



UMZINYATHI DISTRICT MUNICIPALITY DC24

OVERSIGHT REPORT 2015/2016

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1. INTRODUCTION

In terms of the Municipal Finance Management 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 2015/16 Annual Report was tabled to the Ministerial Representative/Administrator on the 19 January 2017 for approval, and was subsequently approved and then advertised in the Ilanga Newspaper of the 2 – 4 February 2017 for a period of 21 days for public comments and inputs, and was also submitted to the Department of Co-operative Governance and Traditional Affairs, Provincial and National Treasury and Auditor General for comments and inputs as well.

The final step in the reporting process is for Ministerial Representative/Administrator 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 under normal circumstances. Unfortunately, there has been no Council at Umzinyathi District Municipality because the Provincial Government has put the Municipality under administration in terms of Section 139 (1) (b) in that the Municipality does not fulfil an executive obligation in terms of the Constitution or Legislation.

The Oversight Report is prepared using guidelines from the National Treasury as per MFMA Circular 32. It attempts to address comments and submissions made by the community and stakeholders, as well as the observations and recommendations made by the Ministerial Representative/Administrator.

2. BACKGROUND ON THE 2015/2016 ANNUAL REPORT

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

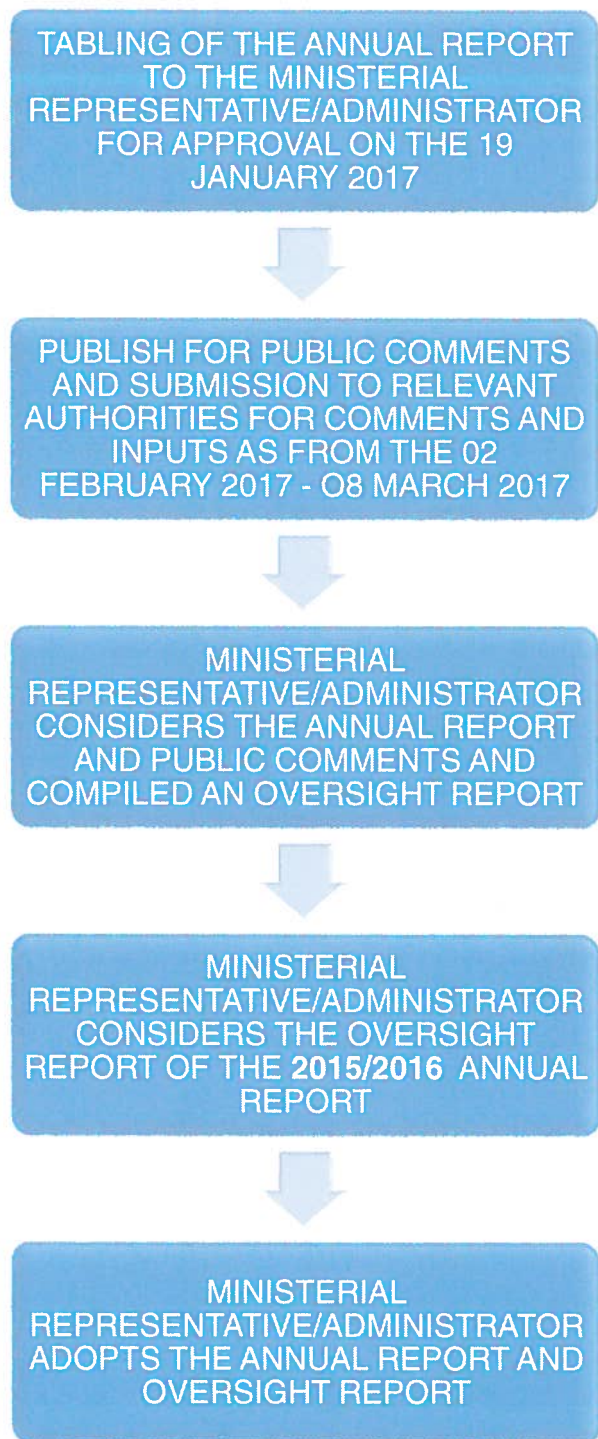
1. *Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity 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 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 Audited 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 Systems 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 sources and for each vote in the municipality's approved budget for the relevant financial year;*

- (g) Any explanation that maybe necessary to clarify issues that in connection with the financial statements;*
- (h) 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)*
- (i) Any information as determined by the municipality; and*
- (j) Any recommendations of the municipality's audit committee; and*
- (k) Any other information as may be prescribed."*

It is against this background that the annual report in respect of the **2015/2016** financial year was submitted to Ministerial Representative/Administrator on the 19 January 2017 as per the following process below:



Accordingly, notice was given in terms of section 21 of the Municipal Systems Act, (No. 32 of 2000) read with section 127 of the Municipal Finance Management Act, (No 56 of 2003) that the Annual Report was open for public comments and inputs from the community and stakeholders as from the 02 February 2017 and closed for comments on the 8 March 2017. The Annual Report was also placed at the reception of the district and the local municipal offices, and also uploaded on the municipal website www.umzinyathi.gov.za

It must be noted that there were no comments received during the advertisement period from the public and stakeholders

3. FUNCTIONS OF THE MINISTERIAL REPRESENTATIVE/ADMINISTRATOR

The function of the Ministerial Representative/Administrator as stated in the Constitution of the Republic of South Africa, of 1996, in terms of Section 139 (1) (b) are the following;

- *Assume responsibility of relevant obligation in that the municipality to the extent necessary to-*
 - *Maintain essential national standards or meet established minimum standards for the rendering of a service;*
 - *Prevent that Municipal Council from taking unreasonable action that is prejudicial to the interest of another municipality or the province as a whole;*
or
 - *Maintain economic unity.*

4. MINISTERIAL REPRESENTATIVES

The Municipality had two (2) Ministerial Representatives/Administrators, **Messrs BS Duma and MZ Silinga**, from 18 October 2016 to 30 November 2016 as well as the 1 December 2016 to 28 February 2017 respectively.

There were no comments received during the advertisement process.

For the purpose of this report, the late submission is not considered by the Ministerial Representative/Administrator, but Management has a duty to deal with issues raised and address them accordingly, and there were not late comments and inputs received.

“ANNEXURE A”

Comments from the public and stakeholders and responses of management thereof is herewith included herein below;

DATE	NAME	COMMENTS	MANAGEMENT RESPONSE
	Umzinyathi District Municipal communities.	No comments received	None.
	Business people	No comments received	None.
	Municipal stakeholders	No comments received	None.
	COGTA	No comments received	None.
	Provincial Treasury	No comments received	None.
	Auditor General	No comments received	None.

5. 2015/16 ANNUAL REPORT CHECKLIST FOR CONSIDERATION

Find the checklist and responses on the table below;

Information required to be included in the Annual Report	Ministerial Representative/Administrators Questions	Responses/Comments
1. Financial Matter – Annual Financial Statements – Section 121 (3) MFMA	Financial report matters to be considered	Yes
Section 121 (3) (a). The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General.	The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the accounting standards for municipalities.	Yes
Sections 121 (3) (a), 121 (4) and 121 (4) (b) of the MFMA	This applies to the AFS of municipal entities which this municipality does not have.	Yes
Section 121 (3) (e) of the MFMA is an assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.	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?	Yes

<p>Section 121 (3) (g) of the MFMA talks to particulars of any corrective action taken or to be taken in response to issues raised in the audit reports.</p>	<p>The conclusion of the annual audit are:</p> <ul style="list-style-type: none"> ✓ A qualified audit opinion with management issues which means that the AFS are acceptable. ✓ The objective of the municipality is to achieve an unqualified audit opinion with no matters. ✓ Taking into account the audit opinion and the views of the audit committee, council considered the following: <ul style="list-style-type: none"> ○ To what extent does the report indicate serious financial issues? ○ To what extent are same issues repeated from previous audits? ○ Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? ○ Has a schedule of action been taken and included in the annual report with appropriate due date? 	<p>An Audit Action Plan in line with the Audit Report was developed and submitted to both Auditor General, COGTA KZN.</p>
<p>Section 121 (3) (f) of the MFMA suggests that an assessment by the municipality's accounting officer of the municipality's performance against the performance objectives for revenue source and for each vote in the approved budget.</p>	<p>The budget of the municipality must contain measurable performance objections for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s 17 (3) (b). the accounting officer must include these objectives in the annual report on performance accordingly.</p> <p>Has the performance met the expectations of council and the community?</p>	<p>Yes</p> <p>The municipality will strive to make improvements in</p>

	<p>Have the objectives been met?</p> <p>What explanations have been provided for any non-achievement?</p> <p>What was the impact on the service delivery and expenditure objectives in the budget?</p>	<p>terms of service delivery in line with the set targets for 2016/17 financial year, as some of the targets were not met during the year under review, and explanations of non - achievement and improvement measures are indicated in the Annual Performance Report.</p>
<p>Section 121 (3) (j) and Section 121 (4) (g) of the MFMA. Recommendations of the Audit Committee in relation to the AFS and audit reports of the municipality and its entities.</p>	<p>Have the recommendations of the audit committee in regards to the AFS been adequately addressed by the municipality and/or the entity?</p> <p>What actions need to be taken in terms of these recommendations?</p> <p>Conclusions on these recommendations and the actions required should be incorporated in the oversight report.</p>	<p>The Audit Committee Report with the recommendations is integrated into the 2015/2016 Annual Report.</p>
<p>2. Disclosures – Allocation received and made- Section 123 – 125 of the MFMA</p>	<p>Considerations</p>	<p>Yes</p>

<p>Section 123 (1) (a) of the MFMA. Allocations received by and made to the Municipality.</p>	<p>The report need to disclose:</p> <ul style="list-style-type: none"> ✓ Details of allocations received from another organ of state in the national or provincial sphere. ✓ Details of allocations received from a municipal, entity or another municipality ✓ Details of allocations made to any other organ of state, another municipality or a municipal entity. ✓ Any other allocation made to the municipality under Section 214 (1) (c) of the Constitution. <p>Have these allocations been received and made?</p> <p>Does audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?</p> <p>Does the audit report or the audit committee recommend any action?</p>	<p>Yes, the allocations received have been disclosed.</p>
<p>Section 123 (1) (c) of the MFMA. Information in relation to the use of allocations received.</p>	<p>Section 123 of the MFMA and the MFMA guidance circular No 11, require that the municipality provide information per allocation received per vote and include;</p> <ul style="list-style-type: none"> ✓ The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for 	<p>Yes</p> <p>The comments of the Auditor General and the views of the audit committee have been used</p>

	<p>housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects.</p> <ul style="list-style-type: none"> ✓ Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214 (1) (c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided. ✓ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this. <p>This information is required on all allocations excluding the municipality's portion of the equitable share and where prescribed otherwise by the nature of the allocation.</p> <p>The Auditor General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received.</p> <p>Council should be satisfied that-</p> <ul style="list-style-type: none"> ✓ The information has been properly disclosed; ✓ Conditions of allocations have been met; and ✓ That any explanations provided are acceptable. 	<p>to determine the accuracy and appropriateness of the information</p>
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	<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>Section 125 (1) of the MFMA. Information in relation to outstanding debtors and creditors of the municipality and entities.</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.</p> <p>It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.</p> <p>Council should be satisfied that-</p> <ul style="list-style-type: none"> ✓ The information has been properly disclosed; ✓ Conditions of allocations have been met; and ✓ That any explanations provided are acceptable. 	<p>Yes, the amounts owed to the municipality were included in the Annual Financial Statements.</p>
<p>3. Disclosures in notes to Annual Financial Statements (AFS)</p>	<p>Considerations relating to section 124</p>	<p>Yes</p>

<p>Information relating to benefits paid by the municipality and entity to councillors, directors and officials.</p>	<p>Information on the following items is to be included in the notes to the annual report and AFS;</p> <ul style="list-style-type: none"> ✓ Salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind; ✓ Any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of those councillors. ✓ Salaries allowances and benefits of the municipal manager, CEO of municipal entity, CFO and every senior manager. ✓ Contribution for pension and medical aid. ✓ Travel, motor car, accommodation, subsistence and other allowances. ✓ Housing benefits and allowances. ✓ Overtime payments. ✓ Loans and advances, and; ✓ Any other type of benefit or allowance related to staff. <p>Council should be satisfied that-</p> <ul style="list-style-type: none"> ✓ The information has been properly disclosed; ✓ Conditions of allocations have been met; and ✓ That any explanations provided are acceptable. 	<p>Yes, the information on the benefits paid by the municipality to councillors, management and officials was included as notes in the Annual Financial Statements, and the Auditor General and Audit Committee comments were considered.</p>
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	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.	
4. Municipal Performance	<p>Considerations</p> <p>Section 46 of the Local Government: Municipal Systems Act requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures take to improve performance. The report must form part of the annual report.</p> <p>Questions that may be considered are –</p> <ul style="list-style-type: none"> ✓ Has the performance report been included in the annual report? ✓ Have all the performance targets set in the budget, SDBIP, service agreements etc., been included in the report? ✓ Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? <p>In terms of key functions or services, how has each performed? E.g. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc.?</p>	<p>The 2015/2016 Annual Performance Report was submitted to the Auditor General with the Annual Financial Statements at the end of August 2016, for auditing purposes.</p> <p>The 2015/2016 Annual Performance Report has also been consolidated as part of the 2015/2016 Annual Report which was submitted to Ministerial Representative for approval on the 19 January 2017.</p>

	<ul style="list-style-type: none"> ✓ 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 consultation and public hearings? ✓ What actions have been taken and planned to improve performance? ✓ Is the council satisfied with actions to improve performance? ✓ 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? ✓ Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? ✓ Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective? ✓ To what extent have actions planned for the previous year been carried over to the financial year reported upon? ✓ 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 municipal manager and are these satisfactory? 	<p>The performance evaluation in the annual report does compare to the actual performance with targets expressed in the budgets and SDBIP.</p> <p>The service provider's performance for the year under review is integrated as part of the 2015/16 Annual Report.</p> <p>Actions to be taken as part of the improvement measure in terms of service delivery have been indicated on the Annual Performance Report, and there are also actions in terms of the targets which have been carried over to the new financial year, and</p>
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	Council should comment and draw conclusions on information and explanations provided.	explanations thereof have also been provided.
Audit reports on performance.	Section 45, Local Government: Municipal Systems Act requires that the Auditor General must audit the result of performance measurements, as part of the internal auditing processes and annually. 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 years?	The Auditor General audited the 2015/2016 Annual Performance Report and there were few queries raised by the Auditor General, and mostly were relating to the movement of the households once the service has been provided in terms of water and sanitation, and then causes the number of households where the service has been provided be not the same as the number households on the beneficiary list, and that causes the information to be not verifiable.

		<p>The Municipality has prepared an action plan which will assist in dealing with the issue raised by the Auditor General so that they don't re-occur at the end of the 201/2016 financial year.</p>
<p>Performance of municipal entities and municipal service providers.</p>	<p>The annual report of the municipality should provide assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities.</p> <p>The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p> <p>Is the council satisfied with the evaluation and conclusions of the municipality?</p> <p>What other actions are considered necessary to be taken by the accounting officer?</p>	<p>The performance of the service providers which were appointed by the municipality during the year under review to provide a specific service was also included as part of the 2015/2016 Annual Report.</p> <p>The performance of the municipal entity was not included as the municipality took over the function from UTHUKELA WATER (Pty) LTD as from 01 July 2013,</p>

			<p>except for the Biggarsburg Bulk Water Scheme which UThukela Water is still managing due to a fact that it's a cross boarder scheme between UMzinyathi District Municipality and Amajuba District Municipality.</p>
<p>5. General Information</p>		<p>The following general information is required to be disclosed in the annual report.</p>	
<p>Relevant information on municipal entities.</p>		<p>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 entities.</p>	<p>The municipality no longer has a municipal entity as the water function was taken over as from UTHUKELA WATER (Pty) LTD as from 01 July 2013, except for the Biggarsburg Bulk Water Scheme which UThukela Water is still managing due to a fact that it's a cross boarder scheme</p>

		between District Municipality and Amajuba District Municipality.
The uses of any donor funding support.	<p>What donor funding has the municipality received?</p> <ul style="list-style-type: none"> ✓ Have the purposes and the management agreements for the funding been properly agreed upon. ✓ Have the funds been used in accordance with agreements? ✓ Have the objectives been achieved? ✓ Has the use of funds been effective in improving services to the community? ✓ What actions need to be taken to improve utilisation of the funds? 	None
Agreements, contracts and projects under Private-Public-Partnerships.		None
Service delivery performance on key services provided.	<p>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 municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality.</p>	Service performance which sets out overall performance under the strategic objectives of the municipality has also been delivery summary

	<p>This information may be found in an executive summary section of the annual report and or in statistical tables.</p>	<p>included in the 2015/2016 Annual Report.</p>
<p>Information on long-term contracts.</p>	<p>Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information correctly supplied.</p>	<p>On the main, the municipality has long term contracts on infrastructure projects which relate to water and sanitation provision, as these are multi - year projects, in terms of the design and implementation thereof (Consultants and Contractors). The details of the long - term contracts are indicated in the Annual Financial Statements, but more improvement in terms of detailing this information will be made for the 2016/17 Annual Report.</p>
<p>Information technology and systems purchases and the effectiveness of these</p>	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services.</p>	<p>Yes, the details of significant of the IT</p>

<p>systems in the delivery of services and for ensuring compliance with statutory obligations.</p>	<p>Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained.</p> <p>Details of any future IT proposals should be summarized. Council should comment and draw conclusion on the information provided.</p>	<p>activities were outlined indicating the effectiveness of the IT projects and the quality of IT services.</p>
<p>Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework.</p>	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided.</p> <p>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.</p> <p>Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.</p>	<p>Yes, a summary of the long-term capital plans and backlogs is also provided in the 201/16 Annual Report.</p>
<p>6. Other considerations recommended</p>		
<p>Timing of reports</p>	<p>Was the report tabled in the time prescribed?</p> <p>Has a schedule for consideration of the report been adopted?</p>	<p>Yes</p>

Oversight committee or other mechanism	What mechanisms have been put in place to prepare the oversight report? Has a schedule for its completion and tabling been adopted?	Yes
Payment of performance bonuses to municipal officials.	<p>Refer to Section to Section 57 of Local Government: Municipal Systems Act as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The bases upon which performance is evaluated for payment of bonuses should be reconciled with municipal performance reported in the annual report.</p> <p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p> <ul style="list-style-type: none"> ✓ If so has a proper evaluation of performance been undertaken? ✓ Was the evaluation approved by council? ✓ Does the performance evaluation align and reconcile with the performance report in the annual report? ✓ If not, what reasons have been advanced for non reporting of the basis of evaluation in the annual report? ✓ Are payment justified in terms of performance report in the annual report? 	<p>There have been no performance bonuses paid for the 2015/2016 financial year, the annual performance assessments will be undertaken on the 12 April 2017, to determine whether the Section 54 and 56 Managers qualify for the performance bonuses.</p>

6. CONCLUSION

The Ministerial Representative/Administrator acknowledges with appreciation the improvement in the quality of Annual Reporting made by management. The Ministerial Representative/ Administrator is also pleased to note that all components of the Annual Report are included as required in terms of Section 121 (3) of the: Municipal Finance Management Act, (No. 56 of 2003) 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 Local Government: Municipal Systems Act;
- The Auditor General's audit report in terms of Section 45 (b) of the Local Government: 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; and
- Any explanation that maybe necessary to clarify issues that are in connection with financial statements.

It is concerning that whilst some of the aspects have been covered in terms of addressing them in the action plan for the Auditor General Report, the municipality is still struggling to achieve an unqualified audit opinion with no matters. This is mainly because of the staff turnover and the low morale among staff members in the Budget and Treasury Office. The municipality has been operating with Acting officials as a Chief Financial Officer for a longer period. It is pleasing that most of the issues raised in the previous audit opinion have been cleared. It is imperative, however, that in order to achieve a clean audit goals of the municipality, that the Audit Response Action Plan is monitored by all relevant governance structures.

The finalisation of the status of UThukela Water (Pty) Ltd and the transfer of Biggarsberg Water Treatment Plan is still an issue but an idea is mooted that when the Council comes in in the beginning of the next financial year, hopefully this matter receives attention.

The issue of debt management remains a huge challenge for the municipality, specifically due to a very low payment factor and the escalation of outstanding debt. However, the municipality has engaged a service provider, Mchunu and Tsotetsi, to collect arrears from the municipal customers and debtors. The agreement is that the service provider shall be paid twelve (12) percent on all successful amounts collected. Monthly reports are also required as this is an intervention area which should also be a standing item on all statutory committees, including all portfolio committees as it is deemed relevant for all departments to fulfil their responsibilities in so far as revenue enhancement is concerned.

There is also a concern regarding the institutional memory in the Department of Budget and Treasury and the Audit Committee had expressed a view that a post of the Deputy Chief Financial Officer should be revived in the Municipal Organisational structure going forward.

The Ministerial Representative/Administrator would like to thank Councillors, Management as well as all officials for tirelessly ensuring progressive service delivery by completing many infrastructural and socio-economic development projects that improved the lives of the previously disadvantaged communities and maintaining and improving on service delivery standards.

Further gratitude to the Speaker of Umzinyathi District Municipality, Councillors, the Auditor General, the Audit Committee, COGTA, Provincial Treasury and National Treasury for their support and cooperation in completing this annual report oversight process. The Ministerial Representative/Administrator strongly believes that Umzinyathi District Municipality and its community will realise substantial and tangible benefits if a similar process is consistently followed in the years to come. The Ministerial Representative/Administrator is grateful for the opportunity to be of service to Umzinyathi District Municipality and its citizens.

7. RESOLUTIONS AND STATEMENTS

Resolved to recommend that:

1. That in terms of section 129 of the Municipal Finance Management Act, (No 56 of 2003), MINISTERIAL REPRESENTATIVE/ADMINISTRATOR having fully considered the Annual Report of Umzinyathi District Municipality for 2015/2016 Financial Year, adopts the Oversight Report for the 2015/2016 without reservations;
2. That in terms of section 129 (1) (a), MINISTERIAL REPRESENTATIVE/ADMINISTRATOR adopts the Annual Report of Umzinyathi District Municipality for 2015/2016 Financial Year without reservations.

3. That the submission as received and included to the Oversight Report, and the related management responses be noted, and that this be communicated to the relevant stakeholders accordingly;
4. That it be noted that the late submission of any comments not be considered for the purpose of the Oversight Report, but that Management responds to the parties accordingly on the relevant and pertinent issues raised;
5. That the legitimacy of all organisations be verified through the IDP representative forum in future;
6. That the Umzinyathi District Municipal Oversight Report for 2015/2016 be made public in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003); and
7. That the Oversight Report for 2015/2016 be submitted to the Provincial Legislature in accordance with Section 132 (2) of the Municipal Finance Management Act (Act No. 56 of 2003).



MR BH/NKONTWANA

MINISTERIAL REPRESENTATIVE