

**OVERSIGHT REPORT IN RESPECT OF THE 2011 / 2012 ANNUAL REPORT FOR THE LANGEBERG MUNICIPALITY (5/14/1/1) (DIRECTOR SOCIAL & STRATEGIC 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 No 56 of 2003) (MFMA).

**2. BACKGROUND**

**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 Systems 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 on 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 rejected 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 an oversight report that may be taken to full Council for discussion.

5.4. In terms of 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 report 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. **MPAC Committee:**

The MPAC committee convened on 28 January 2013 to discuss the draft Annual report and the following was raised:

**Discussion of the draft annual report**

**Chapter 1**

That the population graphics on page 8 & 10 be amended in line with the draft census statistics of 2011 that were made available by STATSSA.

**Chapter 2**

No amendments

**Chapter 3**

That Cllr D September be added to the list of councillors on p g 35, since he was a councillor on that stage.

**Chapter 4 & 5**

No amendments

**Chapter 6**

The letter of the Audit Committee be amended as indicated by the Auditor General as part of their comment on the printer proof.

A follow up meeting was held on 14 February 2013 to discuss the public comments, which closed on 31 January 2013.

5.6 **National and Provincial Treasury:**

5.5.1 The Annual Report was submitted to the National and Provincial treasury offices in January 2013. There were no comments received from both offices.

5.5.2 **Provincial Department of Local Government**

The Annual Report was submitted on January 2013 to the Provincial Department of Local Government. There were no comments received from this office.

5.7 Only one public comment was received from a ward committee member in Ward 7, no other comments were received during the public participation process that closed on 31 January 2013.

The confirmation that no other comments were received, **is attached to this report**

Issues raised by Mr Oosthuizen :

*Is: Kommentaar op jaarverslag : 2011 / 2012.*

*As verteenwoordiger van wyk 7 – asook ander inwoners van dié wyk wens ons graag die volgende kommentaar te lewer op die jaarverslag wat ter insae gelê het:*

- *Ons wens u en u span geluk te wens met die skoon oudit . Voorwaar 'n prestasie gesien in die lig van die negatiewe wat ons uit ander oorde hoor.*
  - ***Daar is paar sake wat wel kommer wek waarop ons graag u kommentaar wou kry :***
1. *Bladsy 102 – punt 46-4 – Onverklaarbare verliese - Elektrisiteit Die styging van 33% op die vorige boekjaar is kommerwekkend. Die kosprys alleen in dié verhoogde verlies van die krag waarvoor daar nie verklaring gegee kan word nie , beloop R 3, 2 miljoen Rand. Is daar regstellende planne in plek en wat is die redes. Hierdie is die hoogste verliesyfer die afgelope vier jaar. Ons sou graag dringend wou weet wat gedoen kan word om dié syfer onder 5% te kry.*

***Ongelukkig is die elektriese verkope nie per dorp / substasie beskikbaar nie. Finans departement sal moet hulp verleen sodat die substasie inligting per verbruiker aangebring word in Promun stelsel.***

***Die geen verkope op voorbetaalmeters was nie beskikbaar nie en het Landis & Gyr vir my inligting afgelaai waar deur ons nou werk om meters op te spoor wat geen aankope doen nie.***

***Die lys toon oor die 6000 meters wat geen elektrisiteit aangekoop het nie sedert 2011. Verskeie van die meters is nie meer op die network nie maar nog steeds op Suprima “vending” stelsel.***

***Ons is besig om kwotasies aan te vra vir die oudit van Grootmaat meters waar deur  $\pm 50%$  van alle elektrisiteit verkope gemeet word.***

***Twee jaar terug was daar 'n oudit van die meters gedoen.***

***Elektriese verkoop statistieke moet deurgewerk word om te verseker dat alle eenhede verkoop / verbruik wel in die statistiek inligting vanaf Finans daarin vervat word.***

***Die koste van elektriese verliese beloop 8.7% of  $\pm R13\ 000\ 000$  per jaar. Dus as daar voldoende personeel aangestel word kan die meters op 'n gereelde basis departementeel nagegaan word.***

***Dus het ons ook die Finans en IT departemente se hulp nodig om sukses te behaal.***

2. *Bladsy 22 – Aanstelling van blanke personeel is 10.8% onder mikpunt. Is daar plan van aksie om die mikpunt te bereik.*

***In terme van die goedgekeurde gelykige geleentheid plan van die Munisipaliteit word daar met die samestelling van kortlyste gepoog om slegs persone te kortlys waar daar 'n onder verteenwoordiging voorkom. Aanstellings word egter bemoelijk deur 'n gebrek aan geskikte aansoeke, kandidate wat oor die vereiste kwalifikasies en ondervinding beskik en is dit nie altyd moontlik om volgens die voorgestelde profiel aanstellings te maak nie. Verder kan serderte van die doelwitte in die gelykige geleentheidsplan slegs aangespreek word indien daar vakante poste is en wanneer bedankings voorkom of werknemers met pensioen gaan.***

3. *Bladsy 28 – Is beurse ter ondersteuning van die gemeenskap se studente wel so toegeken om in die langer termyn tot voordeel van die Munisipaleiteit te strek*

***Munisipaliteit bied eksterne beurse aan in die volgende afdelings: finansies, stadsbeplanning, menslike hulpbronne en ingenieursdienste. Suksesvolle kandidate kan praktiese ondervinding gedurende vakansies opdoen. Aan die einde van hul studies is daar ook die moontlik van werksgeleenthede.***

4. *Bladsy 30 – daar was 88 ongelukke en insidente aangemeld. Styging van 25%. Wat was die redes en die kostes vir die Munisipaleiteit rakende herstel en ook om plaasvervangers in diens te stel.*

***Die beserings aan diens soos na verwys was grootendeels ligte beserings waar werknemers byvoorbeeld 'n arm of been beseer in die uitvoering van hul daaglikse pligte. Aangesien die aard van die beserings en die tydperke van afwesigheid in 90% van die gevalle elke dae duur is daar nie van plaasvervangde arbeid in hierdie gevalle gebruik gemaak nie. Die uitgawes verbonde aan hierdie geregistreeerde ongevallen word van die vergoedings kommissaris terug geëis en is die kostes nie vir die Munisipaliteit se rekening nie.***

*Veneem graag van u.*

*Groete, Ernie Oosthuizen*

## **RECOMMENDATIONS OF OVERSIGHT COMMITTEE**

The MPAC Committee having considered the 2011/2012 Draft Annual Report of the Municipality recommends that:

1. The MPAC Committee note the questions raised by Ward 7.
2. The Annual report be considered and adopted by Council without reservations.

**This item served before the Municipal Public Accounts Portfolio Committee on 14 February 2013**

**Hierdie item het voor die Munisipale Openbare Rekeninge Portefeulje Komitee gedien op 14 Februarie 2013**

**Recommendation / Aanbeveling**

The MPAC Committee having considered the 2011/2012 Draft Annual Report of the Municipality recommends that:

1. The MPAC Committee note the questions raised by Ward 7.
2. The Annual report be considered and adopted by Council without reservations.

**This item served before the Council on 28 February 2013**

**Hierdie item het voor die Raad gedien op 28 Februarie 2013**

**Eenparig Besluit / Unanimously Resolved**

That the Annual Report be adopted by Council without reservations.

Dat die Jaarverslag sonder voorbehoud deur die Raad aanvaar word.