

OVERSIGHT REPORT ON ANNUAL REPORT 2023/2024

PURPOSE OF THE REPORT

The purpose of the Annual Report is:

- To provides a record of the activities of the municipality during the financial year 2023/2024.
- To provides a report on performance against the budget of the municipality for 2023/2024 financial year.
- To provide information that supports the revenue and expenditure decisions made; and
- To promote accountability to the local community for the decisions made throughout the year by the municipality.

BACKGROUND

This annual report:

- Provides a record of the activities of the municipality during the financial year 2023/2024.
- Provides a report on performance against the budget of the municipality for 2023/2024 financial year.
- Promote accountability to the local community for the decisions made throughout the year by the municipality.

(a) ANALYSIS OF THE ANNUAL REPORT

The chairperson of the MPAC including members adopted the agenda with the annual report as a standing item where analysis was done. The Municipal Manager presented the report, corrections to be made on table of content of the annual report **items of grammar or spelling**. The amendments and corrections to the Annual Report were done. The amended Annual Report is attached separately.

For ease of reference the summary is attached as **Annexure A**.

2. ORGANISATIONAL PERFORMANCE SCORECARD REVIEWED BY COGTA

PAGE NO	KPI	Target	Actual achieved	Comments	Action plan/	Directorate
225	No of dumping sites eradicated	11	11	Target is 11 and actual reported is 11 dumping sites Have all those 11 dumping sites been permanently cleared now?)	Creating awareness. No dumping sign in place. Planting Succulent plant.	Community Services
225	No of new cemeteries established	Two (2) New cemeteries (ward 4and8)	0	The tender for EIA for been advertised, a process that will determine the suitability of the identified sites to establish cemeteries	To be considered on the new financial year.	Community Services
225	Total capital expenditure as a % of total capital expenditure budget	100%	122 %	The roll over incurred to the new financial year 2023-2024 which resulted on the 122% of capital expenditure.	All C88 report will be annexure in SDBIP for 2024-2025 financial year. The workshop will be organised with COGTA and Municipal officials to discuss C88 performance indicators.	BTO
225	Total operating expenditure as a % of total operating expenditure	1		Target is 100% but the actual is 43%. Reason for non-performance is indicated as: Negative cashflow constraints negatively influence the spending of internal funded capital This reason needs further explanation. There is no remedial action indicated.		BTO
226	Cash/cost coverage ratio	1-2 months	2 months	Target was 1-2 months and actual is 2 months. The reason is stated as follows: 95% of the properties on the valuation role are not metered and supplied electricity by Eskom. This leaves no debt collection mechanism		BTO
226	UIF&WE as a % of total operating expenditure			Target is 5% and the actual is 13 %. There is no stated reason why the target was not met. There is no credible remedial action.		BTO
226	Repairs and maintenance as a percentage of			Target was 75% while achievement was 1%Why was the target set at 75%?		BTO

	the PPE and investment property (operating budget).			No reasons for non-achievement No remedial action		
227	Percentage reduction in debtors' payment period			The target was 30 days and the actual was 200. The 200 days is very high, The reason forwarded needs explanation There should be a remedial action.		BTO
226	Percentage increased in the collection rate			Target is 80% and actual is 63%. Reasons for non-achievement needs explanation		BTO
227	Percentage of ward that have held at least one councillor convened community meeting.	100%	44%	Ward meetings do not site due to poor attendance by public.	Speaker must enforce Councillors to conduct or hold ward meetings on the regular bases.	Corporate
227	Number of active suspensions longer than three (3) months.	0		Some of the cases are not on the control of the Municipality, these cases were under the court roll which makes it difficult for the Municipality to determined when the case will be finalised.	The suspended officials must be resolve within three months 3.	Corporate
228	Reduction in the number of audit findings			Target is 62 and actual is not indicated. Reason for non-achievement needs explanation.	All directorate must implement Audit action plan to reduce audit findings.	All Directorates
2	Percentage of total municipal operational expenditure spent on contracted services physically residing within the municipal area.			Target is 30% (R8 million) and the actual is not indicated. No reasons have been given No reasons have been given for non-achievement.	This report will get it from SCM on the monthly bases.	SCM

228	Number of EPWP/CWP work opportunities created by the Municipality.	316	251	<p>EPWP employment will base on the rotation of new recruits' intake. EPWP must not exceed the 5% of skilled labour to be employed in any intake and 95% of general labour employed.</p> <p>CWP coordinator must update the Municipality with numbers of employment Created by CWP in the quarter.</p> <p>Reasons for Budget Constraints: The Municipality's allocation is very limited versus the stipulated work opportunities. In the allocation the municipality must also procure PPE and tools. New labour intake happens every 3months, and they must be provided with PPE. The procuring of PPE with every new intake restricts the municipality from creating more work opportunities.</p>	Both EPWP and CWP new recruits' intake will be employed based on the policy and regulations of the programmes. Council will monitor the employment process to oversee the fairness process conducted.	Technical Department.
228	Average time taken to finalise business licence application		•	<p>Target is 30 working days and actual is 30 working days How does the municipality track the achievement of this target?</p>	The Official responsible for the business licence application must indicate the process it takes from the receiving of application up until to the finalisation of issuing of the licence to the applicant.	LED
228	Average no of days from the point of advertising to the letter of award per 80/20 procurement process		•	<p>Target is 90 days and actual is reported as 90 days.</p> <p>How is this tracked?</p>		SCM Accountant
228	Number of new sewer connections meeting	374	67	<p>Target is 374 and the actual is 67.</p> <p>Reason given is budget constraints: The projects are all multiyear thus the allocation is spread amongst project in the PIP. All projects that</p>	From the project implementation plan, amounts that are allocated per each project in the PIP are	Technical Service's

	minimum standards			<p>are in the PIP share the allocation given to the municipality therefore the ones that are performing are given priority to be completed.</p> <p>Reasons for not reaching target: the house connections only occur once the sewer pipeline is complete in area.</p> <p>In areas where we have done house connections the residents are refusing to sign happy letters due to non-availability of water in the area whereas we are doing a sewer project.</p> <p>Remedial action is: project will take priority next FY.</p>	<p>not the actual project values they are just allocations.</p> <p>the</p>	
228	No. of new water connections meeting minimum standards.	374		<p>Target is 374 and no actual is indicated (target is not met).</p> <p>Reason needs explanation (this project was done before the approval of this current project).</p>	<p>This indicator was removed from SDBIP of 2024-2025 financial year. Any project with no budget must not for part of the SDBIP.</p>	
229	Percentage of unplanned outages that are restored to supply within industry standard timeframes.			<p>Target is 85% and is reported to be met. How is the achievement measured? This target was measured in consolidation of reported outages reports on what's app, work inns and community groups and Facebook.</p>	<p>To have a system where it will be able to indicate when did we received the call and when was the jobs cards issued to relevant official to attend to the problem, and when was the problem resolve and register in the system as resolved.</p>	
229	(Percentage reduction in the) Staff vacancy rate			<p>Target is 10% and the reported achievement is 10%. The achievement has to be explained</p>		Corporate services
229	Average turnaround time taken to respond to fire and	15 minutes	15	<p>Target is 15 minutes and reported actual is 15 minutes.</p> <p>How is it tracked?</p>		Community and safety


	emergency incidents.					
229	Kms of new municipal road network developed	1km	820 meters	<p>Target is 1 km and not achieved (no actual).</p> <p>The reason forwarded is that the MIG was reduced to R2m and this needs explanation.</p>		Technical Services
229	Percentage of reported pothole complaints resolved within standard municipal response time.			<p>Target is 75% and actual is 70%.</p> <p>What is the standard municipal response time?</p> <p>Where are they reported?</p> <p>1.ward Councillor</p> <p>2.Whats app link</p> <p>3.Works inn to Municipality.</p> <p>What is the process from reporting to the repairing of the potholes?</p> <p>How is this tracked? Through the reports of roads and stormwater section.</p>	To have a system where it will be able to indicate when did we received the call and when was the jobs cards issued to relevant official to attend to the problem, and when was the problem resolve and register in the system as resolved.	Technical Services
230	Percentage of callouts responded to within 48 hours (sanitation/wastewater)	75%	34	<p>Target is 75% and actual is 34 job cards. Achievement must also be a percent not a number.</p> <p>Reasons for non-achievement are not indicated.</p>	To have a system where it will be able to indicate when did we received the call and when was the jobs cards issued to relevant official to attend to the problem, and when was the problem resolve and register in the system as resolved.	
230	Percentage of callouts responded to within 48 hours (water).			<p>Target is 30 days and actual is <i>four</i> (4) job cards.</p> <p>Actual must also be a percentage.</p> <p>Is this referring to temporary water unavailability in the community or a water leak?</p>	To have a system where it will be able to indicate when did we received the call and when was the jobs cards issued to relevant official to attend to the problem, and when was the	

					problem resolve and register in the system as resolved.	
230	Average number of days taken to process building plan applications of less than 500 square meters			Target is 30 days, and the actual is not indicated. No reason for the non-achievement is indicated.	The Official responsible for the business licence application must indicate the process it takes from the receiving of application up until to the finalisation of issuing of the licence to the applicant.	
230	Percentage completion/Construction of a multipurpose sport's recreational facility			Target is Nomathamsanqa multipurpose sports recreational facility completed and actual is reported as the same. The indicator is not easy to understand and is not easily verifiable.	The indicators were crafted in the new SDBIP in the percentage form and break down in to work packages per quarter.	
230	Constructing a new community hall			Target is Moses Mabhida community hall completed, and the actual is reported as the same. The indicator is not easily to understand and is not verifiable.	The indicators were crafted in the new SDBIP in the percentage form and break down in to work packages per quarter, but this project was completed in the last financial year.	
230	KMs of emergency flood road repairs in Vygie and Adams Street undertaken	1km of roads repairs		Target is 1 km by March 2024. Budget constraints as a reason must be explained. From the project implementation plan, the amounts that are allocated per each project in the PIP are not the actual project values they are just allocations. All projects in the PIP are multiyear therefore priority is given to those projects with more progress.	. Improve grant allocation from national government.	

REVIEWS OF AUDIT COMMITTEE AND AGSA.

REVIEWS BY AUDIT COMMITTEE	REVIEWS BY AUDITOR GENERAL	DONE
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Does not seem complete- Management should indicate to various individuals what is outstanding and what the deadlines are.	In performing the review of the draft annual report, the following differences or deficiencies were identified.	✓	✓
Awaiting IA's detailed review for February 2025, AC meeting.	Financial overview: It seems like 22/23 financial year information, please recheck and update.	✓	✓
Review grammar, punctuation etc over 750 issues noted on a spell check only. Check for consistent use of capitalisation, font sizes and formats (e.g. bold) throughout the document.	Municipal transformation and organisational development: Vacancy rate is 9.8% but from the information submitted during the audit the overall vacancy rate was 17%	✓	✓
Submit a copy to AG to review as part of public participation and implement their inputs.	We could not confirm the corrections of the audit report attached as it could not open. We will confirm at the meeting from the printed copies.	✓	✓
AUDITOR GENERAL REPORT not included.	The audited annual financial statements are not included, we therefore could not confirm correctness.	✓	✓
Could abbreviated Council resolutions not be an annexure?	There are differences noted in statement of financial performance and cash flow statement included in chapter 5. Please refer to the attached for the differences.		✓
APPENDIX G- recommendations of the municipal audit committee (Year 0??) – IA and AC to confirm from page 262.	The APR used in Chapter 3: Service delivery performance is not the audited one and as such, the following inconsistencies were identified. ➤ KPAs are a mix match, KPA names & numbers and KPI numbers are not shown on Annual report APR (same issues raised in COAF 8).		✓
Table of Contents – Formatting issues.	➤ KPA 1-Actual achieved for new cemeteries established indicator is not aligned with audited APR	✓	

Item 2.9 on page 3 – remove the sentence “no by -laws were introduced by the year – should not be bookmarked	➤ KPA 1- Actual achieved for number of new water connections meeting minimum standards indicator is not aligned with audited APR		
Item 4.2 on page 4 – remove the sentence “a total of 10 policies ...”- should not be bookmarked			

The accounting officer must

- (b) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and
- (c) submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within 7 days of its adoption.

Annexure “A” Annual Report for 2023/2024 financial year soft copy.

FINANCIAL IMPLICATION

None

LEGAL IMPLICATION

In compliance with Municipal Systems Act (MSA) Act 32 of 2000

The Constitution of the Republic of South Africa, 1996, section 152,

HUMAN RESOURCE IMPLICATION

none

RECOMMENDATION the council.

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