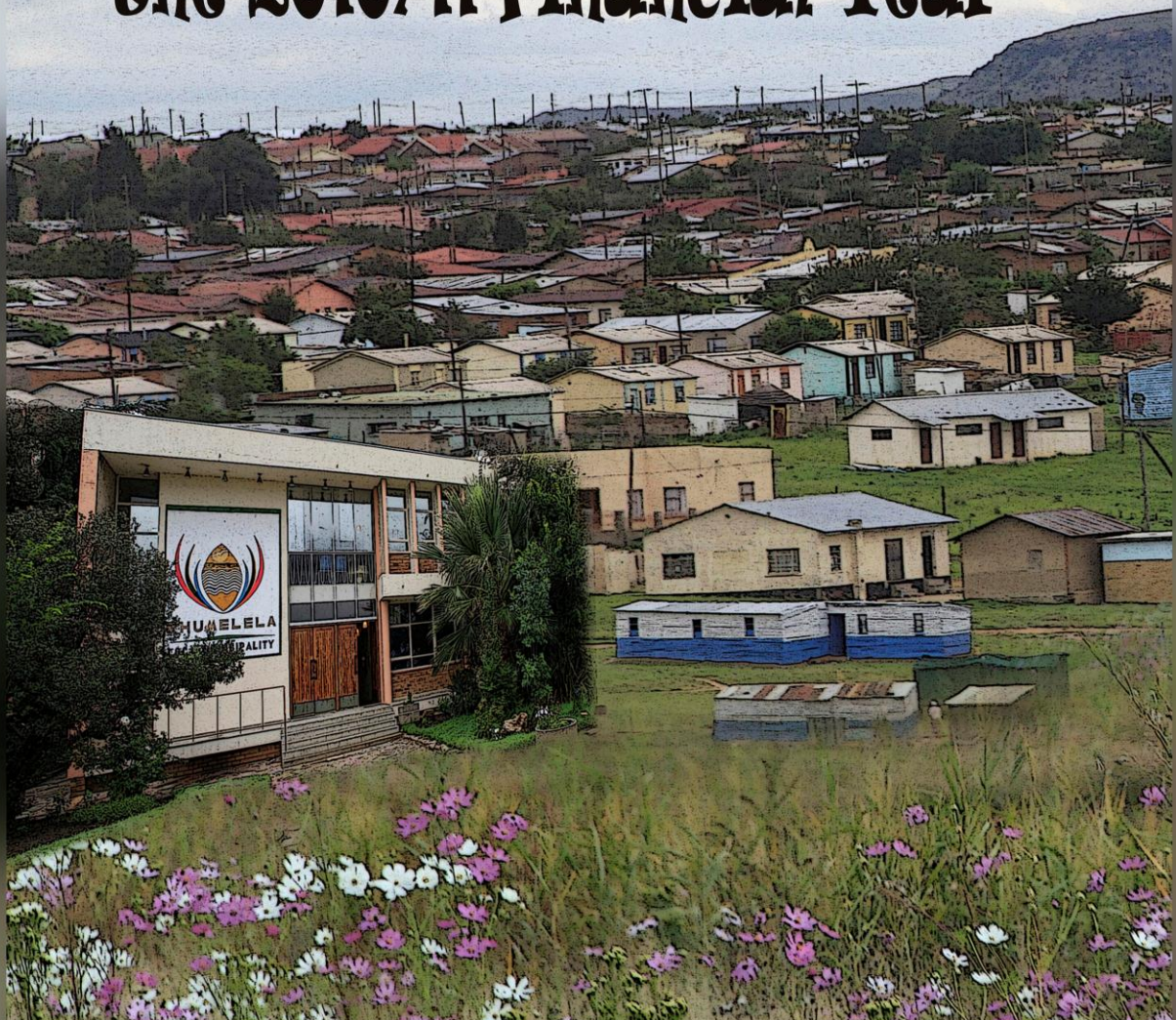


# Phumelela Local Municipality



## Oversight Report in Terms of the Annual Report for the 2010/11 Financial Year



## Phumelela Local Municipality

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# Phumelela Local Municipality

## 1. OVERVIEW & MANDATE

This Report contains particulars of the findings, conclusions and recommendations of the Oversight Committee of Phumelela Local Municipality after considering the Annual Report of the Municipality for the 2010/11 financial year.

The Oversight Committee has performed its functions in terms of section 129 (1) of the Municipal Finance Management Act, 2003; and the guidelines of MFMA Circular No. 32 (dated 15 March 2006), issued by the National Treasury in terms of section 129 (4) of the Municipal Finance Management Act, 2003.

The Oversight Committee was established according to the guidelines of the indicated MFMA Circular No. 32 regarding the establishment, composition and functions of the Oversight Committee.

The format of this Oversight Report has been concluded from the requirements of Annexure A of MFMA Circular No. 32.

*The Oversight Committee met on 29 March 2012 to consider the Annual Report.* The Committee consisted of non-executive Council members and members of the local community, and its sessions and deliberation were opened to the public, as required in terms of MFMA Circular No. 32.

The meeting was attended by:

Name	Position
S Tshabalala	Chairperson
S Maseko	Member
P Niemandt	Member and secretary

## 2. RESOLUTIONS AND STATEMENT REQUIRED IN TERMS OF SECTION 129 (1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Oversight Committee of the Municipality, having considered the Annual Report of the Municipality for the 2010/11 Financial Year) recommends that the Annual Report of the Municipality must be **approved by the Council** after noting the **reservations**.

**3. GENERAL COMMENTS OF THE OVERSIGHT COMMITTEE**

- The committee wishes to express its appreciation to the Council for affording them the opportunity to serve as members of the oversight committee.

**4. SUMMARY OF COMMENTS AND CONCLUSIONS REGARDING THE ANNUAL REPORT OF THE 2010/2011 FINANCIAL YEAR**

**4.1 Financial Matters**

The following concerns related to Financial Matters were raised by the Committee:

- a) The Annual Financial Statements was submitted after the due date of requirements in terms of the Municipal Financial Management Act
- b) The trial balance does not reconcile with the annual financial statements
- c) A Municipal entity did not submit financial statements
- d) The closing balance of the 2009/2010 financial statements does not reconcile with the opening balances of the 2010/2011 financial statements
- e) The asset register is not GRAP compliant and is not updated according to regulations
- f) The financial statements reflect a serious general lack of internal control

# **Phumelela Local Municipality**

## **4.2 Municipal Performance**

The following concerns related to service delivery were raised by the Committee:

### **a) Housing**

- The RDP houses in Enzenzeleni is only 5% completed and in Vrede some houses is occupied before it is finished
- The replacement of shacks in town with RDP houses has to receive urgent attention

### **b) Roads**

- It is a serious concern to the Committee that the drainage in the main road to Warden has to receive urgent attention to prevent deterioration upon completion of the road.
- Grading and repairs to existing roads should be prioritised

### **c) Sanitation**

- Raw sewerage is running into the water system that is used for human consumption at Warden. The completion of the sewerage works is a serious concern and needs to receive urgent attention by the Municipality.

### **d) Water**

- Water supply is inadequate
- Should breakages on water pipes occur during weekends, it is not addressed immediately but left for the Monday, with the implication that raw sewerage goes into the water systems for human consumption.
- Broken water pipes are not addressed as required, with the implication that the community does not have water.

### **e) Electricity**

- The electricity network in Warden is on the brink of collapsing.
- Wires in Beukes Street are broken and not earthed.
- This is a very dangerous situation and needs urgent attention

### **f) Cemeteries**

- Additional space for cemeteries are needed at Enzenzeleni

## **Phumelela Local Municipality**

### **g) Law enforcement**

- The law enforcement in Warden is still lacking and the committee would like it if limitations is enforced and high fines be issued to trucks entering the town and parking unlawfully.
- The community started a clean-up operation in Warden but the unsightly businesses like scrap metal dealers and panel beaters hamper their efforts. By laws must be enforced

### **h) Disaster Management**

- The committee would like to speed up the completion and functioning of the fire brigade

### **i) Community Involvement**

- To combat crime, it is important to ensure that the community become more involved especially with reference to the escalating of crime in Warden.

### **j) Community Development**

- More industrial Ervin should be made available in Warden to encourage development

## **4.3 Municipal transformation and organisational development**

The following concerns related to service delivery were raised by the Committee:

### **a) Management**

- In order to improve service delivery, Management needs to be more committed.
- Planning and policies is lacking and therefor decisions taken in IDP meetings are not executed

### **b) Personnel**

- Monitoring in terms of conduct of personnel especially with reference to Warden is a concern to the panel
- There is no disabled people employed by the Municipality and the racial quota is out of line with no Coloured or Indian employees and a small percentage of Whites

## **Phumelela Local Municipality**

### **5. RECOMMENDATION**

The Oversight Committee of the Municipality, having considered the Annual Report of the Municipality for the 2010/2011 Financial Year, recommends that the Annual Report of the Local Municipality must be **approved by the Council** after noting the **reservations**.

## **Annexure A:**

# **Minutes of a meeting held in Vrede on 29<sup>th</sup> March 2012**

Present:

S Tshabalala

S Maseko

P Niemandt

As the committee members were appointed for a period of 5 years, it was decided that Mr Tshabalala will remain the chairman and Mrs Niemandt the secretary

The Oversight Report of the previous year was read.

Discussion:

### **Financial Performance:**

- a) The Annual Financial Statements was submitted after the due date of requirements in terms of the MFMA
- b) The trial balance does not reconcile with the annual financial statements
- c) A Municipal entity did not submit financial statements
- d) The closing balance of the 2009/2010 financial statements does not reconcile with the opening balances of the 2010/2011 financial statements
- e) The asset register is not GRAP compliant and is not updated according to regulations
- f) The financial statements reflect a serious general lack of internal control



## **Phumelela Local Municipality**

The RDP houses in Enzenzeleni is only 5% completed and in Vrede some houses is occupied before it is finished

The drainage in the main road in Warden will need to be looked at to prevent the road from deteriorating from day one after completion

The completion of the sewerage works also needs serious attention. Raw sewerage is running into the drinking water

Water supply is inadequate

Grading and repairs to existing roads should be prioritised

The electricity network in Warden is on the brink of collapse with wires in Beukes Street broken, and not earthed. This is a very dangerous situation

### **Municipal Performance**

Service delivery still needs much more effort and participation of Management

Worker especially, in Warden is seen regularly in the bottle stores and sjebeens during working hours

Over week-ends broken pipes is left for Monday, spilling more raw sewerage into drinking water of the community. Broken waterpipes is also left, leaving the community without household water

The refuge site in Warden is still neglected with plastic bags flying around outside of the site

New premises for a cemetery is needed for Enzenzeleni

The law enforcement in Warden is still lacking and the hope is expected that limitations will be enforced on to big trucks entering the town and parking unlawfully with steep fines

The shacks in town should have been replaced by RDP houses by this time

The community started a clean up operation in Warden but the unsightly businesses like scrap metal dealers and panel beaters hamper their efforts. By laws must be enforced

Disaster management must be put in place and the firebrigade station finished and put to use

With crime escalating in Warden, more emphasis should be put on community involvement

More industrial erven should be made available in Warden to encourage development

Planning and policies is lacking, thus preventing decisions taken in IDP meetings to be executed

There are no disabled people employed by the Municipality and the racial quota is out of line with no Coloured or Indian employees and a small percentage of whites