

CORPORATE SERVICES BUSINESS UNIT



EXTRACT FROM THE UNCONFIRMED MINUTES OF THE COUNCIL MEETING HELD IN COUNCIL CHAMBER ON WEDNESDAY, 27 MARCH 2024.

OVERSIGHT REPORT 2022/2023 FINANCIAL YEAR (3.7.1 (23/24))

Undated report

(Tabled at the meeting)

It was

RESOLVED

- (a) That, having fully considered the Annual Report of the Msunduzi Municipality for the 2022/2023 Financial Year, the Oversight Report for the 2022/2023 Financial Year be approved and adopted.
- (b) That, the Accounting Officer ensures that the credit policy is full implemented to obtain 100% debt collection in all revenue streams of the municipality and report back every quarter on obtained results with comparative statistics from previous years, given that in 2022/2023 financial year only 86% was reported as being the collection.
- (c) In so doing, there must be stronger collection measures applied to ensure that the 70% of customers with arrears of more than the stipulated payment period to the municipality.
- (d) That, Legal Services within the Corporate Business Unit must submit a report and a proposal to Council for the courts to increase fines imposed for all by-law transgressions to ensure that they are in line with inflation and to include frequency of review to the fines schedule of the Municipality.
- (e) That, the Accounting Officer speeds up the process of ensuring that the cascading of performance appraisal from level 4 employees to all levels below in order to assess productivity of the all current staff within the Municipality and report back before the end of the current financial year 2023/2024.
- (f) That, that Municipal manager should guide the municipality and relevant business units to ensure that, from above (in point 5.2) potential increase of outstanding money to be collected by the municipality, should lead to an increase of the maintenance and repairs budget from the stated 8% to a standard norm of practice.
- (g) That, the Chief Financial Officer submits a comprehensive report including a legal opinion on whether the bank charges incurred by the customer when using their bank cards was legal or not. (*discussion on the matter is on the minutes of Financial Services*).

- (h) That, the arising from the Auditor General's finds on all affected business units material or not, such finds as obtained in the report to Council by the AG, these MUST be rectified and ensure that non are repeated in the next audit to ensure a clean audit opinion.
- (i) That, the annual report, information such as below, had not been included in the Annual Report as per the requirements of Section 121 of the MFMA and appendices as per the requirements of National Treasury (NT) Circular 63.

An assessment by the accounting officer on any arrears on municipal taxes and services charges (S121(3)(e) of the MFMA);
 Long Term contracts and Public Private Partnerships (NT Circular 63);
 Municipality entity/ Service provider schedule;
 Service connection backlogs at Schools and Clinics (NT Circular 63);
 The performance report did not contain the development and service delivery priorities and performance targets set for the next financial year MSA S46 1 (a).

- (j) *That, arising out of the proceedings of the Oversight Committee meetings, it be noted that the Municipal Public Accounts Committee is highly **concerned** about the following matters:*
- (k) That, there is an increase in monies owed to the Municipality by consumers and it is at an unacceptable level above 6 billion with 70% of debtors in arrears of more than 365 days.
- (l) That, the challenges around the implementation of the credit policy mainly around the areas of Imbali and Edendale be brought to Council and committee with recommendations of how they can be mitigated and ensure proper and effective implementation.
- (m) That, the in the process of disconnecting of services in some volatile areas, Community Services involve the South African Police Services (SAPS) alongside the Municipalities Security cluster to ensure the safety of the Municipal employees.
- (n) That, the loss of water from standpipes was noted by the then Acting General Manager: Infrastructure Services and that in the future, management must ensure the full implementation of the credit policy.
- (o) That, the bad state of the city's traffic lights, was contributing to all other factors that defect investment and potential added revenue into the city as it is impossible to move around the city and needs to be curbed urgently. The department needs to develop a plan and financial projections that will be within the new financial year budget which will ensure this problem is sorted out and reported to MPAC by the end of the financial year.
- (p) That, the Strategic Management Committee ensure that the top ten risks of the Municipality are prioritized and brought to the attention of Council and that there are effective strategies to mitigate them. Portfolio Committees must regularly monitor the risks and report progress through the correct channels to Council.

- (q) That, the Office of the Speaker must update and verify on an ongoing basis, gifts and hospitality received by Councillors and Corporate Services must do the same for Officials, guided by the Gifts Policy and report back to Council every quarter of the year.

Resolved;

- (a) That, the Accounting Officer ensures that a tracking tool developed of the Auditor General's findings is monitored and evaluated continuously to ensure that all sighted areas are responded to and reported to MPAC regularly and ensure re-occurrence of these.
- (b) The Municipal Public Accounts Committee and Full Council to enable effective oversight in that Council mandates the Accounting Officer to ensure all follow up reports as listed herein this report, must be submitted to the Portfolio Committees, Municipal Public Accounts Committee, Executive Committee & Council.
- (c) That, Council mandates the Accounting Officer to ensure all follow up reports as listed herein this report, be submitted to the Portfolio Committees, Municipal Public Accounts Committee, Executive Committee & Council to ensure and achieve proper oversight on this report and all matters wherein.
- (d) That, the continuing discrepancies on registers and Portfolio of evidence (POE) files must come to an end and that Deputy City managers of all business units must ensure that they audit the information being submitted to Performance Management Systems (PMS) office.
- (e) The following areas were sighted as being the lead in the poor submission of POEs:-
 - (i) Waste collection
 - (ii) Water losses
 - (iii) Water drainage
 - (iv) Registers that were not adequately populated
 - (v) Incorrect billing
- (f) That, the Municipal Public Accounts Committee does not support payment of performance bonuses, rewards, incentives as per the approved individual Performance Management System Policy for the 2022 / 2023 Financial year in view of the continued poor performance and that this sentiment be considered during the assessments as per the approved IPMS policy.
- (g) That the Oversight Report be made public in accordance within Section 129(3) of the Municipal Finance Management Act 56 of 2003.
- (h) That the 2020/2021 Annual Report and Oversight Report, including the minutes where the Annual Report was discussed, be submitted to the following Offices in terms of Section 129 (2) of the MFMA: -
 - (i) National Treasury.

- (ii) Auditor General.
 - (iii) MEC: Cooperative Governance and Traditional Affairs.
 - (iv) MEC: Provincial Treasury;
- (i) That, the Oversight Report of the 2022 and 2024 financial year be made public in accordance within Section 129(3) of the Municipal Finance Management Act 56 of 2003.

CERTIFIED A TRUE COPY

Silindile Lee Khumalo

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For DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES

28 March 2024

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