

ANNEXURE A



BITOU MUNICIPALITY PLETTENBERG BAY

OVERSIGHT REPORT ON THE ANNUAL REPORT 2023/2024

This Oversight Report is based on Annual Report 2023/24 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act, Act 56 of 2003.

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FOREWARD BY CHAIRPERSON

To the community of Bitou, it gives me great pleasure to present the Oversight Report of the Municipal Public Accounts Committee (MPAC) on the 2023/2024 Annual Report.

The MPAC considered and evaluated the 2023/2024 Annual Report and monitored that all submissions and calls for comment were undertaken as per Section 127(5), Section 130 and Section 132 of the MFMA.

Bitou Municipality’s financial performance and position remained stable, mainly due to the proactive response by leadership to drive financially sustainable decision, while balancing the needs of the community and businesses in the Plettenberg Bay area. The policy choices of today strive to build a greener, more inclusive and more resilient tomorrow. There is an opportunity to chart a path that empowers everyone to face the future with confidence.

Finally, on behalf of the MPAC, I would also like to thank the Departments for their support during the Oversight process. A word of thanks must also be given to the Office of the Auditor General and the Audit Committee for their input in the 2023/2024 Annual Report and Oversight process.



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COUNCILLOR R WILLEMSE
CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. INTRODUCTION

The Annual Report is one of the key instruments for transparent and accountable local governance and accountability. It is a post- fiscal year document that provides an overview of the financial and non-financial performance concerning the previous financial year, which in this instance relates to the 2023/2024 financial year. The Local Government: Municipal Finance Management Act, Act 56 of 2003, stipulates that the Annual Report must be tabled in and passed by the Municipal Council.

2. PURPOSE OF THE REPORT

To present the Oversight Report on the Annual Report of Bitou Municipality, as required by legislation, and submit the Recommendations to Council for consideration.

3. LEGAL FRAMEWORK

Section 129 of the Municipal Finance Management Act states that:

In terms of section 129 of the Local Government Municipal Finance Management Act, Act 56 of 2003, the Council of the municipality must consider the Annual Report of the Municipality and of any Municipal entity under the Municipality's sole or shared control, and by no later than two months from the date on which the Annual Report was tabled in the Council in terms of Section 127, adopt an Oversight Report containing the Council's comments on the Annual Report, which must include a statement whether:

- a) The council has approved the Annual Report with or without reservations.
- b) Has rejected the Annual Report.
- c) Has referred the Annual Report back to the revision of those components that can be revised.

The Act further states that during this process, the Accounting Officer must.

- a) Attend Council and Council committee meetings where the Annual Report is discussed, for the purpose of responding to questions concerning the Report; and
- b) Submit copies of the minutes of those meetings to the Auditor General, the relevant Provincial Treasury and the Provincial Department responsible for Local Government in the province.

3.2 DELEGATION OF AUTHORITY

The Council, in its meeting of the 27 January 2025, resolved as follows:

1. That cognizance be taken of the tabling of the 2023/2024 Draft Annual Report and the timeframes related to the adoption and publication.
2. That the Annual Report be submitted to MPAC to consider and evaluate the 2023/2024 Draft Annual Report to provide a detailed analysis and review thereof, and to submit an Oversight Report to Council by the 31 March 2025.
- 3, That the 2023/2024 Draft Annual Report be submitted to the office of the Auditor General, Provincial Treasury and the relevant Provincial Department responsible for Local Government.
4. That the Accounting Officer forthwith publishes the 2023/2024 Draft Annual Report for public comments and recommendations.

3.3 CIRCULATION OF THE ANNUAL REPORT

Immediately after the Annual Report has been tabled by the Council, the Accounting Officer must.

- a) In accordance with section 21A of the Municipal Systems Act, 2000 (Act 32 of 2000)
 - I. Make the Annual Report public; and
 - II. Invite the local community to submit a presentation in connection with the Annual Report; and
 - III. Submit the Annual Report to the Auditor General, and the relevant provincial treasury and the provincial department responsible for local government in the province.

The 2023/2024 Draft Annual Report was published in the printed media (notice number: 22/2025), as well as on the Municipal Website on 27 January 2025 where interested parties/public were invited to comment on the Draft Annual Report.

The public was invited to comment on the Annual Report and the closing date for comments was determined to be the 7th of March 2025.

The Annual Report was further submitted to the Auditor General and Provincial Treasury: Western Cape Provincial Government as required by legislation.

Copies of the Draft Annual Report were also made available at the following Municipal locations:

1. Municipal Office, Sewell Street, Plettenberg Bay
2. Municipal website: www.bitou.gov.za
3. Municipal Office, Qolweni
4. New Horizons Library, Saringa Street, New Horizons
5. Green Valley Library, Wittedrift
6. Kurland Library, The Craggs
7. Public Library, Melville's Corner, Plettenberg Bay
8. Kranshoek Library, Kranshoek
9. KwaNokuthula Library, KwaNokuthuala

3.4 INFORMATION RECEIVED

- Auditor General's Report – in terms of Section 126 (3) of the MFMA
- Annual Financial Statement of the Municipality – as per Section 122 of the MFMA
- The performance Report is included in the Annual Report– as per Section 46 of the Municipal Systems Act
- The APAC Report forms part of the Annual Report.
- Public comments from the Plettenberg Bay Ratepayers Association.
- Comments from Provincial Treasury.

4.1 BITOU MUNICIPAL PUBLIC ACCOUNT COMMITTEE



MPAC CHAIRPERSON
R. WILLEMSE (DA)
PROPORTIONAL REPRESENTATIVE



WARD COUNCILLOR
N. SETI (ANC)



WARD COUNCILLOR
D. SWART (DA)

WARD COUNCILOR
C. TERRBLANCHE
(PDC)



4.2 MPAC is responsible, among other things, for:

- a) Considering and evaluating the Annual Report as tabled in the Council, and thereafter, make recommendations to the Council in this regard.
- b) Compiling the Oversight Report and table it in Council and making recommendations for consideration.

4.3 MEETING ATTENDANCE

For the purpose of complying with the requirements above, the Municipal Public Accounts Committee met on the dates listed below to consider and discuss the content of the Annual Report and get clarities from relevant departments.

MPAC ANNUAL REPORT PROGRAME WITH DEPARTMENTS

MPAC MEMBER	AFFILIATION	7 February 2025	11 February 2025	20 February 2025	04 March 2025	07 March 2025
Renicia Willemse	Democratic Alliance	Present	Present	Present	Present	Present
Nokuthula Seti	African National Congress	Present	Present	Present	Apology	Present
David Swart	Democratic Alliance	Present	Present	Present	Apology	Present
Claude Terblanche	Plett Democratic Congress	Present	Absent	Present	Apology	absent

5 DISCUSSION

The MPAC Committee met on the dates listed above to discuss the 2023/24 Draft Annual Report and for compilation and approval of Oversight Report. The Annual Report 2023/24 was advertised for public input and comments, immediately after the Council meeting of the 27 January 2025. The deadline for public comments was the 7th of March 2025. The Committee received input from the Plettenberg Bay Ratepayers Association.

The Draft Annual Report was also submitted to the Provincial Treasury and Provincial Department of Local Government as well as the office of the Auditor General. Further to the above platforms, the Annual Report was also placed on our communication website as per Notice number 22/2025.

6. APAC OBSERVATION:

FINANCIAL CONTROLS

Through the quarterly reviews of the financial information presented to the APAC, the APAC wishes to raise concern over the following high-risk areas which threaten the medium - long-term financial sustainability of the municipality:

- The ever-increasing consumer debt balance
- Major water losses
- Electricity losses, although some improvements have been reported in this area
- Unspent capital grants, resulting in roll-over applications which could potentially be rejected
- Excessive overtime payments

The CFO reported that the cash flow was sufficient to meet the short- and medium-term operational requirements but is not sufficient to sustain operations in the long term. It is of the utmost importance that all parties play their role to enhance the cash flow position through savings and austerity measures as well as the stringent application of the cost containment policy.

The APAC recommended that

- Regarding the recovery of outstanding staff debt: the monthly deductions should not be limited to the basic salaries of the employees. Outstanding staff debt should also be recovered from overtime payments as well as from the annual bonuses of the relevant staff members.
- Traffic fine revenue should be better managed to ensure completeness. Appointing a clerk to perform monthly reconciliations will assist in this regard.
- Improving Cost Containment measures amongst others
 - o by reducing reliance on consultants and ensuring skills transfer, where possible, when consultants are utilized
 - o by reducing overtime through the implementation of an overtime reduction strategy and
 - o by making it a KPI for directors to remain within their department's overtime budget

EVALUATION – DRAFT ANNUAL FINANCIAL STATEMENTS

Despite a well-drafted AFS preparation plan having been in place, the drafting and finalization of the Annual Financial Statements did not progress as planned. It is essential that all the officials adhere to the timeframes as per the AFS preparation plan to ensure that a quality set of AFS is presented to the AG(SA).

APAC

- reviewed the municipality's annual financial statements for the 2023/24 financial year
- reviewed the draft annual performance report for the 2023/24 financial year before submission to AGSA for audit purposes.

The APAC took note of AGSA's management report and will be monitoring management's response and corrective measures thereto on a quarterly basis.

The audit opinion regressed from a Clean Audit for the 2022/23 financial period to an Unqualified audit opinion with findings for the 2023/24 financial year. The APAC concurs with and accepts AGSA's opinion and report on the municipality's Annual Financial Statements for the 2023/24 financial year.

INTERNAL AUDIT

The systems of internal control are the legislative responsibility of the Municipal Manager and senior management as required by the MFMA, read in conjunction with National Treasury Audit and Risk Framework, MFMA Circular 65 and International Standards for the Professional Practice of Internal Auditing.

Internal Audit reports functionally to the APAC on a quarterly basis, including on the execution of the internal audit plan. The APAC is satisfied that Internal Audit conducted its audits following the Standards for the Professional Practice of Internal Auditing as set out by the Institute of Internal Auditors. The assurance reports issued together with recommended remedial action are considered adequate.

The following internal audit work was completed during the period under review:

- Risk Management Quarters 1, 2, 3 and 4 of 2023/24
- Performance Management System Quarter 1, 2 and 3 of 2023/24
- 2021/22 OHS Follow-up Review
- 2023/24 Proclaimed Roads Conditional Grant Review
- 2023/24 OPCAR Review
- 2023/24 DORA
- 2023/24 Cash Count
- 2023/24 Annual Stock Count
- Fleet Management
- Various Ad-hoc audits

The Acting Chief Audit Executive requested the APAC's approval to amend the 2023/24 Risk Based Internal Audit Plan due to capacity constraints caused by

- a vacant position that was not filled during the financial period due to the moratorium placed on the filling of vacancies and:

-

the resignation of the CAE during March 2024. The following changes to the 2023/24 internal audit plan were approved during the period under review:

- The Asset Management operational audit was removed from the 2023/24 internal audit plan, to be reconsidered for inclusion in the 2024/25 internal audit plan
- The time availed due to the removal of the Asset Management audit would be partly allocated to AdHoc audit requests from the office of the MM

The Internal Audit Unit reported that it had completed 99% of its planned audits for 2023/24 as of 30 June 2024, which is highly commendable.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Occupational Health and Safety APAC noted with concern that the base line Safety Risk Assessment as required by the OHS Act had not been performed and recommended that this matter receives urgent attention.

mSCOA

The on-going non-compliance regarding mSCOA remains a key focus area together with the risks associated with this non-compliance.

The APAC is concerned about the slow progress made of becoming fully mSCOA compliant as well as the continuous moving of the goal post. A concerted effort should be made to fully implement mSCOA by no later than 30 April 2025 to allow sufficient time to iron out challenges before 30 June 2025.

Fruitless and wasteful, irregular expenditure and unauthorized expenditure.

Irregular Expenditure as well as Fruitless and Wasteful expenditure are not dealt with timeously and effectively by MPAC. The chairperson of the Disciplinary Board has indicated that there is room for improvement as far as the functioning of the Disciplinary Board is concerned.

CORPORATE SERVICES

Policies

The APAC encourages the municipality to consider the environmental impact and long-term environmental sustainability of natural resources when drafting and adopting policies, whenever possible, such as

- Incentivize and promote the development and use of renewable energy sources
- Develop policies that promote sustainable urban planning and the prescription of energy efficient standards for new developments.
- Providing facilities for waste to be separated for recycling and to encourage recycling within the municipality.
- Implementing policies that promote sustainable forestry and fishing practices.

Suspended Employees

The extended time that it takes to conclude disciplinary cases remains a concern as these delays come at a cost to the municipality. During the periods of the suspensions, the municipality incurs costs, amongst others

- salaries to officials on suspension
- acting allowances in relation to those positions.

ENGINEERING SERVICES

Fleet Management is an area that needs intervention.

- The controls over the vehicles and related matters, such as the use of municipal fuel cards, needs to be improved.
- The Fleet policy needs to be reviewed.

Airport maintenance, particularly the runway surface, has been neglected. The resultant suspension of the license could have significant long-term negative implications for Bitou. Converting all streetlights to solar powered lights is advisable.

RISK MANAGEMENT

Mr. M Hennessy, one of the APAC members who chairs the Risk Management Committee, provides a report on Risk Management to the APAC at quarterly meetings to keep the APAC abreast of matters relating to Risk Management within the municipality and to afford the APAC the opportunity to provide its oversight of the risk management process of the municipality as required by section 166(2)(a)(II) of the MFMA.

The Risk Management Committee continues to contribute effectively to identifying high risk areas. From the Risk Management Committee's report, it is evident that the risk environment is constantly improving, moving towards a mature compliant approach and providing a sound base for risk management at the Municipality.

APAC CONCLUSION

It is important that a conscious effort to address the noted APAC concerns is made on a systematic basis, failing which the oversight of the APAC becomes irrelevant.

7. MPAC's CONCERNS

The Municipal Public Accounts Committee has noted that Bitou Municipality has received an Unqualified Report with findings for 2023/2024 financial year. The Committee wants to bring to the Council's attention the concerns by the

8. CONCLUSION

The Oversight process for the Annual Report of 2023/2024 is herewith concluded, and as MPAC, we believe that the Annual Report of 2023/2024 is a true accurate reflection of Bitou Municipality's financial and non- financial performance for the 2023/2024 Financial year. As Chairperson of MPAC, I would like to thank the Municipal Public Accounts Committee members, the Executive Mayor, and Council at large, the Municipal Manager/Directors/ Senior Managers for their contribution in Developing and finalizing the Draft Annual Report of 2023/2024. Your constructive commitment and diligence during this period are noted and appreciated.

After evaluating the content of the Annual Report and taking into consideration all representations received from the public. comments and deliberations at MPAC meetings with departments, Audit Committee's report in the Annual Report, and the comments from the Auditor General and Provincial Treasury, **it is recommended that the 2023/2024 Annual Report be adopted without reservations**

RECOMMENDED RESOLUTIONS TO BE ADOPTED BY COUNCIL

MPAC resolved to recommend to the Council that:

1. The Municipal Public Accounts Committee having fully considered the Bitou's 2023/2024 Annual Report, recommends that:
 - a) The Oversight Report on the 2023/2024 Annual Report (Annexure A) **be adopted**
 - b) The Bitou 2023/2024 Annual Report of 2023/2024 financial year be **approved** without reservations.
2. That the Accounting Officer, in accordance with section 21(a) of the Municipal Systems Act, Act 32 of 2000, makes the Oversight Report on the Annual Report of 2023/2024 public within seven days of its adoption by the Council.
3. The Accounting Officer submits the Oversight Report on the Annual Report of 2023/2024 to the Provincial Legislature within seven days after it has been adopted by the Council.
4. That the Accounting Officer monitors the progress of the Audit action plan that has been developed by Management to address all issues raised by the AGSA.
5. That the progress report on Audit action plan mentioned in four above, be presented to Council, APAC and MPAC quarterly.
6. That Council takes note of the comments from the Plettenberg Bay Rate Payers Association.

THE MPAC FEEDBACK REPORT ON DRAFT ANNUAL REPORT 2023/2024





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1. MPAC COMMENTS / FEEDBACK FROM DIRECTORATES

- 1.1. Directorate: Financial Services
- 1.2. Directorate: Engineering Services
- 1.3. Directorate: Community Services
- 1.4. Directorate: Corporate Services/ Town Planning & Development
- 1.5. Office of the Municipal Manager

1.1 FEEDBACK- FINANCIAL SERVICES

Page no.	Paragraph /Heading	comments	Responses	Responsible Department
Pg 2 of AGs report	Material losses	<p>Material Losses (Unaccounted Water Losses increased by 37.5%)</p> <p>- Causing Factors might be:</p> <ul style="list-style-type: none"> • Leakages • Incorrect billing of informal Settlement taps • Pipe bursts <p>MPAC wanted to know the plan of action to stop this from happening.</p>	<p>Main issue is that water is unaccounted for.</p> <p>There is a plan to install new metres and make sure that there is no distribution that will go out without being captured.</p> <p>Most of pumpstations for sewerage, waste removal and streetlights are not billed correctly, or the tariffs are low.</p> <p>Informal settlement areas where they share one tap, there is a possibility the water is not billed correctly.</p> <p>Control Measures</p> <ul style="list-style-type: none"> • There is a plan to install new metres and make sure that there is no distribution that will go out without being captured. • Proper capturing of indigent households • Fix all pipe leakages. 	Financial Services/Water Works/Community Services/Engineering
TL 7	Key indicators not achieved	<p>Underspending:</p> <p>Spend 95% of the municipal capital budget on capital projects by 30 June 2024.</p> <p>MIG vs Capital funding</p>	<p>When Departments make commitments, wait long because Province must first approve roll overs.</p> <p>MM / Directors/User Departments are on it.</p> <p>Another example is the issue of the library- got grant from Province for service delivery and then R7M was paid to SARS but the fact is that it's not Bitou's mandate.</p> <p>The second one is Housing grant- books show its R32M. On the reconciliation it shows Province is owing R9M of the R32M.</p> <p>(Report will submitted by end of February)</p>	All Departments
Pg 202		<p>Irregular Expenditure (6.6)</p> <p>What is minimum service level.</p> <p>Operational Expenditure- what does "Other" refer to in the diagram?</p>	<p>External Services</p> <p>Appointment of staff</p> <p>Grant in Aid</p> <p>Bad Debts =R54M</p> <p>Assets/Debt impairments R37M</p> <p>Debtors R28M</p>	Finance Department will submit outstanding report to MPAC

		On Traffics- Disclosure of material loss	The contract for cameras expired and municipality had to sit without service provider. This is becoming worse. Solution Using technology- <ul style="list-style-type: none"> • WhatsApp More effective technology than relying on fines. <ul style="list-style-type: none"> • Knocking/Delivering fines- system that will pull out names of people who are owing before expiry date. 	Finance Department
Pg 110 Pg 112. Notes	1.Unauthorized Expenditures. 2. Fruitless & Wasteful Expenditure	UIWF	Asset Register- R129 242 Non-cash items -RR32 744 Unauthorized (community Services and Bad debts) Office of the MM – R1 179 956.00 Fruitless & Wasteful Expenditure (report still coming to MPAC) Pay as you earn / SARS - old cases	Finance Department

1.2 FEEDBACK – ENGINEERING SERVICES

Page no.	Paragraph /Heading	comments	Responses	Responsible Department
Pg 2 of AG's Report	Material losses	Undocumented or unexplained water loss , and what action will be taken to prevent the recurrence. (take note of illegal connections, burst pipes repair leaks and farms). Strategy to compel communities to comply with regulations.	The Department has employed a company that specializes in water control and water conservation management. They go to every single household in the area. They developed an APP that records GPS of the meter number, serial number, and size of the meter, and they check inside if there is any leakage. They then send the meter and serial number to the manufacturers, and it is easy to see the meters that are not registered on the system and identify the old ones. This promotes accuracy. The same process can be used at schools to measure water usage. In terms of the budget, there is a provision for 2025/26 for two large projects, both dealing with water conservation and water demand management. The first one will deal with the repair of internal leaks and the estimated budget is R500 000. TO R600 00. The second one is the Bulk meter project which will be responsible for installation, replacement, networking, analysis and installation of air valves and pressure lowering valve. The estimated budget is R2.5million. Both projects will be catered in the 2025/2026 financial year. On the new Organisational. Structure, there is provision for two dedicated teams responsible for meters. The main aim is to sort out the meter billing system and assist corporate Finance with replacing the meters. NB. Fire department must have strategy to measure water tanks during disasters.	Engineering Services/
Page 5 of the APAC Report	Fleet Management – needs intervention	Fleet Management	The Risk section has identified weaknesses as far as petrol/cards is concerned. The Engineering Department has introduced a standard procedure that must be followed by both the Supervisor and the driver. Every user department must give petrol cards and must account where and when it was used. Policy is always renewed, and the current one must be sent to Council for adoption.	Engineering Serviced/ User departments.
Pg 5 of the APAC Report	Airport Maintenance, particularly the runway surface, has been neglected & Restaurant License that is suspended.	Airport Maintenance- the runway surface has been neglected. The resultant suspension of the license could have significant long term negative implications for Bitou.	There is a great need for a qualified Engineer to do proper assessment of the runway.	Engineering Services
TL 34, Pg 5 of AG Report	Underspending	Underspending - upgrading of Kurland WTW	The Department went out on tender November 2023 and there were number of issues in awarding the tender which led to cancellation. Correction Measures	Engineering

			<p>Last year, Contractor had been appointed for the pre-planning and design and the next step is look at full design to see if everything is in place. The challenge was that the Department of Water Affairs failed to approve the application of R1.2Million. There were internal arrangements made for a project to go ahead and is now expected to be finalized to be fully operational by April 2026.</p> <p>Performance Comment As a result of critical vacancies being filled, performance in the Department is slow.</p> <p>Corrective Measure Vacant positions to be filled.</p>	
TL 30 Pg 5 of AG Report	Approved Capital Budget	Storm Water - Underspending Budget by 67%	The housing was still under Fezile Maki's KPIs. He will be the right person to respond. The Engineering Services will take over in the next financial year.	Engineering in the next financial year
TL 38 Pg 5 of AG Report	Capital Budget for Brakkloof	Brakkloof – No spending of the allocated 95% budget	Performance Comment: Consultants currently are busy with design Phase. Correction Measures: As a result of the critical vacancies not filled, performance in the department is slow. Vacancies must be filled.	Engineering
TL 11 of the AG Report	Connection for residential properties	Electricity		Engineering

1.3 FEEDBACK – COMMUNITY SERVICES

Page no.	Paragraph /Heading	comments	Responses	Responsible Department
Pg 147 Performance Report	Employees: Law Enforcement	Law enforcement- When will the vacant positions be filled	All positions are filled. The two remaining will be filled soon.	Community Services.
Pg 147 Performance Report	Employees: Law enforcement	Staff Development -	Most of the staff are coming from outside with expertise and the locals started as EPWP.	Community Services
Pg 152 of Performance Report	Control room & CCTV surveillance room	CCTV Cameras-	Responsibility is now under Disaster Management Section and is in a process of merging with Customer Care.	Disaster Management
Pg 152 Performance Report	Disaster Management Plan	Disaster Plan	Plan was submitted to Council, now needs to be updated and aligned with required standard.	Disaster Management
TL 25 of AG Report.	Limit unaccounted for water to less than 30% by June 2024	Water Losses	<p>Causing Factors:</p> <ul style="list-style-type: none"> • Initiation Period in African Communities • : Unbilled water tanks from Fire Station. <p>Solutions</p> <ul style="list-style-type: none"> • Ebenezer Housing Project. This will soon come to an end as the constructors are now busy with underground services. • Fire Station water works must solve the challenge of unbilled water tanks. 	Community Services/Engineering/Water Works.
Pg 6 of APAC Report	Section should be better managed to ensure compliance	Traffic Fines	<p>Control Measures & Revenue Enhancement)</p> <ul style="list-style-type: none"> ❖ Sending SMSs reminding transgressors about fine. ❖ Settle your fine before renewing licenses. ❖ Set targets for every Law enforcer. one must have two drunk and driving case for month and or seatbelt cases. <p>PROPOSAL Own Municipal Court that can deal with +/- 300 cases.</p> <p>Challenge</p>	Community Services

			Two unfunded Vacances, Superintendent and deputy not filled. Currently MM/Budget office/CFO are looking at how ideally these posts can be funded.	
Pg 152 Performance Report	CCTV/ Customer Care	Staff Moral in Call Centre. -where information is not accurate/effective	-There is a shift where Call Centres are using Software, so information is accurate. -Labour related matters are not resolved yet.	Customer Care/ Community services.
		Illegal Dumping – Causes Impact of Spaza shops, Builders and how this can be resolved	This is a national issue that needs collective approach. Currently all wards have skips. Communities compliant, fines are issued for non- compliant. The proposed Municipal Court might be useful in dealing with culprits. All Spaza shops are expected to adhere to National call of registering all Spaza shop. Use Ward meetings to conscientize people about consequences of illegal dumping.	Councillors/Ward committees.
		Airport – Staff and equipment	Staff has been transferred back to Engineering Services. Equipment/ furniture - Corporate Services will be in better position to answer and/or Asset Manager. Fire fighters are back at Fire Station.	Engineering/Community Services/Finance

1.4 FEEDBACK – CORPORATE SERVICES/ TOWN PLANNING & DEVELOPMENT

Page no.	Paragraph /Heading	comments	Responses	Responsible Department
		Legal Matters		Corporate Services
		Suspended Employees- Plan of Action to reduce that from recurring	HR responsibility and not Legal Services. Currently the Report shows that cases have been reduced extensively. There is a process where Chairpersons/Initiators are appointed to deal with outstanding cases within three months, in line with collective agreements. compliance is expected in this regard. There are incidents where Officials are disciplined and kept them at workplace	Corporate Services
		AG highlighted the need to Review Policies.	HR is in a process of reviewing its Policies. Service Provider will be appointed with the aim to rectify what AG has highlighted.	HR
		Occupational Health & Safety	Act says, Municipalities must establish Committees that must sit and table/consider Reports before they can be sent to Section 80 Committees, Mayco. Then to Council. It has been identified that this Committee does not have the Terms of Reference as guiding document. This will be rectified soon. Other Sections in the Department are doing fine.	Corporate Services
Pg 51		Resistance to Change	The Department will submit to the Committee Strategic Session Report which contains a solution to this. (Document will be submitted to MPAC Committee)	Corporate Services
		Skills Development	16 people will be graduating with NQL7People will be allowed to study up to master's level. Skills Development Policy will have a Retainer claw where Institutions will lock the employees in a certain period or pay back the money spent on the.	Corporate Services
		Equity Plan	Council has approved the establishment of Equity Plan. Equity Policy needs to be reviewed and see if it's in line with regulations. Recently, W.C Local Government issued Circular on Chapter 4 of Staff Regulation. Municipalities were to complete a questionnaire, which seeks to provide intervention, and they will send experts to assist with staff Regulations. Bitou will be fully compliant by May next year.	Corporate Services
		Declaration of Interest (BID Committee)	Declaration Register is with Finance Department.	Financial Services
		Telkom Contract	This issue has been finalized. Bitou picky bagged with National Treasury, who had a list of service providers, and Telkom is part of them. Previously, their contract lapsed. It has now been reviewed for 24 months, and the matter is now resolved.	Corporate Services
		Documents to be submitted to MPAC as evidence.	<ol style="list-style-type: none"> 1. Tender document for reviewing Policies. 2. Circular from W.C Local Government - Performance Intervention 3. Strategic Document - Resistance to change 	Corporate Services

1.5 FEEDBACK – LOCAL ECONOMIC DEVELOPMENT & TOWN PLANNING

Page no.	Paragraph /Heading	comments	Responses	Responsible Department
Pg 128	Land transgression	Continued Land Transgression, penalties	There are penalties in the Tariffs for this year, enforcing is always crucial	Town planning
Pg 127	Shell Ultra Development	Shell Ultra Development	Started as Humen settlement related project and still reflects as such. It was later considered as middle-income project, suppose to cater for R750 000.TO R1000 000.Tender went out and awarded. There were objections against it. Court case is still ongoing.	Town Planning

Dear MM Office

Trust all is well, it's unfortunate that we didn't have the opportunity to have this discussion in person. MPAC is interested in what plans your Directorate has put in place to ensure that these findings do not re-occur for the 2024/5 financial year.

1. Pg 73/ Pg 3 AG report KPI not met: What is the plan of action to ensure that all KPI are met, and that allocated budget is spent in budgeted year.

TL7 - Spend 95% of the municipal capital budget on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects) X100}

Tenders have already been awarded for the infrastructure projects and spending is continuing in the 2024/25 financial year. The WWTW civil works are complete and the Mechanical and electrical work will commence forthwith to ensure completion in 2024/25. Funding will be rolled over in the first rollover budget

TL10 – Number of residential properties with piped water which can be, or are, connected to the municipal water infrastructure network and billed for the services as at 30 June 2024

The rollout of the Human Settlements program, coupled with the increase in development in the municipality's area of jurisdiction will in all probability increase the number of connections and therefore the units of services rendered to consumers. If found to be unachievable, the target will be reconsidered upon the mid-year performance assessment for adjustment.

TL25 - Limited unaccounted for water to less than 30% by 30 June 2024 {(number of kilolitres water purchased or purified – Number of kilolitres water sold) / Number of kilolitres water purchased or purified X 100}

The municipality will intensify water conservation and demand management efforts. The water services section in collaboration with finance department as well as the revenue enhancement section will visit all service points to ensure accuracy of meter devices to reduce unaccounted losses

TL27 - Spend 95% of the approved capital budget for Waste Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100} (excluding Fleet)

Unspent grant funding resorting under Humans Settlements. Ebenezer (Phase 3, Portion 1): New Sewer - R 1,1170m Qolweni/ Bossiesgif Phase 4B: Upgrading of Sewer - R 2,450m (June 2024) Human settlements tenders have been awarded, and the execution of the projects will be completed in the 2024/25 financial year

TL28 - Spend 95% of the approved capital budget for Electrical & Mechanical services by 30 June 2024 (Total actual capital expenditure /Total capital amount budgeted) x100} (excluding Fleet)

The execution of the electrification of informal settlements program is dependent on the execution of the Human Settlements program and the project will therefore be completed in the next financial year as the human settlement rollout progresses. Asset replacements are budgeted annually as the need arises and in accordance with the asset maintenance, refurbishment and replacement strategy

TL29 - Spend 95% of the approved capital budget for Water services by 30 June 2024 (Total actual capital expenditure /Total capital amount budgeted) x100 (excluding Fleet)

Tenders are in process of being awarded for the completion of the infrastructure projects and spending is continuing in the 2024/25 financial year. The WWTW civil works are complete and the mechanical and electrical work will commence forthwith to ensure completion in 2024/25. Funding will be rolled over in the first rollover budget

TL30 - Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted) x100}(excluding Fleet)

The outstanding matters will be dealt with in the next financial year in respect of the storm water upgrades, the spending on human settlements related projects are underway and will be expedited in 2024/25. The balance of funding will be rolled over

TL32 - Spend 95% of the allocated capital budget for Fleet Management by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted) x100}

Future budgetary allocations will be made under the relevant departments to ensure appropriate accountability and performance on capital programs

TL34 - Spend 95% of the budget allocated for the upgrade of the Kurland WTW (from 0.6ml to 1.2ml) by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted) x100}

The mechanical and electrical components of the project will be executed in the 2024/25 financial year, after the approval of the rollover of the funding.

TL36 - Spend 95% of the budget allocated for the electrification of informal settlements (Bossiesgif; Qolweni and Kurland) by 30 June 2024 (Total actual capital expenditure /Total capital budgeted) x100}

The execution of the electrification of informal settlements program is dependent on the execution of the Human Settlements program and the project will therefore be completed in the next financial year as the human settlement rollout progresses

TL38 - Spend 95% of the allocated capital budget for the Brakkloof new 20MVA 6/11KV TRF by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}

The project was moved to the outer year as the way leave from SANRAL was not yet granted therefore, the project is included in the 2024/25 capital program where it will be executed

2. Fleet management: As Raised by APAC – Better control
If proper fleet management was in placed, it will improve services delivery (Grass cutting).
Miscellaneous Fuel cards are being better managed, as when we took over from Finance section we implemented a permission slip for the use of a miscellaneous fuel card.(see attached)
Estimated 50% reduction in the use of Miscellaneous fuel cards.
The current Fleet management Policy is under review and has been submitted to Legal for input.

3. PG 2 AG report
 - Water losses: We have systems in place but is not monitored as then assigned person is in the field. (Collab system)
Water services record all bulk meters on the 1st day of each month to determine Treatment Losses and System Input Volumes. Once we received the Billing data from Income section, we calculate the NRV and Water losses.
The Revenue Enhancement Project with appointment of PWC will greatly assist with “cleansing” of billing data.
At present the Loss Control Section within the Water Services Section responsible for attending to anomalies in domestic and bulk water meter queries only consist of 4 staff members. This section is responsible for the installation of all new water connections, replacement of faulty, leaking, and covered meters and needs to be capacitated to assist and work more closely with the Revenue section.
 - Write of Bad dept – It remains a concern as the amount of bad depts written of is increasing quarterly
The bad debt write off is in line with Councils approved Indigent policy that stipulates that “Approved indigent applicants will qualify for a debt write-off on arrears for the property applied for”
Further debt write off is in line with the “Writing off of irrecoverable debt policy” as was approved by Council. This policy provides for the 50% write-off of debt older than 12 months when a customer wishes to settle their account in full.

4. Pg 6 AG Report; Compliance with legislation- Prevention method to Prevent Irregular expenditure.
A full report will be submitted to MPAC during the month of March.

5. Pg 6 APAC report: Time period of Suspended employees (We are losing money with acting positions and authorised expenditure occur).
In terms of the Disciplinary Procedure Collective Agreement, precautionary suspension of employees shall be for a fixed and predetermined period of no longer than 3 months but can be extended for a further 3 months where circumstances hamper the conclusion of the disciplinary proceedings within the first 3 months.

Unfortunately, we've experienced situations where disciplinary proceedings dragged on for more than 12 months owing to circumstances beyond our control and meant that employees accused of serious misconduct were suspended for much longer than anticipated.

However, we are taking steps to prevent such situations and will recommend precautionary suspensions in exceptional and extremely serious circumstances only and further prioritise such disciplinary proceedings.

6. Pg 8 : Financial Statement the risk of material misstatements

The risk of material misstatements can only be addressed if all identified officials contributing to the submission of information for the AFS ensure that the information submitted on the due dates as contained in the AFS preparation plan, this will allow sufficient time for the compilation of the AFS as well as time for a proper internal management review as well as external and APAC review.

7. mSCOA – complaint

The administration is currently in process with the re-establishment of the MSCOA steering committees as well as the workstream committees to ensure compliance with MSCOA and the associated, soon to be regulated business processes. The administration is also in process to ensure that the core financial system and all modules and business processes comply with the MSCOA requirements and move towards a single ERP system that is fully integrated and can serve the whole municipality and all of its business processes.

8. Delay in action from Disciplinary Board for items dealt by MPAC

The DB functions in terms of the Financial Misconduct Regulations (MFMA) and it conducts investigations into financial misconduct if and when required to so by Council. After the conclusion of its investigations, it then recommends to Council the actions to take, if any.

The Board had several challenges with its functioning (administrative support) which the MM and senior management are now addressing.

Accordingly, any perceived undue delays will soon be a matter of the past.

9. Safety Risk assessment – Do we have a plan in place to secure

No Risk Assessment was done, except for our internal risk assessments that are done monthly by the Risk Management Section. Should a Safety Risk Audit be performed by a professional service provider, it will be of very high cost which at this stage cannot be implemented due to no funding.

Please feel free to add any comments that you would like us to consider in our oversight report, any highlights or low's.

Regards



Mrs R Willemse

MPAC Chair