

ANNEXURE “A” OVERSIGHT REPORT: 2019/2020

MPAC MEMBERS:

Chairperson: Cllr J Du Toit

Cllr G van Niekerk

Cllr E Stroebe

Ald I Kritzing

Cllr J Fry

Cllr E Brown

Cllr H Ingo

Cllr L Langa

Ald P van der Hoven

Cllr D Guldig

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FOREWORD BY THE CHAIRPERSON

To the community of George Municipality, I am truly humbled by the opportunity provided to me, to present the Oversight Report of the MPAC on the 2019/2020 Annual Report. Even though it is not under normal circumstances this year due the COVID-19 pandemic, but work must continue to ensure accountability during the provision of service delivery to our communities. I would like to emphasise to the Council that this report is tabled by the MPAC to fulfil its legal obligations in terms of Municipal Structures Act, Act 117 of 1998 and the Municipal Finance Management Act, Act 56 of 2003 regarding the exercise of oversight.

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the establishment of MPAC of Council provides the appropriate mechanism through which Council fulfils its oversight responsibilities.

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration.

Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players. Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

- The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.
- Approval of budgets;
- Approval of Budget related Policies; and
- Review of the Annual Report and adoption of the Oversight Report

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council. On 31 March 2021, Council considered the draft 2019/2020 Annual Report of George Municipality and referred the Report to the Municipal Public Accounts Committee for further consideration and evaluation as well as the preparation of this Oversight Report.

The process that was followed for the consideration and evaluation of the 2019/2020 Annual Report can be summarised as follows:

DELIVERABLE AND PROCESS MANAGEMENT	DATE
Tabling of the Annual Report 2019/2020 in terms of Section 127(2) of the MFMA	31 March 2021
Tabled Annual Report submitted to AG, Provincial Treasury, Provincial Local	06 April 2021

Government	
Annual Report 2019/2020 made public in terms of Section 127(5) of the MFMA	03 April– 30 April 2021
Municipal Public Accounts Committee meeting to consider and evaluate the 2019/2020 Annual Report (MPAC interacts with the Municipal Manager, Directors)	06 & 12 May 2021
Municipal Public Account Committee meets to finalise the oversight process of the Annual Report	18 May 2021

It is important to note that the tabled annual report was made available for consideration through placement on the municipal website. Hard copies of the document were not made available due to the risks associated with the COVID-19 pandemic. The Municipality placed a notice on the municipal website indicating how people that cannot read or write will be assisted to provide their inputs and comments, however no comments were received from the public on the report.

In Conclusion

The MPAC commends Council, the Acting Municipal Manager, the Senior Managers and all staff at George Municipality on the strides made towards good governance. However, there is great room for improvement with regard to:

- ❖ Continuous improvement of internal controls to ensure that issues raised by both internal and external auditors are addressed effectively.
- ❖ Improvement of key controls to ensure effective:
 - Financial Management;
 - Contract and Procurement Management;
 - Compliance Management;
 - HR Management; and
 - IT Management.

MPAC prepared this Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

On behalf of the MPAC, I would like to extend our thoughts and well wishes to those who are affected by this pandemic, Covid-19, I say to them hold on, you are not alone, our prayers are with you. We have learned with great concern of recent increase in infections of our people, I also extend my deepest condolence to all the families who are left with deep wounds of losing their loved ones due to this disease.

Finally, I would like to commend my fellow Municipal Public Accounts Committee members for their hard work and commitment. I would also like to thank the administration for their support in the Oversight process. A word of thanks must also be given to the Office of the Auditor-General and the Performance Audit Committee for their input in the 2019/2020 Annual Report and oversight process.

COUNCILLOR J DUTOIT
CHAIRPERSON

1. Statement of Purpose of the Municipal Public Accounts Committee

The Municipal Finance Management Act and Municipal Systems Act recognise that Council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by Council through the IDP, which are translated into the budget, and the delivery of those goals which is reported in the Annual Report.

It is important for Council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay basis for better oversight and cement the contracts between the Executive/Council, the administration and public.

It is imperative to understand the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the Municipality.

The following table displays the nature of the accountability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Executive Mayor	Community
Executive Mayor	Policy, budgets, outcomes. management of / oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and Implementation	The Administration	Executive Mayor
Chief Financial Officer and Senior Managers	Outputs and Implementation	Financial Management and Operational Functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality.

Section 129 of the Municipal Finance Management Act requires the Council to consider the Annual Report of its Municipality and to adopt an "oversight report" containing the Council's comments on the annual report.

The Oversight Report must include a statement whether the Council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the Municipality in the relevant financial year.

The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report of the Municipal Council to the community disclosing the level of success or otherwise, obtained with meeting the priority needs and desires of the community as contained in the IDP.

2. Process Followed

On 31 March 2021, Council referred the 2019/2020 Annual Report to the Municipal Public Accounts Committee (MPAC), which performs the function of an Oversight Committee.

The MPAC consists of the following Councillors:



Chairperson: Cllr J Du Toit



Vice Chairperson: Cllr G van Niekerk



Ald I Kritzinger



Cllr E Brown



Cllr H Ingo



Cllr L Langa



Cllr J Fry



Cllr D Gultig



Cllr E Stroebel



Ald P Van der Hoven

The Committee based its work on the following documents:

- 2019/2020 Annual Report
- MFMA, 2003
- National Treasury's Circular 32 – The Oversight Report
- National Treasury's Circulars 11 and 63 – The Annual Report.

Immediately after the Annual Report was tabled in Council, the Municipal Manager in accordance with Section 21 A of the MSA made the Annual Report public.

The 2019/2020 Annual Report was uploaded on the municipal website, also made available in the Office of the Acting Manager: IDP, PMS & Public Participation, all area offices and all municipal libraries. An advertisement was placed in the George Herald and on George Municipality's website respectively, inviting members of the public to submit written comments or representations in connection with the Annual Report for the 2019/2020 financial year.

At the closing date (30 April 2021) no written comments were received from the community. In addition to the above Section 21A (of the MSA) process, an information session was scheduled by MPAC with all Directors, including the Chairperson of the Audit Committee where the consideration and evaluation of the Annual Report 2019/2020 was deliberated upon. The information session allowed for questions and answers where Directors gave immediate responses to questions asked (see Minutes attached as Annexure “B”). The municipality received written comments from the Provincial Department of Treasury which is attached as Annexure “C”.

3. Comments and Departmental Responses On 2019/2020 Annual Report

Comments received post tabling of the 2019/2020 Annual Report:

No	Page	Comment	DEPARTMENT'S RESPONSE
1	Pg15	Should refer to the 2019/20 audit opinion instead of 2018/19?	Annual Report updated
2	Pg17	Update the Expanded Public Works Programme (EPWP) statistics	Annual Report updated
3	Pg20	Replace 58 267 with 58 627	Annual Report updated
4	Pg24	Replace Pre-Audited Outcome with Audited Outcome	Annual Report updated
5	Pg28	Statutory Annual Process to be updated to reflect actual implementation dates	Annual Report updated
6	Pg68	Updated whole Section 2.7.6	Annual Report updated
7	Pg71	Remove 28 August 2020 (Special Audit Committee Meeting) as it falls within the 2020/21 Financial year and not the year under review.	Annual Report updated
8	Pg89	<p>The following policies were omitted from page 89 of the draft annual report:</p> <p>Virement Policy – Date adopted – 30 June 2020</p> <p>Cash Management Policy – Date adopted – 30 June 2020</p> <p>Asset Management Policy – Date adopted – 30 June 2020</p> <p>Funding, borrowing and reserve Policy – Date adopted – 30 June 2020</p> <p>Liquidity Policy – Date adopted – 30 June 2020</p> <p>ICT Data Backup and Recovery Policy – Date adopted – 22 August 2019</p> <p>ICT Service Level Agreement Management Policy (External Service Providers) – Date adopted – 22 August 2019</p> <p>ICT Services Level Agreement Management Policy (ICT and Municipality) – Date adopted – 22 August 2019</p> <p>ICT Users Access Management Policy – Date adopted – 22 August 2019</p> <p>ICT Security Controls Policy – Date adopted – 22 August 2019</p> <p>ICT Operating System Security Controls Policy – Date adopted 22 August 2019</p>	Annual Report updated
9	Pg127	Replace 2018/19 MTEF to 2019/20 MTEF	Annual Report updated

No	Page	Comment	DEPARTMENT'S RESPONSE																
10	Pg140	Under (FBS) replace as follows: <table border="1"> <thead> <tr> <th colspan="2">Electricity</th><th colspan="2">Water</th></tr> <tr> <th>FY</th><th>No of HH</th><th>FY</th><th>No of HH</th></tr> </thead> <tbody> <tr> <td>2018/19</td><td>15 397</td><td>2018/19</td><td>20 233</td></tr> <tr> <td>2019/20</td><td>19 730</td><td>2019/20</td><td>15 142</td></tr> </tbody> </table>	Electricity		Water		FY	No of HH	FY	No of HH	2018/19	15 397	2018/19	20 233	2019/20	19 730	2019/20	15 142	Annual Report updated
Electricity		Water																	
FY	No of HH	FY	No of HH																
2018/19	15 397	2018/19	20 233																
2019/20	19 730	2019/20	15 142																
11	Pg192	Remove first two columns under possible contingent liabilities as per note 47 of the AFS	Annual Report updated																
12	Pg222	Repairs and Maintenance Actual Expenditure in 2019/20 should read R159 085 719.00 instead of R101 276 719.00	Annual Report updated																
13	Pg239	Audit report amended for annual performance report page numbers for Affordable Quality Services i.e. page 99 to 106	Annual Report updated																

4. Summary of Comments, Recommendations and Conclusions on the Annual Report 2019/2020

The 2019/2020 Annual Report reflects a substantial and positive improvement in George Municipality's annual planning, budgeting and reporting processes. It is a significant improvement over the previous years' Annual report. The Annual Report complies with the requirements of the MFMA and National Treasury's guidelines for annual reports. It is further noted that the required information in terms of the MFMA is included. More specifically, the 2019/2020 Annual Report contains *inter alia*:

- the annual financial statements;
- Auditor-General's audit report;
- the annual performance report of the Municipality and
- recommendations from the Provincial Treasury
- recommendations of the Municipality's Audit Committee.

Innovative public participation strategies must be explored to improve the manner in which the Annual Report is communicated to the public especially with this current pandemic that is experienced world-wide. The 2019/2020 Annual Report as tabled in Council on 31 March 2021 is revised in accordance with the comments made / received from various role-players during the oversight process.

Section 129(1) of the MFMA stipulates that the Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in 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 the Council-

- has approved the annual report with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

After evaluating the content of the Annual Report and taking into consideration all comments and deliberations at the MPAC meetings (see MPAC Minutes attached as Annexure “B”), it is recommended that the Annual Report be adopted without reservations, but that Council should comprehensively note all comments by the MPAC including all the minutes of meetings held.

5. Recommendations to Council

Council having fully considered the George Municipality’s 2019/2020 Annual Report, resolves that:

- (a) The Oversight Report on the 2019/2020 Annual Report as Annexure “A” **BE ADOPTED**;
- (b) The revised 2019/2020 Annual Report attached as Annexure “D” **BE APPROVED** without reservations;
- (c) The Oversight Report on the 2019/2020 Annual Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, No.56 of 2003;
- (d) the Oversight Report on the 2019/2020 Annual Report **BE SUBMITTED** to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
MEETING HELD ON THURSDAY, 06 MAY 2021 AT 14:00 ON MS TEAMS**

Councillor Van Niekerk opened the meeting with a prayer.

The Chairperson cordially welcomed everyone present at the Municipal Public Accounts Committee (MPAC) meeting.

1.1 PRESENT

Councillors J Du Toit (Chairperson)

Alderlady I Kritzinger

Councillors D Gultig
E Stroebe [from 14:36]
G Van der Niekerk
P Van der Hoven

Acting Municipal Manager (Dr M Gratz) [from 14:57]
Director: Corporate Services (Mr S James)
Acting Director: Financial Services (Mr L Wallace)
Acting Deputy Director: Corporate Services (Admin) (Mr G Louw)
Acting Deputy Director: Internal Audit (Mrs C Segon)
Manager: Compliance (Mrs I Du Plessis)
Manager: Committee Services (Miss R P Bredenkamp)
Acting Manager: IDP/PMS (Ms R Le Fleur)
Senior Committee Officer: Committee Services (Mrs S Botha)
Senior Committee Clerk (Ms D Bredenkamp)
Translator: Committee Services` (Miss N Appolis)

Also present:

Audit Committee Member (Mr C Lamprecht)

1.2.1 APPLICATIONS FOR LEAVE OF ABSENCE

None.

1.2.2 ABSENT WITHOUT LEAVE OF ABSENCE

Councillors E Brown
J Fry
H Ingo
L Langa

2. STATEMENTS BY THE CHAIRPERSON

The Chairperson provided information pertaining to this meeting. He stressed that the purpose of these sessions was to condiser and evaluate the 2019/2020 Annual Report.

NOTED.

3. THE OVERSIGHT REPORT**3.1 OVERVIEW OF THE OVERSIGHT PROCESS ON 2019/2020 ANNUAL REPORT**

The Acting Manager: IDP/PMS (Ms R Le Fleur) was granted an opportunity to present an overview of the oversight process on 2019/2020 Annual Report. She explained on each process and emphasized the reasons for these sessions.

The Chairperson thanked the Acting Manager: IDP/PMS (Ms R Le Fleur) for the overview she presented.

NOTED.

4. DISCUSSIONS ON THE ANNUAL REPORT**4.1 CORPORATE SERVICES**

The Director: Corporate Services (Mr S James) was afforded an opportunity to provide feedback on the 2019/20 Annual Report pertaining to aspects within the Directorate: Corporate Services. The following aspects within the report were highlighted:

- (i) Organisational Development Overview (Top of page 28)
- (ii) Political Governance Structure: Council/Council Committees (page 31 to top of page 42)
- (iii) Administrative Governance Structure (middle of page 42)
- (iv) Community halls, facilities and Thusong Centres (bottom of page 164 to 165)
- (v) Administration (Committee Services, Records Management and Telecommunications) (page 184 to top of page 187)
- (vi) Human Resource Services and Total employees (middle of page 189 to top of page 190)
- (vii) Component A: Municipal Personnel, employee total, turnover and vacancies (middle of page 201 to top of page 204)
- (viii) Component B: Managing the Municipal Workforce (bottom of page 204 to page 206)

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- (ix) Component C: Capacitating the Municipal Workforce (page 207 to top of page 209)

Alderman Kritzinger raised questions and requested clarity on the following matters that are contained in the abovementioned report:

- **Page 190**

She raised her concerns pertaining to the overwhelming outstanding dispute resolutions of grievances and disputes.

- **Page 198**

She enquired whether the Workplace Skills Plan was submitted to LGSETA and about the responsibility of the organization in terms of developing staff members.

- **Page 202**

She raised her dismay pertaining to the fact that no women are employed on top management and enquired about the relevant ratio results in this regard. She was of the opinion that there is no equality in this municipality.

- **Page 205**

She raised her concern pertaining to the outdated policies and stated that it should be reviewed regularly. She further indicated that the policies are not gender friendly and not in line with the latest legislation.

- **Page 207**

She was of the opinion that staff members are the organisation's biggest assets and should be developed internally instead of appointing new people.

- **Page 208**

She requested for social distancing measures to be put in place at the municipality's facilities in order to be utilized for meetings.

The Director: Corporate Services (Mr S James) was afforded an opportunity to provide feedback on the abovementioned matters raised by Alderman Kritzinger. He explained the process in terms of grievances and disputes and mentioned that in future each directorate will be held responsible for grievances and disputes within their departments. He further explained that grievances and disputes will form part of the performance contracts of each Director, Deputy

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Director and Line Manager in order for matters to be attended to timeously. He further elaborated on EPWP workers who are contesting appointments and stated that appointments cannot be based on a grievance.

The Director: Corporate Services (Mr S James) elaborated on the internal bursary processes. He also explained the process in terms of the Workplace Skills Plan (WSP) training and stated that it should be distributed evenly. He further concurred with Alderman Kritzinger and explained the approval process of internal bursaries. He mentioned that some applications are submitted incomplete on the day of the closing date and therefore cannot be returned to the applicant for completion.

The Director: Corporate Services (Mr S James) provided feedback on the outdated policies. He stated that some policies were reviewed and approved in February 2021 and that others are distributed for comments to be workshopped soon. He concurred with Alderman Kritzinger that policies should be reviewed regularly and that internal staff should be developed and uplifted.

Councillor Van Niekerk raised questions and requested clarity on the following matters that are contained in the abovementioned report:

- **Page 184**

He raised his concern pertaining to the unprofessionalism of Councillors during meetings. He stressed that matters relating to personal attacks, belittling and racial undertones occurs during meetings and requested an action plan to address these matters.

- **Page 203**

He enquired about the effect on service delivery in terms of the high vacancy rate and how such will be addressed.

- **Page 206**

Councillor Van Niekerk requested clarity on the high sick leave ratio and how it will be addressed.

The Director: Corporate Services (Mr S James) was afforded an opportunity to provide feedback on the matters raised by Councillor Van Niekerk. He stressed that his biggest concern is that staff on junior levels who are responsible for minute taking and the recording of meetings, are being exposed to the unprofessional behaviour of Councillors during meetings.

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He stressed further that a different intervention should be considered since their behaviour is degrading and humiliating. He stated that Council meetings are being streamed on YouTube and the entire world is looking at the leaders who are running the city. He was of the opinion that a session with a professional that will indicate what damage certain level of behaviour will do to the organization should be facilitated. He mentioned that he will need the support from the Speaker and Acting Municipal Manager in this regard.

On the matter raised about the high vacancy rate, Mr James stated that the key issue is that there is a lot of vacancies at the service departments and when it comes to budgeting, the vacancies are the first to being cut on the budget. He explained that the current relevant policy make provision to make a list of all competent people and not just those who qualify according to the equity ratios.

Mr James explained further that Internal Audit will be finalizing the leave audit by the end of May and that early retirement packages will be offered to those who are still at home due to comorbidities with over 30 years service in the organisation. He stressed that sick leave will be narrowed.

At this stage, the time being 12:36, Councillor Stroebel joined the meeting.

Alderman Van der Hoven requested clarity on the employee equity targets and the calculations thereof. He mentioned that white males are not a target and rased his concern about no female in top management.

The Director: Corporate Services (Mr S James) explained the calculations in terms of targets and the processes thereof. He explained further that the employment equity addresses the representation and stressed that the core focus is to balance out the white males and females up to their skill level. He stressed that the focus should be inclusively and not just upwards.

The Chairperson thanked Mr James for his time and input.

4.2 FINANCIAL SERVICES

The Acting Director: Financial Services (Mr L Wallace) was afforded an opportunity to provide feedback on the 2019/20 Annual Report pertaining to aspects within the Directorate: Financial Services. The following aspects within the report were highlighted:

- (i) Financial Health Overview, ratios, financial viability highlights and challenges (middle of page 24 to page 27)
- (ii) Supply Chain Management (middle of page 82 to bottom of page 88)
- (iii) Free Basic Services and Indigent Support (middle of page 139 to top of page 141)

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- (iv) Financial Services (middle of page 187 to top of page 189)
- (v) Component D: Managing the Workforce Expenditure (bottom of page 209 to page 210)
- (vi) Component A: Statement of Financial Performance etc. (page 211 to page 223)
- (vii) Component B: Spending against Capital Budget (page 224)
- (viii) Component C: Cashflow Management and Investments (page 226 to page 227)
- (ix) Component A: Auditor General Opinion of Financial Statements Year 2018/2019 (page 228 to page 234)
- (x) Component B: Auditor General Opinion Year 2019/2020 (page 235 to page 242)
- (xi) Financial Statements (Volume II (after page 267))

Discussion

At this stage, the time being 14:57, the Acting Municipal Manager (Dr M Gratz) joined the meeting.

Alderman Kritzingler raised questions and requested clarity on the following matters that are contained in the abovementioned report:

- **Pages 231 and 232**

She raised her concerns pertaining to the Auditor-General's report pertaining to the Supply Chain Management (SCM) processes and the performance of some contractors and service providers that was not monitored monthly as required by Section 116 2(b) of the MFMA. She further enquired about Bid Specifications for a tender that was drafted in a bias manner and did not allow all potential suppliers to offer their goods or services.

- **Page 232**

She enquired about the irregular expenditure that occurred in the municipality that was not investigated to determine if any person is liable for the expenditure as required by Section 32 2(b) of the MFMA.

- **Page 232**

She also enquired about the fruitless and wasteful expenditure that occurred in the municipality that was not investigated to determine if any person is liable for this expenditure as required by Section 32 2(b) of the MFMA.

- **Page 232**

She raised her concern about the Auditor-General's statement about the following misstatement of other information:

"inadequate oversight responsibility was implemented to ensure that irregular and fruitless and wasteful expenditure was investigated to ensure if any relevant parties were liable for the recoveries."

She stressed further that it is worrying that the relevant department has a register for fruitless and wasteful expenditure and was of the opinion that it should be reported monthly and not annually.

The Director: Financial Services (Mr L Wallace) reported that the matters mentioned by Alderman Kritzingher relates to previous Annual Financial Statements (AFS) and that they were all recorded and dealt with by the MPAC last year during lockdown. He stated that he concurs with Alderman Kritzingher that there should be regular reporting in this regard. He further provided feedback regarding National Treasury's reduction strategy about irregular expenditure and the processes thereof. He confirmed that regular reporting will take place from now on and that he takes note of the relevant concerns.

The Chairperson thanked Mr Wallace for his time and input.

4.3 OFFICE OF THE MUNICIPAL MANAGER

The Acting Municipal Manager (Dr M Gratz) was afforded an opportunity to provide feedback on the 2019/2020 Annual report pertaining to aspects within the Office of the Municipal Manager. The following aspects within the report were highlighted:

- (i) Corporate Governance: Risk Management (middle of page 57 to top of page 63)
- (ii) Anti-Corruption and Anti-Fraud (middle of page 63 to top of page 64)
- (iii) Audit Committee (middle of page 64 to page 68)
- (iv) Municipal Audit Committee Report (middle of page 68 to top of page 72)
- (v) Internal Audit (middle of page 72 to top of page 82)
- (vi) By-Laws and Policies (bottom of page 88 to top of page 89)
- (vii) Website (bottom of page 89 to top of page 91)
- (viii) Communication (bottom of page 91 to page 93)
- (ix) Office of the MM: Highlights and Challenges, etc (middle of page 182 to page 183)
- (x) Legal Services (bottom of page 190 to page 192)

Discussion

Alderman Kritzinger raised questions and requested clarity on the following matters that are contained in the abovementioned report:

- **Pages 59 and 63**

She was of the opinion that the Development Strategy of this municipality is outdated and that the Strategic plan was revisited and revised in 2012. She stated that it should be reviewed annually.

- **Page 89**

She stressed that there are a lot of IT problems and that an IT Manager should be appointed as soon as possible.

- **Page 91**

Alderman Kritzinger stated that the Communication Strategy was approved in 2015 and should be reviewed.

- **Pages 190-192**

She was of the opinion that since the the Deputy Director: Legal and Compliance Services (Adv J Van Schalkwyk) will retire in the near future, the Manager: Legal Services should start taking over some responsibilities.

- **Pages 190-192**

Alderman Kritzinger requested clarity regarding the ACNE claim against George Municipality pertaining to lost of equipment. She was of the opinion that staff should take responsibility if they are guilty of taking equipment and for the damages and losses in this regard. She stated that is matter is shocking.

The Acting Municipal Manager, Dr Gratz was afforded an opportunity to provide feedback on the abovementioned matters raised by Alderman Kritzinger. She confirmed that the Manager: Legal Services is involved in certain matters.

The Manager: Compliance (Mrs I Du Plessis) provided feedback on ACNE claim. She explained that ACNE summonsed George Municipality and that the claim is being defended since they cannot provide proof of the lost equipment. She explained further that the incident happened during the period of the late Jacques Quinot and that documents got lost during that period.

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The Acting Municipal Manager, Dr Gratz, confirmed that the current Strategic plan will be revised.

The Chairperson thanked the Acting Municipal Manager for her time and input.

The Chairperson thanked all for their participation and stated that they strive for perfection and for the best.

The meeting closed at 15:21.

CONFIRMED

J DU TOIT
CHAIRPERSON

DATE _____

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**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
E-MEETING HELD ON MS TEAMS ON WEDNESDAY, 12 MAY 2021 AT 09:00**

Councillor Stroebel opened the meeting with a prayer.

The Chairperson cordially welcomed everyone present at the Municipal Public Accounts Committee (MPAC) meeting where they will be scrutinizing the 2019/2020 Annual Report.

The Director: Human Settlements (Mr C Lubbe) informed the Committee that the National Treasury Benchmark session, where they are also expected to deliver presentations, currently clashes with the MPAC sessions.

The Chairperson indicated that the various directorates will be accommodated at times-slots when they are not expected to deliver presentations at the National Treasury Benchmark session.

At this stage everyone confirmed their presence on Microsoft Teams.

1.1 PRESENT

Councillors	J Du Toit (Chairperson) G Van Niekerk (Deputy Chairperson)
Aldermen	I Kritzing P Van der Hoven
Councillors	E Brown J Fry D Gultig H Ingo E Stroebel

ALSO PRESENT

Director: Human Settlements (Mr C Lubbe)
Director: Protection Services (Mr S Erasmus)
Acting Director: Civil Engineering Services (Mr L Daniels)
Acting Director: Community Services (Mr A Paulse) **[until 13:09]**
Acting Director: Electrotechnical Services (Mr S Van Der Merwe) **[from 12:33 until 12:58]**
Acting Director: Planning & Development (Mrs D Power) **[from 13:01]**
Senior Manager: Planning & Development (Mr C Petersen)
Manager: Human Resources (Mr M Eksteen)
Manager: Emergency Services (Mr N Barnard)
Manager: Tourism (Mrs J Shaw)
Acting Manager: IDP/PMS (Mrs R Le Fleur)
Senior Administrative Officer: IDP/PMS (Ms T Twani)

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Senior Committee Officer: Committee Services (Mrs C Jansen-Joubert)
Senior Committee Officer: Committee Services (Miss N Mnyanda)
Senior Clerk: Committee Services (Miss P Damons)

ALSO PRESENT

Mr C Lamprecht (Audit Committee member)

2. ITEMS FOR DISCUSSION**2.1 DIRECTORATE: PROTECTION SERVICES**

The Director: Protection Services (Mr S Erasmus) provided elaborate input in terms of his Directorate's section in the 2019/2020 Annual Report.

Public Transport

The Director Protection Services (Mr S Erasmus) provided background information regarding the roll-out of the various phases in terms of the Go George Bus Service. He emphasised the importance of the transformation of the existing mini bus taxi industry into an integrating bus operating system which was done in conjunction with the Western Cape Transport and Public Works. He confirmed that said partnership still exist.

Highlights

The roll-out of Phase 4B.
Allocations received for infrastructure purposes and the operational requirements for projects.
Stakeholder engagements were intense but successful.

Safety and Security

The Director Protection Services (Mr S Erasmus) explained that the road-based CCTV network, primarily in Phase 4B, with improvements in Blanco and Thembaletu, has been expanded. He explained further that the Public Transport Safety and Security Operations Committee (PTSOC) consist of various stakeholders, safety and security agencies, including the police, stakeholders from province and locally. He mentioned that continued meetings resulted in an Inter-Agency Operational Plan that was rolled out to ensure safety with the roll-out of Phase 4B and that the same will be done Phase 4A.

Funding

The Director Protection Services (Mr S Erasmus) mentioned that his directorate never receives sufficient funding, but that they receive funding that other municipalities cannot spend. He mentioned further that they have submitted a Budget Facility for Infrastructure (BFI) application to cover the loss of the long-

MINUTES MUNICIPAL PUBLIC ACCOUNTS COMMITTEE E-MEETING 12 MAY 2021

term infrastructure requirements for the project and that it was unsuccessful. He confirmed that they are in the process of submitting a second application.

Challenges

The Director Protection Services (Mr S Erasmus) explained the challenges faced in terms of the lack of funding experienced during lockdown and the impact it had on infrastructure projects.

The Director Protection Services (Mr S Erasmus) mentioned that George Municipality now has a Vehicle Operating Company that is fully operational, and everyone comes from the industry. He mentioned further that is the only GIPTN in the country where significant transformation has been made. He explained that the other significant milestone was the Universal Accessibility of the new Fleet and that they continuously strive to improve on that.

The Director Protection Services (Mr S Erasmus) explained that the bus service is highly subsidised in order to keep the fares as low as possible so that the service is affordable and adequately utilised.

Traffic

The Director Protection Services (Mr S Erasmus) mentioned that following highlights during the Covid -19 pandemic:

- driver of the year competition;
- drivers test their skills during transport month;
- road worthiness of public vehicles checked at vehicle checkpoints;
- Executive Mayor-In-Committee handed out packs for road safety. Had to scale aforementioned down in new financial year.

Challenges

- Backlog of learners and license appointments during Covid. Had to observe health protocols and lines were long and couldn't move as fast as we'd hope. Measures have been put in place in the meantime;
- The building at MVR is not suitable to cater for the public that we get. Not conducive. Plans to either relocate or to expand the current building which is impractical. Working on long ques and subsequently have que management staff;
- Outstanding warrants. Appointment a team to serve the warrants could not realize due to lack of funding and traffic wardens had to utilized for the task.

The Director Protection Services (Mr S Erasmus) confirmed that the number of road traffic incidents have declined. He provided brief background on the motor vehicle and learners license procedures.

MINUTES MUNICIPAL PUBLIC ACCOUNTS COMMITTEE E-MEETING 12 MAY 2021**Law Enforcement****Highlights**

- Many cases (infringement on by-laws) ended up in the Municipal Court;
- In terms of safeguarding and protection of Council's property, we received a lot of intel from the South African Police (SAP) where we could proactively prepare a plan in preventing incidents of happening or minimize impact;
- Assistance with the rapid response team that monitors the routes and ensure safety of passengers and bus drivers;
- Started with one (1) law enforcement officer in Uniondale and plan to increase.

Challenges

- Number of protest marches;
- By-Law infringements statistics.

Fire Services**Highlights**

- Acquisition of 35 000-liter truck which became very useful. Best investment. Purchased a porter pool. Would like to do a demonstration to the Councillors in this regard;
- Specially modified jet ski which saved a lot of lives and need to purchase more; Purchased a 4x4 tractor to maintain fire breaks and to create new ones;
- Had a successful summer season;
- Reduction in serious incidents and less fatalities especially at beaches.

Challenges

- Shortage of staff;
- Funding;
- Desperately need a 4th shift for fire services;
- Need to jack up our fire prevention leg and increase our inspection;
- Need more fire prevention staff;
- Biggest challenge was the Covid-19 pandemic.

The Director Protection Services (Mr S Erasmus) provided more insight into the fire services' statistics.

The Committee was afforded an opportunity to pose questions and provide input.

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Alderman Kritzinger asked questions and provided inputs as follows:

- Land Invasion Unit was omitted;
- Referred to GBV and enquired how often women in the Directorate: Protection Services are afforded opportunities to act in senior positions and to grow;
- Referred to road safety and the Junior Traffic Training center. Was of the opinion that primary schools be tough about road safety;
- Concern regarding the backlog of driver's license. She mentioned that people go to other towns to obtain their license;
- Motor Vehicle registration (MVR) – acknowledged the many challenges faced and mentioned that local businesses (car dealerships) suffer as they struggle to with registrations;
- Thank you for working on the warrant team;
- Expressed concern regarding vandalism at the Old Townhouse Building;
- Law Enforcement needs crowd control training.

Alderman Kritzinger applauded the Director: Protection Services (Mr S Erasmus) for spending their budget.

The Director Protection Services (Mr S Erasmus) addressed the questions and inputs above. He mentioned that they support the transformation process in affording women opportunities and emphasized that women must apply to achieve such transformation. He referred to the Junior Traffic Training centre and explained that they will open the facilities at the right time, as advised by the JOC, in order to provide the children with road safety training

The Director Protection Services (Mr S Erasmus) referred to the issuing of drivers' licences and mentioned that the Acting Traffic Chief is in the process of The Director Protection Services (Mr S Erasmus) putting measures in place in training staff.

The Director Protection Services (Mr S Erasmus) referred to the Motor Vehicle Registration Department and mentioned that the dealers are of concern. He explained that they will utilise the Blanco house to assist the dealers and also conduct online services. He mentioned that the funding will only be available in new financial year after which they can procure and commence with renovations. He mentioned further that they will in the interim apply to utilise the Skatelab.

The Director Protection Services (Mr S Erasmus) mentioned that they take note of the concerns regarding the Town House building. He mentioned further that day time security was requested and that he had arranged night time security as well. He concurred with Councillor Kritzinger regarding the need for staff at Fire Services. He confirmed that they will only be able to commence with the process in the new financial year when there is funding available and that there is a master plan for critical posts.

Councillor Stroebel enquired whether the Director: Protection Services (Mr S Erasmus) receives up-to-date monthly figures regarding the bus services.

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She referred to Motor Vehicle Licences and mentioned that the City of Cape Town's online renewal license system works effectively. She enquired whether the system in the Blanco house will be a full renewal system or only partial.

The Director Protection Services (Mr S Erasmus) confirmed that he receives the passenger trips on a monthly basis and mentioned that the numbers have declined drastically. He explained that they have petitioned with Provincial Government for more online or postal services. He confirmed that when such services are rolled out then George Municipality will be the first to receive such services. He explained that the current online services are for the motor vehicles and that such services are advertised regularly in the media as well as via notices. He mentioned that people must unfortunately go into the office to obtain or renew their drivers' licences. He mentioned further that everything will be provided online as well and that the public will be informed in due time.

The Chairperson enquired about the how funding is used in terms of the long queues at the traffic and licensing services.

The Director Protection Services (Mr S Erasmus) explained the current operations at MVR and the sacrifices that employees are making in this regard.

2.2 DIRECTORATE: CIVIL ENGINEERING SERVICES

The Acting Director: Civil Engineering Services (Mr L Daniels) was afforded an opportunity to provide input in terms of the Directorate: Civil Engineering Services' section in the 2019/2020 Annual Report.

Water provision

The Acting Director: Civil Engineering Services (Mr L Daniels) explained the role of George Municipality in terms of water provision. He mentioned that the critical importance of water was highlighted during the Covid-19 pandemic. sanitation

Highlights

- Completed the George Municipality Water Services Development Plan;
- Quality water was provided throughout the state of emergency;
- Raising of the Garden Route dam.

Challenges

- Many co-morbidities amongst essential employees;
- Number of our projects could not be completed which caused backlogs in the 2020/2021 Financial Year;
- Number of vacancies.

MINUTES MUNICIPAL PUBLIC ACCOUNTS COMMITTEE E-MEETING 12 MAY 2021**Major Capital Projects**

- Pacaltsdorp Link on ERF 325 was completed and provide drinkable water to the new ERF 325 East development;
- Commenced with the extension of the water work;
- N2 Thembaletu crossing upgrade. Started with planning. Project well under way.

Waste Water and Sanitation

The Acting Director: Civil Engineering Services (Mr L Daniels) mentioned that the abovementioned Department had to run an uninterrupted service delivery during the national state of disaster.

Challenges

- Sewer pipeline and blockages and pump station failures - directly linked to the foreign objects being dumped in sewer network;
- Vandalism of infrastructure which results in blockages and pump station failures;
- Larger security presence which carries a large bill.

Major Capital projects

The Acting Director: Civil Engineering Services (Mr L Daniels) confirmed that the civil component for the addition of the 10 megalitre Outeniqua Waste Water Treatment works, has been completed. He mentioned that they could also commence with the design and tender of the mechanical and electrical components. He mentioned further that the Pacaltsdorp pump station and upgrading of the various major pump stations have been completed and that they are looking at upgrading other pump stations moving forward.

Roads and Stormwater

The Acting Director: Civil Engineering Services (Mr L Daniels) indicated that the abovementioned department is very understaffed. He listed the following highlights:

- Updated our pavement management system;
- Concluded the rehabilitation of Caledon Street, Mission Street in Rosemoor, Merriman Street;
- Rehabilitation of Wellington Street also commenced, and it is due for completion this financial year;
- Also completed the rehabilitation of Triumph Street in Protea Park/Lavalia/Rosemoor as well as the resealing of 5th Avenue and Union Street;
- Most of projects were funded by GO George as they fall along the bus routes;

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The Acting Director: Civil Engineering Services (Mr L Daniels) mentioned that the PMS highlighted the priorities in the repairs and it also indicates that there is insufficient budget to keep up with the demands. He mentioned further that George is expanding at a rapid pace and causes more road users and subsequently, pressure on the existing infrastructure.

He explained that community disruptions make it difficult to roll-out some of the projects and that they are dealing with such disruptions in a certain manner. He expressed the frustration of being halted when they want to commence with projects as it causes unbudgeted financial costs.

Stormwater

The Acting Director: Civil Engineering Services (Mr L Daniels) explained that they partially completed the updating of the Stormwater Masterplan. He mentioned that major deficiencies could be detected in the system. He indicated that they had acquired funding from the Municipal Infrastructure Grant (MIG) and that the plan will be presented to Council.

The Acting Director: Civil Engineering Services (Mr L Daniels) referred to infrastructure and stated that they could start with most of the projects and planning.

The Committee was afforded an opportunity to ask questions.

Alderman Kritzingher asked questions and provided inputs as follows:

- Expressed concern regarding enormous roll-overs. If positions are filled, then spending will improve. The budget must be in line with spending capacity.
- Expressed concern that only 51% of budget has been spent.
- Concern regarding sewerage going into the rivers.

The Director: Civil Engineering Services (Mr L Daniels) addressed Alderman Kritzingher's above concerns. He mentioned that the shortage of staff contributed to the roll-overs. He mentioned further that the salary budget was cut by 50% but that they will be able to make thirty-seven (37) appointments before July 2021 as well as fill critical management positions.

The Director: Civil Engineering Services (Mr L Daniels) indicated that the budget has not been approved yet and therefore they cannot go out on tender and have to wait until 1 July 2021 with their procurement. He explained that construction will thus likely only commence in October and November should there be no appeals as well. He mentioned that the budget for the next three (3) years is much better aligned in terms of staff capacity.

The Director: Civil Engineering Services (Mr L Daniels) explained that the pandemic has created a backlog and that they are in the process of catching up in term of problems in guttering system. He referred to the overflow into rivers and explained that some of the pump stations are more than forty-five (45) years old. He mentioned that they are in the process of upgrading some major pump

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stations. He explained that some of these situations are not preventable and some are not foreseen. He confirmed that they have a pollution abatement plan and liaise with the Department of Environmental Affairs in this regard.

The Chairperson stated that the Directorate: Civil Engineering Services is understaffed and that they cannot deliver proper service with a 50% staff quality. He enquired how this matter will be addressed.

The Director: Civil Engineering Services (Mr L Daniels) mentioned that a lot of processes have been streamlined and that a plan with allocated dates has been provided to them in terms of the filling of posts.

2.3 DIRECTORATE: HUMAN SETTLEMENTS

The Director: Human Settlements (Mr C Lubbe) was afforded an opportunity to provide input in terms of the Directorate: Human Settlements' section in the 2019/2020 Annual Report.

The Director: Human Settlements (Mr C Lubbe) reminded the Committee that the Housing is not a municipal mandate and that they perform the function on an agency basis for the Provincial and National department. He explained that George Municipality is not exempted from the current housing crisis and that they are facing severe backlogs with the provision of housing. He explained the numbers of families who require housing in terms of the different allocated levels. He explained that in the 2019/2020 financial year, the priority was the service of erven in Thembaletu. He explained that priorities are determined in terms of the allocations and budgets which are provided. He explained that they engaged in the UISP programme and concentrated on the Metro Housing Project as well as the Golden Valley Housing project. He mentioned that they also engaged in the Title Deed Restoration Project, which is a programme from the Provincial Department which they piloted. He mentioned further that people did not collect their title deed and that 236 of those were transferred.

Housing Projects/Human Settlements Projects

The Director: Human Settlements (Mr C Lubbe) highlighted the following projects:

- Thembaletu UISP - delivered 113 serviced erven. Numerous stoppage of projects that's why the low numbers. Built 154 top structures;
- Extension 42 and 58 housing projects – have to develop whilst the beneficiaries are on site and they had to be removed and afterwards be placed back in the housing units. Very difficult process;
- Catalytic projects – had the Erf 325 east housing projects. He explained the different housing sections on such erf. Project being developed by Department Human Settlements;

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- Metro Grounds Housing projects - has opportunity for 664 families. Currently civil services are being completed there and the top structures advert is out;
- Golden Valley housing projects – project for 165 families. It's PHP projects where contractor is appointed by the beneficiaries. This led to a contractor who could not perform, and the contract had to be terminated. That contract is being resuscitated and is currently ongoing with new contractor;
- Development of Human Settlements Plan – Received funding from the Department of Human Settlements (Provincial) and worked through the terms of reference with them to get to a uniform product for the entire province. Currently at stage to compile plan and thereafter submit to the BID Adjudication Committee;
- Social Housing Project – concentrated on restructuring zones. Main focus currently is the crocodile farm which heeds above 400 opportunities. Looking at rental housing which will focus on people earning between R3500.00 and R15000.00. Aforementioned is a step towards owning your own property. Programme run in conjunction with social housing regulatory authority for which we received grant funding. Been nominated as one of seven (7) municipalities in the country to pilot these projects. We have applied for a feasibility grant to do planning for project.

The Director: Human Settlements (Mr C Lubbe) mentioned that they have not received any budget allocation in order to proceed with the services that were vandalised in Delville Park. He stated that they have however received funding for the new financial year and will thus proceed with the aforementioned as well as the Blanco Buffer strip.

Informal Settlements

The Director: Human Settlements (Mr C Lubbe) explained that there has been numerous land invasions and we have new settlements who have disrupted our plans for service delivery. He explained further that they had to reprioritize strategies and funding in order to provide for services as demanded by these settlements. He explained what they have made available and provided to the settlements.

Water Leakages

The Director: Human Settlements (Mr C Lubbe) mentioned that they are making strides in terms of water leakages. He explained that they receive their list of high water usages and work according to such list to reduce those numbers. He explained further that they also receive walk-in calls in cases of indigent water loss cases, where they render support as well. He stated that they are still at a back log because the number of calls they receive exceeds the number of calls that they can attend to.

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The Director: Human Settlements (Mr C Lubbe) mentioned that due to Covid-19, they realised they had to look at other measures to improve service delivery and installed taps to reduce the number of people accessing one water point and to decrease infection risk.

He confirmed that they have assisted 1300 cases of complaints.

Highlights

- provided 619 UISP top structures in 2019/2020;
- Provided 30 water tanks;
- Provided 245 total toilets (229 for new invaded additional areas);
- Provided 75 additional toilet taps;
- Received a grant to for the planning of the social housing project (R500 000.00).

Challenges

- Ongoing service delivery protests;
- Ongoing land invasion;
- Provision of basic services/financial challenges;
- Lack of bulk infrastructure for new housing development.

The Committee was afforded an opportunity to pose questions and provide inputs.

Alderman Kritzingen enquired whether the housing list is fair opportunities and whether it has it been kept up to date so that those who have been waiting a long time are first in line for housing. She required regarding the registration of properties?

The Director: Human Settlements (Mr C Lubbe) explained the waiting list process. He mentioned that there is now a very fair system for beneficiaries and in terms of the allocation criteria. He confirmed that such criteria were also tabled before Council to inform them of such. He mentioned that registration is still a problem and that disputes delays registration project. He explained other challenges in getting people to collect their title deeds, but many do not respond.

Raadslid Fry het verneem na watter dienste indie landelike gebiede gelewer is asook die vordering in terme van die registrasie proses in die landelike gebiede. Hy het verder verneem hoeveel mense by die behuisingsprojekte betrokke is en of hulle rakende die waglys mee gekommunikeer is.

The Director: Human Settlements (Mr C Lubbe) explained that they do not have specific programmes from the municipal side for housing projects, but that there are projects where private developers register projects directly with the department of Human Settlements, Provincial Western Cape and they are rolling those projects out. He stated that their involvement only entails accounts administration and that this has been communicated with the councillors of

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Uniondale. He mentioned that Uniondale will be included in the Human Settlements Plan.

The Director: Human Settlements (Mr C Lubbe) referred to the registration drive and mentioned that they went to various areas where communities were requested to register on the housing database. He confirmed that the aforementioned was a success and that many people registered. He indicated that the requested information will be submitted to the Section 80 Committee.

Councillor Stroebel referred to the Golden Valley housing project and expressed concern regarding the awarding of tenders to contractors who don't perform. She stressed that this hinders service delivery. She also expressed concern regarding the shortage of staff on the T13 to T15 grade level in the Directorate: Human Settlements.

The Director: Human Settlements (Mr C Lubbe) explained that the Golden Valley housing projects is a Peoples Housing Process (PHP) which is approved by Council as the direction which must be followed. He mentioned that it makes provision for the top structures that deviate from the normal standards. He explained that the community decides on the contractor by identifying three (3) or more contractors who must deliver presentations. He explained further that such presentations are minuted at a ward meeting in the presence of the relevant Councillor and that those minutes are used for the appointment of a contractor. He indicated that the Golden Valley contractor had a proven track record of good performance but for various reasons he could not make ends meet in George and the contract had to be ceased.

Councillor Van Niekerk provided the following inputs and questions:

- Any estimation of month to month influx into Thembaletu?
- Will the directorate be able to cope with the new demands? Thembaletu crawls closer to Pacaltsdorp;
- Concern regarding the footage of faulty houses received from residents of Syferfontein who moved into their new houses on Erf 325. Are the faulty houses due to the contractor's lack of competency? What went wrong?
- Moeggeploeg have ten (10) toilets for eighty (80) households. Have not seen chemical toilets there. Residents at Moeggeploeg are begging for spotlights to improve visibility at night. Moeggehuur has electricity but not Moeggeploeg.
- Pleads that Moeggeploeg's residents be provided with humane living conditions.

The Director: Human Settlements (Mr C Lubbe) referred to the population influx and mentioned that the Land Invasion department is responsible for this function. He mentioned that they have advocated and requested Councillors to inform them of any land invasions in order for it to be addressed timeously. He addressed the matter regarding the houses at Erf 325. He admitted that the workmanship was not up to standard and that an office site was created on site that will deal with any issues that the residents may have. He explained the matter regarding the lack of electricity provision at Moeggeploeg and provided

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reasons therefore. He mentioned that the residents were requested to not allow any increase in numbers at Moeggeploeg.

The Director: Human Settlements (Mr C Lubbe) confirmed that the land at Moeggeploeg was identified for the Department of Education and they had requested an alternative piece of land for the erection of a school. He explained that they first need to identify alternative land for the Department of Education before they can proceed with development with approved layouts. He mentioned that they will provide the ablutions facilities to the residents of Moeggeploeg. The Director: Human Settlements (Mr C Lubbe) emphasized that they cannot access land that does not belong to us and that they liaise with the Planning Department on a continuous basis for the identification of alternative land for the school.

Councillor Ingo stressed that the land in Rosemoor behind the clinic must be developed as there is a huge need for housing. He enquired how far the TRA as well as emergency housing was.

The Director: Human Settlements (Mr C Lubbe) mentioned that the development of the erven behind Rosemoor Clinic was never taken up. He explained that Mr Herandien is working on a programme that includes all the erven as referred to by Councillor Ingo and that they have to obtain approval from Council as well as Town Planning for the establishment of a TRA as it might not meet Town Planning's criteria. He mentioned that emergency housing is taking time because they had to go to the Adjustment Budget when their budgetary allocation ran out. He explained that once they received the funding, they immediately went out on tender but that there were certain concerns regarding criteria and the tender had to go back. He confirmed that they are busy with deviation that must be approved, and, in the meantime, they re-advertise.

Councillor Fry enquired regarding the TRA planning for Uniondale.

The Director: Human Settlements (Mr C Lubbe) explained that they have allocated funding for TRA but it was not approved. He mentioned that new town planning provisions must be done and that it will be included in the plan.

2.4 DIRECTORATE: COMMUNITY SERVICES

The Director: Community Services (Mr A Paulse) was provided an opportunity to provide input in terms of his Directorate's section in the 2019/2020 Annual Report. He mentioned to the Committee that the annual report was compiled prior to his appointment however he will proceed to elaborate on the report.

At this stage, the time being 12:26, the Senior Committee Officer (Ms N Mnyanda) joined the meeting.

The Committee was provided an opportunity to ask questions and raise their concerns.

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On a question raised by Councillor Stroebel regarding vacant senior positions, the Director: Community Services (Mr Paulse) reported that the relevant positions are in a selection process.

Alderman Kritzingher expressed her concerns regarding the following matters:

- Security in Libraries
- Control in Soup Kitchens
- State of cemeteries;
- Revision of policies
- Unspent Sport Budgets
- Illegal dumping
- Sport development

The Director: Community Services (Mr A Paulse) mentioned that illegal dumping is a major problem in the George area. He further mentioned that the department is continuously trying to minimise the problem and explained that he is currently busy with a comprehensive plan to address the matter.

Pertaining to the Sport Budget, the Director: Community Services (Mr A Paulse) reported that the unspent budget in the Social Development department was take back due to Covid-19. He mentioned that the only funds available are for Soup Kitchens and disaster management. He explained the challenges with the Rosemoore Tartan Track Project and indicated the project will commence in the next two weeks. He mentioned that a service provider has been appointed for the refuse removal and that the department is trying their best to attend to all the complaints received. He indicated that he has seen a 90% reduction in complains.

On a question raised by Councillor Stroebel regarding the system used to prosecute the private owners regarding illegal dumping, the Director: Community Services (Mr A Paulse) explained the process and mentioned that they have partnered with Law Enforcement and a private company to monitor the skip areas.

On a question raised by Councillor Brown regarding vagrants living in the dumping area, the Director: Community Services explained that the problem is a challenge however one must have a strategic approach and try to consider the situation the vagrants are living in.

Raadslid Ingo was van mening dat daar van werklose of afgetrede persone in die Wyke gebruik moet word om die geaffekteerde areas van onwettige storting te monitor.

Raadslid Fry het die uitdagings rakende die skoonmaak van die Uniondale Wyk genoem. Hy het versoek dat die Direkteur: Gemeenskapsdienste (Mnr A Paulse) 'n besoek in die Uniondale en Haarlem area moet aflê om die aangeleentheid te ondersoek.

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At this stage, the time being 12:33, the Acting Director: Electrotechnical Services (Mr S Van der Merwe) joined the meeting.

The Chairperson thanked the Director: Community Services (Mr A Paulse) for his inputs.

2.5 DIRECTORATE: ELECTROTECHNICAL SERVICES

The Acting Director: Electrotechnical Services (Mr S Van der Merwe) was afforded an opportunity to provide input in terms of his Directorate's section in the 2019/2020 Annual Report. The Committee was afforded an opportunity to raise question and concerns.

Alderman Kritzingher expressed her concerns regarding the following matters:

Minimum electricity usage in household
Filling of vacant positions

The Acting Director: Electrotechnical Services (Mr S Van der Merwe) explained the reason for the decrease in the minimum electricity usage in households and mentioned that the department is removing the old mechanical meters as they receive complaints from customers.

The Acting Director: Electrotechnical Services (Mr S Van der Merwe) mentioned that the reason for the underspending of the budget is due to not finding a contractor that complies with the PPPFA conditions as set out by the Consultant. He indicated that the challenge the Directorate is facing is that the department has a shortage in senior technical staff.

On a question by Councillor Fry regarding the Uniondale Power Station, the Acting Director: Electrotechnical Services (Mr S Van der Merwe) confirmed that he is aware of the old diesel generators in the power station. He mentioned that the department is currently busy with a plan to replace the old generators with updated generators in the near future.

The Chairperson thanked the Acting Director: Electrotechnical Services (Mr S Van der Merwe) for his inputs.

At this stage, the time being 12:58, the Acting Director: Electrotechnical Services (Mr S Van der Merwe) left the meeting.

2.6 DIRECTORATE: PLANNING AND DEVELOPMENT

The Chief Town Planner (Mr C Petersen) was afforded an opportunity to provide input in terms of his Directorate's section in the 2019/2020 Annual Report. He mentioned that the Directorate is in the process of filling vacant positions. He indicated that the department has received a significant increase in the submission and approval of building plans with the electronic portal that was launched during the Covid -19 lockdown.

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At this stage, the time being 13:01, the Acting Director: Planning and Development (Mrs D Power) joined the meeting.

Alderman Kritzinger raised her concern regarding no development in the rural areas. She mentioned that there is no progress regarding local economic development within George in general. She mentioned that she acknowledges that the Directorate has challenges in terms of capacity.

At this stage, the time being 13:09, the Director: Community Services (Mr A Pause) left the meeting.

The Manager: Tourism (Mrs J Shaw) mentioned that the department is currently busy trying to develop certain historical areas in Pacaltsdorp to tourism view areas.

The Acting Director: Planning and Development (Mrs D Power) mentioned that the challenge of not having a Director in the Directorate has an effect on the Line Managers. She mentioned that the Environmental department was never funded, and the duties of the department had to be divided between the Town Planners. She mentioned that the Directorate's statistics have been consistent for the past years. She further mentioned that the Department is trying their best to fill the vacant budgeted positions.

The Chairperson thanked everyone present in the meeting for their presence and input.

The meeting closed at 13:29

CONFIRMED

J DU TOIT
CHAIRPERSON

DATE _____

MINUTES MUNICIPAL PUBLIC ACCOUNTS COMMITTEE E-MEETING 12 MAY 2021

ITEM 1.1 ANNEXURE "A"

Meeting Summary
Total Number of Participants

26

12 MAY 2021 - MPAC SESSION 2 (DIRECTORS)

5/12/2021, 8:14:47 AM

5/12/2021, 8:47:41 AM

5/12/2021, 1:29:17 PM

Full Name	Join Time	Leave Time	Duration	Email	Role
Johan Du Toit	5/12/2021, 8:14:47 AM	5/12/2021, 1:28:50 PM	5h 14m	jduitoit@george.gov.za	Presenter
Cynobrey Jansen	5/12/2021, 8:47:41 AM	5/12/2021, 1:28:53 PM	4h 41m	CSJANS@GEORGE.GOV.ZA	Presenter
Erika Iuse Brown	5/12/2021, 8:47:41 AM	5/12/2021, 1:28:31 PM	4h 40m	elbrowne@george.gov.za	Presenter
Thobeka Twam	5/12/2021, 8:51:48 AM	5/12/2021, 1:28:39 PM	4h 36m	twam@george.gov.za	Presenter
Donovan Gurig	5/12/2021, 8:51:57 AM	5/12/2021, 1:28:47 PM	4h 36m	dgurig@george.gov.za	Presenter
Persephon que Damons	5/12/2021, 8:52:24 AM	5/12/2021, 1:28:45 PM	4h 36m	PIDAMONS@GEORGE.GOV.ZA	Presenter
Steven Erasmus	5/12/2021, 8:52:30 AM	5/12/2021, 9:56:30 AM	1h 4m	serasmus@george.gov.za	Presenter
Lizabell Strohbel	5/12/2021, 8:53:19 AM	5/12/2021, 1:28:28 PM	4h 35m	elstroebel@george.gov.za	Presenter
Hendrik Ingo christo	5/12/2021, 8:55:18 AM	5/12/2021, 1:28:40 PM	4h 33m	hingo@george.gov.za	Presenter
Pieter Van Der Hoven	5/12/2021, 8:56:20 AM	5/12/2021, 10:48:37 AM	1h 52m	pietervandervoven@george.gov.za	Presenter
Cornelius Barnard	5/12/2021, 8:57:17 AM	5/12/2021, 9:56:07 AM	4h 33m	CJBARNARD@GEORGE.GOV.ZA	Presenter
Charles Lubbe	5/12/2021, 8:59:04 AM	5/12/2021, 11:42:33 AM	58m 50s	CPUBBE@GEORGE.GOV.ZA	Presenter
Michael Eksteen	5/12/2021, 9:00:21 AM	5/12/2021, 9:10:11 AM	2h 43m	MCEKSTEEN@GEORGE.GOV.ZA	Presenter
Lunel Daniels	5/12/2021, 9:00:25 AM	5/12/2021, 10:31:01 AM	9m 49s	RDANIELS@GEORGE.GOV.ZA	Presenter
Iona Kritzinger	5/12/2021, 9:03:52 AM	5/12/2021, 1:28:34 PM	1h 30m	ickritzinger@george.gov.za	Presenter
Allen Paulse	5/12/2021, 9:04:58 AM	5/12/2021, 10:15:13 AM	4h 24m	apaulse@george.gov.za	Presenter
Allon Paulse	5/12/2021, 10:21:03 AM	5/12/2021, 1:09:45 PM	1h 10m	apaulse@george.gov.za	Presenter
Steyn Van Der Merwe	5/12/2021, 9:06:31 AM	5/12/2021, 9:14:00 AM	2h 48m	apaulse@george.gov.za	Presenter
Steyn Van Der Merwe	5/12/2021, 12:33:40 PM	5/12/2021, 12:58:17 PM	7m 28s	sdmerwe@george.gov.za	Presenter
Clinton Petersen	5/12/2021, 10:08:07 AM	5/12/2021, 1:28:29 PM	24m 37s	sdmerwe@george.gov.za	Presenter
Gert Van Heekerk	5/12/2021, 10:24:23 AM	5/12/2021, 1:27:17 PM	3h 20m	CPETERS@GEORGE.GOV.ZA	Presenter
Justin Fry	5/12/2021, 10:32:34 AM	5/12/2021, 1:16:15 PM	3h 2m	gvnheerk@george.gov.za	Presenter
Joan Shaw	5/12/2021, 11:23:17 AM	5/12/2021, 1:16:15 PM	2h 43m	jfray@george.gov.za	Presenter
Rund Le Fleur	5/12/2021, 11:24:42 AM	5/12/2021, 1:28:09 PM	2h 4m	rlfleur@george.gov.za	Presenter
Norine Mnyanda	5/12/2021, 12:26:58 PM	5/12/2021, 1:29:17 PM	2h 3m	rlfleur@george.gov.za	Presenter
Della Power	5/12/2021, 1:01:25 PM	5/12/2021, 1:28:35 PM	1h 2m	NTMNYANDA@GEORGE.GOV.ZA	Presenter
Stephany Saayman	5/12/2021, 1:27:10 PM	5/12/2021, 1:28:39 PM	2/m 9s	DPOWER@GEORGE.GOV.ZA	Presenter
			1m 29s	ssaayman@george.gov.za	Organizer



MINUTES MUNICIPAL PUBLIC ACCOUNTS COMMITTEE E-MEETING 12 MAY 2021

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
E-MEETING HELD ON MS TEAMS ON TUESDAY, 18 MAY 2021 AT 09:00**

The Chairperson cordially welcomed everyone present at the Municipal Public Accounts Committee (MPAC) meeting.

At this stage, the time being 09:01, Alderman Kritzinger and Councillor Stroebel joined the meeting.

Op 'n vraag van die Voorsitter (Raadslid Du Toit) oor die kworum vir die vergadering, het die Bestuurder Nakomingsdienste (Mev I Du Plessis) bevestig dat die MPRK 'n geskeduleerde vergadering is en dat 'n kworum noodsaaklik is.

At this stage, the time being 09:03, the Acting Director Financial Services (Mr Wallace) joined the meeting.

Councillor Stroebel opened the meeting with a prayer.

At this stage, the time being 09:05, Councillor Ingo joined the meeting.

1.1 PRESENT

Councillors J Du Toit (Chairperson)
G Van Niekerk (Deputy Chairperson)

Aldermen I Kritzinger **[from: 09:01]**
P Van der Hoven

Councillors J Fry **[from: 09:18]**
D Gultig **[from: 09:13]**
H Ingo **[from: 09:05]**
E Stroebel **[from: 09:01]**

ALSO PRESENT

Acting Municipal Manager (Dr M Gratz)
Director: Human Settlements (Mr C Lubbe)
Director: Protection Services (Mr S Erasmus)
Director: Planning and Development (Mrs L Waring)
Acting Director: Civil Engineering Services (Mr L Daniels)
Acting Director: Financial Services (Mr L Wallace) **[from: 09:03]**
Acting Deputy Director: Internal Audit (Mrs C Segon) **[from: 09:21]**
Manager: Compliance Services (Mrs I Du Plessis)
Manager: Committee Services (Miss R Bredenkamp)
Acting Manager: IDP & PMS (Mrs R Le Fleur)
Senior Administrative Officer: (Ms T Twani)
Acting Senior Committee Officer: Committee Services (Miss N Lombaard)
Senior Clerk: Committee Services (Mrs D Bredenkamp)
T Roodman **[from: 09:09]**

MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021**ALSO PRESENT**

C Lamprecht (Audit Committee member)
N Henge (DLG)

At this stage, the time being 09:09, (Mr Roodman) joined the meeting.

See attendance register as **Annexure "A"** to these minutes.

1.2.1 APPLICATIONS FOR LEAVE OF ABSENCE

Councillor E Brown

1.2.2 ABSENT WITHOUT LEAVE OF ABSENCE

Councillor L Langa

At this stage, the time being 09:13, Councillor Gultig joined the meeting.

2. STATEMENTS BY THE CHAIRPERSON

The Chairperson provided information pertaining to this meeting. He stressed that the purpose of these sessions was to discuss the 2019/2020 Oversight report.

NOTED.

3. ITEMS FOR DISCUSSION**3.1 OVERSIGHT REPORT: 2019/2020**

At this stage, the time being 09:18, Councillor Fry joined the meeting.

The Chairperson provided background information pertaining to this item. He further reported that all procedures were followed and that the item is serving for approval only. See report as **Annexure "A"** to these minutes.

Councillor Van der Hoven mentioned that no action regarding the Annual Report was received from the public or stakeholders. He proposed that the report be discussed at Ward Committee meetings.

Proposed by Councillor Stroebel and seconded by Councillor Van Niekerk, it was

RESOLVED TO RECOMMEND TO COUNCIL

that Council having fully considered the George Municipality's 2019/2020 Annual Report, resolves that:

- (a) the Oversight Report on the 2019/2020 Annual Report as **Annexure "A"** to these minutes **BE ADOPTED**;

MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021

- (b) the revised 2019/2020 Annual Report as **Annexure "D"** to the agenda **BE APPROVED** without reservations;
- (c) the Oversight Report on the 2019/2020 Annual Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, No.56 of 2003;
- (d) the Oversight Report on the 2019/2020 Annual Report **BE SUBMITTED** to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

At this stage, the time being 09:21, the Acting Deputy Director: Internal Audit (Mrs Segon) joined the meeting.

The meeting closed at 09:22.

CONFIRMED

J DU TOIT
CHAIRPERSON

DATE _____

MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021**ITEM 1.1 ANNEXURE "A"**

Meeting Summary

Total Number of Participants

25

Meeting Title

18 MAY 2021 - MPAC - OVERSIGHT

Meeting Start Time

5/18/2021, 8:22:08 AM

Meeting End Time

5/18/2021, 9:23:10 AM

Full Name	Join Time	Leave Time	Duration	Email	Role
Johan Du Toit	5/18/2021, 8:22:08 AM	5/18/2021, 9:22:22 AM	1h	jdutoit@george.gov.za	Presenter
Nicole Lombaard	5/18/2021, 8:33:44 AM	5/18/2021, 9:22:24 AM	48m 39s	NLOMBAARD@GEORGE.GOV.ZA	Presenter
Dorothy Bredenkamp	5/18/2021, 8:37:43 AM	5/18/2021, 9:21:48 AM	44m 4s	DBREDENKAMP@GEORGE.GOV.ZA	Presenter
Gert Van Niekerk	5/18/2021, 8:38:53 AM	5/18/2021, 9:21:23 AM	42m 30s	gvniekerk@george.gov.za	Presenter
christo	5/18/2021, 8:44:55 AM	5/18/2021, 9:21:28 AM	36m 33s	christo_glooucester.co.za#EXT#@georgemun.onmicrosoft.com	Presenter
Rosemary Bredenkamp	5/18/2021, 8:47:48 AM	5/18/2021, 9:22:33 AM	34m 44s	rbredenkamp@george.gov.za	Presenter
Thobeka Twani	5/18/2021, 8:47:54 AM	5/18/2021, 9:21:52 AM	33m 58s	ttwani@george.gov.za	Presenter
Ronel Le Fleur	5/18/2021, 8:48:58 AM	5/18/2021, 9:22:01 AM	33m 2s	rlfleur@george.gov.za	Presenter
Steven Erasmus	5/18/2021, 8:55:34 AM	5/18/2021, 9:21:33 AM	25m 59s	serasmus@george.gov.za	Presenter
Lauren Waring	5/18/2021, 8:56:18 AM	5/18/2021, 9:21:34 AM	25m 15s	lwaring@george.gov.za	Presenter
Isabelle Du Plessis	5/18/2021, 8:58:04 AM	5/18/2021, 9:21:27 AM	23m 23s	IDUPLESSIS@GEORGE.GOV.ZA	Presenter
Charles Lubbe	5/18/2021, 8:58:35 AM	5/18/2021, 9:21:24 AM	22m 48s	CPULBBE@GEORGE.GOV.ZA	Presenter
NNomfundo Henge (DLG) (Guest)	5/18/2021, 8:59:41 AM	5/18/2021, 9:21:29 AM	21m 47s		Presenter
Lionel Daniels	5/18/2021, 9:00:00 AM	5/18/2021, 9:21:33 AM	21m 33s	RLDANIELS@GEORGE.GOV.ZA	Presenter
Pieter Van Der Hoven	5/18/2021, 9:00:02 AM	5/18/2021, 9:21:27 AM	21m 24s	pivanderhoven@george.gov.za	Presenter
Elizabeth Stroebel	5/18/2021, 9:01:22 AM	5/18/2021, 9:21:28 AM	20m 5s	ehstroebel@george.gov.za	Presenter
Iona Kritzing	5/18/2021, 9:01:37 AM	5/18/2021, 9:21:23 AM	19m 46s	ickritzing@george.gov.za	Presenter
Michele Gratz	5/18/2021, 9:03:21 AM	5/18/2021, 9:21:22 AM	18m	migratz@george.gov.za	Presenter
Leon Wallace	5/18/2021, 9:03:52 AM	5/18/2021, 9:21:44 AM	17m 51s	lewallace@george.gov.za	Presenter
Hendrik Ingo	5/18/2021, 9:05:37 AM	5/18/2021, 9:21:38 AM	16m 1s	hningo@george.gov.za	Presenter
Theo Roodman	5/18/2021, 9:09:16 AM	5/18/2021, 9:21:29 AM	12m 13s	MAROODMAN@GEORGE.GOV.ZA	Presenter
Stephany Saayman	5/18/2021, 9:12:35 AM	5/18/2021, 9:14:16 AM	1m 41s	ssaayman@george.gov.za	Organizer
Stephany Saayman	5/18/2021, 9:20:32 AM	5/18/2021, 9:21:27 AM	54s	ssaayman@george.gov.za	Organizer
Donovan Gultig	5/18/2021, 9:13:25 AM	5/18/2021, 9:21:48 AM	8m 22s	dgultig@george.gov.za	Presenter
Justin Fry	5/18/2021, 9:18:10 AM	5/18/2021, 9:23:10 AM	4m 59s	jfrj@george.gov.za	Presenter
Cheryl Segon	5/18/2021, 9:19:39 AM	5/18/2021, 9:21:19 AM	1m 40s	csegon@george.gov.za	Presenter



ITEM 3.1 ANNEXURE "A"



ANNEXURE "A"

OVERSIGHT REPORT: 2019/2020

MPAC MEMBERS:

Chairperson: Cllr J Du Toit
Cllr G van Niekerk
Cllr E Stroebe
Ald I Kritzing
Cllr J Fry
Cllr E Brown
Cllr H Ingo
Cllr L Langa
Ald P van der Hoven
Cllr D Guldig



ITEM 3.1 ANNEXURE "A" CONTINUED

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1. Statement of Purpose of Municipal Public Accounts Committee	5
2. Process Followed by Council	5-7
3. Comments and Departmental Response on 2019/2020 Annual Report	7-8
4. Summary of Comments, Recommendations and Conclusions on the Annual Report 2019/2020	8-9
5. Recommendations to Council	9
6. Annexures:	
- Annexure "A" Oversight Report	
- Annexure "B" MPAC Minutes	
- Annexure "C" PROVINCIAL TREASURY COMMENTS ON THE TABLED 2019/2020 ANNUAL REPORT	
- Annexure "D" Revised Annual Report	



ITEM 3.1 ANNEXURE "A" CONTINUED

FOREWORD BY THE CHAIRPERSON

To the community of George Municipality, I am truly humbled by the opportunity provided to me, to present the Oversight Report of the MPAC on the 2019/2020 Annual Report. Even though it is not under normal circumstances this year due to the COVID-19 pandemic, but work must continue to ensure accountability during the provision of service delivery to our communities. I would like to emphasise to the Council that this report is tabled by the MPAC to fulfil its legal obligations in terms of Municipal Structures Act, Act 117 of 1998 and the Municipal Finance Management Act, Act 56 of 2003 regarding the exercise of oversight.

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the establishment of MPAC of Council provides the appropriate mechanism through which Council fulfils its oversight responsibilities.

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration.

Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players. Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

- The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.
- Approval of budgets;
- Approval of Budget related Policies; and
- Review of the Annual Report and adoption of the Oversight Report

The MPAC's primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council. On 31 March 2021, Council considered the draft 2019/2020 Annual Report of George Municipality and referred the Report to the Municipal Public Accounts Committee for further consideration and evaluation as well as the preparation of this Oversight Report.

The process that was followed for the consideration and evaluation of the 2019/2020 Annual Report can be summarised as follows:

DELIVERABLE AND PROCESS MANAGEMENT	DATE
Tabling of the Annual Report 2019/2020 in terms of Section 127(2) of the MFMA	31 March 2021
Tabled Annual Report submitted to AG, Provincial Treasury, Provincial Local	06 April 2021

MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021**ITEM 3.1 ANNEXURE “A” CONTINUED**

Government	
Annual Report 2019/2020 made public in terms of Section 127(5) of the MFMA	03 April– 30 April 2021
Municipal Public Accounts Committee meeting to consider and evaluate the 2019/2020 Annual Report (MPAC interacts with the Municipal Manager, Directors)	06 & 12 May 2021
Municipal Public Account Committee meets to finalise the oversight process of the Annual Report	18 May 2021

It is important to note that the tabled annual report was made available for consideration through placement on the municipal website. Hard copies of the document were not made available due to the risks associated with the COVID-19 pandemic. The Municipality placed a notice on the municipal website indicating how people that cannot read or write will be assisted to provide their inputs and comments, however no comments were received from the public on the report.

In Conclusion

The MPAC commends Council, the Acting Municipal Manager, the Senior Managers and all staff at George Municipality on the strides made towards good governance. However, there is great room for improvement with regard to:

- ❖ Continuous improvement of internal controls to ensure that issues raised by both internal and external auditors are addressed effectively.
- ❖ Improvement of key controls to ensure effective:
 - Financial Management;
 - Contract and Procurement Management;
 - Compliance Management;
 - HR Management; and
 - IT Management.

MPAC prepared this Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council’s Audit Committee and Councillors.

On behalf of the MPAC, I would like to extend our thoughts and well wishes to those who are affected by this pandemic, Covid-19, I say to them hold on, you are not alone, our prayers are with you. We have learned with great concern of recent increase in infections of our people, I also extend my deepest condolence to all the families who are left with deep wounds of losing their loved ones due to this disease.

Finally, I would like to commend my fellow Municipal Public Accounts Committee members for their hard work and commitment. I would also like to thank the administration for their support in the Oversight process. A word of thanks must also be given to the Office of the Auditor-General and the Performance Audit Committee for their input in the 2019/2020 Annual Report and oversight process.

COUNCILLOR J DUTOIT
CHAIRPERSON

**ITEM 3.1 ANNEXURE "A" CONTINUED****1. Statement of Purpose of the Municipal Public Accounts Committee**

The Municipal Finance Management Act and Municipal Systems Act recognise that Council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by Council through the IDP, which are translated into the budget, and the delivery of those goals which is reported in the Annual Report.

It is important for Council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay basis for better oversight and cement the contracts between the Executive/Council, the administration and public.

It is imperative to understand the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the Municipality.

The following table displays the nature of the accountability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Executive Mayor	Community
Executive Mayor	Policy, budgets, outcomes. management of / oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and Implementation	The Administration	Executive Mayor
Chief Financial Officer and Senior Managers	Outputs and Implementation	Financial Management and Operational Functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality.

Section 129 of the Municipal Finance Management Act requires the Council to consider the Annual Report of its Municipality and to adopt an "oversight report" containing the Council's comments on the annual report.

The Oversight Report must include a statement whether the Council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the Municipality in the relevant financial year.

The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report of the Municipal Council to the community disclosing the level of success or otherwise, obtained with meeting the priority needs and desires of the community as contained in the IDP.

2. Process Followed

On 31 March 2021, Council referred the 2019/2020 Annual Report to the Municipal Public Accounts Committee (MPAC), which performs the function of an Oversight Committee.

**ITEM 3.1 ANNEXURE “A” CONTINUED**

The MPAC consists of the following Councillors:



Chairperson: Cllr J Du Toit



Vice Chairperson: Cllr G van Niekerk



Ald I Kritzing



Cllr E Brown



Cllr H Ingo



Cllr L Langa



Cllr J Fry



Cllr D Gultig



Cllr E Stroebel



Ald P Van der Hoven

The Committee based its work on the following documents:

- 2019/2020 Annual Report
- MFMA, 2003
- National Treasury's Circular 32 – The Oversight Report
- National Treasury's Circulars 11 and 63 – The Annual Report.

Immediately after the Annual Report was tabled in Council, the Municipal Manager in accordance with Section 21 A of the MSA made the Annual Report public.

The 2019/2020 Annual Report was uploaded on the municipal website, also made available in the Office of the Acting Manager: IDP, PMS & Public Participation, all area offices and all municipal libraries. An advertisement was placed in the George Herald and on George Municipality's website respectively, inviting members of the public to submit written comments or representations in connection with the Annual Report for the 2019/2020 financial year.

**MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021****ITEM 3.1 ANNEXURE "A" CONTINUED**

At the closing date (30 April 2021) no written comments were received from the community. In addition to the above Section 21A (of the MSA) process, an information session was scheduled by MPAC with all Directors, including the Chairperson of the Audit Committee where the consideration and evaluation of the Annual Report 2019/2020 was deliberated upon. The information session allowed for questions and answers where Directors gave immediate responses to questions asked (see Minutes attached as Annexure "B"). The municipality received written comments from the Provincial Department of Treasury which is attached as Annexure "C".

3. Comments and Departmental Responses On 2019/2020 Annual Report

Comments received post tabling of the 2019/2020 Annual Report:

No	Page	Comment	DEPARTMENT'S RESPONSE
1	Pg15	Should refer to the 2019/20 audit opinion instead of 2018/19?	Annual Report updated
2	Pg17	Update the Expanded Public Works Programme (EPWP) statistics	Annual Report updated
3	Pg20	Replace 58 267 with 58 627	Annual Report updated
4	Pg24	Replace Pre-Audited Outcome with Audited Outcome	Annual Report updated
5	Pg28	Statutory Annual Process to be updated to reflect actual implementation dates	Annual Report updated
6	Pg68	Updated whole Section 2.7.6	Annual Report updated
7	Pg71	Remove 28 August 2020 (Special Audit Committee Meeting) as it falls within the 2020/21 Financial year and not the year under review.	Annual Report updated
8	Pg89	The following policies were omitted from page 89 of the draft annual report: Virement Policy – Date adopted – 30 June 2020 Cash Management Policy – Date adopted – 30 June 2020 Asset Management Policy – Date adopted – 30 June 2020 Funding, borrowing and reserve Policy – Date adopted – 30 June 2020 Liquidity Policy – Date adopted – 30 June 2020 ICT Data Backup and Recovery Policy – Date adopted – 22 August 2019 ICT Service Level Agreement Management Policy (External Service Providers) – Date adopted – 22 August 2019 ICT Services Level Agreement Management Policy (ICT and Municipality) – Date adopted – 22 August 2019 ICT Users Access Management Policy – Date adopted – 22 August 2019 ICT Security Controls Policy – Date adopted – 22 August 2019 ICT Operating System Security Controls Policy – Date adopted 22 August 2019	Annual Report updated
9	Pg127	Replace 2018/19 MTEF to 2019/20 MTEF	Annual Report updated



ITEM 3.1 ANNEXURE "A" CONTINUED

No	Page	Comment	DEPARTMENT'S RESPONSE																
10	Pg140	Under (FBS) replace as follows: <table border="1"> <thead> <tr> <th colspan="2">Electricity</th><th colspan="2">Water</th></tr> <tr> <th>FY</th><th>No of HH</th><th>FY</th><th>No of HH</th></tr> </thead> <tbody> <tr> <td>2018/19</td><td>15 397</td><td>2018/19</td><td>20 233</td></tr> <tr> <td>2019/20</td><td>19 730</td><td>2019/20</td><td>15 142</td></tr> </tbody> </table>	Electricity		Water		FY	No of HH	FY	No of HH	2018/19	15 397	2018/19	20 233	2019/20	19 730	2019/20	15 142	Annual Report updated
Electricity		Water																	
FY	No of HH	FY	No of HH																
2018/19	15 397	2018/19	20 233																
2019/20	19 730	2019/20	15 142																
11	Pg192	Remove first two columns under possible contingent liabilities as per note 47 of the AFS	Annual Report updated																
12	Pg222	Repairs and Maintenance Actual Expenditure in 2019/20 should read R159 085 719.00 instead of R101 276 719.00	Annual Report updated																
13	Pg239	Audit report amended for annual performance report page numbers for Affordable Quality Services i.e. page 99 to 106	Annual Report updated																

4. Summary of Comments, Recommendations and Conclusions on the Annual Report 2019/2020

The 2019/2020 Annual Report reflects a substantial and positive improvement in George Municipality's annual planning, budgeting and reporting processes. It is a significant improvement over the previous years' Annual report. The Annual Report complies with the requirements of the MFMA and National Treasury's guidelines for annual reports. It is further noted that the required information in terms of the MFMA is included. More specifically, the 2019/2020 Annual Report contains *inter alia*:

- the annual financial statements;
- Auditor-General's audit report;
- the annual performance report of the Municipality and
- recommendations from the Provincial Treasury
- recommendations of the Municipality's Audit Committee.

Innovative public participation strategies must be explored to improve the manner in which the Annual Report is communicated to the public especially with this current pandemic that is experienced world-wide. The 2019/2020 Annual Report as tabled in Council on 31 March 2021 is revised in accordance with the comments made / received from various role-players during the oversight process.

Section 129(1) of the MFMA stipulates that the Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in 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 the Council-

- has approved the annual report with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

MINUTES: E-MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 18 MAY 2021**ITEM 3.1 ANNEXURE “A” CONTINUED**

After evaluating the content of the Annual Report and taking into consideration all comments and deliberations at the MPAC meetings (see MPAC Minutes attached as Annexure “B”), it is recommended that the Annual Report be adopted without reservations, but that Council should comprehensively note all comments by the MPAC including all the minutes of meetings held.

5. Recommendations to Council

Council having fully considered the George Municipality’s 2019/2020 Annual Report, resolves that:

- (a) The Oversight Report on the 2019/2020 Annual Report as Annexure “A” **BE ADOPTED**;
- (b) The revised 2019/2020 Annual Report attached as Annexure “D” **BE APPROVED** without reservations;
- (c) The Oversight Report on the 2019/2020 Annual Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, No.56 of 2003;
- (d) the Oversight Report on the 2019/2020 Annual Report **BE SUBMITTED** to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.



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The Acting Municipal Manager
George Municipality
P.O. Box 19
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6530

Dear Dr Gratz

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2019/20 ANNUAL REPORT

1. INTRODUCTION

Section 121(1) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that every municipality and every municipal entity must prepare an annual report for each financial year. 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. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.

National Treasury has further introduced the new annual report template and MFMA Circular No. 63 on 26 September 2012. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.

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.

Cognisance of the prolonged impact of COVID-19 on municipal planning, budgeting and reporting efforts, the National Minister of Finance (through proclamation in Government Gazette No. 43582) provided a 2-month extension to Section 126(1) & (2), S127(1) & (2), 129(1) and S133(2) of the MFMA insofar it relates to the 2019/20 municipal financial year. The deadline for the mayor to table the (draft) annual report in council therefore shifted from the prescribed seven (7) months [S127(2)] to nine (9) months i.e. not the end of January 2021, but the end of March 2021. The revised timeframes were communicated to all municipalities via MFMA Circular No 104 of 2020 (7 August 2020).

Provincial Treasury reminded all municipalities of this responsibility on 14 January 2021 and reiterated the requirement in Treasury Circular No 5 of 2021 (17 March 2021).

2. LEGISLATIVE COMPLIANCE

The conformance assessment highlights compliance by the Municipality with the MFMA and MFMA Circular 63 as follows:

- a. The annual report was tabled before Council on 31 March 2021, which is within the deadline prescribed in MFMA Circular 104.
- b. The draft annual report was placed on the website within 5 days after tabling in council in accordance with section 75 of the MFMA.
- c. The tabled annual report was made available for public consideration via placement on the municipal website. Hard copies of the document were not made available due to the risks associated with the COVID-19 pandemic. The public was invited to comment on the annual report by no later than 30 April 2021. The website notice also indicates how people that cannot read or write will be assisted to provide their inputs and comments.
- d. The Municipality's tabled annual report has been compiled in line with MFMA Circular 63.

3. SERVICE DELIVERY PERFORMANCE

The Municipality's approved 2019/20 SDBIP (approved on 20 June 2019) contained a total of 42 performance indicators.

Strategic Objective	Number of targets as per Adjusted SDBIP	Number of targets achieved	Number of targets <u>not</u> achieved
SO 1: Affordable quality services	24	13	11
SO 2: Develop and grow George	1	1	0
SO 3: Good governance and human capital	10	8	2
SO 4: Participative partnerships	3	3	0
SO 5: Safe, clean and Green	4	1	3
TOTAL	42	26	16

The Municipality achieved 26 out of the 42 (61.9 per cent) performance indicators set for the year under review. This equates to a 38.1 per cent variance between planned and actual performance which is a notable regression on the overall 2018/19 performance where the Municipality recorded a 23.9 per cent variance (11 out of 46 targets not met).

Performance against SO 1: *Affordable quality services* has been less than ideal with only 13 out of the 24 (54.2 per cent) targets set being achieved. Most of the targets not achieved relate to capital expenditure. Provincial Treasury must caution that continuous under-expenditure against the capital

budget will have a negative impact on the basic service delivery function i.e. the ability to eradicate existing backlogs, to roll-out service to new households and to invest in infrastructure developments that will in time enhance private investment. Even more concerning is that of the SO1 targets not achieved, three are in fact national key-performance indicators (NKPI), provided for in section 43 of the Municipal Systems Act (MSA) (Act 32 of 2000) and detailed in the Local Government: Municipal Planning and Performance Regulations (2001). Under-performance by the Municipality against its basic service delivery targets is particularly problematic given its close association with the improvement of overall quality of life.

Most of the targets related to SO 5: *Safe, clean and Green* were also not achieved (3 out of 4; 75.0 per cent). Provincial Treasury is however satisfied with the corrective measures provided.

Non-financial performance variances have overall been well substantiated in the performance management report attached to the tabled annual report.

4. AUDITOR GENERAL FINDINGS

The Municipality achieved an unqualified audit opinion (with findings) from the Auditor-General for the 2019/20 municipal financial year. The primary finding pertains to the accuracy of the indigent database. The Municipality provides a detailed response to this finding on its website.

5. GENERAL OBSERVATIONS

- The annual report should indicate if (and when) changes were made to the top-layer SDBIP.
- More detailed reference should be made as to when quarterly reports were submitted to council.

6. CONCLUSION AND RECOMMENDATIONS

The Municipality adhered to all of the requirements of the MFMA (and revised timeframes) insofar the timeous development, tabling and submission of the draft annual report is concerned.

In conclusion, the Municipality is reminded of its responsibility to finalise and adopt the annual report and the oversight report by no later than two months from the date on which the annual report was tabled before council in terms of section 127 of the MFMA.

Kind regards



MS N RINQUEST

DIRECTOR (ACTING): LOCAL GOVERNMENT BUDGET OFFICE

DATE: 30 April 2021