



OVERSIGHT REPORT FOR 2009 / 2010

9 March 2011

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1. Introduction

In terms of the Municipal Finance Management Act and the Municipal Systems Act, municipalities must prepare an Annual Report for each financial year. The purpose of the Annual Report is to:

- Provide a record of the activities of the municipality;
- Provide a report on performance in service delivery and against the budget;
- Provide information that supports the revenue and expenditure decisions made; and
- Promote accountability to the local community for decisions made.

The 2009 / 2010 Annual Report was tabled in Council on 31 January 2011.

The final step in the reporting process is for Council to consider the Annual Report in the light of the findings contained in an Oversight Report. The Oversight Report must be compiled by Non-Executive Councillors and members of the community as it represents a separation of powers between the Executive (Council and the Administration) and is aimed at enhancing accountability and good governance.

2. Legislative mandate for the Oversight Report

Section 129 (1) of the Municipal Finance Management Act (Act No 56 of 2003) states that the Council of the Municipality must consider the Annual Report of the Municipality and by no later than two months from the date on which the Annual Report was tabled in the Council, adopt an Oversight Report containing the Council's comments on the Annual Report, which must include a statement whether the Council has:

- Approved the Annual Report with or without reservations;
- Rejected the Annual Report; or
- Has referred the Annual Report back for revision of those components that can be resolved.

3. Comments on the Annual Report

The requirements for the Annual Report as set out in the various Acts, together with an indication of the level of compliance are set out below.

3.1 Municipal Finance Management Act

Legislative requirement	Level of compliance
a) The annual financial statements are compliant with the generally accepted municipal accounting practices (GRAP)	Compliant
b) The Auditor-General's Report is to be included in the Annual Report	Compliant
c) Explanations to be included that are necessary to clarify issues in connection with the financial statements.	Compliant
d) An assessment on arrears on municipal taxes and service charges to be included.	Compliant
e) Corrective action taken or to be taken in response to issues raised in the audit reports.	Included at page 101 as an Action Plan

3.2 Division of Revenue Act

Legislative requirement	Level of compliance
a) The Annual Report to disclose: <ul style="list-style-type: none"> ▪ Details of conditional grants received from national and provincial spheres; ▪ Details of conditional grants received from other municipalities; and ▪ Details of grants made to any organs of state. 	Details of grants received and expenditure per quarter included on page 100
b) The extent to which the conditions of the grants were met.	Met conditions of grants
c) Information relating to outstanding debtors and creditors of the Municipality	Included in Annual Financial Statements
d) Information relating to the benefits paid to Councillors, Managers and officials.	Included on page 37

3.3 Municipal Systems Act - Municipal performance

Legislative requirement	Level of compliance
a) Has the performance report been included in the Annual Report?	Yes, on page 37 onwards
b) Have all the performance targets	Yes, on page 53

been included in the report?	
c) Does the performance evaluation in the Annual Report compare actual with planned performance?	Yes, but not all targets have been met
d) In terms of key functions or services, how has each performed?	Much room for improvement
e) To what extent have targets been achieved?	Much room for improvement
f) Are the Council and the Community satisfied with the performance?	See notes in paragraph 3.4 below
g) What actions have been taken and planned to improve performance?	Yes, from page 64 -73 onwards
h) Is there a correlation with the targets set for the Municipality and the targets set for the Municipal Manager and Heads of Department?	They are fully aligned
i) Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?	Much room for improvement
j) Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?	Room for improvement
k) To what extent have actions planned for the previous year been carried over to the financial year reported upon?	There was a rollover in MIG capital projects

3.4 Public Consultative Meeting

At a public consultation meeting held on 9 March 2011 Ward Committee Members had the following comments about service delivery in their respective areas:

Ward 1

- Progress has been made in the field of electricity and water. However, some areas within the Ward have water and others do not. It is encouraging though to see pipes and the installation of pipelines taking place.
- The Mayor of Mkhambathini pointed out that water tankering poses a problem as the tankers do not deliver water to where it is needed,

but instead they go to areas of the driver's choice. Water tankers do not supply water to schools in Ward 1 leading to early school closure on some days, and the hygiene of the water requires to be re-viewed road construction has not been completed. Water and electricity should be made a priority in Ward 1. In some cases there was tampering with the valves which prevented the flow of water.

Ward 2

- There is no water although the construction of a pipeline has been noted. The following progress in providing access to water has been noted:
 - There is no water at the moment;
 - One water tanker comes once a month;
 - There are insufficient water tanks;
 - The control over water tankering is problematic;
 - The adjacent Ward 3 gets water and why can this not also happen in Ward 2?;
 - Water should be provided using tankers while waiting for the completion of the water scheme.
- There is no electricity in the Ward.

Ward 3

- The main issue is the non access to potable water. Water tankering is insufficient with the result that the people are reliant on drawing water from the river. Water tankering control is problematic.
- In Ntweka there is no electricity and no proper roads.

Ward 4

- Access to potable water is the problem and the water tankers do not come frequently enough. There have been many promises since January 2011 about installing a water pipeline, but the progress on these promises is very slow. The District promised development after consultation with farm owners who have signed a letter of consent or agreement from, but the District is not responding.
- No electricity in the area.
- There are no toilets on the farms.

Ward 5

- There is no electricity in the area. The Mayor of the District said that the electrification of Maqonqo had been budgeted for, but at this stage nothing has materialised. Because of this problem a child died after falling down a cliff while collecting wood.
- Access to potable water is a problem and water tankering is unreliable. People have been waiting for as long as two months for water tankers to arrive. This problem was discussed with a representative from the District and it transpired that mechanical problems are being experienced with the water tankers and that they are also not going to other places.
- There is no water at the Tribal Court.
- A hall and a sports stadium are being vandalised. These facilities should be officially handed over to Mkhambathini Local Municipality so that control can be exercised.
- The Khonza fees are retarding development in the area.
- There is no housing development in the area.

Ward 6

- Water problems are being experienced at the Mpangisa Scheme. This has been reported to the District, but nothing has been done about it.
- The Makholweni Scheme is working 100%.
- Water wastage could be curtailed through education.
- The Nhlazuka Scheme is not fully functional.
- Water tankering is unreliable and is also not properly monitored by the District.
- There is no electricity at Mpangisa.

Ward 7

- There is no access to potable water and this poses an enormous challenge.

- Water tankering is unreliable and is also not properly monitored by the District. It takes as long as two months for a water tanker to arrive.
- In the Simonti area, there is no potable water and no electricity.

Ratepayers Association

- There is water in the area, but the billing is a serious problem. This is partially as a result of meter readings not being done.
- There is no free basic water of 6 kilolitres as promised.

General discussion

- Councillor M E Ngcono (Mkhambathini Local Municipality) pointed out that the Dwengu High School has been experiencing problems with full toilets and the District representative in the area, Mr Jabulani Dlamini, has failed to assist.
- The Mayor pointed out that community members can open and close valves themselves resulting in water not reaching the reservoirs. Fences should be erected around the reservoirs as some community members draw water directly from the reservoir.

4. Recommendations

In view of the above the Oversight Committee recommends that:

Council resolves that:

- a) The Council, having fully considered the Annual Report of the Municipality, adopts the Oversight Report; and
- b) Council approves the Annual Report with the reservations listed in paragraphs 3.1, 3.2, 3.3 and 3.4 of this Oversight Report.

OVERSIGHT PROCESS FOLLOWED

1. The general public and members of Ward Committees were invited to attend the Full Council meeting held on 31 January 2011 when the 2009 / 2010 Annual Report was tabled.
2. The Annual Report was then disseminated at strategic points throughout the municipal area with the invitation to make comments. The closing date for comments was Monday, 28th February 2011.
3. An Oversight Committee was appointed by the Executive Committee consisting of three non-executive Councillors and a Ward Committee Member from each of the seven Wards. Ward Councillors nominated the ward representatives.
4. The Oversight Committee convened on 9 March 2011 to consider the Annual Report against the legislative requirements and to make a recommendation to Council.