



# **BERGRIVIER MUNICIPALITY**

## **2018/19 OVERSIGHT REPORT**



**CHAIRPERSON OF THE OVERSIGHT COMMITTEE**  
**ALDERLADY SANETTE SMIT**  
**26 MARCH 2020**

# INTRODUCTION

- This Oversight Report on the 2018/19 Annual Report of the Bergrivier Municipality has been compiled in terms of Section 129 of the Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) and is presented here today.
- The Municipal Council must adopt an Oversight Report no later than 2 months after the tabling of 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.

# APPOINTMENT

The Oversight Committee was appointed for the remainder of the term of office of the current council per Council Resolution RVN028/08/2016 on 23 August 2016, and per amended Council resolution dated 22 January 2019 (RVN 35/01/2019) Bergrivier Council decided:

“1. That the Bergrivier Municipality Oversight Committee be constituted as follows for the term of office of current council:

- a. one member of the Committee namely Alderman J. Raats;
  - b. a person from the Municipality’s Performance & Audit Committee appointed by the Chairperson of the Performance Audit Committee, namely Mr. C B De Jager.
  - c. two councillors from the DA namely:
    - i. Councillor Johan Botha
    - ii. Councillor Audrey Small
  - d. two councillors from the ANC namely:
    - i. Alderlady Sanette Smit (Chairperson)
    - ii. Councillor Samantha Lesch
2. That the Oversight Committee be chaired by Alderlady Sanette Smit;
3. That the duties and functions of the Oversight Committee be as prescribed by Section 129 of the MFMA.

# MANDATE AND TERMS OF REFERENCE

The Mandate of the Oversight Committee is to:

1. Undertake a detailed analysis and review of the Municipality's Annual Reports;
2. Consider inputs from the Council, Portfolio Committees, Ward Committees and the public on the Municipality's Annual Report;
3. Consider inputs from the Municipality's Audit & Performance Committee as well as the Auditor General on the Municipality's Annual Report;
4. Draft an Oversight Report on the Municipality's Annual Report;
5. Co-opt advisory members should this be necessary.

# METHODOLOGY

- The Draft Annual Report was tabled before Council on 21 January 2020;
- The Draft Annual Report was submitted to the relevant authorities and made public for comments on 24<sup>th</sup> January 2020.
- The closing date for submissions was 19 February 2020;
- No submissions were received;
- The Oversight Committee conducted the Oversight Process over 4 sittings between 4<sup>th</sup> February 2020 and 17<sup>th</sup> March 2020 and the process concludes with this presentation to the Municipal Council on 26<sup>th</sup> March 2020.

# STRUCTURE OF THE 2018/19 ANNUAL REPORT

## VOLUME I

- Forewords
- Chapter 1: Municipal Overview and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational Development Performance
- Chapter 5: Financial Performance

## VOLUME II

- Report of the Auditor General
- Annual Financial Statements

# **OBSERVATIONS AND RECOMMENDATIONS**

## **2018/19 ANNUAL REPORT**

# OBSERVATIONS/RECOMMENDATIONS

## THE KEY OBSERVATIONS

- Employment Equity – The Employment Equity Plan must be an active working document and implementation on all levels is key, with the emphasis on empowering women especially on managerial level and capacity building/training programmes.
- Housing Projects – The slow process of the housing pipeline is of concern and the administration is requested to fast-track the delivery of much needed housing to the communities it serves.
- Client Services – This is a grey area in all towns and must seriously be addressed in the proper manner to eliminate substandard client services to the community.
- The committee hereby recommends that secretarial support (committee clerks) be allocated to the functionality of the committee for the next round of Oversight meetings.
- Staff Costs – Meaningful intervention is needed to reduce escalating employee costs as it have a negative impact on effective service delivery to the community.



# OBSERVATIONS/RECOMMENDATIONS

- The top management structure must caution that personality persona does not clash and interfere with the effective management of the organization.
- Auditing Fees – the reduction of the high auditing fees must be explored more intensely.
- Debtors' book - In it's current state, it is of great concern and a paying culture for services must be cultivated and stimulated and the administration must enforce collection methods.
- Costing System – A costing system for the municipality should be explored where productivity is constantly monitored.
- Income Generation – Should become the norm of the municipality and an effective traffic revenue and other income system must be investigated to generate more income for the municipality as it has huge potential.

***We need to live the goals we set out in our vision and mission.***

# **OUTSTANDING ISSUES**

## **2018/19 OVERSIGHT REPORT**

1. No substantial outstanding matters in the 2018/19 Oversight Report

# CONCLUSION

- I would like to commend the Municipality on its achievement of another unqualified audit. I further recognise the valuable contribution by Mr C. De Jager on the Oversight Committee.
- I would like to thank the members of the Oversight Committee and all officials who participated in the 2018/19 Oversight Process for their time and cooperation.
- The process was successful and enabled the Committee to identify areas and that it is noticeable the management of the municipality took the inputs and the recommendations serious.
- I am of the opinion that the 2018/19 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2018/19 Annual Report without reservations.