chairperson welcomed Mr. Donovan Swanson from Local Government: Directorate Municipal Governance.

Cllr. Wilskut made an apology because of the death of his brother.

Chapter 1: Message of the MM. Cllr. Vanessa raised an issue which Cllr. Bushwana previously raised of drain problems in Zwelethemba and why it was not captured on the minutes of previous meeting, but it is part of the annual report. The MM explains that his message in the report was that the Jet-lag and Refuse Compactor was bought to enhance and assist, but that the context of his message was not to say everything is fine.

The MM gives clarity on a previous question of Cllr. Van der Westhuizen regarding the business cards and indicates that there was a struggle with the design of the business cards but that all Councillors will receive business cards.

Page 45: Mr. Wade Thys shows scanned documents of ward committee meetings, agendas of each ward committee meeting held and attendance registers. The Councillors agree that Mr. Wade Thys print a few documents of selected wards only. Ward 3, 4, 21, 8, 5, 20, 10 and 14 are specifically requested for printing.

Ward 3, 04 September, 7 were people present. Cllr. J Robinson comments on the attendance of ward 3 ward committee meeting, that serious issues are being discussed and ward committee members attend ward committee meetings as part of a specific sector but is not part of that sector.

Mr. R Esau agrees with Cllr. Robinson and states that there is no linkage between the ward committee member representing the specific sector and the sector itself. Mr. R Esau states that this matter should be debated in the future to be more effective.

Cllr. Vrolick suggests that there should be certain criteria to become a ward committee member for example a rugby medic to be a ward committee member for health and a night watch member to be a ward committee member representing safety.

Mr. W Thys states that a program was established before the election of ward committee members where people could register themselves for election as a ward committee member but two(?) registrations were received and only one nomination.

Ms. C September indicates that the ward committees are a nation-wide problem and that there is a current legislative review nationally to address the composition of ward committees.

Cllr. J Robinson requests that minutes be more specific for Ward committees.

The MM states that some of the problems the administration is constantly trying to address, is the line of communications. The administration needs to work via the speaker's office and there needs to be a communication prodigalm(?) which is structured.

Cllr. Vrolick suggests that Council draw up criteria with guidelines to nominate and elect ward committee members.

Cllr. Bushwana asks how are reporting done from ward committee meetings to the ward committee members.

Mr. W Thys states that the issues are solved when reported but it is not recorded and there is no proper feedback to ward committee members or councillors.

Cllr. T Wehr states that he receives no minutes for ward committee meetings held in ward 21 and this makes it difficult make decisions. The minutes taken does not come back to discuss it.

Mr. W Thys states that he knows of a few meetings in ward 21 that was stopped because no agendas were given beforehand to prepare them. This is in the internal audit report.

Cllr. E Van der Westhuizen states that she asks Mr. W Thys beforehand for the minutes of previous ward committee meeting. Cllr. M Jacobs states that when they come to the last point of discussion in a meeting, during the meeting they establish the points to be discussed for the agenda for the following meeting. She confirms they do get the minutes.

The MM states that it cannot be the administration's duty to detect points for discussion in a ward committee meeting but rather the councillor itself or ward committee members. He states that the process of Cllr. M Jacobs should perhaps be followed in the future.

Cllr. N Nel states that Cllr. Wehr should take it up with the Speaker or the administration if he has a problem. There is a gap in election of ward committee members as well as the preparation of the minutes and agendas of the ward committee meetings. A recommendation needs to be formulated.

Mr. W du Plessis gives context regarding the internal audit report Mr. W Thys referred to. It was a report specifically on the functioning of ward committees and the public participation policy.

Mr. W Thys states that he already discussed with Ms. C September and the Speaker to develop a schedule of set ward committee meetings and issue it out at the beginning of 2019.

The MM suggests that they look at the recommendations in the audit report and work from there as a point of departure for the recommendations and additional information to be added.

Mr. W Thys states that they have requested province for training on ward committees to staff in the next financial year and proposes that it be extended to the councillors as well for the next financial year.

Cllr. E Van der Westhuizen proposes that training on ward committees be provided at least once a year.

Cllr. N Nel states that the MM mentioned to her that there is a policy in the Municipality on the establishment of ward committees and this policy should be considered for the recommendation of training on ward committees.

Cllr. J Jack stated that ward committee members are not recognised when they deliver information, phone in or stand in for a ward councillor. He mentions that there are always problems.

The MM states that there is no proper line of communication. A proper communication channel should be established.

Cllr. M Jacobs mentioned that it was previously stated that the R400 payments will increase but nothing has been done yet.

Cllr. N Nel states that this is not in the hands of Council and that it is a national issue.

Cllr. N Nel confirms that the recommendation is to workshop the policy on the establishment of ward committees.

Chapter 3

Page 72: Cllr. N Nel states that there was a question raised as to what happened with the remaining funds.

The MM states that there is a general principle that applies. When dealing with a triple budget there are two components namely a capital and an operational portion of the budget. There is external money and money the Municipality provides inside the boundaries of the Municipality. The money that was left were rolled over to this financial year 2018/19. In terms of grant funding, it must be approved by province or national department from(?) which they originally received the money, for roll over. This will be dealt with in the adjustment portfolio during the month of February. All other money under operational portion that was not spent will go (?) back to the capital replacement reserve fund of the Municipality.

Page 71: Cllr. J Robinson raises question regarding individual performances. He asks whether the performance of the directors is linked to the MM or how does it work.

The MM states that if one looks at his individual performance schedule, there will be performances of the people reporting directly to him as part of the total component. For each directorate, that performance of the directorate will have an impact on his performance.

Cllr. J Robinson asks whether this information was ever necessary(?) somewhere in a department for corrective measures because sometimes the councillors do not have this kind of information.

The MM states yes, because right through the year they check the SDIPB's which will indicate if there is for example under performance. Quarterly meetings are scheduled in order to make sure whatever should happen in the capital budget is being dealt with. Different discussions take place with the directors and they call in managers to make sure we implement. On director level they do the same in their own monthly meetings. The MM assesses their monthly reports he receives and in the executive committee meeting he takes

up all the things that should be addressed in terms of performances. It is a continual process in which they reflect what each person should do. If there are red flags, the respective directors should take it up with the individual responsible.

Page 74: TL26, Cllr. T Wehr, the percentage of the Municipal budget spent on actual capital projects. All wards had targets of 95% and actual performance was 73%. The Cllr asks how it is that we come to an annual target of 95% and whether it is only projects that come out of the capital budget of BVM or RSEP project projects also.

The MM states that there is a norm set at the beginning of the financial year to accomplish, in accordance with the treasury norm that if you receive a capital budget you need to spend 95% of that capital budget at least. The 95% is the annual target. Last year the capital budget spent was 62% in total for capital budget so there is already an improvement. If we had taken up all our commitments up until the end of the financial year, the Municipality would've spent over 95% of its capital budget.

Mr. R Ontong states that our commitments as at 30 June was at 98.4%. The roll over in August was R43 Million which accounts to 17 %. The other 2.9% was the grant funding.

Page 76, FTE's created. Cllr. E Van der Westhuizen asks what the total of 231 is for.

Mr. R Esau states that it is Full-Time Equivalent which is a formula used by national government. According to national government they have a formula which they determine the equivalent for the number of working days assigned to a full-time employee. This is the formula they use to work out EPWP employees. When the Municipality gets funds, they test the number FTE's (Full-time Job opportunities) the Municipality have.

Mr. J Steyn states that the Man days are taken divided by 225 and this is the equivalent of one full-time employee.

Page 73 TL22, Cllr. J Robinson, number of indigent households receiving free basic water. Target of 8000 and actual performance 7864. The councillor requests clarity on this.

The MM states that the target for the next year is based on the actual performance of the previous year.

Page 81 TL45, Cllr. T Wehr, the Trans Hex project started in 2018 but it states that it started 2017/18.

Mr. S Swarts states that the planning meetings took place in 2017 before the project started.

Page 74, TL 29, Cllr. J Robinson, seeks clarity on the number of months stated in the report.

The MM states that the norm is that your cash should account for at least 3 months of your performance.

Page 90, TL 13 Cllr. N Nel states that there was clarity needed regarding the low percentage of expenditure.

The MM states that the electrical components needed for Trans Hex was delivered in store, but the expenditure had not yet materialised because it was not implemented.

Page 84 TL 26, Cllr. T Wehr enquires about the target that was 95% but actual spending of 78%.

The MM states that the 95% is only a target which the Municipality aspire to achieve. The reasons for underspending are for example the electrical components that are not yet implanted or the library grants. The MM further states that the purchase of the building of R20 Million did not realise so the Municipality could not transfer the money for the purchasing of the building before 30 June 2018.

Page 80, TL 31 Cllr. J Robinson, percentage unaccounted for water. The Cllr. seeks clarity regarding the 21% stated.

The MM states that the 21% is a calculation done nationally. This includes distribution losses and reticulation losses.

Page 84, TL 28 Cllr. J Robinson, the percentage of outstanding service debtors. The councillor seeks clarity regarding the percentages.

Mr. R Ontong states that there is no national norm on this. The information is available per suburb and not per ward.

Page 84 TL 27, Cllr. T Wehr seeks clarity regarding the targets and actual performance.

The MM states that the blue means this was good of the Municipality because this calculation is done to establish how much you own banks towards your own income. The norm is 45% and we ended on 22%.

Page 88, TL 46 Cllr. V Mngcele, seeks clarity on the 1.5 Million for grants received.

Mr. S Swartz states that we received a grant of 1.5 Million and during the year a tender process went out and awarded the tender for a vehicle. The processes were delayed, and

they applied for a roll over because it was province money, to continue the building of a fire engine.

The MM states that the annual report was concluded at end of august, and the administration cannot apply for a roll over to council because the money was received from province and not council.

Page 92 TL 56 Cllr. E Van de Westhuizen enquires about the completion of the Waterloo Project.

Mr. S Swartz states that the contractor is paying penalties based on the delay of the completion date. The new completion date is March 2019.

Cllr. N Nel asks whether the contractor gives reasons for the delays or not and whether we have used them before.

Mr. S Swartz states that we have not used them before and that there is no problem with the quality of the work, but the only factor was the time.

Page 96, Cllr. E Van der Westhuizen asks what the status is regarding a bad service provider.

The MM states that most of the times this is out of the control of the municipality because if you do not get the support or direct supply from the supplier than there are problems. There are clauses in the general conditions of the contract which can address this.

Cllr. J Robinson enquire whether the information of the suppliers providing bad service can be provided to the committee to prevent future similar incidents.

Action: The MM states that the information on suppliers who provides bad services is available and can be provided if required.

Cllr. J Robinson enquires about good satisfactory services on the same page.

The MM states that satisfactory can be deleted.

Page 98, Cllr. Jacobs asks when will the next contractor begin.

The MM states that the contractor was cancelled but there is already a new process in place.

Page 98, Cllr. Jacobs ask whether all the houses build in De Doorns are finished or not.

Mr. S Swartz states all the houses in Stofland are finished and they are staring with the new phase of planning.

Page 98, Cllr. N Nel asks what happened with the cancelation of the contract and whether the service providers were already paid.

Mr. S Swartz states that the service providers did the trenches and when they were supposed to do the foundation, they couldn't provide it. The contract was terminated without any balance because it was breach of contract.

Page 97, Cllr. E Van de Westhuizen asks how the high standards is determined.

Mr. S Swartz states that we are talking about the swifts responds of the supplier not the department.

The MM states that this why we have the inspectors to inspect to assist and ensure that service providers deliver high standards and properly signed off.

Page 99, Cllr. J Robinson, sewer replacement in Roodewal and Zwelethemba. The Cllr seeks clarity.

Mr. J Steyn states that all contracts are completed and at the end of June 2018 that was the situation. The contractor in Zwelethemba was obliged to pay penalties for breach of contract based on performance.

Page 104, Cllr. J Robinson ask clarity about the term of contract of 31 months.

Mr. J Steyn states that any normal contract cannot be longer than 36 months or 3 financial years. The schedule together with planning adds up the 31 months.

Page 107, Cllr. Vrolick ask how far the process of the relocation of outside toilets is.

The MM states that this process is still far. It is a very expensive process. The municipality made 1 Million Rand a year available for this process and when they went out on tender it was discover that the Million Rand could only provide 20 toilets for the year. The most vulnerable (Old age and disabled) will be provided first. According to the calculations the Municipality will need about R100 Million to complete the project.

Cllr. Vrolick asks why the allocation of the Fire station is stated as ward 3 and not ward 4.

Ms. C September states that the capital project indicated with asterisks is implemented in more than one ward. Therefore, the Fire Station was allocated to De Doorns, so the same information will appear in the other wards as well.

Cllr. Vrolick asks about the electricity in GG Camp and the transfer of GG Camp land to Municipality.

The MM states that in terms of the electricity portion in GG Camp there was an implementation process of electricity and the challenge was that there was an increase in structures that follows the poles of electricity.

Mr. S Swarts states that the department gave the green light to draft a report for council in terms of the transfer of land to the Municipality.

Page 107, Cllr. J Robinson asks the MM to give feedback on the new land to be bought for future development. Whether or not there can be a time frame attached to it. Cllr Robinson asks whether Hassie Square can be deleted from the report.

The MM states that the need reflected the needs of the ward committee and the community itself.

Mr. R Esau states that this also part of the IDP and the purpose of the annual report is not to change the IDP. If the community insists that a need is priority for them, the IDP must reflect it.

Cllr. J Robinson recommends that the processes to get land for housing be implemented with clear time frames.

Page 105, Cllr. E Van de Westhuizen asks who is responsible for people who sells food to the public.

Mr. R Esau states there is different licenses. The informal traders have an informal trading license because they trade informally. The district municipality gives a safety certificate in this regard. BVM has a delegation to issue business licenses for any type of business.

Break in audio

Cllr. T Wehr asks when the project of the housing build by Power will continue. The Cllr mentions that that there are many problems from sewerage to water with the current housing already build.

The MM suggests that Cllr. T Wehr takes this up with the speaker and that it not be part of the annual report but covered on another platform. The MM states that Mr. J Pekeur and his team is currently busy with an investigation into the sewerage problems of Roodewal and Avian park.

Page 122, Cllr. E Van de Westhuizen asks about the vacancy percentage which is 39%.

Mr. R Esau states that the budgeting for the posts is 94 and currently there is 87 employees.

Action: The total number of employees and percentage will be re-calculated to get correct percentage.

Page 125, there was a question regarding the total amount of pit toilets build.

The MM states that the numbers are influenced through new houses connected to the system. There was a growth in numbers.

Action: Chemical toilets need to be followed up with Mr. Mayeki.

Page 129, Cllr. J Robinson asks clarity in terms of the number of residential properties build with pre-paid electricity meters.

The MM states that there was an obvious mistake which is now corrected.

Page 132, Cllr. T Wehr enquires about Trans Hex electrical reticulation expenditure.

Mr. J Steyn states that they are currently busy with a substation for Trans Hex in Roodewal which will feed electricity to Trans Hex. The actual expenditure is off site and not on-site.

Page 138, Cllr. J Robinson asks what method was used to do the survey because to him the numbers could not be correct.

Action: Mr. S Swartz states he will ask Mr. Mayeki and come back. The MM stated that a team of social services, home affairs and BVM went into the area and did the survey manually.

Cllr. J Robinson recommended that the IEC figure for Stofland and the figure of the survey done manually be compared to get a better perspective.

Page 138, Cllr. E Van de Westhuizen enquires about capital projects for tools and equipment's, actual expenditure = 0.

The MM states that the amount of R 7 580.00 was allocated for tools and equipment but not spent. The MM will give feedback at the next meeting.

Page 139 Cllr. T Wehr states he agrees with Cllr. Robinson that the figures is wrong.

Cllr. T Wehr 3.12.1, Service statistic housing, Cllr seeks clarity in terms of TransHex Phase 1.

The MM states that this is TL44 the other one that was fixed but no prestation was claimed on it in terms of the 300 sites.

Cllr. T Wehr asks about Avian park 708 what the 25 stands for on page 139.

Action: The MM states that the 25 units forms part of 708 project. The MM will give clarity at the next meeting.

Page 140, Cllr. J Robinson asks about TL41 the Sunny Side Orchard 109 houses that it would be a ward 4 project. What Percentage of the 109 would be backyard dwellers.

Mr. S Swartz states that the method used was in terms of the Policy that would be 50% backyard dwellers and 50% informal settlement when a new project is developed.

Cllr. J Robinson asks whether he has access to information regarding the Housing Allocation Project.

Action: Mr. S Swartz undertakes to put up a meeting with himself, Cllr. Robinson and Mr. Mayeki to discuss the Housing Allocation Project.

Cllr. J Robinson recommends that when busy with a project that the communication channels should be open until the projects is completed.

Page 146, Cllr. J Robinson, Primary School Stofland De Doorns 148 Million. The Cllr asks where this number comes from.

Mr. J Steyn states that this is the estimated costs that the contactor submit with building costs.

Cllr. Vrolick asks whether this project will continue or not?

Mr. J Steyn states that yes, according to him the contractors are still busy with construction.

Page 143, Cllr. E Van de Westhuizen capital expenditure votes, the Cllr asks why there is an empty number.

The MM states that 604 for actual expenditure should be in the column and the rest will go back into the capital reserve. It will be corrected.

Page 151, Cllr. J Robinson asks about the corrective actions about local economic development.

Mr. Esau states that local economic development is across the spectrum and not only BVM. There is a teamwork between Mr. Chad Malgas and Mr. C Smal because many of the Projects of Mr. Smal is Local Economic Projects, but the question is whether one person in LED is enough for local economic development.

The MM states that there is currently a constructive process in place for the review of the organogram.

Page 152, Cllr. E Van de Westhuizen economic activity asks about the date of 2015.

The MM states that the date is correct this was the last time they received the statistic from province.

Cllr. J Robinson recommends that structural approach be followed to improve local economic government.

Page 168, Cllr. E Van de Westhuizen asks what about the Worcester Area where Blackwattle and Port Jackson trees grows, if there will be funds allocated to address this.

The MM states that the funding comes from water affairs. The administration only facilitates some of the processes to ensure the social contribution be locally and be correct.

Page 160, Cllr. J Robinson, De Doorns library to develop learning and reading skills will continue in future. The Cllr states that the library is very small in relation to the geographical area.

The MM states that the library is small yes but, the library itself is at risk because of the house at the back and criminal activities around the library.

Page 166, Cllr. T Wehr TL17 asks about the RSEP projects and actual performance.

The MM states that some of the RSEP projects did not realize before the end of the financial year and there is an application for roll over funds which was approved in principle by province and will be rolled out this financial year.

Page 166, Cllr. E Van de Westhuizen asks how many areas gets how many RSEP projects and why not areas like Tuindorp etc.

The MM states that the areas that can get an advantage is Roodewal, Riverview, Avian park and Zwelethemba as approved by province through crime statistics provided.

Page 166, Cllr. T Wehr enquires about the funds on the page.

The MM states that with the original budget they had 3M, then additional funds were given and that is where the split was done with the adjustment budget in line with the projects.

Mr. E Cloete states that the expenditure in terms of the split of the budget was allocated R234 000 and of this, the full amount was paid therefore the variance was 0.

Cllr. N Nel asks why there is such a big difference in the building of soccer fields.

The MM states that it was different tender processes in different time zones which affects the price.

Cllr. T Wehr asks where the containerized community facilities took place.

Action: The MM will find out regarding the containerized community facilities and give feedback at the next meeting.

MPAC CONTINUATION MEETING: 10 JANUARY 2018

OPENING AND WELCOME

The Chairperson opened the meeting at 09:05, welcomed everyone present and asked the MM to open the meeting with prayer.

APOLOGIES

The Chairperson received no apologies for today's meeting.

MINUTES

CHAPTER THREE

Page 153 (table): Cllr J. Robinson enquired from the MM whether the table is standard and whether top management should be part of it. The MM confirmed that it is a standard table and top management is from Directors and up. Mr R. Esau explained that the table is furnished by Department of Labour for everyone.

Page 160: Cllr E. Van der Westhuizen enquired whether this is still applicable to the libraries and the two organisations. Mr E. Swarts confirmed that this is continued every year.

Page 177 & 178: Cllr J.R. Jack referred to the number of sportsgrounds field for 2017/18 which is 8 however how are the new facilities accounted for. The MM confirmed that the RSEP facilities are accounted for differently and does not appear here.

Page 177: Cllr T. Wehr enquired where are the 8 stadiums. Mr S. Swarts confirmed that this is the current stadiums which includes Boland Park, Esselenpark etc.

Page 162: Cllr T. Wehr referred to TL 36 and enquired why the actual spending is only 13.68 %. Mr S. Swarts confirmed that the project should be completed by end of March 2019. The MM explained that if the Contractor does not meet the requirements of the contract with regards to completion of the work, the Contractor will be penalised.

Page 161 & 162: Cllr J. Robinson referred to the books distributed to Municipalities and enquired whether it can be broken down to illustrate the distribution at each library in Worcester, De Doorns, Rawsonville and Touwsriver.

The MM confirmed that this is a standard table but the detail in the future can be brought to the meeting.

Action plan: Mr S. Swarts must bring the monthly report of each Library to the next meeting.

Page 169: Cllr E. Van der Westhuizen enquired whether the vacant positions at the Traffic Department is filled. Mr S. Swarts confirmed that vacancies are addressed continuously.

Cllr E. Van der Westhuizen enquired about the traffic officers in the field and the number on duty. The MM confirmed that the some may be at office and some may be on the roads doing duty. Mr S. Swarts confirmed that this is for the whole BVM.

Page 169: Cllr M.N, Bushwana enquired what is the progress on the sterilization of animals. Mr S. Swarts confirmed that this is BVM's duty and the service is outsourced, and they are paid.

The MM explained that it is within BVM's mandate to care for animals and stray animals. The fact that BVM's does not have Veterans appointed, a service provider is appointed to render such service on behalf of BVM.

Cllr M.N, Bushwana enquired whether BVM received reports on the progress of the service rendered. Mr S. Swarts confirmed that his office receives a quarterly report from the Service Provider on the service rendered.

Cllr J.R. Jack explained that something needs to be done urgently because residents keeps animals in the rental units of BVM.

Cllr M.N. Bushwana stated that she doesn't see value for money with the services rendered by the Services Provider.

The MM explained that it BVM does not put them in a position to fully render the service. Mr S. Swarts confirmed that an additional R100 000.00 have been budgeted for in the current budget for dipping.

Cllr E. Van der Westhuizen enquired about the license people had to have in the past. The MM confirmed that the licenses is not applicable anymore however there is policies and bylaws regarding animals on erven.

Mr R. Esau explained that the roles and functions of Local Government have been changed since the adoption of the new Constitution.

Cllr T. Wehr enquired where the complaints with regards to animals is reported. Mr S. Swarts confirmed that it is reported to the Traffic Department.

Action plan: That the quarterly report received from the Service Provider be tabled before Council.

Page 163: Cllr V. Mngcele enquired where will people be buried if the cemeteries.

The MM confirmed that the cemetery at Zwelethemba is almost full and there are no additional grounds for cemetery purposes in Zwelethemba. If it however becomes full, the new cemetery exiting Worcester at Johnson Park must be used.

Cllr C.F. Wilskut enquired whether the deviations progressed with regards to less deviations being made.

Cllr C.F. Wilskut further enquired whether the Committee will receive the Management Report and the AG's Report.

Page 74: Cllr C.F. Wilskut referred to the target of 45% and enquired whether this was the target of that item or the target of the year. The MM explained that the ratio must be understand and the 45% is the norm.

Action plan: Administration will table the Audit and Management report as well as the donations made by the Executive Mayor at the next meeting before the Committee.

Cllr C.F. Wiskut enquired where is the R1.2 Million reflected on the Annual Report.

Action plan: Mr R. Ontong confirmed that he will give the information regarding the R1.2 million at tomorrow's meeting.

Page 74 (TL26): Cllr C.F. Wiskut referred and enquired whether there is a 22% underspending on the capital spending. The MM confirmed the underspending and confirmed there is good reasons for this.

Cllr C.F. Wiskut enquired whether BVM spending improved for the 2017/18 financial year against the previous financial year. The MM confirmed that BVM did very good in the 2017/18 financial year and some of the biggest highlights were the R21 Million purchased made for Jet Vac's and fleet. There is also big improvement with regards to deviations.

Cllr J. Robinson referred to training and enquired whether training of employees is compulsory and what is the progress with the telephone system. The MM explained that there is a Training Committee consisting of Councillors and Administration. In each section, the need for training is identified and discussed at the Training Committee.

The MM further confirmed that there is progress with the telephone system because the highest saving was the active lines that is not used which have been deactivated.

Page 82: Cllr C.F. Wiskut enquired why is it red coded if the spending was 78%. The MM explained that the spending should have been 95% and therefore it is red because the 95% were not met.

Page 196 (TL10): Cllr J. Robinson referred to the funding of the sportsgrounds in De Doorns and raised his concern with regards to the spending of the funding.

Page 197 (TL31): Cllr J.R. Jack referred to the 90% spending reflected on the KPI's and enquired whether funding was allocated and spend for social upliftment in the mentioned wards. The MM confirmed that this is the annual target, but it is RSEP funding.

Page 166: The Chairperson enquired why the funding of the areas differs. The MM confirmed that there were various factors contributed to this.

Page 196 (TL1) 3.8.5: Cllr J. Robinson enquired what the norm is. The MM explained that the 95% is the norm.

Page 197 (TL11): Cllr M.N. Bushwana enquired whether the place for the swimming pool were identified already. The MM confirmed that the place was identified but it was not marked yet.

Action plan: Another column should be added to explain the KPI.

Page 178: Cllr M. Jacobs referred to Grey Street Swimming Pool and enquired what the progress is with regards to the upgrade of basket rooms. The MM explained that this is part of the roll over funds and therefore no spending was made.

Page 178: Cllr T. Wehr raised his concern that there is a lack of communication with Councillors with regards to projects and Administration should communicate with Ward Councillors.

Page 178: Cllr C.F. Wilskut enquired how many Consultants were appointed and used by BVM and whether indigents households remain the same and how is the other projects other than the wards projects documented.

The MM explained that when projects are identified for performance purposes, there will not be a list of all projects as control mechanism. The detail of all projects is usually in the S71 & S52(d) Report which is tabled before Council. There is a process that is followed to register all indigent individuals or households. The registration for indigents does not only stop at the Jamborees but throughout the year residents may register as indigents.

Action plan: The CFO must confirm at the next meeting the number of Consultants appointed and used by BVM and report how many Consultants still have contracts with BVM for the 2017/18 financial year.

Page 178 and 180: Cllr J. Robinson referred to the budgeted funding and enquired which standard or factors is used to get to the budgeted funding. The MM explained that a preliminary quotation or a market research is done.

Cllr C.F. Wilskut enquired whether it is reported in this document if a Councillors municipal account is written off. The MM explained that the municipal accounts of Councillors and employees are not written off however mistakes on accounts are rectified.

Cllr C.F. Wilskut referred to the huge spending on overtime and enquired from the MM how the spending on overtime is addressed.

Action plan: The MM will give feedback on overtime at tomorrow's meeting.

Page 195 (TL 39): Cllr T. Wehr referred to the 100% completion of the KPI but on page 196 & 197 it stays 90% and TL 51 is 80%.

The MM explained that this is only indicating the KPI, the unit of measurements, the wards and the annual target and not actual performance. Actual performance only follows on the table where colour coding is used.

The Committee concluded on Chapter Three and no further questions were raised for Chapter Three.

CHAPTER FOUR:

Page 200: Cllr J. Robinson confirmed that these Minutes is available.

Page 201 (Table C): Cllr J. Robinson referred to table B and accept that the population is that of Breede Valley and enquired whether the Occupational Plan is in order.

Cllr J. Robinson further referred to the sick leave of Technical Services. The MM explained that there are various factors for this number. Mr J. Steyn explained that Technical Services has the biggest component of employees and one employee may be booked off sick for a long time.

Page 207: Cllr J. Robinson enquired why does employees not attend training if identified for training. The MM explained that should an employee not be able to attend training then such employee is exchanged with another employee.

Page 208: Cllr W. Vrolick enquired what is the process for appointment of lifeguards. The MM explained that the requirements for a post is determined through the JD of such posts. The MM explained that the process with regards to the appointment of lifeguards.

Page 209 (4.3.3): Cllr E. Van der Westhuizen enquired whether the difference in the amount is rolled over to the next year or whether it falls away. The MM explained that amounts not approved in terms of the budget cannot be rolled over.

The Committee concluded Chapter 4 and no further questions were raised for Chapter 4.

CHAPTER FIVE

Cllr J. Robinson referred to the previous arguments with regards to the income versus the expenditure of BVM. The MM explained that big projects were done such as the new reservoir to TransHex and the upgrade of the Langerug reservoir. During 2018 there were a total of 12.7 km were resurfaced.

Cllr E. Van der Westhuizen enquired whether there is enough water for the Langerug reservoir and whether our Dams have enough water should water restrictions arise again.

Mr J. Steyn explained that our current source which is Stettyn and Fairy Glen Dam, Stettyn Kloof Dam have enough water until 2028.

Cllr J. Robinson referred to outstanding debtors and requested the MM to render more detail on this issue and how debts are rectified or written off.

The MM explained that the progress capacity is 95% which means 5% does not progress. There are specific principles for writing off debt of each resident of BVM. This means that all debts for which no arrangement for three years have been made may be written off however some debts may for a period of 30 years not be written off.

Cllr J. Robinson enquired about the progress with regards to fines. Mr R. Esau explained that the function of the Municipal Court is not to make money but to enforce the law.

Page 239 & 240: Cllr E. Van der Westhuizen enquired for what is the public contributions and donations being used for. Mr R. Ontong explained that the R1.8 Million was used for the boreholes for water received from Gift of the Givers.

Page 230: Cllr J. Robinson referred to Chapter 5 of financial performance and requested clarity on this matter. The MM explained that in the previous year it was 2.42 which means that you can times your responsibility times 2 and .42. There was however underspending and there were more cash available to improve your liquidity to relieve any responsibility. This year it changed because there was more cash available.

Page 241: Cllr T. Wehr enquired whether the purchase of the Balke Building is finalised. The MM confirmed that the transaction is finalised however the registration was not finalised before 30 June 2018.

Page 246: Cllr E. Van der Westhuizen enquired whether these donations is part of the Mayor's donations. Mr R. Esau explained the three systems with regards to donations and which donations may the Mayor make.

The Chairperson closed the meeting at 15:45.

MPAC CONTINUATION MEETING: 11 JANUARY 2019

OPENING AND WELCOME

The Chairperson opened the meeting at 09:20, welcomed everyone present and asked Cllr M. Jacobs to open the meeting with prayer.

The Chairperson requested that an Acting Chairperson be appointed for the meeting scheduled to take place on 15 January 2019.

The meeting resolved that an acting Chairperson will be appointed at the meeting for 15 January 2019.

APOLOGIES

Cllr C.F. Wilskut suggested that the Chairperson should obtain an opinion on whether the members may take the Management Report outside BVM offices for perusal and preparation for meetings.

The Chairperson confirmed that she will seek advice on the above matter and give feedback to the Committee.

The MM explained that the reasons for not delivering the Management Report to the Members for perusal at home is explained in the Introductory paragraph of the Management Report.

MINUTES

Action plan: Mr R. Ontong will give a full and detailed report on all other funding under the management of the Mayor's office at the next meeting.

Cllr C.F. Wilskut asked what the process is on applications made to the Executive Mayor for donations. The MM explained the process that applications are made from the public to the Director Strategic Services who evaluates the application and determines whether the application meets all the requirements after which it is submitted to the Executive Mayor for final approval.

Cllr C.F. Wilskut further enquired on how grand in aid is awarded. The MM explained that an advertisement is placed in the newspaper for applications. A Committee evaluates the applications and whether it meets all the requirements before applications is approved for Grand in Aid.

Cllr C.F. Wilskut referred to the Management Report and asked when will the access control issue in terms of ICT be resolved. The MM explained that there is huge progress made for example the implementation of telephones installed via ICT, the internal processes is in place. Management had this conversation with the AG and the progress is much more than what was expected.

The MM explained that there is a formal process for overtime. We initially agreed to go back to the Bargaining Council agreement with regards to payment of overtime. The factors that

increased the overtime were the storms, pipe bursts etc. We opted to respond urgently if it is water and pipe bursts which requires overtime working and increases the overtime portfolio.

Cllr C.F. Wilskut referred to page 2 of the AG's Report and enquired why there is a huge difference in the total between this year and the previous year. The MM explained that this was the first year when fines had to be fully recorded in the books as well as other factors. The traffic fines were R63 Million, the tax and other components.

Cllr C.F. Wilskut referred to page bullet 10 and asked whether it is not necessary to make provision for liability.

Cllr C.F. Wilskut referred to bullet 9 and required what have been underspent on the capital expenditure to the amount of R55,5 Million. The major underspent was the purchase of the Balke building and the purchase of electrical equipment that was at the Stores.

Cllr C.F. Wilskut referred to bullet 11.1 and enquired whether anything should have been disclosed. The MM explained that this applies to declaration of things that were not audited, but we did not have any and therefore nothing had to be disclosed.

Comments from Provincial Treasury

- ✚ The Municipal Public Accounts Committee takes note that no comments were received from the Provincial Treasury.

Conclusion

- ✚ Breede Valley Municipality received a “clean audit” for the 2017-2018 Financial Year, from the Auditor General South Africa (AGSA).

Opinion: “The financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).”

- ✚ The Committee wants to thank the Auditor General for their performance in the Auditing of the Annual Financial Statements, Predetermined Objectives and Compliance within the Breede Valley Municipality.

- ✚ The Committee wants to thank the Administration for the cooperation.

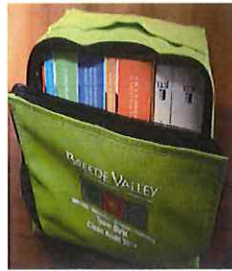
Resolved by the MPAC / Oversight

- ✚ Members of the MPAC unanimously agreed to recommend that Council approve the Annual Report without any reservations.

Recommendations

- ✚ That MPAC, having fully considered the 2017-2018 Annual Report of the Breede Valley Municipality and the representations thereon, recommends the adoption of the Oversight Report and the approval of the Annual Report without reservations;
- ✚ That the LED policy be reviewed because local companies cannot compete with the big companies for tenders;
- ✚ That Council takes note of the housing backlog within the Breede Valley Municipal area;
- ✚ That Council should consider revising the discretionary spending of funds.

Members of the MPAC unanimously agreed to the above recommendations to Council.



MPAC Membership:

Councillors

1. Naomi Nel; (Chairperson): PR, FF+.
2. Vanessa Ida Mngcele; PR, EFF.
3. Bushwana, Margaret Nobantu; PR, ANC.
4. Joffrey Rumark Jack; Ward 14, DA.
5. Mac-Lizia Jacobs; Ward 10, DA.
6. Torique Moegammad Wehr; Ward 21, DA.
7. Esme van der Westhuizen; Ward 6, DA.
8. Wilfred Vrolick; PR, DA.
9. Jerrie Robinson; PR, PDM.
10. Wilskut, Colin Frederick; PR, BO.

N. Nel

for Municipal Public Accounts Committee

15/1/2019

Date

