



NEWCASTLE MUNICIPALITY

OVERSIGHT REPORT 2016/17

Table of Contents

OVERSIGHT COMMITTEE MEMBERS.....	2
EXECUTIVE SUMMARY	3
BACKGROUND TO ANNUAL REPORT 2016/17	4
FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)	7
SUMMARY OF COMMENTS RECEIVED FROM STAKEHOLDERS AND RESPONSE THERETO.....	8
CHECKLIST FOR CONSIDERATION OF THE ANNUAL REPORT	20
CONCLUSIONS ON THE ANNUAL REPORT OF THE MUNICIPALITY.....	51
CLOSING REMARKS	52
RESOLUTIONS AND STATEMENT.....	52

ANNEXURES

Annexure 1	-	Published Advert calling for public input (2 February 2018)
Annexure 2	-	Comments from Newcastle Ratepayers Association (22 nd February 2018)
Annexure 3	-	Minutes of MPAC meetings held on:- <ul style="list-style-type: none">✓ 14th March 2018✓ 16th March 2017

OVERSIGHT COMMITTEE MEMBERS

Councillor M E Ngcobo (Chairperson)

Councillor B S Dlamini

Councillor N P Kunene

Councillor S G Miya

Councillor S J Nhlapo

Councillor S E Shabangu

Councillor L G Thwala

Councillor M S Mlangeni

Councillor T M Zulu

Councillor A P Meiring

Councillor M W Twala

EXECUTIVE SUMMARY

In terms of the Municipal Finance Management Act (Act No 56 of 2003) and the Municipal Systems Act (Act No 32 of 2000), each municipality must prepare an Annual Report for each financial year. The purpose of the Annual Report is to:

- *To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;*
- *To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and*
- *To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity*

The 2016/2017 Annual Report was tabled in Council on 31st January 2018..

The final step in the reporting process is for Council to consider the Annual Report in the light of the findings contained in an Oversight Report. This is in terms of section 129 of the MFMA. The Oversight Report is compiled by the Municipal Public Accounts Committee (MPAC) as established by Council. The MPAC represents a separation of powers between the Executive Committee and the Administration and is aimed at enhancing accountability and good governance.

The Oversight Report is prepared using guidelines prepared by National Treasury as per MFMA Circular 32. The MPAC going forward will make submissions to Council on Oversight policy and procedures, clarifying roles and responsibilities of all role-players, and determining steps to be followed in the overall oversight process.

For the purpose of this Oversight report, the MPAC responds to the Annual Report Checklist and comments and submissions made by the community. It further includes observations and recommendations of the MPAC to Council.

BACKGROUND TO ANNUAL REPORT 2016/17

Section 121 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that :-

“

1. *Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a 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.*
2. *The purpose of an annual report is-*
 - (a) *To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;*
 - (b) *To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and*
 - (c) *To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity*
3. *The annual report of the municipality must include-*
 - (a) *The annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor General for audit in terms of section 126 (1);*
 - (b) *The Auditor General report in terms of section 126 (3) on those financial statements.*
 - (c) *The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;*
 - (d) *The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.*
 - (e) *An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;*
 - (f) *An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue sources and for each vote in the municipality's approved budget for the relevant financial year;*
 - (g) *Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports referred to in paragraphs (b) and (d)*
 - (h) *Any explanation that maybe necessary to clarify issues that in connection with the financial statements;*
 - (i) *Any information as determined by the municipality;*
 - (j) *Any recommendations of the municipality's audit committee; and*

- (k) Any other information as may be prescribed.*
4. *The annual report of a municipal entity must include-*
- (a) The annual financial statements of the entity as submitted to the Auditor General for audit in terms of section 126 (2) on those financial statements*
 - (b) The Auditor General's audit report in terms of section 126 (3) on those financial statements;*
 - (c) An assessment by the entity's accounting officer of any arrears on those financial statements;*
 - (d) An assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality*
 - (e) Particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b);*
 - (f) Any information as determined by the entity or its parent municipality;*
 - (g) Any recommendations of the audit committee of the entity or its parent municipality; and*
 - (h) Any other information as may be prescribed."*

It is against this background that the annual report in respect of the 2016/2017 financial year was submitted to Council on the 31st January 2018 as per the following process flow :-

**TABLING OF ANNUAL REPORT ON 31
JANUARY TO COUNCIL**



**PUBLISH FOR PUBLIC COMMENT
2 FEBRUARY TO 23 FEBRUARY 2018**




**MPAC TO CONSIDER ANNUAL REPORT AND
PUBLIC COMMENTS AND COMPILE
OVERSIGHT REPORT**

14 & 16 MARCH 2018



**COUNCIL TO CONSIDER OVERSIGHT
REPORT BY 31 MARCH 2018**



**COUNCIL ADOPTS, REJECT OR REFER
ANNUAL REPORT BACK**

Accordingly, notice was given in terms of section 21 of the Municipal Systems Act, No 32 of 2000 read with section 127(5) of the Municipal Finance Management Act that the Annual Report was open for comments and/or inputs by the community and stakeholders by the 27TH February 2017. The Annual report was placed at all municipal offices, libraries and the municipal website www.newcastle.gov.za.

The only comment received was from the Newcastle Ratepayers Association and was circulated for responses by management and was considered by the MPAC accordingly.

In terms of section 129 of the Municipal Finance Management Act:-

Oversight reports on Annual Reports –

i) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the 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 –

(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.

FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The functions of the MPAC are to:

- ✓ Undertake a review and analysis of the Annual Report.
- ✓ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- ✓ Consider written comments received on the Annual Report from the public consultation process.
- ✓ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- ✓ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.

- ✓ Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

SUMMARY OF COMMENTS RECEIVED FROM STAKEHOLDERS AND RESPONSE THERETO

The MPAC acknowledges the comments from the Newcastle Ratepayer's Association and notes the Management responses thereto. Where applicable, it is recommended that Management implement same as agreed, and formally give feedback to the NRA in response to the representations made.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
1	In the Mayor's statement (page5) and in the highlights of the Department of Development Planning and Human Settlements, reference is made to the registration of title deeds for people of Section 7 Madadeni with no indication on how many households are involved. This is an important matter and should have been highlighted.	DPHS (HOUSING)	- The Department agrees that this matter was supposed to have been highlighted in the Annual Report for 16/17 as there are 330 houses in Section 7 Madadeni that will receive title deeds through Enhanced Extended Discount Benefit Scheme. The EEDBS project at Madadeni Section 7 has been approved. A total number of 1328 has been approved for registration and transfer in the next financial year.	<ul style="list-style-type: none"> ✓ That is be noted that Section 7 Madadeni is a special project and that the programme is on-going for other areas ; ✓ That the Annual Report be revised to include feedback on the programme holistically

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
2	<p>Reference is made to a positive audit opinion for two consecutive years. (pages 8 & 78) however the latest IDP on page 342 states very clearly that for 2015/2016 it was a qualified opinion.</p> <p>It is interesting to note that in the audit report included in the annual report the Auditor General did not specify a specific opinion which places doubt on the statement that for 2016/2017 it was an unqualified opinion.</p>	DPHS (IDP) , BTO, MM	<ol style="list-style-type: none"> 1. The 2 consecutive years referred to in draft annual report are financial years 2015/16 and 2016/17 (the year of the annual report). In these 2 financial years, the audit opinions on the financial statements were unqualified, which is a positive outcome. The latest year reported on the IDP on the other side is 2015/16, which was the first year the municipality received unqualified audit opinion. 2. Attention is drawn to chapter 6 (pg 120), of the annual report, second paragraph which contains the audit opinion of the Auditor-General. 	<p>✓ That the Management Response be noted in relation to the AG opinion for the 2 financial years 2015/16 and 2016/17;</p> <p>✓ That the NRA be referred to chapter 6 (pg 120), of the annual report, second paragraph which contains the audit opinion of the Auditor-General.</p>
3	It is a pity that in so far statistics are concerned the report relies on the 2011 information and that more recent statistics are not available which in all probability would have given another picture.	DPHS (IDP)	- The information used in the IDP is derived from Statistics South Africa (Stats SA). Please note that the only available full census information is the 2011 Census information. However, Stats SA undertook a Community Survey in 2016. It is a sample survey which is not comprehensive. They have now attempted to present it per ward and we will during the first review, present it.	✓ That it be noted that the use of Stats 2011 is outdated and the most recently available Stats information will be used as part of the IDP Review process
4	Reference is made that agriculture shows a decline in production and employment (page	DPHS (IDP)	- The municipality is currently involved in the process of reviewing the IDP and	✓ That is be noted that a detailed agricultural sector review will be addressed through the LED Strategy

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
	20) without giving the reasons therefore.		that various line function departments are updating information and this will also be dealt with in the review. Furthermore the Municipality is undertaking its review of LED Strategy which will provide a clearer picture of performance of agricultural sector	and IDP Review, and that Management is to specify possible reasons for the decline in production and employment ; ✓ That it be noted that the role of the Newcastle Municipality is to facilitate and create an environment to stimulate economic growth;
5	It would have been interesting to know what the latest unemployment figures are (page 27)	DPHS (IDP), LED	- The most recent statistics available reflect a 37% unemployment rate. The municipality is currently involved in the process of reviewing the IDP and that various line function departments are updating information and this will also be dealt with in the review.	✓ That the most recent statistics available reflect a 37% unemployment rate for Newcastle and that this be included in the IDP Review ✓
6	On page 35 reference is made to the responsibilities of Port Folio Community to inter alia ensure public participation in the development of policy, legislation, IDP and budget which we believe is not happening having regard to the provisions of the Systems Act.	DPHS (PUBLIC PARTICIPATION)	- Public participation in the municipality has intensified through platforms such as Mayoral Budget Road Shows, Speaker constituency meetings, Ward committee meetings, ward war rooms, IDP Representative forums etc. The responsibilities of ensuring Public Participation in the Municipality falls under the office of the Speaker not Community Services as indicated	✓ Management comments are noted, and MPAC disagree that that public participation is not effective ; ✓ That in line with Ward Committee Policy, all ward councillors are encouraged to convene community meetings regularly;
7	Organograms of the structure (page38) and that of the department	CORP (HR), MM	- Table on Page 39 does illustrate vacant and filled posts in top	✓ Comments of management is noted.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
	should have indicated which positions are filled.		management. The comments are however noted.	
8	We noted the core and non-core functions (page39) but cannot accept that municipal roads for example is a non- core function.	MM (M & E)	<p>Powers and Functions for municipalities are specified in terms of section 156 of the Constitution as per Schedules 4 and 5. This must be read in conjunction with section 84 of the Municipal Structures Act, Demarcation Board capacity assessments and other relevant guidelines.</p> <p>Accordingly, the Schedule 4 (Part B) functions are considered “Core” functions, whilst Schedule 5 (Part B) functions are considered non-core.</p> <p>Through the IDP, key priorities from the community are identified to align to budget. Accordingly, a key priority for the municipality included in the IDP is the “Upgrading and expansion of existing Infrastructure”, under which Municipal roads fall under. In respect of the capital investment programme of Council – the budget allocation for roads is significant as per community based needs.</p>	✓ Management Comments are noted
9	Looking at the breakdown of employees (page42) the question arises whether it is compliant with the Equity Act.	CORPORATE SERVICES (HR)	<ul style="list-style-type: none"> - Newcastle as a designated employer is obligated as per Employment Equity Act 55 of 1998, to develop and implement affirmative action measures and report to the Director General of Labour on annual basis. - Council have been complying and if a track record is needed 	<ul style="list-style-type: none"> ✓ Management Comments are noted. ✓ That going forward the Annual report include feedback on Employment Equity compliance.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			<p>it can go as far as for the past four years.</p> <ul style="list-style-type: none"> - On these past consecutive years Council never received an order for non-compliance following submission of Council annual reports and review. - For the 2016/2017 a report will be issued to Council on the 20 March 2018 by Department of Labour and COGTA. - Newcastle Municipality uses Provincial demographics information supplied by STATS SA for economically active population as a guide in determining underrepresentation and overrepresentation in all occupational categories. - The imbalances of the past can never be eradicated overnight. It is an ongoing effort by Council to ensure equity is realized and to provide an environment that will accommodate the disabled and the aged through proper infrastructure development. - Council just adopted a five year Employment Equity Plan (2016- 	

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			<p>2021), the plan recognizes the barriers in place and the strategies to respond to those barriers.</p> <ul style="list-style-type: none"> - The barriers were identified by complying with section 19.1 of the Employment Equity Act. - Analysis of the workforce profile was done including the employment policies, practices, procedures and the working environment. - The aim was to identify barriers which adversely affect people from designated groups. - The plan will be reviewed on annual basis to ensure compliance and develop new strategies if need be to address under representation and over representation on certain occupational groups. - The Employment Equity Plan aspire towards 100% compliance and that needs an integrated approach from all relevant stakeholders. - The EE Plan suggest that Strategic Executive Directors 	

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			<p>are responsible for ensuring Equity.</p> <ul style="list-style-type: none"> - Human Resource Management will liaise with Monitoring and Evaluation Unit to ensure that performance contract for 2018/2019 for strategic Executive Directors provide for key performance area on Equity. This will ensure that their performance is measured on equity compliance. - Over and above that Human Resource Management through its Employment practice policy will have adverts that are equity compliant to radically transform Council workforce and will discriminate as per the Act in order to be 100 percent compliant. 	
10	The long list of training interventions (page 45) is accepting of the conclusion that people are employed who lack qualifications and experience.	CORPORATE SERVICES (HR),MM	The Newcastle Municipality believes in a philosophy that states that an organization that does not train its employees on a continuous basis is a dying organization. It is from this premise that training is seen as an <u>ongoing</u> effort to improve <u>performance</u> of employees within an organization. This should in no way be misconstrued as meaning that employees are appointed without the skills and knowledge – only that these skills and knowledge needs to be sharpened and improved on	<ul style="list-style-type: none"> ✓ That MPAC disagree to the comment from NRA ; ✓ Management Comments are noted to support the Skills development programme of Council as highlighted in the Annual Report.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			<p>a continuous basis. The following benefits of training and development clearly shows that it cannot just be regarded as an expenditure, but is in fact an investment.</p> <ul style="list-style-type: none"> - Less errors and accidents: This benefit is underwritten by various legislation which forces employers to provide continuous training in occupations such as operators, life savers and employees carrying fire arms. - Increased productivity: There is a direct correlation between training and efficiency and productivity of employees. Employees trained in new technology, understand current technology better which results in less wastage of money, time and resources. - Less supervision: Training empowers employees to address tasks independently. A trained employee is familiar with the job and therefore needs less supervision. - Talent Pool: The Newcastle Municipal Training Centre ensures that there is a talent pool available assisting with the huge vacancy rate. Employees are able to be utilized in other 	

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			<p>areas than the specific position they have been appointed for ensuring savings on the staff budget.</p> <ul style="list-style-type: none"> - Address employee weaknesses: Nobody is perfect and since we work with human beings, they have certain weaknesses which hinder them from giving the best outputs. Training assist with the eradication of weaknesses by providing relevant training. - Optimal use of resources: Training not only help employees to achieve personal growth but also provide a structure for the development of technical skills which leads to improved use of resources. 	
11	Were ward committees involved with regard to the financial dilemma of the municipality as well as the community as provided in legislation? Reasons for two wards who were not functional.	DPHS (PUBLIC PARTICIPATION)	<ul style="list-style-type: none"> - Public participation in the municipality has intensified through platforms such as Mayoral Budget Road Shows, Speaker constituency meetings, Ward committee meetings, ward war rooms, IDP Representative forums etc. Ward committees are involved including communities directly. Some wards used to have problems 	✓ Management Comments are noted.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			holding meetings but of late the ward committees are functional.	
12	The wellbeing of senior citizens is covered through special programmes (page 66) however La Gratitude who takes care of some 400 plus senior citizens is excluded from any programme. Furthermore a request from La Gratitude that Council should nominate somebody to serve on the Board of Control was not considered by Council.	MM (SPECIAL PROGRAMMES)	<ul style="list-style-type: none"> - The nominations for participation in Special Programme events are done through ward Councilors. Comments are noted for engagement with representatives of La Gratitude in an effort to integrate with relevant provincial and national programs. 	<ul style="list-style-type: none"> ✓ Management Comments are noted. ✓ La Gratitude is encouraged to engage with the relevant Ward Councillor ✓
13	How many newsletters were distributed and at what intervals. What not use local press to keep citizens informed of Council activities, financial matters etc. (page 70) It appears as if Council's insolvency is with held deliberately and that financial performance was rather fair (page 79) MEANING ?	MM(COMMUNICATIONS), BTO, MM	<ul style="list-style-type: none"> - During the 2016/17 financial year, two (2) internal newsletters were distributed per quarter with a total of eight (8) internal newsletters being distributed. - The municipality has an active and updated website page as well as social media pages, i.e Facebook and Twitter, to keep citizens informed of municipal matter. - The local press attends EXCO meetings which is where they obtain information on council activities, financial matters etc. to be communicated to the citizens. - The Communications unit also communicates municipal activities to the local press in a form of a Press 	<ul style="list-style-type: none"> ✓ Management Comments are noted. ✓ In respect of "Insolvency" – that the Municipality is not insolvent. ✓ MPAC disagree that financial information is not made available to the community. The AFS, AG Report and Mayors Speech (amongst others), are public documents, and the community is accordingly informed on the going concern of the Municipality.

	COMMENTS FROM RATE PAYERS	RESPONSIBLE DEPARTMENT	MANAGEMENT RESPONSE	MPAC COMMENTS and CONSIDERATIONS
			Release/Media Statement.	
14	Noted that employee costs came to 24% of operational expenditure but consultant fees and service provider's fees are not highlighted.	BTO	The cost of consultant fees what is referred to as "Contracted services". This makes up 3% of the total expenditure. Refer to Note 36 of AFS for further breakdown.	<ul style="list-style-type: none"> ✓ Management Comments are noted. ✓ NRA is referred to Note 36 of AFS for further breakdown.
15	Page 95. Reference is made that at the end of 2017 adequate cash was available to repay conditional grants, housing development fund and to provide for insurance reserve in cases of emergency breakdowns.	BTO	Comment noted, for further clarity if a specific questions are to be raised. NRA can engage BTO.	<ul style="list-style-type: none"> ✓ NRA to engage BTO for further clarity and feedback be given to MPAC accordingly
16	It is stated (page 96) that 2018 is going to be a very difficult year but the community kept in the dark.	BTO/MM	The comment speaks to the challenge that will make 2018 a difficult year, which is meant to keep community in the loop. Other financial reports like section 71 reports are publicized with the intention of shedding some light to the community on financial affairs of the municipality.	<ul style="list-style-type: none"> ✓ Management comment is noted
17	Reference is made (page127) to blocking the repeated service providers.....Meaning?? ? Does this include all service providers rendering in actual fact, municipal services?	BTO	As per AG finding, this related to Awards made to providers in the service of the state. As the municipality does not have access to the relevant government database, the repeated providers as identified as those in the service of the state will be blocked. It should be noted that expenditure becomes irregular where the municipality knowingly did business with employees of other state institutions. Further clarity can be discussed with the NRA if necessary.	<ul style="list-style-type: none"> ✓ Management comment is noted

MPAC RESOLUTIONS BASED ON COMMENTS AND CONSIDERATIONS on NRA SUBMISSION:

- a) That a report on the roll-out of EEDBS be submitted to MPAC via the Portfolio Committee ;
- b) That the report above include an overview of beneficiaries (existing and future) ;
- c) That consideration be given to prioritise allocation for the EEDBS programme for pre-1994 beneficiaries ;
- d) That quarterly reports on the AG Action plan be submitted to MPAC to monitor progress towards Clean Audit strategies;
- e) That Internal Audit audits progress made on addressing AG findings for consideration by the Audit Committee ;
- f) That a progress report on the Baseline Study conducted by Technical services be submitted, and the approach for the study being aligned to STATS SA approach be addressed;
- g) That in so far as funding of agricultural projects is concerned, that through the LED programme – funding be solicited through relevant funders/sector departments;
- h) That the review of the LED Strategy distinguish between different categories in the agricultural sector, and identify extensive agricultural projects through available agricultural land
- i) That relevant structures be established to address LED holistically.
- j) That Unemployment issues to be addressed through LED Strategies.
- k) That public participation programmes be enhanced to improve accountability and oversight through the community.
- l) That External Newsletters be distributed quarterly.

CHECKLIST FOR CONSIDERATION OF THE ANNUAL REPORT

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
The annual financial statement (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	<i>Have the required standards been met – refer audit report and report of audit committee for views on this?</i>	Yes Audited Financial Statements and Audit Report attached	BTO	1} As per the Auditor-General's report, the required standards have been met and has received an "UNQUALIFIED "audit opinion. 1} That it be noted that controls are being implemented to reduce mis-statements , and that this continue in our efforts to obtain a clean audit	None
The Auditor-General's reports on the financial statement of the municipality and the entities	<i>Is the audit report included in the annual report as tabled? If not, when will the audit report be tabled? What are causes of the delays? What actions are</i>	Included in Annual report – Chapter 6	OMM (CRO)	Yes – included in the Annual Report	None

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
	<i>being taken to expedite the report?</i>				
Any explanations that may be necessary to clarify issues in connection with the financial statements	<i>Taking into consideration the audit report and the audit committee comments, is sufficient explanation of financial issues contained in the notes to the statements?</i>	Notes to the Annual Financial Statements are from page 45 to 84 of the Annual Financial Statements	BTO	Yes – Notes is included and does give explanations. AG have expressed that it is sufficiently addressed.	None
An assessment by the accounting officer on any matters on municipal taxes and services charges, including municipal entities	<i>Has an adequate assessment been included? Is there sufficient explanation of the causes of the arrears and of Actions to be taken to remedy the situation? Is any other action required to be taken?</i>	Included – Chapter 9	BTO	Yes- this is adequately covered in Chapter 9.	
Particulars of any corrective action taken or to be taken	<i>Taking into account the audit report, audit opinion and</i>	Included – Chapter 6	OMM(CRO)	a) Material impairments – trade debtors – as	a) Debt management strategies being implemented is to

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
in response to issues raised in the audit reports	<p><i>the views of the audit committee, council should consider:</i></p> <ul style="list-style-type: none"> <i>To what extent does the report indicate serious or minor financial issues?</i> <i>to what extent are the same issues repeated from previous Audits?</i> <i>Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?</i> <i>Has a schedule of action to be</i> 			<p>expressed by AG under Emphasis of Matter.</p> <p>It is noted that this is a challenge not unique to Newcastle, and that relevant strategies are being implemented to address it, and that this is on-going.</p> <p>It is also noted that progress is being made in terms of the implementation of the Debt Management strategies and that this is work-in progress.</p> <p>b) Management Action plan is included in the Annual Report under Chapter 6, and is considered to be adequate to effectively Address the issues raised in the audit report. Action plans also specify target dates and responsible officials.</p>	<p>be regularly monitored.</p> <p>b) That the Management Action plan to the AG report be regularly monitored.</p>

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
	<i>taken been included in the annual report, with appropriate due dates?</i>				
An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget	<i>Has the performance met the expectations of the council and the Community?</i> <i>Have the objectives been met?</i> <i>What explanations have been provided for any non-achievement?</i> <i>What was the impact on the service delivery and expenditure</i> <i>Objectives in the budget?</i> Council should comment and draw conclusions on performance and Explanations provided.	Included – Chapter 9	BTO	a) That the comprehensive ward based	a) That an investigation be conducted to identify wards not being billed but for which meters are installed and services being rendered b) That a progress report on the meter audit be submitted c) That all revenue losses be identified and costed for submission to MPAC
An assessment by the municipal entity's accounting officer of	<i>Has the performance met the expectations of</i>	INCLUDED – Annual Performance Report and Annual Report of Uthukela	OMM (M & E) & TECHNICAL SERVICES	a) Yes – the bulk water services are being rendered and the	a) That funding be solicited to address the challenge of

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
the entity's performance against any measurable performance objectives set in terms of the service delivery agreements or other agreement between the entity and the municipality	<p><i>council and the community?</i> <i>Have the performance objectives been met?</i> <i>What explanations have been provided for any non-achievement?</i> <i>What was the impact on the service delivery and expenditure objectives in the budget?</i> Council should comment and draw conclusions on performance and explanations provided.</p>	Water (Pty) Ltd – Appendix 2 and 3	(WSA)	<p>objectives have been met.</p> <p>It is noted however that additional capital investment is required to address challenges with ageing bulk infrastructure in an effort to reduce service delivery interruptions.</p> <p>b) That it be noted that the KZN Water Board proposals may have an impact on Newcastle Municipality</p> <p>c) That Billing system, and meter reading facilities and its functionality- and reconciling to bulk purchases be investigated</p> <p>d) That affordable tariffs in relation to ring fenced costs and what is being billed to consumers be</p>	<p>ageing bulk infrastructure.</p> <p>b) That a report/ presentation on the implications of the KZN Water Board proposals in relation to Newcastle municipality be submitted to Council.</p> <p>c) That Billing system, and meter reading facilities and its functionality- and reconciling to bulk purchases be investigated</p> <p>d) That affordable tariffs in relation to ring fenced costs</p>

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
				<p>investigated.</p> <p>e) Indigent consumption of 6kl – how is this measured? Not being measured currently – consider options and benchmark against other municipalities (smart meters, water restrictors, flow regulators etc.).</p> <p>f) That it be noted that Indigent verification is done annually as reported by the department, but the verification processes be further clarified.</p>	<p>and what is being billed to consumers be investigated.</p> <p>e) That options in respect of measuring and monitoring the consumption of indigent consumers be investigated.</p> <p>f) That a report on the verification of Indigent consumers be submitted to MPAC</p>
Any information as determined by the municipality, the entity or its parent municipality	Review any other information that has been included in regard to the AFS.	The other information in relation to the AFS is the Mayors Statement, Municipal Managers Foreword and the Audit Committee Report (Also refer to AG report – paragraph 32.	BTO	a) That it be noted that No comments were received from AG to date, and AG has not withdrawn the Audit Report as stipulated in paragraph 35 of	None

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
		The Draft Annual Report was submitted to AG prior to tabling in Council on the 31 January 2017 for review of other information, and conclude that it was in line with audited information. No comments were received from AG to date, and AG has not withdrawn the Audit Report as stipulated in paragraph 35 of the AG Report		the AG Report	
Recommendations of the audit committee in relation to the AFS and the audit report of the municipality and its entities	<i>Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity? What actions need to be taken in terms of these recommendations?</i>	Yes, All the audit committee recommendations for the AFS have been addressed by management before submission of the AFS to the AG. This is also confirmed in the audit committee report to Council. The AFS was adjusted to correct misstatements identified by Audit committee and internal audit.	AUDIT COMMITTEE & CAE	Yes , recommendation of Audit Committee included in Chapter 7 of the Annual Report. Noted that the recommendation and management action plan to AG findings addresses other issues, to be monitored through relevant structures (Management, Audit Committee, EXCO, Council and MPAC)	None

FINANCIAL MATTERS	CONSIDERATIONS AS PER CHECKLIST	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT/ CONSIDERATIONS	MPAC RECOMMENDATIONS
	Conclusions on these recommendations and the actions required should be incorporated in the oversight report.	Other issues as raised by the AG is covered in the Management Action Plan to AG findings – to be monitored on a regular basis.			

ALLOCATIONS RECEIVED AND MADE	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
Allocations received by <u>and</u> made to the municipality	<p><i>Have these allocations been received and made?</i></p> <p><i>Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</i></p> <p><i>Does the audit report or the audit committee recommend any action?</i></p> <p>Council should comment and draw conclusions on information and explanations provided.</p>	All allocations for the municipality has been received as included in Appendix 7.1 of the Annual report. The Schedule formed part of the AFS as audited by AG. No differences were noted by AG in the AG Report relating to Allocation received by and made to the municipality.	BTO	<p>Noted that the allocations for the municipality has been received as included in Appendix 7.1 of the Annual report.</p> <p>No differences were noted by AG in the AG Report relating to Allocation received by</p>	None

ALLOCATIONS RECEIVED AND MADE	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
				and made to the municipality.	
Allocations received <u>and</u> made to the municipality entity	<i>Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? Does the audit report or the audit committee recommend any action? Council should comment and draw conclusions on information and explanations provided.</i>	No allocations were received and made to the Uthukela Water (Pty) Ltd	BTO	Noted that No allocations were received and made to the Uthukela Water (Pty) Ltd	None
Information in relation to the use of allocations received	<i>Council should be satisfied that – the information has been properly disclosed; conditions of allocations have been met; and that any explanations provided are acceptable.</i>	All allocations were utilized according to the conditions as attached to the grant. See Appendix F of Conditional Grants on Financial Statements . As this was part of the AFS as audited by AG, No differences were noted by AG in the AG Report	BTO	Noted that All allocations were utilized according to the conditions as attached to the grant and No differences were noted by	None

ALLOCATIONS RECEIVED AND MADE	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.	relating to the use of the allocations Received		AG in the AG Report relating to the use of the allocations Received	
Information in relation to outstanding debtors and creditors of the municipality and entities	<p><i>Council should be satisfied that –</i></p> <p><i>the information has been properly disclosed;</i></p> <p><i>conditions of allocations have been met; and</i></p> <p><i>that any explanations provided are acceptable.</i></p> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and Appropriateness of this information.</p>	<p>Yes, kindly refer to note 13 (Debtors) and Note 20 (Creditors) from Notes of the Financial Statement.</p> <p>As this was part of the AFS as audited by AG, No differences were noted by AG in the AG Report relating to Information in relation to outstanding debtors and creditors of the municipality and entities</p>	BTO	<p>Noted that No differences were noted by AG in the AG Report relating to Information in relation to outstanding debtors and creditors of the municipality and entities</p> <p>That it be noted that Debt management strategies should be implemented and monitored regularly.</p>	a) That regular reports on the implementation of Debt management strategies be submitted to Council

ALLOCATIONS RECEIVED AND MADE	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
Information relating to the benefits paid by municipality and entity to councillors, directors and officials	<i>Council should be satisfied that – the information has been properly disclosed; conditions of allocations have been met; and that any explanations provided are acceptable.</i> The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.	Refer to note 29 of the Annual Financial Statement. As this was part of the AFS as audited by AG, No differences were noted by AG in the AG Report relating to Information relating to the benefits paid by municipality and entity to councillors, directors and officials	BTO	Noted that No differences were noted by AG in the AG Report relating to Information relating to the benefits paid by municipality and entity to councillors, directors and officials	None
The annual performance reports of the municipality and entities	<i>Has the performance report been included in the annual report? Have all the performance targets set in the budgets, SDBIP, Service Agreements etc., been included in the report?</i>	<ul style="list-style-type: none"> ✓ Yes, refer to Appendix 2 & 3 of the Annual Report. ✓ The Annual Performance report includes targets as 	OMM (M & E)	<ul style="list-style-type: none"> ✓ No targets were set for backlog eradication for water, sanitation and refuse for the year under review, whilst 	a) That the Annual Report in future include statistics for all basic services as per

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	<p><i>Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? In terms of key functions or services, how has each performed? Eg. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?</i></p> <p><i>To what extent has performance achieved targets set by council? Is the council satisfied with the performance levels achieved? Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public</i></p>	<p>approved in the IDP (Organisational Score-card) by Key Performance Area as is required in terms of section 46 of the Municipal Systems Act.</p> <p>✓ The performance assessment compare performance against targets and actuals over the 2 financial years 2015/16 and 2016/17</p> <p>✓ It is noted that 64% of targets for basic services were achieved, of which 22% where still in progress and 14%. No targets were set for backlog eradication for water, sanitation and refuse for the</p>		<p>the target for electricity was not met for the Charlestown, Inkwelo and Normandien electrification projects. Interventions for corrective action are specified.</p> <p>✓ Detailed statistics relating to volumes of refuse collection, library usage etc. are not specified.</p> <p>✓ Underperforman ce be corrected and that this be monitored</p> <p>✓ A customer satisfaction Survey was not conducted in the year under review and this be considered</p>	<p>the National Treasury guidelines</p> <p>b) That a customer satisfaction considered going forward subject to availability of resources</p> <p>c) That the filling the critical vacancies (as budgeted) be fast tracked ;</p> <p>d) That the roll out of Individual PMS be fast tracked;</p> <p>e) That Management Action plan to address AG findings be monitored regularly</p>

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	<p><i>consultation and public hearings?</i></p> <p><i>What actions have been taken and planned to improve performance?</i></p> <p><i>Is the council satisfied with actions to improve performance?</i></p> <p><i>Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?</i></p> <p><i>Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</i></p> <p><i>Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</i></p> <p><i>To what extent have actions planned for the previous year been</i></p>	<p>year under review, whilst the target for electricity was not met for the Charlestown, Inkwelo and Normandien electrification projects.</p> <p>Interventions for corrective action are specified.</p> <ul style="list-style-type: none"> ✓ Detailed statistics relating to volumes of refuse collection, library usage etc. are not specified. ✓ Collectively – of all targets set in the IDP 63% were achieved, 24% in progress and 13% targets not met. ✓ A customer satisfaction Survey was not conducted in the year under 		<p>going forward</p> <ul style="list-style-type: none"> ✓ High Vacancy rate impacts negatively on performance ✓ Fast track the roll out of IPMS ✓ Management Action plan to address AG findings be monitored regularly 	

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	<p><i>carried over to the financial year reported upon?</i></p> <p><i>Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?</i></p> <p>MFMA Circular No 32</p> <p>The Oversight Report</p> <p>15 March 2006</p> <p>Page 16 of 17</p> <p>Council should comment and draw conclusions on information and explanations provided.</p>	<p>review</p> <p>✓ Recommendation on corrective action have been specified for targets “in Progress”, and “target not met”. Recommendations to improve performance based on gaps identified in the performance report are also specified on pages 115 and 116 of the Annual report</p> <p>✓ Action plans to improve performance will be monitored through relevant statutory committees and controls to be implemented and audited.</p> <p>✓ Targets in the IDP</p>			

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		<p>were cascaded to the relevant performance agreements of top management. It is noted however that only 3 performance agreements were in place due to the high vacancy rate in top management</p> <ul style="list-style-type: none"> ✓ Chapter 5 of the Annual report identifies challenges to efficiently implement the PMS, with recommendations to improve performance ✓ The Auditor-Generals did not express an opinion on the predetermined objectives of 			

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		<p>Council, however material findings in respect of the usefulness and reliability of performance information under Basic services and infrastructure KPA were raised. These relate specifically to the service delivery indicators using STATS SA information.</p> <ul style="list-style-type: none"> ✓ Management Action plans to address the findings related to performance information is place and must be regularly monitored. ✓ The findings related to basic services are repeated over the 			

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		2 financial years, with efforts being made by management to address it. However, these were not sufficient to meet the audit requirements of the Auditor-General in the year under review.			
Audit report on performance	<i>Have the recommendations of internal audit been acted on during the financial year? Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?</i>	<p>The AG report on the audit of predetermined objectives is included in Chapter 6 of the report. Recommendations by AG and Internal Audit as well as Audit Committee recommendations as contained in Appendix 4 are in progress.</p> <p>The roll out of Individual Performance Management System is also in progress with an IPMS policy being approved by Council in October 2017.</p>	OMM (M & E)	<ul style="list-style-type: none"> ✓ High Vacancy rate impacts negatively on performance ✓ Fast track the roll out of IPMS ✓ Management Action plan to address AG findings be monitored regularly 	<ul style="list-style-type: none"> a) That the filling the critical vacancies (as budgeted) be fast tracked ; b) That the roll out of Individual PMS be fast tracked; c) That Management Action plan to address AG

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		Filling of critical positions are also in progress			findings be monitored regularly
Performance of municipal entities and municipal service providers	<p><i>Is the council satisfied with the evaluation and conclusions of the municipality?</i></p> <p><i>What other actions are considered necessary to be taken by the accounting officers?</i></p>	<p>In terms of section 46 of the Municipal Systems Act,</p> <p><i>(1) A municipality must prepare for each financial year a performance report reflecting-</i></p> <p><i>(a) the performance of the municipality and of each external service provider during that financial year.</i></p> <p><i>Accordingly as assessment of the Entity is included in Chapter 5 of the Annual Report .</i></p> <p>As the multi-year Business plan and the Service Level agreement is still in the</p>		<p>✓ Noted that the following is not finalised :-</p> <p>i] multi-year Business plan and the Service Level agreement;</p> <p>ii] Procurement Plan for all its operational activities;</p> <p>✓ that the Disaster Management Plan be monitored more regularly to ensure that services are not affected negatively</p> <p>✓ that the conditional asset assessment in the form of an asset register for the 2016/2017</p>	<p>✓ Noted that the multi-year Business plan and the Service Level agreement be finalised ;</p> <p>✓ That the Entity is encouraged to develop and implement a Procurement Plan for its operational activities.</p> <p>✓ that the Disaster Management Plan be monitored more regularly to ensure that services are not affected negatively</p> <p>✓ that the</p>

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		<p>process of being finalised, an SDBIP with operational KPI's was approved by the Municipality.</p> <p>The Entity has also noted that no Procurement plan is in place as there is no capital budget.</p> <p>Whilst it is reported that the bulk water loss is within target, it is noted with concern that the Disaster Management Plan is still in progress at year end. This may impact negatively on the ability of the Entity to mitigate potential disasters which may impact on service delivery.</p> <p>An Asset Maintenance Plan indicating asset condition and maintenance plan of assets through an Asset Register is available for the 2015/16 year. However, the conditional asset</p>		<p>financial year be finalised and that funding options be investigated by the WSA's to implement an Asset management plan ;</p> <p>✓ That the Master plan to ensure Sustainable Bulk Water Volumes and Quality Assurance be finalised and the implementation thereof be monitored regularly.</p> <p>✓ The following issues remain a concern, and would need to be addressed with the Board and Shareholders:-</p> <ul style="list-style-type: none"> Financial sustainability and the ability of the 	<p>conditional asset assessment in the form of an asset register for the 2016/2017 financial year be finalised and that funding options be investigated by the WSA's to implement an Asset management plan ;</p> <p>✓ That the Master plan to ensure Sustainable Bulk Water Volumes and Quality Assurance be finalised and the implementation thereof be monitored regularly.</p>

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		<p>assessment in the form of an asset register for the 2016/2017 financial year is in still progress, with a commitment from the Entity to forward to WSA's when complete.</p> <p>The development of a Master plan to ensure Sustainable Bulk Water Volumes and Quality Assurance is also still in progress. This includes a feasibility study for the regional Bulk water scheme for the Amajuba, Umzinyathi and Newcastle areas.</p> <p>In the absence of a signed Service Level agreement and a multi-year business plan as is required in terms of the legislation, the monitoring of the Entity is limited only to operational and compliance issues.</p> <p>The following issues remain</p>		<p>Entity to operate as a going concern</p> <ul style="list-style-type: none"> Filling of critical positions (Managing Director and Chief Financial Officer) Impending transfer of the function to a new bulk water institution <p>✓ It be noted with concern that issues raised in prior years remain unresolved, and immediate interventions be implemented by Council to ensure transforming the Entity to meet the requirements of Newcastle</p>	<p>✓ The following issues remain a concern, and would need to be addressed with the Board and Shareholders:-</p> <ul style="list-style-type: none"> Financial sustainability and the ability of the Entity to operate as a going concern Filling of critical positions (Managing Director and Chief Financial Officer) Impending transfer of the function to a new bulk water

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		<p>a concern, and would need to be addressed with the Board and Shareholders:-</p> <ul style="list-style-type: none"> Financial sustainability and the ability of the Entity to operate as a going concern Filling of critical positions (Managing Director and Chief Financial Officer) Impending transfer of the function to a new bulk water institution 		<p>Municipality as a major shareholder</p> <ul style="list-style-type: none"> ✓ That the outstanding issues be finalised by no later than 30 June 2018 ✓ That a report/feedback be submitted to the status of UTW based on concerns raised above. 	<p>institution</p> <ul style="list-style-type: none"> ✓ It be noted with concern that issues raised in prior years remain unresolved, and immediate interventions be implemented by Council to ensure transforming the Entity to meet the requirements of Newcastle Municipality as a major shareholder ✓ That the outstanding issues be finalised by no later than 30 June 2018

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
					✓ That a report/feedback be submitted to the status of UTW based on concerns raised above.
For municipal entities –an assessment of the entity’s performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between in entity and municipality	<i>To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP? Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality? What specific actions should be taken by the entity and the municipality to improve performance?</i>	The SDBIP of the Entity is included under Appendix 2 & 3 of the Annual Report. In the absence of a signed Service Level agreement and a multi-year business plan as is required in terms of the legislation, the monitoring of the Entity is limited only to operational and compliance issues. As the multi-year Business plan and the Service Level agreement is still in the process of being finalised, an SDBIP with operational KPI’s was approved by the Municipality. An evidence based assessment was not	OMM (M & E) & TECHNICAL SERVICES	That monitoring mechanisms be enhanced considering the recommendations made above	a) That the monitoring mechanism be enhanced to include the monitoring of the recommendations made above

DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		<p>applied in the assessment of the External service provider. Where available, however, this was reviewed. In the 2017/18 financial year, the Entity will be work-shopped to ensure that an evidence-based assessment is implemented on a quarterly basis.</p> <p>As reported, all targets in the SDBIP were met.</p> <p>Ongoing review of the Framework to monitor the entity is required with relevant institutional arrangements being confirmed.</p>			

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal Entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.	<p>The municipality does not have any entity under its sole control. The information required relates to instances where there is sole or effective control of the municipality.</p> <p>However, Note 7 (Investment in Associates) discloses the control of the municipality (34%) of UTW. This disclosure is in terms of the GRAP standards.</p> <p>As this was part of the AFS as audited by AG, No differences were noted by AG in the AG Report relating to the Relevant information on municipal entities</p>	BTO	That it be noted that No differences were noted by AG in the AG Report relating to the Relevant information on municipal entities	None
The use of any donor funding support	<i>What donor funding has the municipality received? Have the purposes and</i>	No donor funding was received.	BTO	Noted. However , options for soliciting donor funding be	a) That options for soliciting donor funding be pursued for some

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	<p><i>the management agreements for the funding been properly agreed upon?</i></p> <p><i>Have the funds been used in accordance with agreements?</i></p> <p><i>Have the objectives been achieved?</i></p> <p><i>Has the use of funds been effective in improving services to the community?</i></p> <p><i>What actions need to be taken to improve utilisation of the funds?</i></p>			pursued for some of the programmes of the municipality	of the programmes of the municipality
Agreement, contracts and projects under Private - Public-Partnerships	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.	None	BTO	Noted	None
Service delivery performance on key service provided	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the	This is included in Volume 2 and Appendix 2 of the Annual Report. Departments have highlighted achievements against service delivery,	ALL DEPARTMENTS	That it be noted that All strategic challenges were referred to the 4 th Generation IDP process for review and development	a) That the strategic challenges include in the 4 th generation IDP be monitored through the

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	<p>municipality.</p> <p>Overall results on the strategic functions and services should be summarised.</p> <p>This should cover all services whether provided by the municipality,</p> <p>MFMA Circular No 32 The Oversight Report 15 March 2006 Page 17 of 17</p> <p>entities or external mechanisms.</p> <p>Council may draw conclusions on the overall performance of the municipality.</p> <p>This information may be found in an executive summary section of the annual report and or in statistical tables.</p>	<p>challenges and interventions implemented during the year under review.</p> <p>All strategic challenges were referred to the 4th Generation IDP process for review and development of strategies to be implemented accordingly.</p>		of strategies to be implemented accordingly.	performance management system of the municipality
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring	Details of significant IT activities should be outlined indicating the Effectiveness of the IT projects and the quality	<p>This is Included under Chapter 3 of the Annual report.</p> <p>It is noted that the</p>	OMM(IT)	Noted However, concerns on the effectiveness of the Phoenix	a) That a further report be submitted on the effectiveness of

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
compliance with statutory obligations	<p>of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.</p>	<p>implementation of the Customer Services Portal was finalised in the year under review. The municipal website was also been given a face lift. Corporate Communications and the use of IT to enhance this was deemed successful with the Communications section being placed under the IT function. For the internal stakeholders, the unit has redesigned the internal newsletter (The Informer) to give it a more modern look-and-feel (for uniformity) and to cover news that affect or impact internal stakeholders. The plan for 2017-2018 is to design a similar newsletter for all external stakeholder which can either be e-mailed (preferable in</p>		<p>system be noted. A further report be submitted on the effectiveness of the system benchmarking against other municipalities.</p> <p>It be noted that MSCOA compliance be highlighted in the report to be submitted to MPAC.</p> <p>That a report on the implementation of the EDMRS be submitted to MPAC, including challenges experienced in implementing the system. That ICT challenges be reported and addressed</p>	<p>the Phoenix system - benchmarking against other municipalities.</p>

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
		order to save costs) or provided in print.		through relevant structures	
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council</p>	<p>The Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework is included under Chapter 10.</p> <p>The MIG programme of Council endeavors to provide for bulk infrastructure to eradicate basic service delivery backlogs, amongst others, with projects prioritised through the IDP process of the municipality. Going forward, the Annual Report must highlight against the allocation how each project will contribute to backlog eradication and how this is consistent with the</p>	TECHNICAL SERVICES (PMU)	That the Annual report must highlight against the allocation how each project will contribute to backlog eradication and how this is consistent with the policy direction of Council and the community based needs.	<p>a) That the Annual report must highlight against the allocation, how each project will contribute to backlog eradication, and how this is consistent with the policy direction of Council and the community based needs.</p> <p>b) That a service delivery audit be conducted re-prioritise backlog eradication strategies of Council</p>

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
	and needs of the community.	policy direction of Council and the community based needs.			
Other considerations recommended					
Timing of reports	<i>Was the report tabled in the time prescribed? Has a schedule for consideration of the report been adopted?</i>	TABLED ON 31 JAN 2018 A process for the consideration of the Annual Report was included in the item to Council as tabled on the 31 January 2018.	OMM (M & E)	Noted, going forward that consideration be given to enhancing public participation processes in respect of the Annual Report	a) That a public participation process be considered for the Annual Report process going forward
Oversight committee or other mechanism	<i>What mechanisms have been put in place to prepare the oversight report? Has a schedule for its completion and tabling been adopted?</i>	Yes – Special MPAC meetings are convened in line with the process plan mentioned above.	OMM (M & E)	That the Chairperson of MPAC engage the Audit Committee Chairperson during the oversight process,(if necessary) , to obtain clarity on key issues that will add value to the Oversight process.	a) the Annual must highlight against the allocation how each project will contribute to backlog eradication and how this is consistent with the policy direction of Council and the community based needs.
Payment of performance bonuses to	<i>Have bonuses been paid based on achievements</i>	None, the performance evaluation is pending	OMM (M & E)	That Performance evaluations be	a) That Performance

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSIBLE DEPARTMENT	MPAC INPUT /CONSIDERATIONS	MPAC RECOMMENDATIONS
municipal officials	<p><i>of agreed outputs and after consideration of the annual report by council? If so has a proper evaluation of performance been undertaken?</i></p> <p><i>Was the evaluation approved by council?</i></p> <p><i>Does the performance evaluation align and reconcile with the Performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</i></p> <p><i>Are the payments justified in terms of performance reported in the annual report?</i></p> <p>Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the</p>	<p>the approval of the Oversight report and adoption of the Annual Report.</p> <p>This will be finalised by 30 June 2018.</p>		<p>finalised, and where a performance bonus may be due, that this be submitted for consideration by Council.</p> <p>That it be noted that the filling of vacancies in top management is in progress</p>	<p>evaluations be finalised, and where a performance bonus may be due, that this be submitted for consideration by Council.</p> <p>b) That it be noted that the filling of vacancies in top management is in progress</p>

GENERAL INFORMATION	CONSIDERATIONS	FINANCIAL REPORTING TO BE CONSIDERED	RESPONSILBE DEPARTMENT	MPAC INPUT /CONSIDERATION S	MPAC RECOMMENDATIONS
	oversight report.				

CONCLUSIONS ON THE ANNUAL REPORT OF THE MUNICIPALITY

The MPAC acknowledges with appreciation the improvement in the quality of annual reporting made by the management.

As indicated in the Checklist for Annual Report, the MPAC is also pleased to note that all components of the Annual Report are included as is required in terms of section 121(3) of the MFMA as follows :-

- *The annual financial statements of the municipality,*
- *The Auditor General report*
- *Report of the Audit Committee*
- *The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;*
- *The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.*
- *An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;*
- *Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports*
- *Any explanation that maybe necessary to clarify issues that are in connection with the financial statements;*

The MPAC further acknowledges the steps taken by Management to ensure that the municipality works towards a clean audit, with an "Unqualified "audit outcome being retained over the 2 financial years. It is noted however, that some of the findings raised previously have been repeated in the year under review. In this regard, it is imperative that in order to achieve the clean audit goals of the Municipality that the Audit Response Action Plan is monitored by all relevant governance structures including the MPAC on at least a quarterly basis. In this regard, progress reports from management must be a standing item on the EXCO, Council, and Audit Committee and MPAC agenda.

The Committee also acknowledges the role played by the Audit Committee in so far as its advisory role in concerned. In this regards, the recommendations made, must be implemented timeously by management, and monitored by the newly appointment Audit Committee of Council.

It is noted that the entity, UThukela Water (Pty) Ltd has received an unqualified audit opinion for the year under review. Concerns of the MPAC in respect of the Entity as a going concern, issues highlighted in its Annual report and the implications of the new KZN Water Board are also expressed in this Oversight Report, with recommendations that require immediate attention by all relevant stakeholders.

Outstanding debts and the impact on service delivery remain an URGENT intervention of the municipality. Every effort should be made to monitor the implementation of the debt collection strategy of Council.

Revenue Enhancement Strategies MUST be developed and together with LED Strategies must be resourced and regularly to ensure the future financial viability and sustainability of the municipality. In

this regards, measures to ensure that all departments implement relevant action plans must be implemented by management.

Newcastle is not immune to the global economic decline, and accordingly the MPAC acknowledges the efforts of management and the EXCO to curtail costs in the year under review, without compromising on service delivery standards. Going forward, it is necessary for management and Council to develop policies and systems to build on our own reserves to ensure an affordable and progressive infrastructure investment programme. In this regards, innovation funding models and options must be explored.

The filling for critical positions in top management contributes to the challenges on rolling out an effective and efficient performance management system for the municipality. Council therefore MUST accelerate the filling critical vacancies, and as this is essential to ensuring administrative stability and financial discipline within the organization.

It is pleasing to note that the roll out of Individual performance management is imminent as this will further enhance accountability in the organisation.

CLOSING REMARKS

The Committee wishes to express it sincere appreciation to the Speaker of the Newcastle Municipality, Councillors, the Mayor, Municipal Manager, the management team, the Auditor General, and COGTA , for their support and co-operation in completing this annual report oversight process. It also acknowledges the role of all role-players and encourage an enhancement to the public participation processes in so far as the Annual report and oversight process is concerned. In this regard, specific mention of the efforts of the Newcastle Rate-payers Association to continually make submissions to add value to the process in acknowledged.

The Committee is grateful for the opportunity to be of service to Newcastle Municipality and its citizens.

RESOLUTIONS AND STATEMENT

Resolved to Recommend:-

- a) That in terms of section 129 of the Local Government : Municipal Finance Management Act 56 of 2003, that Council having fully considered the Annual Report of the Newcastle Municipality and the municipal entity – UThukela Water (Pty) Ltd for the 2016/17 Financial Year, and representations thereon, adopt the Oversight Report for the 2016/17 Financial Year and approves the annual report without reservations as contained in the comments in the Oversight Report ;

- b) That the submissions as received and included as Annexure 2 to the Oversight Report be acknowledged, and the related management response be noted. Accordingly, management is required to engage with and communicate the management responses to the Newcastle Ratepayers Association, and where relevant implement the recommendation made ;
- c) That the Management Response Plan to the Auditor-General Report be a standing item on the MPAC agenda and progress reports be submitted to MPAC accordingly;
- d) That the recommendations made by the MPAC be implemented and progress reports on the Oversight reports be submitted to MPAC as per the recommendations above ;
- e) that the MPAC develop an Oversight Policy and Procedure considering the guidelines from National Treasury and other best practices for approval by Council ;
- f) That the Newcastle Oversight Report 2016/17 be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
- g) That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.



EMADLANGENI LOCAL MUNICIPALITY

PUBLIC NOTICE



©-CM000205JS

In accordance with the order of Kruger J in **Greyling & Others Vs Emadlangeni Local Municipality**, dated 16 October 2017, the Municipality hereby gives notice that it is its intention not to proceed with its electrification programme without a written consent of each of the applicants or any other relevant landowner.

Working together we can do more.

Ngokomyalelo ka Kruger J ku **Greyling & Other Vs Emadlangeni Local Municipality** womhlaka 16 October 2017, umasipala ukhipha isaziso sokuthi awunazo izinjongo zokuqhubeka ukufaka ugesi ungatholile imvume ebhalwe phansi kubamangali kanye nalabo abayoba abanini bomhlaba ngokuzayo ezinhlelweni zokufaka ugesi ezindaweni zasemakhaya.

Singenza okuningi sibambisene.

MR L C T NKOSI
ACTING MUNICIPAL
MANAGER

34 VOOR STREET
UTRECHT
2980
TEL: 034 331 3041

newcastleadvertiser.co.za



Newcastle Municipality

NOTICE NO. CS7/2018
ANNUAL REPORT 2016/17



The public is hereby informed that the Annual Report of the Newcastle Municipality for the 2016/17 financial year was tabled at a Council meeting held on the 31 January 2018.

Notice is hereby accordingly given in terms of section 21 A of the Municipal Systems Act, No 32 of 2000 read with section 127(5) of the Municipal Finance Management Act, No 56 of 2003 (MFMA), that the Annual report is available for public inspection at all Newcastle Municipality offices and libraries, as well as the municipal website www.newcastle.gov.za.

Public comments and representations may be made to the Municipal Manager by no later than the 23rd February 2018 for the consideration of the Municipal Public Accounts Committee (MPAC) and Council, before final adoption of the Annual Report in terms of section 129 of the MFMA.

Any person who cannot write but wishes to make representations may come during office hours to the Office of the Manager: Monitoring & Evaluations – Office B655, Civic Center, Murchison Street, Newcastle – where the person will be assisted to transcribe such comments/representations.

Enquiries may be directed to the Manager Monitoring & Evaluations: Mrs. N Ticka-Ragunanan at 034-328 7603, or via e-mail on neetha.ticka-ragunanan@newcastle.gov.za.

KENNISGEWING NOMMER CS7/2018 JAARLIKSE VERSLAG 2016/17

Hiermee word die publiek in kennis gestel dat die Jaarlikse Verslag van Newcastle Munisipaliteit vir die 2016/17 Finansiële jaar by n Raadsvergadering op 31 Januarie 2018 voorgele is.

Hiermee word kennis gegee in terme van Afdeling 21A van die Munisipale Sisteem Wet. No. 32 van 2000 te same met Afdeling 127(5) van die Munisipale Finansiële Bestuurs Wet, No.56 van 2003 (MFMA), dat die Jaarlikse verslag beskikbaar is vir Publike inspeksie by die Munisipaleit se kantore en biblioteek, asook op die Munisipale webwerf: www.newcastle.gov.za.

Publike kommentaar en vertoeë mag aan die Munisipale Bestuurder voor of op 23 Februarie 2018, gestuur word, vir oorweging deur die Munisipale Publike Rekeninge Komitee (MPAC) en die Raad voor finale aanvaarding van die Jaarlikse verslag in terme van Afdeling 129 van MFMA.

Enige persone wat nie kan skryf nie, maar ook kommentaar wil lewer, kan gedurende kantoor ure die volgende kantoor besoek: Kantoor van Bestuurder: Moniteering en Evalueering- Kantoor nr. B6555. Civiv Senter. Muchisonstraat, Newcastle – waar die person bygestaan sal word met die afskryf van die kommentaar/vertoeë.

Navrae kan ook direk gestuur word aan die Bestuurder Moniteering en Evalueering: Mev. N Ticka-Ragunanan at 034-328 7603, of per e-pos : neetha.ticka-ragunanan@newcastle.gov.za

Mr B. E. Mswane
Municipal Manager

Private Bag X6621
Newcastle, 2940

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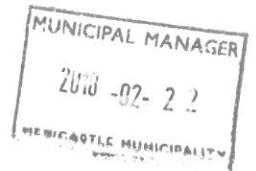


Newcastle Municipality



NEWCASTLE RATEPAYERS' ASSOCIATION

Contact 0824441008 :email nra.newcastle@telkomsa.net.



DELIVERED BY HAND.

The Municipal Manager,
Newcastle.
22 February 2018.

Sir,

COMMENTS ON ANNUAL REPORT FOR 2016/17.

We have studied the Annual Report and wish to comment as follows :

1. In the mayor's statement (page 5) and in the highlights of the Department of Development Planning and Human Settlements, reference is made to the registration of title deeds for people of Section 7 Madadeni with no indication how many households are involved. This is an important matter and should have been highlighted.
2. Reference is made to a positive audit opinion for two consecutive years. (pages 8 and 78) however the latest IDP on page 342 states very clearly that for 2015/2016 it was a qualified opinion.
It is interesting to note that in the audit report included in the annual report the Auditor General did not specify a specific opinion which places doubt on the statement that for 2016/2017 it was an unqualified opinion.
3. It is a pity that in so far statistics are concerned the report relies on the 2011 information and that more recent statistics are not available which in all probability would have given another picture.
4. Reference is made that agriculture shows a decline in production and employment (page 20) without giving the reasons therefore.
5. It would have been interesting to know what the latest unemployment figures are (page 27)
6. On page 35 reference is made to the responsibilities of Port Folio Committees to inter alia ensure public participation in the development of policy, legislation, IDP and budget which we believe is not happening having regard to the provisions of the Systems Act.
7. Organograms of the structure (page 38) and that of the departments should have indicated which positions are filled.
8. We noted the core and non-core functions (page 39) but cannot accept that municipal roads for example is a non-core function.
9. Looking at the breakdown of employees (page 42) the question arises whether it is compliant with the Equity Act.

10. The long list of training interventions (page 45) is acceptance of the conclusion that people are employed who lack qualifications and experience
11. Were ward committees involved with regard to the financial dilemma of the municipality as well as the community as provided in legislation. Reasons for two wards who were not functional.
12. The well-being of senior citizens is covered through special programmes (page 66) however La Gratitude who takes care of some 400 plus senior citizens is excluded from any programme. Furthermore a request from La Gratitude that Council should nominate somebody to serve on the Board of Control was not considered by Council.
13. How many newsletters were distributed and at what intervals. Why not use local press to keep citizens informed of Council activities, financial matters etc. (page 70) It appears as if Council's insolvency is with held deliberately and that financial performance was rather fair (page 79). MEANING !!!!!!!
14. Noted that employee costs came to 24% of operational expenditure but consultant fees and service providers fees are not highlighted.
15. Page 95. Reference is made that at the end of 2017 adequate cash was available to repay conditional grants, however in the following paragraph it is stated that at the end of 2017 available cash was inadequate to repay conditional grants, housing development fund and to provide for insurance reserve in cases of emergency breakdowns.
16. It is stated (page 96) that 2018 is going to be a very difficult year but the community is kept in the dark.
17. Reference is made (page 127) to blocking the repeated service providers..... Meaning??? Does this include all service providers rendering in actual fact, municipal services?

Thank you for the opportunity to submit the above comments as well as the opportunity to discuss this with Neetha Ticka-Ragunan from your department. We will appreciate to receive your response thereon in due course

Regards.


Chris Le Roux
Chairman.

SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

of the

NEWCASTLE MUNICIPAL COUNCIL

MINUTES OF THE SPECIAL CONTINUATION MEETING OF
THE NEWCASTLE MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE HELD IN THE EXCO ROOM, MUNICIPAL
BUILDING, SCOTT STREET, NEWCASTLE ON FRIDAY,
16 MARCH AT 09:00

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
SPECIAL CONTINUATION MEETING : 16 MARCH 2018
ATTENDANCE REGISTER

PRESENT

Councillor	M	E	Ngcobo	:	Chairperson
Councillor	B		Dlamini		
Councillor	N	P	Kunene		
Councillor	S	G	Miya		
Councillor	M	S	Mlangeni		
Councillor	S	J	Nhlapho		
Councillor	S	E	Shabangu		
Councillor	D	M	Sibilwane		
Councillor	T	M	Zulu		

ABSENT WITH APOLOGY

Councillor	A	P	Meiring
Councillor	L	G	Thwala
Councillor	M	W	Twala

OFFICIALS IN ATTENDANCE

Municipal Manager	:	Mr	B	E	Mswane
Strategic Executive Director : BTO	:	Mr	B	E	Hlongwe
Acting Strategic Executive Director : Community Services	:	Dr	P	D	Thabethe
Chief Audit Executive	:	Ms	S		Chenia
Director : Arts, Culture and Amenities	:	Mrs	E	P	Niemand
Director : Parks, Recreation and Cemeteries	:	Mr	V		Govender
Acting : Director Water Services	:	Mr	T	H	Ndlovu
Manager : Monitoring and Evaluation	:	Mrs	N		Ticka-Ragunanan
Manager : Administration and Secretariat	:	Mrs	Z		Ngubane
Senior Administrative Officer	:	Ms	M		Mduna
Intern	:	Ms	S	M	Sithebe
Intern	:	Ms	N		Shoba
Intern	:	Ms	P		Thwala

1 : OPENING

The Chairperson officially opened the meeting.

2 : APPLICATIONS FOR LEAVE OF ABSENCE

The meeting was informed that Cllrs. A.P. Meiring, L.G. Thwala as well as M.W. Twala had given notice that they would not be able to attend the meeting

RESOLVED

That Cllrs. A.P. Meiring, L.G. Thwala as well as M.W. Twala be granted leave of absence be granted leave of absence from attending the meeting.

3 : OVERSIGHT REPORT : 2016/2017 : (MM 6/1/1 - 2016/2017)

The Manager : Monitoring and Evaluation presented the Oversight Report Checklist for consideration by MPAC. After a working session to include the MPAC input, considerations and recommendations as part of the checklist :-

The MPAC

Resolved to Recommend:-

- a) That in terms of section 129 of the Local Government : Municipal Finance Management Act 56 of 2003, that Council having fully considered the Annual Report of the Newcastle Municipality and the municipal entity – UThukela Water (Pty) Ltd for the 2016/17 Financial Year, and representations thereon, adopt the Oversight Report for the 2016/17 Financial Year and approves the annual report without reservations as contained in the comments in the Oversight Report ;
- b) That the submissions as received and included as Annexure 2 to the Oversight Report be acknowledged, and the related management response be noted. Accordingly, management is required to engage with and communicate the management responses to the Newcastle Ratepayers Association, and where relevant implement the recommendation made ;

- c) That the Management Response Plan to the Auditor-General Report be a standing item on the MPAC agenda and progress reports be submitted to MPAC accordingly;
- d) That the recommendations made by the MPAC be implemented and progress reports on the Oversight reports be submitted to MPAC as per the recommendations above ;
- e) that the MPAC develop an Oversight Policy and Procedure considering the guidelines from National Treasury and other best practices for approval by Council ;
- f) That the Newcastle Oversight Report 2016/17 be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
- g) That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

CLOSURE

There being no further business to discuss, the meeting concluded at 11:00.

CONFIRMED

DATE

CHAIRPERSON

SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

of the

NEWCASTLE MUNICIPAL COUNCIL

MINUTES OF THE SPECIAL MEETING OF THE
NEWCASTLE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
HELD IN THE EXCO ROOM, MUNICIPAL BUILDING, SCOTT
STREET, NEWCASTLE ON WEDNESDAY, 14 MARCH
AT 09:00

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

SPECIAL MEETING : 14 MARCH 2018

ATTENDANCE REGISTER

PRESENT

Councillor	M	E	Ngcobo	:	Chairperson
Councillor	B		Dlamini		
Councillor	N	P	Kunene		
Councillor	S	G	Miya		
Councillor	M	S	Mlangeni		
Councillor	S	J	Nhlapho		
Councillor	S	E	Shabangu		
Councillor	D	M	Sibilwane		
Councillor	L	G	Thwala		
Councillor	M	W	Twala		
Councillor	T	M	Zulu		

ABSENT WITH APOLOGY

Councillor	A	P	Meiring	:	other commitments
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OFFICIALS IN ATTENDANCE

Municipal Manager	:	Mr	B	E	Mswane
Strategic Executive Director : BTO	:	Mr	B	E	Hlongwe
Strategic Executive Director : DP&HS	:	Ms	N		Thusi
Chief Audit Executive	:	Ms	S		Chenia
Director : Arts, Culture and Amenities	:	Mrs	E	P	Niemand
Director : Parks, Recreation and Cemeteries	:	Mr	V		Govender
Acting Director : Water Services	:	Mr	T		Ndlovu
Manager : Monitoring and Evaluation	:	Mrs	N		Ticka-Ragunanan
Senior Administrative Officer	:	Ms	M		Mduna
Intern	:	Ms	S	M	Sithebe
Intern	:	Ms	N		Shoba
Intern	:	Ms	P		Thwala

1 : OPENING

The Chairperson officially opened the meeting.

2 : APPLICATIONS FOR LEAVE OF ABSENCE

The meeting was informed that Cllr. A.P. Meiring had given notice that he would not be able to attend the meeting

RESOLVED

That Cllr. A.P. Meiring be granted leave of absence be granted leave of absence from attending the meeting.

2(a) : MANAGEMENT REPONSES TO THE NEWCASTLE RATEPAYERS ASSOCIATION

The Manager : Monitoring and Evaluation presented a report regarding the Newcastle Ratepayers Association comment on the Annual Report 2016/2017 (Annexure "A").
The MPAC, thereafter

RESOLVED

- a) That a report on the roll-out of EEDBS be submitted to MPAC via the Portfolio Committee ;
- b) That the report above include an overview of beneficiaries (existing and future) ;
- c) That consideration be given to prioritise allocation for the EEDBS programme for pre-1994 beneficiaries ;
- d) That quarterly reports on the AG Action plan be submitted to MPAC to monitor progress towards Clean Audit strategies;
- e) That Internal Audit audits progress made on addressing AG findings for consideration by the Audit Committee ;
- f) That a progress report on the Baseline Study conducted by Technical services be submitted, and the approach for the study being aligned to STATS SA approach be addressed;
- g) That in so far as funding of agricultural projects is concerned, that through the LED programme – funding be solicited through relevant funders/sector departments;

**MM & ALL
RELEVANT
SED'S**

- h) That the review of the LED Strategy distinguish between different categories in the agricultural sector, and identify extensive agricultural projects through available agricultural land ;
- i) That relevant structures be established to address LED holistically.
- j) That Unemployment issues to be addressed through LED Strategies.
- k) That public participation programmes be enhanced to improve accountability and oversight through the community.
- l) That External Newsletters be distributed quarterly.

**MM & ALL
RELEVANT
SED'S**

CLOSURE

There being no further business to discuss, the meeting concluded at 15:15.

CONFIRMED

DATE

CHAIRPERSON