



**Bitou Local Municipality
Bitou Plaaslike Munisipaliteit
Umasipala WeBitou**

**SPECIAL MAYORAL
COMMITTEE
MEETING**

Venue: Council Chambers, Municipal Offices,
Sewell Street, Plettenberg Bay

24 MARCH 2016

Time: 9h00

BITOU LOCAL MUNICIPALITY

23 March 2016

**Members of the Mayoral Committee
Municipal Manager and Heads of Department**

SPECIAL MAYORAL MEETING: THURSDAY, 24 MARCH 2016

NOTICE is hereby given that a Special Mayoral Committee Meeting will be held in the Council Chamber, Municipal Offices, Sewell Street, Plettenberg Bay on THURSDAY, 24 MARCH 2016, at 9h00, to consider the business set forth in the Agenda.

Yours faithfully



for **M Booyesen**
Executive Mayor

cc: Ward Councillors & PR Councillors

Bitou Local Municipality

Special Mayoral Committee Agenda

24 March 2016

Order of Business

1. OPENING

2. ATTENDANCE

The Attendance Registers of members of the Mayoral Committee, Councillors, officials and public will be circulated for signature.

3. APPLICATION FOR LEAVE OF ABSENCE

Application for leave of absence, if necessary, will be considered.

4. CONSIDERATION OF REPORTS (OPEN)

4.1 Section 1: Office of the Municipal Manager

No items for consideration

4.2 Section 2: Department of Finance

No items for consideration

4.3 Section 3: Department Corporate Services

No items for consideration

4.4 Section 4: Department Community Services

No items for consideration

4.5 Section 5: Department Municipal Services & Infrastructure Development

No items for consideration

4.6 Section 6: Department Strategic Services

Schedule of Item attached

5. IN – COMMITTEE ITEMS

No Items for consideration

6. CLOSURE

PORTFOLIO INDEX			
CONSIDERATION OF REPORTS: (OPEN)			
SPECIAL MAYORAL COMMITTEE AGENDA			
24 MARCH 2016			
SECTION 1: OFFICE OF THE MUNICIPAL MANAGER			
ITEM NO	SUBJECT	FILE REF	PAGE NO
	No items for consideration		
SECTION 2: FINANCE			
ITEM NO	SUBJECT	FILE REF	PAGE NO
	No items for consideration		
SECTION 3: CORPORATE SERVICES			
ITEM NO	SUBJECT	FILE REF	PAGE NO
	No items for consideration		
SECTION 4: COMMUNITY SERVICES			
ITEM NO	SUBJECT	FILE REF	PAGE NO
	No items for consideration		
SECTION 5: ENGINEERING SERVICES			
ITEM NO	SUBJECT	FILE REF	PAGE NO
	No items for consideration		
SECTION 6: STRATEGIC SERVICES			
ITEM NO	SUBJECT	FILE REF	PAGE NO
C/6/315/03/16	OVERSIGHT REPORT AND CONSIDERATION OF THE 2014/2015 ANNUAL REPORT	3/2/2/3/1	1 - 16

Section 6

Department: Strategic Services

ITEM C/6/315/03/16

Mayoral Committee Meeting for recommendation for Council

OVERSIGHT REPORT AND CONSIDERATION OF THE 2014/2015 ANNUAL REPORT

Department: Strategic Services **Demarcation:** All Wards

File Ref: 3/2/2/3/1

Attachments:

1. Annexure "A" – Oversight Report
2. Annexure "B" – Minutes of the Oversight Committee Meeting of 15 March 2016
3. Annexure "C" – 2014/2015 Annual Report, as amended (This document will be circulated separately)

Report from: Acting Manager: PMS, SDBIP & Compliance

Date: 18 March 2016

Purpose of the report

The purpose of this Report is to submit the Oversight Report to Council for consideration and approval of the 2014/2015 Annual Report.

Background/Discussion

In consideration of ITEM C/6/307/01/16, Council decided that cognizance be taken of the 2014/2015 Draft Annual Report and that the Accounting Officer publishes the Draft Annual Report 2014/2015 for public comment and recommendations. The advertisement was placed in the local media. No comment or objection was received following the notice.

The three non-executive Councillors who served as the ad-hoc Oversight Committee met and deliberated on the Draft Annual Report and herewith submit an Oversight Report to the Municipal Council. The Oversight Committee recommends adoption thereof without reservations. The attached Oversight Report is self-explanatory.

Relevant Legislation

Constitution of the Republic of South Africa, 1996, Act 108 of 1996 (Constitution).
Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 (MFMA)
Local Government: Municipal Systems Act, 2000, Act 32 of 2000 (Systems Act).

Recommended by the Municipal Manager

That the Municipal Council consider and adopt the Oversight Committee Report and recommendation, confirming that the Annual Report is approved without reservations.

BITOU LOCAL MUNICIPALITY

OVERSIGHT REPORT 2014/2015

1. INTRODUCTION

The 2014/2015 Annual Report was tabled to the Municipal Council on 28 January 2016.

In terms of Section 129 of the MFMA, the Municipal Council, in dealing with the tabled Annual Report, is required to 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.

In addition, in terms of Section 129(3) of the MFMA the accounting officer must in accordance with Section 21A of the Local Government Municipal Systems Act (MSA), 2000, make public the Oversight Report within seven days of its adoption.

2. THE OVERSIGHT COMMITTEE

The following individuals served on the 2014/2015 Oversight Committee:

Councillor S E Gcabayi (Chairperson)
Councillor W R Craig
Councillor N Ndayi

Mr Ivan Boardman who was invited in his capacity as Chairperson of the Audit/Performance Audit Committee and a major source of specialist advice to assist them in the process of commenting on the Annual Report.

Officials in attendance:

Acting Municipal Manager:	Mr D Friedman
Acting Chief Financial Officer:	Mr M Memani
Head Community Services:	Mr M Stratu
Head Municipal Services & Infrastructure Development:	Ms P Ngqumshe
Head Corporate Services:	Mr R K Smit
Acting Manager: PMS, SDBIP & Compliance	Mrs L Jansen

Oversight Report on the 2014/2015 Annual Report

3. SUMMARY OF DISCUSSIONS AND COMMENTS BY THE OVERSIGHT COMMITTEE ON THE 2014/2015 ANNUAL REPORT

The Oversight Committee recommends adoption of the Bitou Municipality Annual Report 2014/2015, without any reservations.

Oversight Report on the 2014 2015 Annual Report

In coming to the above recommendation, the Oversight Committee considered and discussed the following matters, which it wishes to bring to the attention of the Council:

Issues/ comments by Oversight Committee	Responses/ Comments by the Administration
<p>The Oversight Committee takes note, with appreciation, of the “Clean Audit Report” received from the Auditor General</p>	<p>None</p>
<p>Restatement of corresponding figures Committee would like the number of restatement incidences to decrease, as many of the contentious items have been resolved.</p>	<p>There is an amount of R87 000.00 due to invoices that were discovered after three months in the current financial year, the Auditor General’s Office will have to make the call if the Municipality will need to make a restatement or not. Restating incidences have decreased over the last three years. The process of unbundling of assets were completed in the financial year. Recommendation. A trial run on the AFS information before the end of the year should reduce the need for restatements.</p>
<p>Material Impairment Material impairment of R24 404 123 or 18.85% of total exchange and non-exchange debtors is of a concern to the Committee as is the collection of Kranshoek debtors.</p>	<p>Impairment is a provision not a write-off and affects both exchange and non exchange transactions; Impairments however, did decrease over the past 3 years.</p> <ol style="list-style-type: none"> 1. VAT is not included as an impairment. . 2. Included in non exchange debt impairment is an amount of R16.3 mill made up by future traffic fines to be written off in terms of the prescriptions issued in I GRAPI.– a traffic fine is issued , the perpetrator goes to court ,only a portion of the traffic is paid and the rest is written off at the end of the financial year. 3. Electrical debtor collection in the Eskom Distribution Area (Kranshoek) Takeover of the collection of debtors by the municipality was discussed; however, this is a long process and the compensation Eskom will want for the Electrical infrastructure value is high. The decision is in the hands of NERSA. <p>Recommendation: A workshop should be held to discuss and agree on what could be done re debtor collections and therefore to decrease impairments.</p>

Oversight Report on the 2014 2015 Annual Report

<p>Underspending of Budget The Municipality has underspent the Capital budget by 11.4% amounting to R7.1 mill. Land for RDP housing and delayed progress at the Drivers Testing Centre.</p>	<p>Suitable Land had been identified near New Horizons, but the final purchase by Western Province had not been finalised. Council had reported on the urgent need to finalise a purchase, on a number of occasions and Western Province had recommended routes to be taken, including an expropriation process.. A Farm in Wittedrift is now available for sale, funding is needed from Province to purchase the land. The sale offer for the land is R12 mill. The Finance Department may have to budget some money for the the purchase. The purchase was further complicated, and was held up in New Horizons due to riots. Recommendation. Fast track the procedures to purchase land.</p> <p>Delays in Testing Centre The Drivers Testing Centre could not be used as the department is awaiting the delivery of a machine which will be supplied by the Western Cape Department of Transport. Twelve machines have been allocated to the Western Cape and Bitou is one of the beneficiaries. Recommendation. Municipality to chase up on delivery of equipment.</p>
<p>OPCAR Follow up on Auditor Generals findings.</p>	<p>Monthly follow-ups are being held and reminders are being sent out by the MM's office. According to a Telephone Conference between the Auditor General's Office and the Municipality it was ascertained that the A.G. is happy with the progress made on OPCAR. Recommendation. As far as possible clear findings before year end in June.</p>
<p>LED Structure of department, Economic Development forum, Economic Summit.</p>	<p>The LED section is vital in the future planning of the Municipality and Community, and needs a leader . An Indaba (Economic Summit) has been planned , to take place and Councillors and Officials should discuss the matter on what is expected and the way forward. Recommendation. Fast track the employment of a LED manager. Plan to have Economic Summit as soon as possible.</p>

Oversight Report on the 2014 2015 Annual Report

<p>Overtime. The increase in Overtime is disturbing.</p>	<p>The structure of overtime planning is not totally in place, as the final staffing structure in the Municipality has not been completed. Overtime is still needed, but must be planned to control employees who are told at the last minute that they have to work overtime. Management are working on solutions to plan overtime optimally. Recommendation. Resolve the problem of excess overtime costs As soon as possible.</p>
<p>Waste Management Work still has to be done to control the Dispersion of all waste.</p>	<p>Lawyers representing Whale Rock Heights Residents requested a High Court order to get the Municipality to cease operation at the main waste dump. Documents have been served and the Department Community Services and Legal Services are dealing with the court case matter. The Transfer Station is completed and started operating – The Municipality are currently managing the site internally. The Municipality had tendered for the transportation of waste, which was cancelled due to all bidders not meeting some of the criteria, but will redo the tender for the transportation of Waste – In the meantime the previous contractor is being used. Driver tests have been used to see how to use the containers, and trucks has dumped waste at the Transfer Station and have been using the compacting machines , filling the containers and transferring waste. The department is working together with the Department of Environmental Affairs to find the best suitable solution to dump building rubble and garden waste. The recycling system and participants are been monitored by Municipal officials. Councillors have been invited to visit the Transfer Station to observe how it is operating. There will be an official opening of the Transfer Station. Employees working in the waste management section will all be moved to the Transfer Station. Recommendation. That the Bitou community and the wards are made aware of the way forward for waste elimination.</p>

Oversight Report on the 2014 2015 Annual Report

<p>Public Participation Communication structure is not operating optimally.</p>	<p>Public, Communities and Councillors are not receiving pertinent information, should be assisted by officials .Officials should be present in meetings. Service delivery is hampered if there is no proper Communication. Important dates should be communicated to reach the broader community of Plettenberg Bay. Communication does have challenges however the Municipality is very mindful of what and how they communicate. We have external and internal newsletters. the Website and other forms of communication. The Policy should be changed as different wards have different needs. Recommendation. Communication systems should be further discussed. There must be effort put into communication. All departments should work together to better communicate. The Public Participation Policy should again be reviewed at a Council Meeting.</p>
<p>Vacant Positions</p>	<p>A workstudy is being completed ,looking at the structure of all posts and whether there is a need to fill ,and how to fill vacant posts. The exercise is vast and there is cost involved. Recommendation. The Committee is of the opinion that the task is very important, and should be completed correctly</p>
<p>Reduction of non essential costs. National prerogative.</p>	<p>The implementation of the new recommended financial system, the restructuring of needed posts, and the forward plans prepared by each of the HOD's will help ensure that all costs are necessary. Recommendation. That the budgeting process takes into account the need to include only necessary costs.</p>
<p>Performance Management System. Need to again review KPI's of HOD's and plan to Introduce PMS for all managers.</p>	<p>KPI's are reviewed periodically, and PMS is to be planned for all managers. Recommendation. KPI's need to be reviewed again, and work to be done with consultants to sell the need for PMS to all managers.</p>

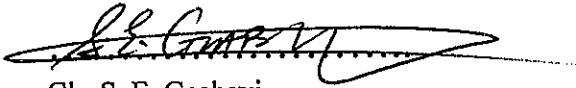
During the meetings, the Committee called on various officials and the Chairperson of the Audit/ Performance Audit Committee to provide information, comment and advice. The minutes of the meetings are attached hereto for reference as required in the legislation.

Oversight Report on the 2014 2015 Annual Report

Recommendations of the Oversight Committee

The Oversight Committee resolves:

That the Municipal Council, having fully considered the Annual Report, adopts the Oversight Report and the Municipal Council approves the Annual Report without reservations.



Clr. S. E. Gcabayi

23/03/16..

Date

MINUTES OF THE OVERSIGHT COMMITTEE MEETING OF THE BITOU LOCAL MUNICIPALITY HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, PLETTENBERG BAY ON TUESDAY, 15 MARCH 2016 AT 09H00

1. OPENING

The meeting convened at 09h00, under the Chairpersonship of Councillor S E Gcabayi.

2. ATTENDANCE

The Attendance Register of members of the Committee and specialist invitee, Mr Ivan Boardman as well as the officials who attended are attached hereto as Annexures.

3. APPLICATION FOR LEAVE OF ABSENCE

None

4. ITEM FOR CONSIDERATION

Resolution OC/1/03/16

OVERSIGHT REPORT ON THE DRAFT 2014/2015 FINANCIAL YEAR ANNUAL REPORT

Department: Strategic Services

File Ref: 3/2/2/3/1

The Oversight Committee recommends adoption of the Bitou Municipality 2014/2015 Annual Report, without any reservations. In coming to the above recommendation, the Oversight Committee considered and discussed the following matters, which it wishes to bring to the attention of the Council:

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The Oversight Committee takes note, with appreciation, of the "Clean Audit Report" received from the Auditor General	None

<p>Restatement of corresponding figures Committee would like the number of restatement incidences to decrease, as many of the contentious items have been resolved.</p>	<p>There is an amount of R87 000.00 due to invoices that were discovered after three months in the current financial year, the Auditor General's Office will have to make the call if the Municipality will need to make a restatement or not. Restating incidences have decreased over the last three years. The process of unbundling of assets were completed in the financial year. Recommendation. A trial run on the AFS information before the end of the year should reduce the need for restatements.</p>
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<p>LED</p> <p>Structure of department, Economic Development forum, Economic Summit.</p>	<p>The LED section is vital in the future planning of the Municipality and Community, and needs a leader .</p> <p>An Indaba (Economic Summit) has been planned , to take place and Councillors and Officials should discuss the matter on what is expected and the way forward.</p> <p>Recommendation.</p> <p>Fast track the employment of a LED manager. Plan to have Economic Summit as soon as possible.</p>
<p>Overtime.</p> <p>The increase in Overtime is disturbing.</p>	<p>The structure of overtime planning is not totally in place, as the final staffing structure in the Municipality has not been completed. Overtime is still needed, but must be planned to control employees who are told at the last minute that they have to work overtime. Management are working on solutions to plan overtime optimally.</p> <p>Recommendation.</p> <p>Resolve the problem of excess overtime costs</p> <p>As soon as possible.</p>
<p>Waste Management</p> <p>Work still has to be done to control the Dispersion of all waste.</p>	<p>Lawyers representing Whale Rock Heights Residents requested a High Court order to get the Municipality to cease operation at the main waste dump. Documents have been served and the Department Community Services and Legal Services are dealing with the court case matter.</p> <p>The Transfer Station is completed and started operating – The Municipality are currently managing the site internally.</p> <p>The Municipality had tendered for the transportation of waste, which was cancelled due to all bidders not meeting some of the criteria, but will redo the tender for the transportation of Waste – In the meantime the previous contractor is being used. Driver tests have been used to see how to use the containers, and trucks has dumped waste at the Transfer Station and have been using the compacting machines, filling the containers and transferring waste.</p>

	<p>The department is working together with the Department of Environmental Affairs to find the best suitable solution to dump building rubble and garden waste.</p> <p>The recycling system and participants are been monitored by Municipal officials.</p> <p>Councillors have been invited to visit the Transfer Station to observe how it is operating. There will be an official opening of the Transfer Station. Employees working in the waste management section will all be moved to the Transfer Station.</p> <p>Recommendation.</p> <p>That the Bitou community and the wards are made aware of the way forward for waste elimination.</p>
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Recommendations of the Oversight Committee

The Oversight Committee resolves:

That the Municipal Council, having fully considered the Annual Report, and having considered the concerns raised, adopts the Oversight Report and the Municipal Council approves the Annual Report without reservations.

5. CLOSURE

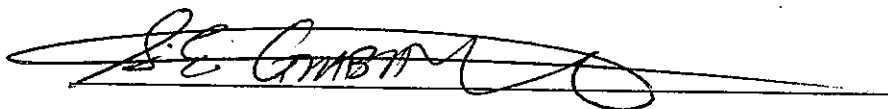
The meeting was declared terminated by the Chairperson on 15 March 2016 at 14:30

CONFIRMED AND SIGNED

DATE


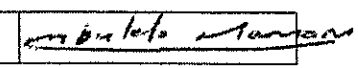
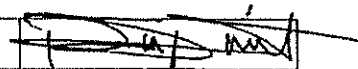


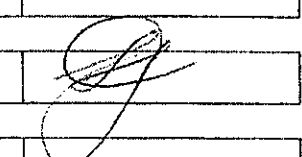
23/03/16

SIGNATURE:



The Chairperson, Councillor S E Gcabayi

ATTENDANCE REGISTER
BITOU LOCAL MUNICIPALITY

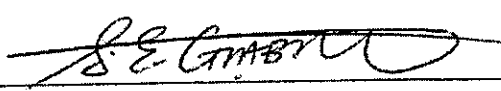

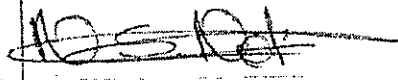
OFFICIALS		
<u>DESIGNATION</u>	<u>NAME</u>	<u>SIGNATURE</u>
Acting Municipal Manager	Mr D Friedman	
Acting Chief Financial Officer	Mr M Memani	
Head Corporate Services	Mr R Smit	
Head Engineering Services	Ms P Ngqumshe	
Head Community Services	Mr M Stratu	
Manager Strategic Services	Mr G Groenewald	—
Acting Manager SDBIP/PMS & Compliance	Mrs L Jansen	

ATTENDANCE REGISTER

BITOU LOCAL MUNICIPALITY

MEETING OF THE OVERSIGHT COMMITTEE OF BITOU LOCAL MUNICIPALITY HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, PLETTENBERG BAY, ON TUESDAY, 15 MARCH 2016 AT 9h00

MEMBERS	
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<u>NAME</u>	<u>SIGNATURE</u>
Councillor SE Gcabayi (Chairperson)	
Councillor WR Craig	
Councillor N Ndayi	
BY INVITATION	
Mr. I Boardman	