

A34 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MPAC OVERSIGHT REPORT ON THE 2019/2020 1ST QUARTER PROGRESS & 2019/2020 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT QUARTERLY SDBIP REPORTS.

(E/C 2021 02 04; C 2021 02 04)

(12/2/3/1/1)

RESOLVED

1. That Council approves the oversight report on the 2019/2021 1st quarter progress report & Mid- Year Budget and Performance Assessment Reports with the following recommendations:
 - a) That the Municipal manager ensures that performance and risk management reports are tabled in Council quarterly without delay.
 - b) That the Chief Financial Officer ensures that performance on meter readings is monitored and correct billing is done to improve collection.
 - c) That the Municipal Manager ensures that monitoring of projects that are implemented is intensified to ensure that quality service is rendered.
 - d) That the Corporate Service Director ensures that the Website content management is in line with the legislated requirements.
 - e) That the Chief Financial officer ensures that all properties on the valuation roll are being billed for assessment rates.
 - f) That the Community Services Director ensures that the under spending on solid waste management compared to the budgeted amount is looked at, to ensure that the service to the community is rendered.
 - g) That the Municipal Public Accounts Committee will conduct the project site visit, to verify the physical progress against the provided information by management

on the INEP projects for 01/07/2019 to 30/06/2020 financial year, and report back to Council on the committee's findings.

- h) The project site visit will be conducted when the restriction on the face to face meetings has been lifted (Disaster Management Legislation) to ensure compliance with the Covid-19 protocols.

Signed by the Speaker

Councillor DJ Mmetle

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(E/C 2021 01 ; 2021 01 28)

(12/2/3/1/1)

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
CHAIRPERSON: COUNCILOR DG MKHABELA.

PURPOSE OF THE REPORT

The purpose of the report is to table before Council, the Municipal Public Accounts committee's oversight report on the 2019/2020 1st Quarter Progress & Mid-Year Budget and Performance Assessment Reports, for Council's consideration.

BACKGROUND

The 2019/2020 1st Quarter Progress & Mid-Year Budget and Performance Assessment Reports were referred to the Municipal Public Accounts committee by Council on the 31 January 2020 for oversight processes by the committee.

DISCUSSIONS

The Municipal Public Account Committee perused both the 2019/2020 1st Quarter Progress & Mid-Year Budget and Performance Assessment Reports and crafted clarity seeking questions which were submitted and responded to by the management. The responses by the management provided clarification in various aspects of concern by the committee and which includes;

- EPWP beneficiary list
- Water and Electricity data
- Housing Consumer Education/ Awareness.
- Delays in submitting quarterly reports to council, etc.

CHALLENGES PER DEPARTMENT

Municipal Manager	Corporate Services	Budget & Treasury	PED / GTEDA	Community Services	Electrical Engineering
<ul style="list-style-type: none"> • The Annual Performance assessments for Directors has to be postponed to accommodate the request by the Treasury to adjust the Budget, for both quarters. 	<ul style="list-style-type: none"> • Progress behind schedule regarding the organogram review by the service provider appointed. 	<ul style="list-style-type: none"> • MSCOA implementation behind schedule with only five of the seven modules working 	<ul style="list-style-type: none"> • Poor performance of the service provider appointed to develop Land Use Scheme 	<ul style="list-style-type: none"> • High incidence of municipal infrastructure 	<ul style="list-style-type: none"> • Electrical losses are still a concern a situation which is worsened by the challenges with meter reading.
<ul style="list-style-type: none"> • Delays in the finalization of quarterly performance and risk management reports and processing to Council for both 1st & 2nd quarters. 	<ul style="list-style-type: none"> • Website content management not in line with legislated requirements. 	<ul style="list-style-type: none"> • Expenditure on the Finance Management Grant is below target. 	<ul style="list-style-type: none"> • Agricultural expo was not reported 	<ul style="list-style-type: none"> • Under spending on solid waste management compared to budgeted amount. 	<ul style="list-style-type: none"> • INEP Grant Projects

<ul style="list-style-type: none"> • Capital expenditure on projects as prioritized in the current year IDP reflecting negatively, 2.4 million spent on prior year's projects 	<ul style="list-style-type: none"> • No progress with the signing of work plans by level 3 employees. 	<ul style="list-style-type: none"> • Not all properties on the valuation roll is being billed for assessment rates. 	<ul style="list-style-type: none"> • Housing Consumer initiatives were not conducted as planned. 	<ul style="list-style-type: none"> • Traffic law enforcement not yet issuing the targeted number of direct summons and fines issued are not paid by offenders 	
		<ul style="list-style-type: none"> • Creditors still not paid within the 30 days due to cash flow constraints 	<ul style="list-style-type: none"> • GTEDA projects not included in the IDP 	<ul style="list-style-type: none"> • Security service provider performance not up to standard 	

DISCUSSIONS

INEP GRANT PROJECTS

The committee received written responses late which delays the reporting time frames of the committee to Council. The observation by the committee on the INEP Grant Projects as provided in the responses were not verified by the committee, as due to the restrictions of the Disaster Management Legislation, were not able to conduct the projects site visits. The physical progress of the electrification projects will be visited by the committee once it is possible to do so.

ASSESSMENT OF THE PERFORMANCE OF SERVICE PROVIDERS FOR 1ST & 2ND QUARTER 2019/2020

During the perusal of both the 1st quarter Progress report and Mid-Year Budget and Assessment Report 2019/2020, the committee observed that the performance of most of the service providers were satisfactorily as the service provider deliver on the requirements as per the Service Level Agreement. The following are the few that have challenges in discharging the work satisfactorily:

1. Baatshuma (Pty) Ltd – meter reading service

The challenge with inconsistent meter reading and LPU meters not read correctly. Council is not receiving all consumption readings for billing purposes with an effect on cash flow.

2. Kunene Makopo

Delays in turnaround time to process certain claims. Also the slow payment of claims.

3. Mapheto Business Services

The service provider is appointed to provide physical security and guarding of municipal assets, officials and councillors. They do not perform the duties as per the SLA.

- There are too many thefts and damages of municipal assets under their care.
- Security breach was caused in their care, where a group of people with harmful substance were led to enter the municipal premises
- They don't pay or replace lost/damaged assets.
- Poor performance of their duties and non-conformance with the Service Level Agreement

4. Fidelity Cash Solutions

- Are contracted to collect and bank municipal cash. The challenge is the service provider not depositing daily at the bank and that is against the municipal policy. Sometimes they do not collect cash, citing vehicle challenges, they also use many deposit books which confuse municipal revenue staff.

PROJECT SITE VISIT BY THE COMMITTEE.

The committee were not able to conduct any projects visits under the quarters under review.

RECOMMENDATIONS

1. That Council approves the oversight report on the 2019/2021 1st quarter progress report & Mid- Year Budget and Performance Assessment Reports with the following recommendations:
 - a) That the Municipal manager must ensure that, performance and risk management reports are tabled in council quarterly without delay.
 - b) That the Chief Financial Officer must ensure that, performance on meter reading be monitored and ensure correct billing is done to improve collection.
 - c) That Municipal Manager must ensure that, monitoring of projects being implemented be intensified to ensure that quality service is rendered.
 - d) That the Corporate Service Director must ensure that Website content management is in line with legislated requirements.
 - e) That the Chief Financial officer to ensure that, all properties on the valuation roll is being billed for assessment rates.
 - f) That the Community Services Director must ensure that, the under spending on solid waste management compared to budgeted amount is looked at to ensure that service to the community is rendered
 - g) That the Municipal Public Accounts Committee will conduct the project site visit to verify the physical progress against the provided information by management in their responses on the INEP projects scheduled for 01/07/2019 to 30/06/2020 and report back to council on the committee's findings.

FOR CONSIDERATION