LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

Raadslede van die Raad van die Langeberg Munisipaliteit

Kennis geskied hiermee van 'n Statutêre Raadsvergadering van die Raad van Langeberg Munisipaliteit wat gehou sal word op

23 JANUARIE 2025 om 10H00

in die Raadsaal, Munisipale Kantore, Kerkstraat, Robertson om oorweging te verleen aan die items op die aangehegte agenda.

Councillors of the Council of the Langeberg Municipality

Notice is hereby given of a Statutory Council Meeting of the Municipal Council of the Langeberg Municipality to be held on

23 JANUARY 2025 at 10H00

in the Council Chambers, Municipal Offices, Church Street, Robertson to discuss the items on the appended agenda.

P Hess

CLLR • RDL P HESS
SPEAKER

AGENDA

~ 23 JANUARY 2025 ~

1. Opening / Opening

2. Attendance / Bywoning

3. Applications for leave of Absence / Aansoeke vir verlof tot afwesigheid

4. Urgent Matters / Dringende Sake

5. Consideration of Reports / Oorweging van Verslae

5.1	Reports submitted to Council for consideration **(A Items)** Verslae voorgelê aan die Raad vir oorweging **(A Items)**	**05**
5.2	Reports submitted to Council for consideration **(AA Items)** Verslae voorgelê aan die Raad vir oorweging **(AA-Items)**	**37**
5.3	Reports dealt with in terms of the delegated powers by the Mayoral Committee **(B & BB Items)** Verslae afgehandel deur die Burgemeesterskomitee in terme van gedelegeerde bevoegdhede **(B & BB-Items)**	**---**

A ITEMS

EXPENDITURE ON 2024/2025 BUDGET MEASURED BY THE TOP-LEVEL SDBIP FOR THE SECOND QUARTER (5/1/3) (DIRECTOR: ECONOMIC, SOCIAL AND INTEGRATED DEVELOPMENT SERVICES

Purpose of report

To submit a report to Council regarding the expenditure on 2024/ 2025 service delivery and budget implementation plan (SDBIP) approved by the Mayor in terms of section 53 (1) (c) (I) & (ii) of the Local Government Municipal Financial Management Act, 56 of 2003 (MFMA).

Background

In terms of the section 72 (1) (a) and 52 (d) of the Local Government Municipal Finance Management Act (MFMA), 56 of 2003 the accounting officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial treasury, and National treasury

Comments:

The relevant documentation will be provided separately.

Recommendation

That Council notes the content of the report

A4839

FINANCIAL REPORTING IN TERMS OF SECTION 71 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 – NOVEMBER 2024 (9/2/1/3) (CHIEF FINANCIAL OFFICER)

Purpose of report

To submit a report in terms of the Monthly Budget Statement of the Local Government: Municipal Finance Management Act, 2003 to Council for information.

Comments

The report, as submitted to the Executive Mayor, National Treasury and Provincial Treasury, **is attached to this report.**

Aanbeveling / Recommendation

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

A4840

FINANCIAL REPORTING IN TERMS OF SECTION 71 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 – DECEMBER 2024 (9/2/1/3) (CHIEF FINANCIAL OFFICER)

Purpose of report

To submit a report in terms of the Monthly Budget Statement of the Local Government: Municipal Finance Management Act, 2003 to Council for information.

Comments

The report, as submitted to the Executive Mayor, National Treasury and Provincial Treasury, **is attached to this report.**

Aanbeveling / Recommendation

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

QUARTERLY REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY: OCTOBER 2024 TO DECEMBER 2024 (DIRECTOR: FINANCIAL SERVICES (CFO)

Purpose of the report

To submit a report to the Executive Mayor for consideration regarding the implementation of the Langeberg Municipality's Supply Chain Management Policy for the second quarter of 2024/2025 financial year (01 October 2024 – 31 December 2024).

Background

Section 4 of the SCM Policy states as follows:

That Council must maintain oversight over the implementation of the Supply Chain Management Policy.
For the purpose of such oversight, the Accounting Officer must: -

(a) **within 10 days after the end of each quarter, submit a report on the implementation of the Policy to the Executive Mayor;**
(b) within 30 days after the end of the financial year, submit a report on the implementation of the Policy to the Council;
(c) whenever there are serious and material problems in the implementation of the Policy, immediately submit a report to the Executive Mayor; and
(d) make public the reports on the Policy in accordance with section 21A of the Systems Act.

1. Adoption of Policy

The SCM Policy was adopted by Council on 30 May 2024 for implementation in the 2024 / 2025 financial year.

2. Delegation

The following delegations were approved by the Municipal Manager and implemented:

- Delegations to do electronic transfers
- Delegations to sign purchase orders
- Delegations to approve requisitions

3. Sub-delegation

(1) The Accounting Officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with legislation, this Policy and subparagraph (2) of this paragraph.

(2) The power to make a final award with a transaction value: -

(a) above R10 000 000 may not be sub-delegated;

(b) of R300 000, but not exceeding R10 000 000, may be sub-delegated but only to a bid adjudication committee of which the chief financial officer is the chairperson and at least 3 (three) senior managers are members and present at the consideration and all are in favour of the award; and

(c) up to R300 000 may be sub-delegated to an official.

(3) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated to make a final award in a competitive bidding process, otherwise than through the committee system provided for in paragraph 8 of this Policy.

4. Supply Chain Management Unit (SCM Unit)

The SCM Unit operates under the Finance Directorate, and the Manager: SCM reports directly to the Chief Financial

Officer.

5. Range of Procurement processes

(1) The procurement of goods and services will be procured as follow: -

(a) petty cash purchases, up to a transaction value of R2 000 (VAT included);

(b) formal written price quotations for procurement of a transaction value over R2 000 up to R300 000 (VAT included);

i) 3 (three) formal written price quotations where the transaction value is between R2 000 to R30 000 (VAT included)

ii) that all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of the municipality;

(c) a competitive bidding process is required for: -

(i) procurement for transactions above a value of R300 000 (VAT included); and

(ii) the procurement of long-term contracts.

(2) The Accounting Officer may in writing lower, but not increase the threshold values specified in (1) above.

(3) Goods or services may not be split into parts or items of a lesser value to avoid complying with the requirements of this Policy.

(4) When determining transaction values, the procurement of goods or services consisting of different parts or items must be treated and dealt with as a single transaction.

6. Bid Documents

The bid documents as prescribed by National Treasury include the *General Conditions of Contract.*

7. Bid Committee Structures

The following committees have been established:

(i) A Bid Specification Committee
(ii) A Bid Evaluation Committee
(iii) A Bid Adjudication Committee

COMPOSITION OF COMMITTEES

(i) **Bid Specification Committee -** The Accounting Officer appoints members to the Bid Specification Committee for each tender.

NAMES	**DEPARTMENT / SECTION**
Line Manager	Manager responsible for the function involved, will serve as Chairperson.
Ms L.J Jass-Holmes	Practitioner: Supply Chain Management
When appropriate	External Specialist Advisor
Secundi	
Ms P Kana	Supply Chain Management

The following table details the number of Bid Specification Committee meetings held for the quarter under review:

Bid Specification Committee	No. of Meetings	No. of Items	No. of Agendas
October 2024 - December 2024	11	15	11

(ii) Bid Evaluation Committee - The following members have been appointed by the Accounting Officer:

NAMES	DEPARTMENT / SECTION
Mr. TH Carstens	Manager: Human Resources (Chairperson)
Mrs. A. Swarts	Manager: IDP, Communication & PMS
Ms. L Deutchen	Practitioner: Supply Chain Management
Secundi	
Mr Corné Franken	Manager: Expenditure services (**Secondi**)
Mr. U. Nakasa	Manager: Income Services

The following table details the number of Bid Evaluation Committee meetings held for the quarter under review.

Bid Evaluation Committee	No. of Meetings	No. of Items	No. of Agendas
October 2024 - December 2024	6	27	6

(iii) Bid Adjudication Committee – The following members have been appointed by the Accounting:

NAMES	DEPARTMENT / SECTION
Mr. M. Shude	Chief Financial Officer (Chairperson)
Mr. A.W.J. Everson	Director: Corporate Services
Ms. C.O. Matthys	Director: Strategy & Social Development
Mr. M. Mgajo	Director: Community Services
Mr. D. Louwrens	Director: Engineering Services
Mr. S. Ngcongolo	Manager: Supply Chain Management
Secundi	
Mrs L. Jass-Holmes	Practitioner: Supply Chain Management

The following table details the number of Bid Adjudication Committee meetings held for the quarter under review:

Bid Adjudication Committee	No. of Meetings	No. of Items	No. of Agendas
October 2024 - December 2024	6	27	6

8. Petty Cash Purchases

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 14(1)(a) are as follows:-

(a) petty cash transactions have to be approved by the relevant Manager after receipt of documentary proof of the expenditure where possible, or a declaration by the official who incurred the expenditure where documentary proof is not possible;

(b) petty cash purchases are limited up to R100 per transaction. A senior manager can approve petty cash purchases up to an amount of R500 per transaction, in exceptional cases;
(c) the petty cash fund cannot be used to: -
  (i) purchase goods covered by annual contracts;
(ii) reimburse expenditure greater than R100 except if the approval in subparagraph (b) was obtained.
(d) depending on the item purchased, one of the following is required for expenditure exceeding R100 per transaction: -
  (i) direct payment voucher;
  (ii) requisition book; or
  (iii) official purchase order.
(e) the Expenditure Department is responsible for the reconciliation of petty cash and the reconciliation should be prepared and provided to the Chief Financial Officer, including: -
  (i) the total amount of petty cash purchases for that month; and
  (ii) receipts and appropriate documents for each purchase.

9. Formal written price quotations

The procurement of goods or services through formal written price quotations referred to in paragraph 14(1)(c) is as follows:-

(a) quotations must be obtained in writing from the different providers whose names appear on the list of accredited service providers of the Municipality;
(b) in the case of specialised plant, machinery and vehicles, quotations may be obtained from providers who are not listed, provided that such providers supply the information as set out in paragraph 16 of this Policy;
(c) if it is not possible to obtain at least 3 quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official(s) designated by the Chief Financial Officer. Documentary proof must be provided that quotations have been requested;
(d) the official(s) referred in (c) above must within 3 days after the end of each month report to the Chief Financial Officer on any approvals given during that month by that official(s); and
(e) the names of the service providers and their written quotations must be recorded.

10. Further Procedures: formal written quotations

In addition to paragraph 19, the following must also be taken into account regarding formal written price quotations:-

(a) all transactions in excess of R 30 000 that are made by means of written quotations, must be advertised for at least 7 calendar days on the website and official notice board;
(b) where the quotations have been invited via the notice board and website of the Municipality, no additional quotations need to be obtained should the number of responses be less than 3 quotations;
(c) when using the list of accredited service providers, the Municipality must:-
(i) promote ongoing competition amongst the providers, including by inviting providers to submit quotations on a rotational basis;

  (ii) promote the objectives of the Broad-Based Black Economic Empowerment Act;
  (iii) apply the Preferential Procurement Policy Framework Act and any applicable regulations; and
  (iv) promote the goals as identified by Council;

(d) the Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused;
(e) the Accounting Officer must on a monthly basis be notified in writing of all formal written quotations accepted by an official acting in terms of a sub-delegation;
(f) offers below R 30 000 must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
(g) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
(h) a proper record must be kept of the received written quotations;
(i) the goals of Council must be taken into account before offers/quotations are awarded; and
(j) in the case of construction works, where required a site inspection may be conducted before the close of the quotation due date to ensure that providers understand the scope of the project and that they comply with the conditions and requirements.

11. Central Supplier Database

Langeberg Municipality is using service providers registered on the Central Supplier Database for all its procurement.

12. Recommendation / Aanbeveling

That the content of the report be noted

Dat kennis geneem word van die inhoud van die verslag

A4842

OVERSIGHT REPORT IN RESPECT OF 2023/2024 ANNUAL REPORT FOR THE LANGEBERG MUNICIPALITY (DIRECTOR ECONOMIC, SOCIAL AND INTEGRATED DEVELOPMENT SERVICES)

1. PURPOSE OF THE REPORT

To enable the MPAC 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 Annual Report for 2023/2024 was sent to all Councillors as part of the December 2024 agenda. The updated document is attached as a SharePoint to this report.

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 Amendment Act, 2003 (Act 117 of 2003)

4. FOR DECISION

Langeberg Municipal Council, as per paragraph 5.2 below

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 deal with the municipality's annual report within nine months after the end of a financial year 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 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 for submission to MPAC and Council.

5.4 In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, the 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 Municipal website:

The Document and the Advertisement are listed on the website since 04 December 2024 at:
https://www.langeberg.gov.za/documents/annual-report/annual-report-2023-2024.html

The document was downloaded 301 times.

https://www.langeberg.gov.za/documents/annual-report/annual-report-2023-2024.html

LANGEBERG

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Annual Report 2023/2024

Documents

2023-2024 DRAFT ANNUAL REPORT (OPEN FOR PUBLIC COMMENTS)

Published on 04 December 2024

VIEW

NOTICE: 2023-2024 DRAFT ANNUAL REPORT OPEN FOR PUBLIC COMMENT

Published on 04 December 2024

VIEW

5.6 Auditor-General

The Annual report was electronically submitted to the Auditor General on 05 December 2024.

A4833 Draft Annual Report and A4837 Compiling of the Adjustment Budget

Jo'selina Buis

To 'Albertus Joubert'; Aphiwe Mgqudu; 'Cedric Nappies'; 'Dewald Botha'; 'Dian Cronje'; 'Isaac.McKenzie@westerncape.gov.za'; 'Keith.Roman@westerncape.gov.za'; 'Malcolm Matipa'; 'Malcolm.Booysen@westerncape.gov.za'; 'MFMA'; 'Nonzukiso Bakaqana'; 'Paul.Pienaar@westerncape.gov.za'; 'Peter Petersen'; 'Siphamandla Baza'; **+9 others**

Cc Mava Shude; Linda Nokama; Celeste Matthys; Ayanda Mati; Adriana Swarts; Charlton Scheepers; Christa Gous; Ennestacia Kleinveldt; Joliza Swanepoel; Duwayne Lakey; Langeberg Municipality; Masibonisane Nyewuza; Melissa Jones; MM; Prudence Carolus; Uyanda Nakasa; Willemien Marais; Zizipho Xipu; Terche Wentzel; Donald Engelbrecht

Follow up. Start by Monday, 13 January 2025. Due by Monday, 13 January 2025.

Report - A4837 - December Adjustments Budget - 2024 2025.pdf 131 KB

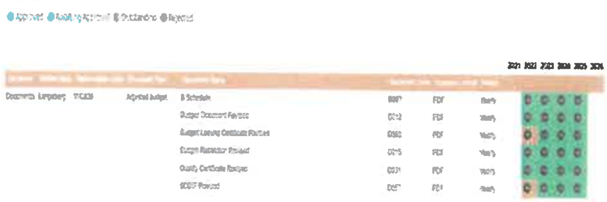
Annex - A4837_Adjustment Budget Report_Dec 2024-2025_WC026..pdf 1 MB

Report - A4833 - Tabling of Draft Annual Report 2023 - 2024.pdf 142 KB

Good day All

Please find attached Council Resolution on A4837 Roll-over Adjustment Budget 2024-2025 for December 2024 and A4833 Tabling of Draft Annual Report, that served before Council on 04 December 2024.

Also find below uploads on the GoMuni portal:
Adjustment Budget



Website upload of A4837 Roll-over Adjustment Budget 2024-2025 for December 2024

LANGEBERG

Adjustment Budgets 2024-2025

Documents

ADJUSTMENT BUDGET 04 DECEMBER 2024

ADJUSTMENT BUDGET REPORT 30 OCTOBER 2024

A4833 Draft Annual Report and A4837 Compiling of the Adjustment Budget

Jo'selina Buis

To: Albertus Joubert; Aphiwe Mgqudu; Cedric Nappies; Dewald Botha; Dian Cronje; 'Isaac.McKenzie@westerncape.gov.za'; Keith.Roman@westerncape.gov.za; Malcolm Mtipa; 'Malcolm.Booysen@westerncape.gov.za'; 'MFMA'; Nonzukiso Bakagara'; Paul.Pienaar@westerncape.gov.za'; 'Peter Petersen'; 'Siphamandla Bazi'; +9 others

Langeberg Municipality

Follow up. Start by Monday, 13 January 2025. Due by Monday, 13 January 2025

Report - A4837 - December Adjustments Budget - 2024 2025.pdf

Annex - A4837_Adjustment Budget Report_Dec 2024-2025_WC025.pdf

Report - A4833 - Tabling of Draft Annual Report 2023 - 2024.pdf

DRAFT ANNUAL REPORT 2023/2024:

Website upload of A4833 of Tabling of the Annual Draft Report

LANGEBERG

Annual Report 2023/2024

Documents

2023 2024 DRAFT ANNUAL REPORT (OPEN FOR PUBLIC COMMENTS)

NOTICE 2023 2024 DRAFT ANNUAL REPORT OPEN FOR PUBLIC COMMENT

Jo'selina Buis
Personal Assistant (CFO)

Langeberg Munisipaliteit / Langeberg Municipality

Comments received from Dewald Botha, RGA - Manager • Western Cape • Auditor-General of South Africa

From: Dewald Botha <DewaldB@agsa.co.za>
Sent: Tuesday, 14 January 2025 14:19
To: Celeste Matthys <CMatthys@langeberg.gov.za>
Cc: Ayanda Mati <AMati@langeberg.gov.za>; Anton Everson <AEverson@langeberg.gov.za>; Daniel Lubbe <dlubbe@langeberg.gov.za>; Sebulon Afrika <SebulonA@agsa.co.za>; Stacey Jantjies <StaceyJ@agsa.co.za>
Subject: RE: A4833 Draft Annual Report and A4837 Compiling of the Adjustment Budget
Importance: High

Afternoon Celeste

See below my comments. You are welcome to contact me to discuss the comments.

W.r.t. #11 – it looks like the difference between the budgeted amounts and the actual amounts was divided by the actual amounts. Should the difference not be divided by the budgeted amount? This will affect all the tables with % variances.

W.r.t. # 16 – It looks like the performance information page numbers increased by one – this all references must be amended. This is of the utmost importance that it should be corrected.

Page 169 is blank – if this is removed it will affect # 16 as above.

	Page	Comments from AGSA	Response from Langeberg Municipality
1	9	Mayor signature to be included.	Included
2	10	Last paragraph - a clean audit is unqualified with no findings on compliance and audited performance information - only mentioning afs and compliance at the moment.	Amended
3	12	Service delivery improvements - first sentence does not make sense.	Included the word was
4	12	MM signature to be included.	Included
5	22	First sentence - should be 1.78:1 - only a full stop in front of lat 1 at the moment.	Corrected, changed to 1.78:1
6	23	Income and expenditure - last column - "invoices" incorrectly in new row.	Corrected
7	29	# 17 and 18 - "XX XXX" to be replaced by actual dates.	Included the date 30/01/2025
8	69-72, 77, 78	Outlining is not consistent and tables. Some bold - some normal.	Comments noted and will be considered for next round of Annual Report preparation

9	107, 110, 111, 117, 118	Thousands spacing. Some spaces and others have no spacing.	Corrected the thousand spacing
10	111, 118, 121,123, 124,	Alignment of amounts not consistent.	Right-aligned numbers as requested
11	130, 134, 145, 157	e.g. Table 105, 113, 125, 141 - are these variances to budget % correctly calculated? Look at all tables with variance to budget information.	Corrected
12	143	"," used for thousand separator - not consistent.	Removed comma and corrected
13	169	Blank page. If it is deleted it will affect all references to page numbers.	This is correct as page 170 is the start of the SDBIP report in landscape
14	277	Designations of councillors not update on this page for 2023	Corrected
15	278	Note 43 - Two AGSA stamps - remove the one over the amounts. Print the AFS to pdf - to prevent the stamps from being removeable.	Double stamp removed
16	307 and 308	par 18 - of audit report - signed audit report - pages 172, 173, 175-177, 180 : - annual report pages 172; 173; 175-177, 180; - should be - SO2 - page 173, 174, 176- 178, SO4 page 181. par 25 - of audit report - signed audit report - pages 173 and 180 : - annual report pages 173 and 180 . - should be pages 174 and 181.	Corrected the numbering SO2 - page 173, 174, 176- 178, SO4 page 181.

From: Dewald Botha <DewaldB@agsa.co.za>
Sent: Thursday, 16 January 2025 07:51
To: Celeste Matthys <CMatthys@langeberg.gov.za>; Ayanda Mati <AMati@langeberg.gov.za>
Cc: Bongo Bakaco <bbakaco@langeberg.gov.za>; Stacey Jantjies <StaceyJ@agsa.co.za>; Sebulon Afrika <SebulonA@agsa.co.za>; Daniel Lubbe <dlubbe@langeberg.gov.za>
Subject: RE: final AR for verification by AG
Importance: High

Morning Celeste

See below – our comments have been addressed. Thanks.

Number	***Page***	***Comments - 2023-24 annual report link received 13 January 2025 refer P4.3, communicated to Municipality on 14 January 2025 per mail and discussed with Cleste Mathys (Director).***	**Updated version received 15 January 2025 - refer to P4.4 .**
1	9	Mayor signature to be included.	**Included - In order.**
2	10	Last paragraph - a clean audit is unqualified with no findings on compliance and audited performance information - only mentioning afs and compliance at the moment.	**Wording amended - In order.**

3	12	Service delivery improvements - first sentence does not make sense.	Wording amended - In order.
4	12	MM signature to be included.	Included - In order.
5	22	First sentence - should be 1.78:1 - only a full stop in front of lat 1 at the moment.	Included - In order.
6	23	Income and expenditure - last column - "invoices" incorrectly in new row.	Amended - in order.
7	29	# 17 and 18 - "XX XXX" to be replaced by actual dates.	Still needs to happen. Envisaged dates included. - in order.
8	69-72, 77, 78	Outlining is not consistent and tables. Some bold - some normal.	Amended - in order.
9	107, 110, 111, 117, 118	Thousands spacing. Some spaces and others no spacing.	Amended - in order.
10	111, 118, 121,123, 124,	Alignment of amounts not consistent.	Amended - in order.
11	130, 134, 145, 157	e.g. Table 105, 113, 125, 141 - are these variance to budget % correctly calculated? Look at all tables with variance to budget information.	Amended - in order.
12	143	"," used for thousand separator - not consistent.	Amended - in order.
13	169	Blank page. If it is deleted it will affect all references to page numbers.	Correct as it is - due to next page being landscaped.
14	277	Designations of councillors not update on this page for 2023	Updated - in order.
15	278	Note 43 - Two AGSA stamps - remove the one over the amounts. Print the AFS to pdf - to prevent the stamps from being removeable.	Updated - in order.
16	307 and 308	par 18 - of audit report - signed audit report - pages 172, 173, 175-177, 180 : - annual report pages 172; 173; 175-177, 180; - should be - SO2 - page 173, 174, 176- 178, SO4 page 181. par 25 - of audit report - signed audit report - pages 173 and 180 : - annual report pages 173 and 180 . - should be pages 174 and 181.	par 18 - updated - in order. par 25 - updated - in order.

Regards

Dewald Botha, RGA
Manager • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4100 • Fax: +27(0)21 528 4200 • Email: dewaldb@agsa.co.za

The Chairperson of the Audit Committee requested an extension to provide comments by Friday 17 January 2025

The following comments were received :

	Page	Comments from Chair person	Response from Langeberg Municipality
1	8	Please consider the following wording. " The municipality strategic objectives are aligned....." Please check the spacing No comma before however.	Included and corrected
2	9	add " alleviate hardship n the Langeberg Municipal area" Consider replacing " central to our aim" to " are focal point to create" Please remove the comment after structures please remove the comma after people	Included Amended Corrected Removed
3	11	Remove the comma and check the spacing "manage" ...."implemented by the municipality". "receives" Replace the sentence with The risk management process includes the review and update Langeberg Municipality risk register,...	Disagree with spacing and changing received to receives Sentence was amended
4	17	Please check the spacing	No spacing required
5	19	please delete this part of the sentence.	Corrected
6	20	Please check the spacing	Corrected
7	22	Please check the spacing R 66,4 million	Corrected
8	24	please put the percentages to middle of column.	Corrected
9	25	please check the spacing	No spacing required
10	26	Please change ; to full stop as end of bullet point sentences. Please check the spacing of the sentence.	Corrected
11	36	Please confirm if this correct wording? Please remove word internal.	Corrected

12	39	"Assist."	Corrected
13	45	please check the formatting of the tables. Some of the table lines are bold. Make sure that lines on table have the same formatting.	Difficult, once we PDF document
14	61	please check the spacing	Corrected
15	69- 72	Please check the formatting of the table	This comment will be noted and considered in the next round as the word Document is corrected but once PDF it changes some to bold
16	76-77	76- Please change the front on the highlighted words and align it with rest of the paragraph. 77- Please confirm if that word should be here? Please check the format of the table lines Please confirm if this correct wording?	Corrected
17	102	Please check the spacing	Corrected
18	105	3,13%	no spacing required
19	115	Consider that the formatting to be aligned with rest of the paragraph	the cost for the site is referenced below and is part of the preceding paragraph
20	119	please add: and Missing word: please add word bins	
21	127	Please consider putting Note explaining the minus sign as not something negative is how we report revenue as credit in Accounting reports or remove the minus sign completely to avoid confusion for the reader	
22	142	Consider removing the table as above comment is already referencing that there's no capital project for libraries Please make it bold Check the formatting of these number - and the figures. the user might read the number wrong.. remove comma and replace - sign with comma.	Amended the comment and kept the table as the deletion will impact on table numbering – P143

23	158	some of the table lines is going over the numbers, please re align the table lines	
24	174, 179	Full word for end user.. Financial Year	Corrected
25	182	Check the formatting of the corrective measures in this column	Corrected
26	191	Check the formatting of this figure	Corrected

5.7 National and Provincial Treasury

The Annual Report was submitted to the National and Provincial Treasury office on 05 December 2024, with no comments received they requested an extension beyond the deadline of 10 January 2025 to submit comments.

Comments received from Ashley Rasool – Manager of Provincial Treasury

From: Ashley Rasool <Ashley.Rasool@westemcape.gov.za>
Sent: Wednesday, 15 January 2025 22:29
To: Celeste Matthys <CMatthys@langeberg.gov.za>
Subject: RE: final performance evaluation for 2023 - 2024 FY - LANGEBERG MUNICIPALITY

Evening Celeste

Please find attached for your further review and consideration. **Please view my comments as a Draft** given that the official communication will be forwarded in due course via the MFMA portal as per standard Provincial Treasury protocols.

Kind Regards
Ashley

Western Cape Government

Provincial Treasury
Ashley Rasool
Local Government Budget Office
ashley.rasool@westerncape.gov.za | Tel: 0 21 483 8992

Reference: PT8 13/5/2

The Municipal Manager

Langeberg Municipality

Private Bag X2, Ashton,

6715

For attention: Mr Daniël Lubbe

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2023/24ANNUAL REPORT

1. INTRODUCTION

a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.

c. National Treasury has further introduced the annual report template and MFMA Circular No. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.

d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

2. LEGISLATIVE COMPLIANCE

2.1 Conformance

The conformance assessment highlights compliance by Langeberg Municipality with the Municipal Finance Management Act No. 56 of 2003 is as follows:

Compliance	Yes/No
The Municipality submitted the draft 2023/24Annual Performance Report/Annual Report together with the AFS to the Auditor General by the 31 August 2024, which is within the legislative guideline	Yes
The unaudited Annual report was tabled into Council at least two months after the end of the 2023/24financial year, in accordance with MFMA Circular 63.	Yes
If not tabled two months after the end of the financial year, the Annual Report was tabled to Council on **4 December 2024** which is within 7 months after the	Yes

Compliance	Yes/No
end of the financial year in accordance with MFMA section 127(2).	
The draft Annual Report was made public on 4 December 2024 which in line with MFMA Section 75 was and the public invited to comment by 10 January 2025.	Yes

2.2 Format and content of the Annual Report as per MFMA Circular 63

Compliance	Yes/No	Gaps identified/Areas for improvement
The relevant chapters and annexures have been included.	Yes	Fully compliant
The 2022/23 and 2023/24Audit findings have been included.	Yes	Fully compliant
The Mayor's foreword has been included and contains all the relevant components.	Yes	Fully compliant
The Municipal Manager's foreword has been included and contains: - Information on internal management changes in relation to section 56/57 managers. - A statement on the previous financial year's audit opinion. - Information related to the revenue trend by source including borrowings undertaken by the municipality.	Yes	Fully compliant
The report includes a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2023/24financial year.	Yes	Fully compliant. Included in socio-economic overview.
The Municipality disclosed information on B-BBEE compliance performance information with elements related to Management Control, Skills Development, Enterprise, Supplier Development and Socioeconomic development.	No	Not included. Municipal Transformation and Organisational Development Challenges included on Pg 26 but nothing reported on relating specifically to B-BBEE.

3. ORGANISATIONAL DEVELOPMENT AND SERVICE DELIVERY PERFORMANCE

3.1 Key Performance Areas

Strategic Objectives	Number of targets in SDBP	Number of targets achieved	Number of targets not achieved	Percentage of targets achieved

Strategic Objectives	Number of targets in SDBP	Number of targets achieved	Number of targets not achieved	Percentage of targets achieved
SO 1: Ensure efficient administration for good governance.	10	9	1	90%
SO 2: Provide infrastructure for sustainable and affordable basic services.	42	21	21	50%
SO 3: Promote a safe and secure environment.	2	1	1	50%
SO 4: Promote and facilitate investment and local economic development Promote and facilitate investment and local economic development.	2	1	1	50%
SO 5: Provide sustainable financial management	7	5	2	71%
Total	63	37	26	59%

Comment on overall performance:

Of the 63 targets reported on, the Municipality managed to achieve 37 which equates to a 59 per cent (58 per cent in 2022/23) attainment of PDO's or differently stated, a 41 per cent variance between planned and actual performance. This shows a continued regression from the previous financial year (2022/23) and calls for a general overhaul and re-think of KPI's and associated targets.

When reviewing Provincial Treasury's quarterly assessments of the Section 52 reports, the performance recorded for quarter 4 mirrors that of Quarter 3 and renders further evidence that a thorough review of KPIs and associated targets to better align with the goals set out in the annual SDBIP and IDP alike is required.

The Municipality is urged to focus particularly on achieving all Basic Service Delivery targets. This is a repeat finding. Of the 42 KPIs assigned to this Strategic Objective, 21 KPIs had missed targets.

Progress on infrastructure delivery specifically related to household access levels and backlogs (water, sanitation, electricity, roads, housing) is encouraged to be reported on and included in the top-layer SDBIP going forward. While mention is made throughout the Annual Report of "Proportion of households with access to basic services" and associated backlogs, it is suggested that this forms part of the SDBIP going forward.

The Municipality is commended for thoroughly reporting on jobs created as well as SMME's assisted in (Table: 109, Pg 133.). Service Delivery Priorities in relation to LED were also included as well as specific interventions (projects) which is welcomed.

Overview of performance:

Organisational Overview	**Vacancy Rate and Challenges:** The vacancy rate for the reporting period is included per functional area, indicating a (decline/increase) compared to the previous year. Vacancy rates were analysed per service, and challenges related to specific services were identified and addressed in the Annual Report. **Training Budget and Skills Development Initiatives:** The percentage of the budget allocated to training is included per functional area, underscoring the organization's commitment to employee development. Various skills development initiatives were implemented, and these are elaborated upon in the Annual Report. **Personnel Expenditure:** . Personnel expenditure is detailed in the Annual Report, breaking down costs related to salaries, benefits, and other associated expenses. Comparative analysis with previous years is included to provide a comprehensive understanding of trends. **Concerns Linked to Service Delivery Performance:** The Annual Report thoroughly discusses any concerns associated with personnel or resource challenges impacting service delivery performance. Specific instances or trends affecting service quality or efficiency are highlighted and analysed. **Recommendations Based on Findings:** The Annual Report should include **adjustments** to recruitment strategies, training programs, or budget allocations to enhance overall organizational performance. In summary, all the details pertaining to vacancy rates, turnover challenges, training budget, skills development initiatives, personnel expenditure, concerns related to service delivery, and recommendations are adequately covered in the Annual Report 2023/24.
Governance	Report of the Auditor General (Chapter 6, Pg 305) has been inserted. Table 41: "Governance Structures and Measures of Effectiveness and Efficiency", adequately covers the reporting requirement on the relevant Governance structures and performance thereof.
Financial Performance	Pg 22 of the Annual Report adequately reviews the financial performance of the municipality. Section 1.4.1 "Statement of Financial Performance Overview" details Key Responsibilities, Challenges and the associated Development Focus which is applauded. Recommendations on Financial Performance to be covered/considered in final Annual Report: Budget Allocation Efficiency: Evaluate and optimize budget allocations to ensure efficient use of resources. Align budget priorities with key service delivery needs. Cost Reduction Strategies: Explore opportunities for cost-saving measures without compromising service quality.

	Implement streamlined processes to reduce unnecessary expenditures. Revenue Diversification: Explore avenues for diversifying revenue streams to enhance financial stability. Identify new funding sources or partnerships to supplement existing income. Performance Metrics Integration: Integrate financial performance metrics with service delivery indicators. Establish clear correlations between financial health and service outcomes. Investment in Technology: Consider strategic investments in technology to improve operational efficiency. Leverage technological solutions for cost-effective service delivery. Financial Transparency and Reporting: Enhance financial transparency in reporting to stakeholders. Provide detailed financial breakdowns to demonstrate how resources contribute to service delivery. Risk Management Framework: Develop and implement a robust risk management framework to mitigate financial uncertainties. Regularly assess and update risk profiles to ensure proactive management. Training on Financial Literacy: Provide financial literacy training to relevant staff members. Ensure key personnel understand the financial implications of their decisions on service delivery.
Service Delivery Performance	The AG's report did not identify any material findings on the reported performance information for the selected strategic objectives and is noted. In relation to the kpi's and related targets, the AG deems the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable and confirms the methods and processes to be used for measuring achievements. The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated. The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents. The reported performance information is presented in the annual performance report in the prescribed manner. There is adequate supporting evidence for the achievements reported and for the measures taken to improve performance. In conclusion, while the AG has found the Annual Performance Report to be in line with the relevant legislation and adequately reported upon, PT's assessment of the SDBIP results require greater introspection of specific KPI's for future reporting.

4. **CONCLUSION AND RECOMMENDATIONS**

The Municipality is compliant with the legislative requirements as per MFMA Section 75, 121 and 127. It is recommended that the Municipality incorporate the above-mentioned aspects (see section 2.1 and 2.2) to improve the quality of the annual report.

The Municipality has indicated reasons for underperformance and the corrective measures for all targets that were not achieved. These are noted and should serve to improve performance in the 2023/24 financial year provided that:

Service Delivery targets are set at levels which currently are not desirable and require greater introspection and consideration by considering targets that are realistic and take past performance into consideration.

The Municipality addresses the risks and challenges highlighted in section 3.2 above.

Kind regards

Shannon Malgas

DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE

DATE:

6

Response to Comments

The Municipality note the comments received from the Provincial Treasury .

6. PUBLIC PARTICIPATION: TABLING OF DRAFT ANNUAL REPORT 2023-2024

6.1 Advertisement was placed in the Langeberg Express Newsletter that was distributed on 10 December 2024 to the account holder email database, bulk sms database, Langeberg Municipal social media pages, WhatsApp channel and made available on the website at https://www.langeberg.gov.za/documents/express-newsletter/langeberg-express-2024.html
No comments received via bulk sms reply.
No comments received via Social Media pages.
No comments received via the website contact us form.

2023-2024 DRAFT ANNUAL REPORT OPEN FOR COMMENTS

Notice is hereby given in terms of section 21(a) of the Local Government: Municipal Systems Act, 2000 (Act no. 32 of 2000), read with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). Members of the public and communities within the Langeberg Municipality, Government Institutions, the private sector, and organs of the civil society, are hereby invited to comment on the Draft Annual Report for the 2023-2024 financial year.

The closing date for the submission of comments and representations is 10 January 2025.

- Written comments must be clearly marked: "ANNUAL REPORT 2023-2024" and must be addressed to: **The Municipal Manager, Private Bag X2, Ashton, 6715**
- or emailed to info@langeberg.gov.za and aswarts@langeberg.gov.za
- or hand-delivered to any of our municipal offices.

CLICK HERE TO ACCESS THE DRAFT ANNUAL REPORT OR VISIT YOUR NEAREST LIBRARY TO VIEW THE ELECTRONIC DOCUMENT.

PAGE 6 | EXPRESS | DECEMBER 2024

6.2 Electronic documents could be viewed at libraries from 04 December 2024.

6.3 Advertisement was placed on the Municipal website on 04 December 2024 and viewed 94 times under the Annual Report tab with 688 hits on the home page notice.
No comments received via the website.

https://www.langeberg.gov.za/all-news/item/2023-2024-draft-annual-report-open-for-comments.html

LANGEBERG

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04 DECEMBER 2024

2023-2024 DRAFT ANNUAL REPORT OPEN FOR COMMENTS

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Members of the public and communities within the Langeberg Municipality, Government Institutions, the private sector, and organs of the civil society, are hereby invited to comment on the Draft Annual Report for the 2023-2024 financial year.

The report can be accessed on the municipal website at: https://www.langeberg.gov.za/documents/annual-report/annual-report-2023-2024.html

Or visit your nearest library to view the electronic document.

The closing date for the submission of comments and representations is 10 January 2025.

- Written comments must be clearly marked "ANNUAL REPORT 2023-2024" and must be addressed to: The Municipal Manager, Private Bag X2, Ashton, 6715
- or emailed to info@langeberg.gov.za and aswarts@langeberg.gov.za
- or hand-delivered to any of our municipal offices

Mr DP Lubbe,
Municipal Manager
Private Bag X2, ASHTON, 6715

SHARE

PREVIOUS NEXT

Name	Type	Published	Date	Hits
Draft annual report open for public comment	Article	[illegible]	[illegible]	[illegible]

6.4 Through the municipal administration Archive system: **No comment was received.**

RE: Draft Annual Report Comments

AW Adrian Williams
To Melissa Jones

16:03

Good Day Melissa

Your enquiry regarding the above refers.

There were no records of comments on the Draft Annual Performance Report.

I hope that you will find it in order.

Groete / Regards

Mnr / Mr AJ Williams

Administrateur: Rekords / Administrator: Records

Langeberg Munisipaliteit • Langeberg Municipality

Privaatsak X2 Private Bag • ASHTON • 6715

Tel • (023) 615 8000 • Phone

Faks • (023) 615 1563 • Fax

6.5 No comments received through info@langeberg.gov and aswarts@langeberg.gov.za

RE: Draft Anuual Report comments

JS Joliza Swanepoel
To Melissa Jones
Cc Celeste Matthys; Willy-John Gordon

Reply | Reply All | Forward | ...
Tue 2025/01/14 11:21

You replied to this message on 2025/01/14 11:49.

Good day Melissa

No inputs were received from the Info-address.

Kind regards

Joliza Swanepoel
Personal Assistant (MM)

Langeberg Munisipaliteit • Langeberg Municipality
Privaatsak X2 Private Bag • ASHTON • 6715
Tel • (023) 615 8000 • Phone
Faks • (023) 615 1563 • Fax

LANGEBERG

RE: Annual report inputs

AS Adriana Swarts
To Melissa Jones; Willy-John Gordon
Cc Celeste Matthys

Reply | Reply All | Forward | ...
Wed 2025/01/15 11:08

Good Morning colleagues

No comment/Input was received for the Annual Report.

Kind Regards,/ Vriendelike Groete

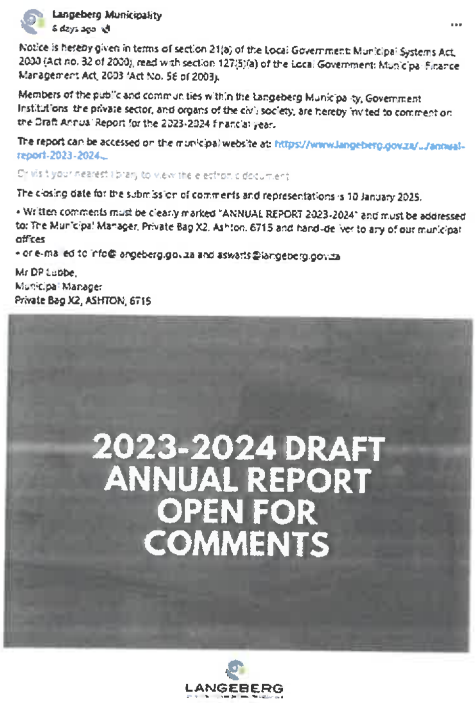
Adriana Swarts
Manager: IDP, Performance and Communication
Economic, Social and Integrated Development Services

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

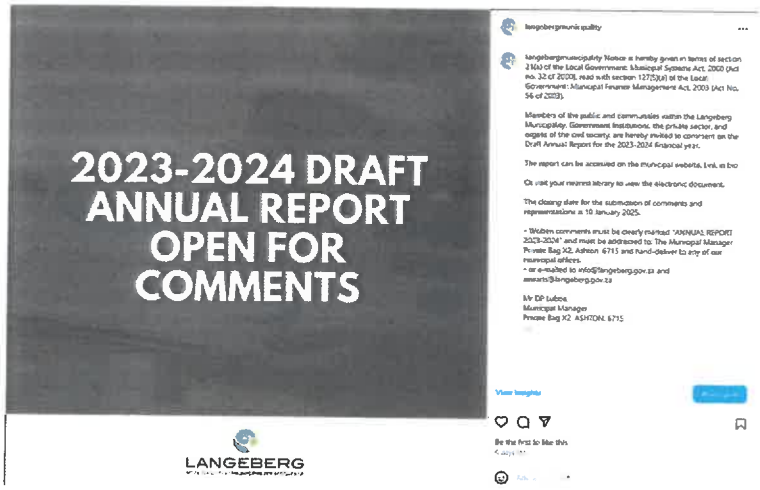
023 626 8201
aswarts@langeberg.gov.za
04 Church Street, Robertson, 6705

6.6 Advert was placed on social media on 04 December 2024.

Facebook: https://www.facebook.com/share/p/1U4pSycbku/



Instagram: https://www.instagram.com/p/DDKOf_1szOl/



X: https://x.com/Langeberg_Muni/status/1864313604436107406

Comments were received from Mr C. Bester on 10 January 2025

Herewith comments regarding the draft financial statements:

1. No mention is made of criminal investigations into the Municipal Manager, Director Corporate Services, Mayor and Speaker under case number CAS 251/4/2024
   - The case is still under investigation, and no one has been formally charged yet
2. No or insufficient contingent liability or liability seems to be provided for regarding the error in applying the approved electricity tariffs as communicated to the Municipality in 2024.
   - No court case has been initiated against the Municipality.
3. No or insufficient contingent liability or liability seems to be provided for regarding the claims of the NG Church regarding Erf 1 in Montagu
   - not claim at year end .
4. No findings are issued regarding the non-compliance with PAIA regulations and laws. The Information Regulator has issued findings that the manual was non-compliant and is in the process of issuing a enforcement notice that the Municipality should supply documents requested by me.
   - Outside the scope. The Municipality is not aware of the enforcement notice mentioned.
5. No mention is made of the various issues regarding VAT journals and issuing of VAT at a rate other than 15% or 0% as provided for in terms of the VAT act.
   - Journals were corrected during the current year and no disclosure required as the error was identified and fixed in the same financial year.
6. The gearing ratio in note 55.2 seems to be incorrect and should either be zero or 3.5% - you cannot have a gearing ratio if the net debt is not a liability, but an asset
   - Statement is incorrect due to incorrect interpretation of the gearing ratio.
7. The major increase in water and electricity losses in note 53.1.8 and is unacceptable and should be addressed immediately. This is due to non-compliance with the budget related policies approved for the 2023/2024 budget and should be reported as non-compliance.
   - Water losses are calculated as an average over a year. between July and October 2023 water sales were lower than usual, but this was resolved. Additionally, water quality issues in Robertson and Montagu from September to December 2023 required extra back washing and flushing of the system. A meter audit is planned for large users, and some of their meters will be replaced during 2024 / 2025 FY. Meter replacement will also occur throughout the year as faulty meters are identified. the 2024/ 2025 Capital budget includes funding to replace the main feeder pump from Bonnievale to Uitzig and Lactalis
   - Electricity losses the statement is incorrect as the TL 15 for for electricity losses were met at 5,76%
8. The increase in deviations from procurement per note 53.1.7 processes has increase by more than 100% and is unacceptable as it lays bare the lack of proper planning and budgeting.
   - The increase in deviations is due to emergency procurement that needed to be made in response to the flood damages.
9. It is unacceptable that the Mayor sets the example of being in arrears with his account for two years in a row per note 53.1.6.

- The arrears disclosed are as a results of timing difference between the year end and the due date for the debtors to pay their accounts, the amount outstanding is within the legislative requirements.

10. No mention is made of the post year-end breakdown in financial systems and the billing issues experienced by the residents of Langeberg.
    - There was no breakdown in the financial systems. Therefore, the statement is incorrect.
11. Note 47: Why was there an increase in workmen's compensation fund contributions of 45%?
    - The calculation for the workmen compensation is based on the salary budget for the different financial years. The salary budget calculations for 2023/2024 increased in 2024/2025 therefore the increase in payment
12. Note 47: Why was there an increase in external computer services of 86% and why was the spending necessary?
    - Indigent verification process and computer licenses.
13. Note 43.3: Why was there an increase in maintenance of computer software of 27% and why was the spending necessary?
    - This is regular maintenance of computers at the Langeberg Municipality and the spending was necessary.
14. Note 43.2: Why was there an increase in infrastructure and planning expenses of 158% and why was the spending necessary?
    - The contracted services used in response to the floods damages resulted in the increase in infrastructure and planning expenses.
15. Note 43.1 – the numbers are unreadable as there is a signature covering it.
    - Was removed.
16. Note 38: Why is the indigent cycle cited as reason for bad debts written off and what is the process for approving such debt write-offs? Please provide a split between indigent debt written off and other.
    - The process for approving indigents is documented on Credit Control and Debt Collection Policy. The split is not required in terms of the GRAP standard that are used to prepare the AFS.
17. Note 36: Designation for cllr D Joubert is incorrect and the 2023 designations for most of the council is not provided.
    - Was corrected
18. Note 30: What scrap, waste and other goods were sold?
    - The Municipality had an auction that took place during February and these items were sold as per council approval.
19. Note 23: Why is there no movement in the CRR – there were a number of capital projects financed from the CRR in the annual budget.
    - CRR was used to fund CAPEX projects, and the account was replenished during the year.
20. Note 20: Why are there outstanding loans and what are the penalties for early settlement, as the municipality is paying a higher interest on these funds than is earned on cash in the bank and the impact is clearly not positive for the community.
    - The decision to take out the loan was approved by council and the loan was taken for capital projects.
21. Why is no mention made of the CCG system as a specific long-term commitment?
    - No capital expenditure was anticipated for the 2024\25 financial year, only operating expenditure which relates to the support services provided by the service provider. This is because the development of the new system was complete by the 30th of June 2024.
22. Note 12: The Langeberg Municipality has only a limited share in the Groter Brandvlei dam and as such the inclusion of the full dam volume is misleading – only the municipality's share should be included as a resource. To my knowledge, this should also apply to the Dassieshoek dam.
    - The GRAP does is not specific when it comes to disclosing the percentage share in a natural resource like a Dams. The municipality will consider adding a narration for the 2024\25 financial year to provide more insight on the shareholding in these Dams.

23. Note 8.3: The work-in-progress for infrastructure assets is more than the total budgeted amount for the next fiscal period. Please provide details on the main projects which are in progress and which we spent R138m on which have not been completed at year end.
    - The total budget for the engineering department for the 2024\25 financial year as per the latest approved adjustment budget is R143 818 195 which is more than the Work-in Progress of R138million. The statement made is incorrect. The GRAP standard also does not require municipalities to provide a detailed list of the projects included under the WIP note.
24. Note 8.3: Was the R30m loan taken up or was the loan just cited as an excuse?
    - There is no reference made to loans on note 8.3.
    - Reference to loans is made on 8.4 and only for the previous financial year (2023) and the comment was relevant for that financial year

25. Note 8 and 8.3: Are additions in 8.3 included in additions under note 8?
    - Yes

26. Statement of Financial performance: Were impairment losses subsequently written off and why is it shown as a separate amount if written off immediately post year end? Was it reasonably expected that economic benefits would have flown to the entity regarding these specific accounts? Also, the provision for impairment is unacceptably high and shows that the municipal debt collection policy is not applied as per the approved policies.
    - Bad debt written off – these are debtors that went bad and were written off during the 2023\24 financial year
    - Impairment Losses – this is a provision for impairment, these are debtors that are estimated to go bad in the next financial year. The collection rate for the 2023\24 financial year amounted to 94% and this is 1% less than the National Treasury norms of 95%. Therefore, this statement is not correct.

27. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD 01 JULY 2023 TO 30 JUNE 2024: The decrease in the collection rate and large variance on service charges shows poor budgeting or a possible under-recovery of municipal charges. This could be part of system issues regarding VAT journals that were issued on accounts in ± August 2023. Furthermore, the worsening financial relation between service charges for electricity and bulk purchases are a clear indication that policies are not consistently applied or that there may be a billing issue regarding revenue from electricity. This type of error may not be identified with normal audit procedures, and I call on the AGSA to investigate this further.
    - Collection rate – the actual performance achieved was 94% in comparison to 95% which is in line with the NT norms.
    - The variance relating to the electricity amounted to 7% which is insignificant. The VAT journals were corrected during the 2023\24 and that has no impact on the issues raised.
    - There is no relationship between the two (2) (service changes and bulk purchases) and the reason the service charges (electricity) are less than anticipated due to the consumer patterns.
    - Based on the information provided above, there is no error.

28. The unspent capital budget shows a recurring problem in terms of project management within the municipality.
    - Some projects were delayed due to excessive rain experienced during May and June 2024 Some projects were part of the grant funding received for flood damage repairs. Funds were received in March 2024 four (4) months before the end of the financial year and the procurement process commenced shortly after that. Some projects incurred savings Some projects were delayed due to contractors having to address issues of poor workmanship and snag lists.

29 Some of the KPI's of the Municipality are set so low that it is almost impossible not to achieve them. This is a management issue and should be addressed in the budget process.
    - Note the comment but some of the targets are set by National Treasury and are compliance reporting KPIs

29. No mention is made of the errors identified in the budget, including the tariffs and the errors in the s71 financial reporting which was reported to the municipality during the course of the year.
    - The errors identified on the budget and S71 related to the 2024\25 financial year and does not affect the 2023\24 financial year as the old system was used to produce the Annual Financial Statements.

If any of the matters are not clear from what has been written, I am willing to provide further information or explanation.

I look forward to your detailed comments and answers regarding the above.

RECOMMENDATIONS: Municipal Public Accounts Committee (MPAC) / OVERSIGHT COMMITTEE

That the annual report for 2023/2024 be considered and adopted by Council without reservations.

Dat die Jaarverslag vir 2023/2024 oorweeg word en sonder voorbehoud aanvaar word deur die Raad

COMPILING OF THE MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2024/2025 (ACTING DIRECTOR-FINANCIAL SERVICES (CFO))

Purpose of the Report

To inform Council of progress made in the implementation of the budget and the performance outcomes in respect of the first six months of the 2024/2025 financial year, and to recommend whether an adjustments budget is necessary.

Legal Framework

In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

(1) The accounting officer of a municipality must by 25 January of each year –

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account –
  - (i) The monthly statements referred to in section 71 for the first half of the financial year;
  - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) Submit a report on such assessment to –
  - (i) The mayor of the municipality
  - (ii) The National Treasury; and
  - (iii) The relevant Provincial Treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.

(3) The accounting officer must, as part of the review -

- (a) Make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1):

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in Accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
  - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

Contents of this report

With the concurrence of the Director: Strategy and Social Development, it was agreed to include:

(a) A report on the performance assessment of service delivery against the SDBIP and the Capital Program following the performance reviews is attached as Appendix 1.

(b) The outcomes from these reports form the basis of this mid-year budget and performance assessment.

Recommendation

1. That Council take cognisance of the 2024/2025 Mid-year Budget and Performance Assessment as tabled in terms of Section 54 and 72 of the Municipal Finance Management Act.

2. That a revised budget for 2024/25 be submitted to Council to accommodate all new allocations and any other adjustments to the budget as well as the Service Delivery Budget and Implementation Plan (SDBIP).