**CHAPTER 2**

**GOOD GOVERNANCE**

**2.5 oversight framework**

**2.5.1 PURPOSE OF THE oversight framework**

The purpose of the Oversight Framework is to outline councillor oversight responsibilities and identify measures to achieve good governance that is rule-based, open, transparent, efficient and accountable in municipalities.

**2.5.2 LEGISLATIVE MANDATE**

Councillor oversight responsibilities are set out in legislation and policy documents, including Circulars and Notices from Provincial and National Government. The Constitution defines the roles and responsibilities of national and provincial spheres of government in relation to local government. Accordingly, it requires all spheres of government to co-operate with one another in mutual trust and good faith by fostering friendly relations, assisting and supporting one another, informing one another of, and consulting one another on, matters of common interest, and coordinating their actions and legislation with one another.

Chapter 7 of the Constitution defines the objects of local government in Section 152 as:

*1. (a) To provide democratic and accountable government for local communities;*

1. *To ensure the provision of services to communities in a sustainable*

*manner;*

1. *To promote social and economic development;*
2. *To promote a safe and healthy environment; and*
3. *To encourage the involvement of communities and community organisations in the matters of local government.*
4. *A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).*
5. **Section 153. Developmental duties of municipalities**

A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes.

1. **Section 154 Municipalities in co-operative governance**

The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

1. Section 156 of the Constitution of the Republic of South Africa read with Part B of Schedule 4 assigns the planning function to local government and in terms of this provision, municipalities have both executive and legislative authority as set out in Section 155. The Constitution of the Republic of South Africa does not provide a definition of what municipal planning entails. While there is no precise definition of what exactly Municipal Planning is or what aspects of planning are included under the term, it is fit/appropriate to surmise that spatial planning and land use management are aspects of Municipal Planning.

“*The Constitutional Court in a judgement given in June 2010 stated that “… the term [municipal planning] is not defined in the Constitution. But “planning” in the context of municipal affairs is a term which has assumed a particular, well-established meaning which includes the zoning of land and the establishment of townships. In that context, the term is commonly used to define the control and regulation of the use of land.”* (Introduction to Municipal Planning within South Africa, 2011).

**2.5.2.1 White Paper on Local Government, 1998**

The White Paper highlights the need for a number of institutions that require accurate and relevant information for the monitoring and oversight of local government. For example, such information would be required to enable the following;

* The oversight of municipalities by the National Assembly (required by Section 55(2) (b) (ii) of the Constitution)
* The monitoring of municipalities by provincial governments (required by Section 155(6) (a) of the Constitution);
* The assessment of measures taken by municipalities towards the realisation of specific rights.

**2.5.2.2 Municipal Structures Act, Act No. 117 of 1998**

The Municipal Structures Act recognizes that the council has a basic role to ensure better performance by municipal departments and entities. Section 79(1)(a) requires a municipal council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. Section 80 of the same Act requires the council to appoint committees in terms of Section 79 to assist the executive committee. Such committees must report to the executive committee in accordance with directions and prescripts.

* + - 1. **Municipal Systems Act, Act No. 32 of 2000**

The Municipal Systems Act, amongst other provisions, provides for the establishment of a framework for support, monitoring and standard setting by other spheres of government. The object of this is to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local environment.

Chapter 2 requires the council of the municipality to prepare and adopt an integrated development plan (IDP including the SDF) for their respective areas and to provide for annual revision. Developmental Local government framework: Sets out the core principles, mechanisms and processes that give meaning to developmental local government and to empower municipalities to move progressively towards the social and economic upliftment of communities and the provision of basic services

**2.5.2.4 The Municipal Finance Management Act, Act No. 56 of 2003**

The MFMA aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of the municipalities to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution.

The MFMA supplements conventional procedural financial management rules with a performance-based system focusing on outputs, outcomes and measurable objectives. This Act enables municipalities to be more participatory, transparent and accountable. Furthermore, the MFMA gives council a number of financial management tasks to execute in the oversight role context.

* + - 1. **Spatial Planning and Land Use Management Act 16 of 2013**:

The Act provides a framework for Spatial and Land Use Management in South Africa (contains development principles). In the South African context Spatial Planning and Land Use Management is specifically about redressing and transforming issues of unemployment, poverty and inequality. The importance of SPLUMA lies in the critical and lead role it gives to local government to guide and manage use and development of land towards achieving socio economic development in accordance with 5 development principles – Spatial Justice, Spatial efficiency, Spatial Resilience, Spatial sustainability and Good Administration.

* Prepare & adopt a Spatial Development Framework (SDF)( 20 year vision) (S12, S20-22).
* Adopt & approve a single Land Use Schemes (LUS) for entire area by June 2020(s24.1) (Zoning of ALL land for specific land uses) (S23-30). Land Use Schemes have a force of law (S26.1.a).
* Undertake Land Development Management as a function of municipalities who are an “authority of first instance” for all development applications (s33.1).

**2.5.3 APPLICATION**

**1. oversight and good governance**

Councillor oversight refers to the need for councils to be kept informed of the business of the municipality by receiving regular reports on the activities of the administration. To successfully execute their oversight role, councillors need to clearly understand their statutory and general oversight mandate and responsibilities. A broader understanding of the oversight role is required beyond the mere scrutiny of reports by councillors.

Councillor oversight flows from the responsibility of councils to oversee the performance of their respective municipalities, as required by the Constitution, the Municipal Finance Management Act and Municipal Systems Act. The focus on councillor oversight must also be understood and considered in the context of the local government transformation agenda. Councillor oversight therefore impacts on the powers of the municipal council, the powers of decision-making and delegations of authority.

The concept of councillor oversight requires particular emphasis on the following elements of good governance;

* The need for a rule-based, open, transparent, efficient and accountable government;
* The need for the government to undertake its task in a manner which is participatory and consultative and that generally lives up to the democratic precepts of formal democracy; and
* The need for government to ensure that substantive aspects of democracy are achieved, which would be compatible with the need to attain sustainable human development in the long term.

Oversight as part of good governance of the municipality puts further requirements on the process of decision-making and public policy formulation. It extends beyond the capacity of the municipal council to the rules that create a legitimate, effective and efficient framework for the conduct of public policy. It implies managing public affairs in a transparent, accountable, corruption free, participatory and equitable manner. It also entails effective participation in public policy-making, the prevalence of the rule of law, institutional checks and balances through horizontal and vertical separation of powers, and effective oversight agencies.

Oversight refers to the crucial role of council in the monitoring and evaluation of actions of the administrative and executive organs of the municipality. The term is used to describe a large number of activities carried out by the national and provincial legislatures as well as municipal councils. In discharging this role, the administration and executive assume enormous powers that must be monitored to avoid abuse and/or under-performance. Since South Africa is a constitutional democracy, it is a requirement that the administration and executives are monitored and held accountable by a distinct organ of government.

The oversight role of councillors through council (or committee) meetings has been expanded by the MFMA and other legislation. Further, it must be noted that councillors’ oversight responsibilities mean that they cannot play an operational role, because this would interfere with the role of the municipal manager and weaken the performance accountability of officials.

* 1. Separation of powers

Good governance and effective oversight and accountability are predicated on a separation of powers between council and the administration – this avoids conflicts of interest and a referee/player situation. The MFMA assumes a separation of powers between executive and non-executive councillors to ensure council maintains oversight over the performance of specific responsibilities and delegated powers to the mayor or executive committee. Council oversees the performance of the administration through council and committee meetings.

The Mayor is the link between Council and the administration and is responsible for monitoring and tabling reports before Council. The Administration is responsible for the day-to-day operations. Whilst the Annual Report is about discharging accountability of the Executive and Administration for the achievement of performance goals, the Oversight Report, is a review of the extent to which this responsibility is achieved. In this way the cycle of accountability is completed and the separation of powers is promoted.

There is a need for an interparty co-operation approach to council oversight. When seen as one of the central tenets of democracy through which council can ensure that the executive is carrying out its mandate, oversight can be used to ensure effective government and effective delivery of services.

**2. Types of Oversight**

Oversight in a municipal environment has two facets, namely external and internal. This document is primarily intended to discuss and suggest mechanisms to improve the internal oversight role of councillors and consequently does not deal in detail with matters relating to external oversight.

**2.1 External oversight**

External oversight is the responsibility of a number of stakeholders.

**2.1.1 Communities**

The accountability of municipal councils to communities has its origin in section 152(1) of the Constitution. This section provides for democratic and accountable government for local communities. To this end, the section specifically encourages the involvement of communities and their organisations in local government matters. Further legislation prescribes the oversight role of communities. Principal amongst this legislation is the Municipal Systems Act, which makes provision for the oversight role of the community in the determination of a municipality’s performance through the development of IDPs, and the subsequent monitoring of performance as reflected in the municipality’s annual performance report. The community exercises an oversight role on key performance milestones of council including the budgeting process and the application of funds in terms of delivery programme set out in the IDP. Various mechanisms and platforms such as ward committee structures and community meetings, have been expressly provided for in order to facilitate accountability.

**2.1.2 Provincial Government**

Section 155(6)(a) of the Constitution provides for the monitoring of municipalities by provincial governments. Section 105 of the Municipal Systems Act provides additional substance to the envisaged monitoring of municipalities by provincial governments. The section deals with the monitoring role of the MEC and the remedial action that the MEC for local government may take upon the determination of non-performance and maladministration (section 106).

**2.1.3 National Government**

National government departments deal with municipalities in the context of various sector plans. Principal legislation provides direct mandates and clarifies oversight responsibilities in different sectors. A good example of this is the Water Services Act that provides for water service delivery plans. These provisions provide clear guidelines on the oversight role of relevant national departments and agencies.

In addition to the above, section 55(2)(b) of the Constitution requires the National Assembly to provide oversight mechanisms.

**2.2 Internal Oversight**

Internal oversight refers to the capability of council as an organisation to develop and implement mechanisms and systems intended to facilitate accountability. The legislative framework has made provision for various committees to be established. The councillor oversight framework clarifies the mandate and activities of the various committees and structures that are needed for successful internal oversight. In addition, the framework provides for a SCOPA equivalent, called a MPAC, at local government level as a critical internal oversight structure.

Effective oversight and accountability is dependent on distinctive roles for different structures and sub components within council. Council oversees the performance of the administration through committees that scrutinise activities and outcomes in meetings. The oversight role of councillors links council and administration and requires regular monitoring and the tabling of reports.

The oversight role of councillors includes the determination of causal factors and the taking of appropriate action particularly where serious financial problems persist. This clearly shows that the internal oversight role is not possible where oversight structures do not have distinctive roles determined in line with clear legislative mandates. For ease of reference, this framework outlines internal oversight structures below.

**2.2.1 Internal Oversight Structures**

Sections 79 and 80 of the Municipal Structures Act provides that the council of a municipality may establish committees to provide for the effective and efficient performance of a municipality’s powers and functions and to assist the executive committee including the oversight function.

**2.2.3 Portfolio Committees**

These are committees established with the primary objective of oversight in respect of departmental performance. These committees analyse departmental performance targets set in the IDP, Service Delivery Budget Implementation Plan (SDBIP) and other specific documented deliverables agreed to as determined by council and adopted as amendments to the SDBIP.

**2.2.3.1 General functions of portfolio committees**

The oversight functions of Portfolio Committees are provided below. It is important not to lose sight of general functions as they provide the basis for specific oversight roles. The general functions of portfolio committees are:

1. To formulate in consultation with the relevant Head of Department, policy falling within the functional area of the portfolio;
2. To receive and consider annual business plans falling within the functional area of the portfolio;
3. To oversee the implementation of the business plans of the functional areas of the portfolio;
4. To oversee the review of financial performance against approved budgets relating to prior and current years including dealing with reports from the Auditor-General;
5. To formulate and prepare in consultation with the relevant Head of Department the draft budget in respect of the functional areas of the portfolio, including tariffs of charges;
6. To receive and consider reports and recommendations submitted in respect of the functional areas of the portfolio;
7. To ensure compliance with the legislation, norms and standards in respect of the functional areas of the portfolio;
8. To recommend the passing or amendments of by-laws pertaining to the function of the portfolio;
9. To evaluate and recommend the prioritisation of projects falling within the functional areas of the portfolio; and
10. To consult with the municipal manager and the relevant Head of Department on council's policies and programmes.

It is suggested that at least the following portfolio committees (and their functional areas) be established at each municipality.

**Corporate Services**

* Administration
* Council and committee secretariat
* Legal
* Council support
* Policies and procedures
* Facilities management
* Capacity building and training
* Human resources

**Planning and Development**

* Spatial Planning
* Marketing
* Integrated Development Planning (IDP)
* Information services
* Environmental management
* Land use management
* Local tourism
* Local economic development

**Community Services**

* Passenger transport
* Health
* Protection services
* Disaster management
* Emergency services
* Civil Protection
* Communications
* Housing and land affairs
* Ward committees
* Pounds
* Safety and security
* Cemeteries

**Technical Services**

* Water
* Electricity
* Sanitation
* Solid waste sites
* Municipal roads
* Municipal airports
* Communication infrastructure, sport and culture
* Public works
* Housing (technical)
* Nature conservation
* Parks and recreation
* Swimming pools
* Fleet management

**Finance**

* Budget preparation and implementation
* Revenue and expenditure management
* Mid-year budget & performance assessment
* Revenue generation
* Capital expenditure control
* Investments
* Asset and liability management
* Internal audit and audit committees
* Financial reporting and auditing
* Debt collection, credit control and loans
* Supply chain management/ procurement

In smaller municipalities it may be necessary to combine some of the above portfolio committees and their responsibilities, for example, technical services and planning, as well as corporate services and community services.

**3. Oversight function**

To enable councillors serving on portfolio committees to perform an oversight function it is necessary to consider the different types of portfolio committees and thereafter to propose reporting formats to enable the administration to report in a standard manner to the respective committees.

**3.1 The specific oversight responsibilities of portfolio committees must include the following:**

* + 1. Interrogation of the departmental service delivery milestones against SDBIP;
    2. Monitoring of budget performance;
    3. Determination of requisite departmental resources;
    4. Monitoring of “fit” between departmental capabilities and performance;
    5. Determination of alignment between departmental performance and higher order strategic objectives as set out in the IDP and as adopted by council;
    6. Consideration of monthly reports from the different municipal departments, and may:

1. Visit projects and facilities and assess service delivery
2. Invite members of the public to make submissions on the work of the relevant municipal department
3. Consult with MPAC.

**3.2 Practical implementation of Oversight**

Each portfolio committee must determine its priority areas and the information required to enable it to conduct its oversight function. The priority areas must be the building blocks on which monthly reports must be based which should be aligned to the key performance areas. The annexure to this framework provides suggestions of the information to be reported on by Municipal Department Heads to their respective Portfolio Committees.

As an example, the technical portfolio committee may consider the following priority areas and the information that may be required.

**3.2.1 Priority area: Basic Service Delivery**

**Information required**

* Compliance and alignment of expenditure with Planned Spatial capital development project priorities in SDF and IDP
* Progress on capital projects approved by the council and provided for in the budget
* Progress on planned maintenance of the municipality’s infrastructure
* Detail on progress and backlogs in respect of water, electricity, sanitation and refuse collection
* Number of households supplied with alternative source of energy
* Housing plans, actual allocations and backlogs
* Irregular developments – number, location, growth, enforcement plan
* Land Use Development applications received and approved in terms of land Use schemes and approved IDP and SDF

The head of each municipal department will compile a monthly report in the format required by the portfolio committee and, in consultation with the municipal manager, present the report to the relevant portfolio committee. The proposed reporting formats are provided under Annexures. That committee must interrogate the report, identify challenges and direct and/or recommend remedial action. The committee must in turn compile its own report for presentation initially to the executive committee and thereafter to the full council.

**3.3 Council**

The separation of roles between the council, the executive and the administration is intended to strengthen the oversight function of councillors. Good governance, effective oversight and accountability are predicated on there being a separation of functions. It is fundamental for the achievement of the objects for local government in the Constitution relating to a democratic and accountable system of local government. Council oversees the performance of the administration mainly through its various portfolio committees and executive committee. The municipal manager provides the main link between the council and administration. Therefore, the administration is responsible for the day-to-day operations of the municipality. This separation avoids conflict of interest and a “referee/player” dichotomy.

The council is the ultimate executive and legislative authority. To ensure oversight over both the executive committee and the municipal administration, section 44 (4) of the Municipal Structures Act requires that an executive committee must report to the municipal council on all decisions taken by that commit-tee. This written report must reflect the executive committee’s considerations of the oversight reports originating from the various portfolio committees.

**3.4 Executive Committee**

The Executive Committee exercises oversight responsibilities in respect of the day-to-day activities of council. This role is clear in the listed oversight responsibilities of the Executive Committee set out in this framework.

**3.4.1 Roles and Responsibilities**

Reviews the performance of the municipality in order to monitor and improve:

* + - 1. the economy, efficiency and effectiveness of the municipality;
      2. the efficiency of credit control and revenue and debt collection services;
      3. the implementation of the municipality's by-laws;
      4. the management of the municipality's administration in accordance with the policy directions of the municipal council (output monitoring);
      5. the provision of services to communities in the municipality in a sustainable manner;
      6. the involvement of communities and community organisations in the affairs of the municipality;
      7. the alignment of the IDP and the budget received from the relevant councillors; and
      8. the effect of consultation on the decisions of the council.
      9. Makes recommendations to council regarding:-

1. the adoption of the estimates of revenue and expenditure, as well as capital budgets and the imposition of rates and other taxes, levies and duties;
2. the passing of by-laws;
3. the raising of loans;
4. approval or amendment of the IDP;
5. appointment and conditions of service of a municipal manager and heads of departments;
6. deals with any other matters referred to it by the council and submits a recommendation thereon for consideration by the council;
7. attends to and deals with all matters delegated to it by council in terms of the Systems Act;
8. Monitors progress against the key performance indicators; and
9. Receives and considers reports from committees in accordance with the directives as stipulated by the Executive Committee.

**3.5 Audit Committee**

In terms of providing technical capacity, it is a legislative requirement that an audit committee be established which considers the A-G’s report and its implications for internal risk management.

The purpose and objective of the audit committee is to:-

Advise the municipal manager on:

* Financial reporting process;
* Systems of internal control;
* Audit process; and
* Advise the executive committee and council on matters relating to internal control and performance as set out in section 166 of the Municipal Finance Management Act and the process for monitoring compliance with approved procedures and systems.

Section 166 of the Municipal Finance Management Act requires that each municipality and municipal entity must have an audit committee. The audit committee must advise the municipal council, the political bearers, the accounting officer and the management of the municipality or municipal entity on matters relating to:

* Internal financial control and internal audits;
* Risk management
* Accounting policies;
* The adequacy, reliability and accuracy of financial reporting and information;
* Performance Management;
* Effective governance;
* Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
* Performance evaluation; and
* Any other issues referred to it by the municipality or municipal entity.

Audit Committee provide oversight on the municipality based on the approved audit committee charter approved by municipal Council. A charter should be used to guide the activities of an audit committee on an ongoing basis. The charters should be clear and well written setting out objectives, roles and responsibilities, composition, structure and membership requirements, relationships with other stakeholders, authority for the committee to conduct enquiries, and access municipality’s and municipal entity’s records and personnel, outlines procedures for meetings, addresses the confidentiality and independence members and provides for ethical conduct and reporting.

**3.5.1 The Audit Committee conducts oversight on the following functions:**

* **Performance Management**

1. Review and comment on compliance with statutory requirements and performance management best practices and standards.
2. Review and comment on the alignment of the Integrated Development Plan, the Budget Service Delivery and Budget Implementation and performance agreements.
3. Review and comment on the relevance of indicators to ensure they are measurable and elate to services performed by the municipality and its entities.
4. Review compliance with in-year reporting requirements.
5. Review the quarterly performance reports submitted by internal audit.
6. Review and comment on municipality’s performance management system and make recommendations for its improvements.

* **Financial Statements**

1. Ensure that all financial reports are complete and consistent with the information required.
2. Review financial reports with management and the external auditors, before filing with regulators.

* **Risk Management**
* The accounting officer is responsible for the establishment of effective risk management within the municipality.
* Where there is a separate risk management committee, the audit committee will be required to review recommendations made and consider these in line with the audit committee charter.
* In case where there is no separate risk management committee, the oversight responsibilities of the audit committee must be reflected in the charter of the audit committee approved by council.

The Audit Committee is required to:

1. Provide an independent and objective view of the effectiveness of the municipality’s risk management.
2. Provide feedback to the accounting officer and municipal council on the adequacy and effectives of risk management in the municipality and its entities.

* **Control Environment**

1. Ensure that management follows a sound process to draw conclusions on the adequacy and effectiveness of internal control.
2. Establish whether management has relevant policies and procedures in place and that these are adequate, effective and regularly updated.
3. Assess steps taken by management to encourage ethical and lawful behaviour, financial disciple and accountability for use of public resources.

**Internal Control**

Ensure the effectiveness of the council’s internal control over annual and interim financial reporting, including information technology security and control.

Understand the scope of internal and external auditor’s review of internal control, and obtain reports on significant findings with specific reference to the safeguarding of assets, accounting records and the maintenance of effective internal control systems.

**Internal Audit**

Review with management the charter, plans, activities, staffing organisational structure of the internal audit activity.

Ensure there are no unjustified restrictions or limitations.

Review the effectiveness of the internal audit activity, including compliance with the Institute of Internal Auditor’s *Standards for the Professional Practice of Internal Auditing.*

On a regular basis, meet separately to discuss any matters that the committee or auditors believe should be discussed privately.

**External Audit**

On a regular basis, meet with the external auditors to discuss any matters that the committee or external audit believes should be discussed privately.

**Compliance**

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigations, follow-ups and (including disciplinary action) of any instances of non-compliance.

Review the findings of any examinations by regulatory agencies, and any auditor observations. Review the process for communicating the code of conduct to council personnel and for monitoring compliance therewith.

Obtain regular updates from management and legal counsel regarding compliance matters.

Assess the reliability of performance information reported and commission in-depth performance investigations where there is continued poor performance.

Evaluate the committee’s performance on a regular basis.

Submit a performance audit report to council at least twice a year.

Institute and oversee special investigations as needed.

Review and assess the adequacy of the committee charter annually, requesting executive committee approval for proposed changes.

Confirm annually that all responsibilities outlined in this charter have been carried out. Section 14(4) (a) (iii) of the Local Government Municipal Planning and Performance Management Regulations requires that the audit committee submit a report to the Municipal Council at least twice a year, regarding the Performance Management System.

**Information Technology (IT) Governance**

1. The audit committee also needs to provide advice on IT Governance, controls, access, safeguarding of information in the municipality and its entities.
2. Specific expertise may be required from within or outside the municipality from time to time to assist the internal audit unknit and audit committee to formulate recommendations on systems and controls.
3. The audit committee may have to advise on the appropriateness of disaster recovery and continuity plans supporting IT risks, regular testing and evaluation of plans, systems and processes.

**General**

In fulfilling its role and in carrying out its duties and responsibilities, the audit committee may conduct such investigations and seek from any employee or councillor such information as it considers necessary to enable it to fulfil its functions, and all employees and councillors are required to co-operate with any request made by the audit committee.

The committee must consider and recommend improvements in financial control and accounting systems as well as assess extraordinary items or abnormal disclosures with specific reference to:-

* The annual financial statements;
* Accounting policies and practices;
* Specific strategic reports;
* External audit procedure;
* The annual external audit report before submission to the relevant committee;
* All Internal audit activity;
* Compliance with law, audit and accounting standards; and
* Reports of the Head: Investigations.

Audit committee members do not have any authority to make any decisions on behalf of the council.

**Authority**

1. The audit committee shall have the authority to perform functions, and to obtain any information and advice, from within or outside the municipality or entity, in order to perform its functions as legislated.
2. Audit committee members do not have any authority to make any decisions on behalf of the council.

**Reporting**

The chairperson of the audit committee should report on a quarterly basis, or more frequently if required to the municipal council on the operations of the internal audit unit and th audit committee. The report should include:

* A summary of the work performed by the internal audit and the audit committee against the annual work plan;
* Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
* A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;
* Progress with any investigations and their outcomes;
* Details of meetings and the number of meetings attended by each member, and
* Other matters requested by the municipal Council from the internal audit and audit committees.

**4. Municipal Public Accounts Committee (MPAC)**

Perhaps the most important of all internal oversight role-players is the Municipal Public Accounts Committee (MPAC). All municipalities must establish MPAC from within the ordinary members of Council. MPAC has the ultimate responsibility to:

* Hold the Municipal Executive and Administration to account;
* Ensure resources are used effectively and efficiently;
* Review municipal public accounts on behalf of council;
* Review the AG’s reports;
* Review the action taken on the AG’s reports;
* Make its findings known without fear, favour or prejudice.

Because of its importance, it is necessary to reflect briefly on the functions and composition of MPAC

#### 4.1 Functions

#### MPAC performs an oversight function on behalf of council, which must not be seen as a duplication of functions or be confused with either the internal audit committee or the finance portfolio committee. The internal audit committee is an independent advisory body that advises council and the executive on financial and risk matters and can also act as an advisory body to MPAC. The finance portfolio committee deals with financial management issues such as budgetary, revenue, expenditure management and supply chain management.

The primary function of MPAC is to help council to hold the executive and the municipal administrationto account and to ensure the efficient and effective use of municipal resources. MPAC does this by reviewing public accounts and exercising oversight on behalf of the council.

* + 1. **MPAC must:**
       1. examine financial statements of all executive organs of council;
       2. examine any audit reports issued on those statements;
       3. examine any reports issued by the AG on the affairs of any municipal entity;
       4. examine any other financial statements or reports referred to the committee by council;
       5. invite and facilitate public input on the annual report on behalf of council;
       6. examine the annual report on behalf of council and make recommendations to council after considering any public input received
       7. initiate and develop the annual oversight report based on the annual report and submit to council for adoption; and
       8. may report on any of those financial statements or reports to council;
       9. may initiate any investigation in its area of competence; and

4.1.1.10 must perform any other function assigned by resolution of council.

When the committee examines the financial statements and audit reports of a municipality or municipal entity, it must take into account the previous statements of and reports of the entity and report on the degree to which shortcomings have been rectified**.** The committee must monitor the extent to which its recommendations and that of the AG are carried out.

The outcomes and the resolutions of the deliberations of this committee must be reported to council and made public; and it must enhance the accountability process by ensuring that there is objective political oversight, which allows for public involvement and comments in addition to other established governance committees, such as the finance portfolio committee and the independent audit committee.

#### 4.2 Structure and membership

MPAC, similar to other council committees, should be comprised of councillors appointed by a full council meeting. In addition, provisions of Section 79(2)(d) of the Municipal Structures Act (1998) need to apply in the composition of MPAC, which stipulate that Council should authorise MPAC to co-opt appropriately skilled members, on an advisory basis, who are not members of the council within the limits determined by the council to support the functioning and effectiveness of MPAC. The actual size of MPAC should be determined by the size of a council (i.e. number of councillors), but care should be taken to ensure that members represent a wide range of experience and expertise available in council, as well as political representivity.

The size should range between a minimum of 5 to a maximum of 12, mainly dependent on the size of the council. The Speaker, Mayor and members of the executive committee are not allowed to be members of MPAC.

It is recommended that the appointment of the Chairperson of MPAC should take into account the requirements of transparency, ethics and general good governance prescripts. In keeping with the tradition and International practice in respect of the oversight function, the council may consider whether a member of an opposition party should chair MPAC.

# 5. PROPOSED NORMS AND STANDARDS FOR OVERSIGHT

Given the importance of oversight, it is necessary to set normative rules and standards for municipal oversight. The purpose of such norms and standards is to guide the municipal oversight process.

The Norms and Standards for Municipal Oversight reflect 10 key norms together with their appropriate standards which must be adopted and implemented by the Municipality as a policy guide to inform the oversight process.

| **Norms** | | **Standards** | |
| --- | --- | --- | --- |
| N1 | Systematic Approach - There should be a systematic and formal approach to oversight | 1.1 | Oversight should be systematically planned and implemented – with a strategic plan and annual oversight agenda |
|  |  | 1.2 | Provision must be made on a municipality’s calendar of events for all planned oversight events and activities |
|  |  | 1.3 | The oversight function must cover both financial and non-financial aspects in a systematic way |
|  |  | 1.4 | The cost of reviewing the Annual Report and compiling the oversight report should be considered and balanced against the need for transparency, good governance, accountability and capacity of the municipality to follow an effective process within the time allowed |
|  |  | 1.5 | A Municipal Council should appoint a municipal scopa that must at least meet quarterly. |
|  |  | 1.6 | Oversight should involve working towards a thorough understanding of content of the Annual Report, budget and the kind of questions to ask |
|  |  | 1.7 | All possible resources should be brought to bear in order to gain this understanding of the Annual Report - researchers, other committees, civilian watch bodies etc. |
|  |  | 1.8 | Sufficient time must be allowed for members of thecommittee to study documentation placed before the Committee |
|  |  | 1.9 | Municipal departments must submit a combined monthly performance and oversight report to their respective Portfolio Committee based on relevant guidelines issued |
|  |  | 1.10 | The Executive Committee must, in line with the legal requirements, report on a regular basis to Council on all its decisions taken |
|  |  | 1.11 | The committee is, inter alia responsible, on behalf of the full Council, for the compilation of the Oversight Report |
|  |  | 1.12 | The committee must keep detailed records of all its deliberations |
|  |  | 1.13 | The effectiveness of the oversight function must be assessed on a regular basis |
| N2 | Purpose and Intentionality - There must be a clearly defined context, purpose and intended result | 2.1 | The exercise of oversight must focus on whether a municipality has achieved the objectives for local government as set out in Section 152 of the Constitution read with other relevant local government legislation. |
|  |  | 2.2 | Portfolio Committees of Council must exercise oversight over the service delivery performance against the stated IDP and SDBIP goals and objectives of all municipal departments falling within their portfolio. |
|  |  | 2.3 | The Committee should conduct oversight over the performance of the Executive Committee and municipal administration against the stated goals and objectives of the municipality as set out in its IDP using the Annual Report |
|  |  | 2.4 | Oversight should result in findings on the extent to which the stated goals and objectives have been achieved |
|  |  | 2.5 | In undertaking its work the oversight committee must have a longer term focus |
| N3 | Guiding Policy - There should be a guiding policy explaining the concept, role and use of oversight within an institutional framework and with roles and responsibilities clearly defined. The policy should take account of these norms and standards | 3.1 | There should be clear guidelines based on current policies, regulations and departmental guidelines on how to conduct oversight [for example (1) the CoGTA roles and responsibilities and delegations framework and (2) the “Toward a Framework for Councillor Oversight”] |
|  |  | 3.2 | There should be a clear definition of roles and responsibilities for all council committees and bodies involved in the exercising of oversight |
| N4 | Impartiality and Code of Ethics – In exercising oversight over the activities of the Executive Committee and municipal administration, Councillors must act in an impartial, non-partisan and objective manner | 4.1 | The exercise of oversight must be governed by a code of ethics of which impartiality, non-partisanship and objectivity are important objectives and that serves as a basis for ensuring accountability, improving service delivery and ensuring institutional learning |
| N5 | Independence – the committee should develop a cohesive identity as an independent committee where there is adherence to the principle of the separation of powers | 5.1 | The Speaker, Mayor, Members of the Executive Committee and municipal officials are not allowed to serve on the committee |
|  |  | 5.2 | So as not to compromise its independence, integrity and authority thecommittee must report directly to Council via the Speaker |
|  |  | 5.3 | The committee must exercise oversight over the issues referred to it by the municipal council for review independent from the Executive Committee |
|  |  | 5.4 | The oversight function must be exercised independent of the executive committee and municipal administration |
| N6 | Quality orientation – in both the documentation considered and the reports and findings made | 6.1 | Good quality and reliable information with clear objectives and standards against which performance can be assessed must be produced and presented in order to ensure effective oversight |
|  |  | 6.2 | Documents serving before the committee must be of such a nature that they are easily understandable and not of a highly technical nature |
|  |  | 6.3 | Oversight reports should present in a balanced way findings, conclusions and recommendations made |
|  |  | 6.4 | Findings and recommendations should be presented in a manner that is easily understood by target audiences |
| N7 | Build Competency and capacity – to exercise oversight for both councillors, portfolio committee members and ward committees | 7.1 | Councillors must receive appropriate and adequate training to enable them to properly exercise their oversight responsibilities |
|  |  | 7.2 | Portfolio Committees must have members with or access to an expert with the relevant expertise and experience in the required functional area for effective oversight |
|  |  | 7.3 | Portfolio, Ward and scopa members must be capacitated to ensure that they understand the oversight process and have the relevant technical knowledge to enable them to properly analyse performance information in the Annual Report and other relevant sources |
|  |  | 7.4 | Mechanisms must be established to enable ordinary Councillors and the general public to digest and discuss the Annual Report |
|  |  | 7.5 | The Council must provide the committee with the necessary support and infrastructure [inclusive of funding and research capacity if requested] |
|  |  | 7.6 | District level committees should have local municipality representation on its oversight committee |
| N8 | Transparency, consultation and participation – effective oversight should be carried out in such a way that there is complete transparency in the process and findings made and all stakeholders are fully informed and empowered to participate in the oversight process | 8.1 | Community members must be informed of their rights and obligations with regards to municipal oversight |
|  |  | 8.2 | In exercising their oversight of the Council, community members must be informed of their obligation to have in mind the common good and not just what is in their own or local constituency’s interest |
|  |  | 8.3 | Mechanisms must be established and implemented to ensure that the poor and members of disadvantaged communities have equal opportunity to participate in the oversight process |
|  |  | 8.4 | Mechanisms must be established to enable ordinary Councillors and the general public to digest and discuss the Annual Report |
|  |  | 8.5 | Mechanisms must be established to enable different Portfolio Committees to share oversight information with each other |
|  |  | 8.6 | The committee must establish mechanisms to receive and review representations made by the general public on the Annual Report |
|  |  | 8.7 | Meetings at which the Council considers the Annual Report must, in line with the legal requirements, be open for members of the public |
|  |  | 8.8 | Meetings at which the committee considers the Annual Report must, in line with the legal requirements, be open for members of the public |
|  |  | 8.9 | Individual Councillors must review the Annual Report with their constituents and where applicable ward committee in preparation for the full Council meeting on the Annual Report |
|  |  | 8.10 | The Municipal Manager and full management team must be available to respond to questions of Council when considering the Annual Report |
|  |  | 8.11 | The Municipal Manager and full management team must be available to respond to questions of the committee when considering the Annual Report |
|  |  | 8.12 | The committee must in addition seek the input of all Councillors and Portfolio Committees on the Annual Report |
|  |  | 8.13 | The committee has the right to call upon any member of the Executive Committee or municipal official to appear before it to answer questions |
|  |  | 8.14 | Council must publish all committee recommendations. |
| N9 | Follow up – all findings and recommendations should be rigorously followed up to ensure appropriate action is being taken | 9.1 | Mechanisms must be established to ensure that all oversight issues are prioritised, pursued and tracked to their logical conclusion |
| N10 | Contribute to service delivery – oversight should result in improved service delivery | 10.1 | In undertaking its work the committee must endeavour to develop a forward looking approach rather than just overseeing what has already happened |
|  |  | 10.2 | Recommendations must be firmly based on evidence and analysis of performance information and stakeholder input and should be relevant and realistic, with priorities for action made clear |
|  |  | 10.3 | Recommendations must be used to facilitate an improvement in services rendered to the community |
|  |  | 10.4 | Recommendations must be used to facilitate greater accountability in the utilisation of public monies |

**6. Oversight Reporting**

An internal municipal reporting framework that supports and enables the organisation to sensibly report on the strategic objectives, indicators and targets developed in relation to its strategy framework must be developed. Administrative units are to report monthly to management and EXCO on in-year programme implementation (inputs, activities, outputs). Outcomes of programmes should be reported on a quarterly basis but ideally only annually.

Municipalities are legally required to compile and consider a number of performance-related reports. This includes a report on the performance of a Municipality against its Integrated Development Plan (IDP) objectives and another on the performance of a Municipality against its Service Delivery and Budget Implementation Plan (SDBIP) targets. These reports are based on key performance indicators and performance targets as a means to measure and manage the performance of a Municipality both at organisational (IDP) and operational level (SDBIP).

Not every activity that a Municipality undertakes is however necessarily reported on for consideration by Council in the two performance related reports. There is therefore a need for the compilation of an additional monthly report on the balance of the activities undertaken by each Municipal Department.

### Section A: IDP (organisational) Performance

This section should reflect the list of key performance indicators and performance targets at organisational level that enable municipalities to evaluate the progress made in achieving their IDP objectives.

### Section B: SDBIP (operational) Performance

This section reflect the extent to which the strategy is successfully implemented at operational level, which is done by measuring the progress made with service delivery and implementing the budget of the municipality. This is done through service delivery measures and targets captured in the annual SDBIP. The measures and targets are set per department based on the budgetary allocation made to each department.

**7. CONCLUSION**

The Oversight Framework seeks to consolidate governance arrangements and improve overall accountability of local government executive structures. The rigorous implementation of the Oversight Framework is aimed to contribute towards good governance.

Within the context of public accountability, municipalities must acknowledge that a primary function of council and its committees is that of oversight over the executive and municipal administration as espoused by this framework. A functional monitoring and evaluation system resulting in standardised reports that contain information required by the oversight structures to perform their oversight function must be developed.

**annexures**

|  |
| --- |
| **Municipal public accounts committee (MPAC) REPORTING template** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

1. **ANNEXURES**
   1. List of all Annexures (if any)
2. **PURPOSE**

To inform / appraise / request / recommend to the Council

*[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]*

1. **BACKGROUND**

Provide a background to the subject.

*[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]*

1. **DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

*[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]*

**Standard Items in the MPAC Report**

* 1. Section 36 financial deviations and Section 32 awards
  2. Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIWF)
  3. Other expenditure management issues:
     1. SCM report
     2. Employee related cost to Total Operating Expenditure
     3. Spend on Free Basic Services
     4. Percentage spend on MIG
  4. Compliance
     1. Section 71 report
     2. Audit Action Plan
     3. Monthly departmental performance report

1. **IMPLICATIONS (where applicable)**
   1. Financial implications –

*[What are the costs that will be incurred; is there a budget provision; from which vote?]*

* 1. Legal implications –

*[Is the proposed course of action within the legal framework; is there possibility of legal action?]*

* 1. Environmental implications –

*[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]*

1. **RECOMMENDATIONS**

[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.

It is recommended:

* 1. THAT …………………..
  2. THAT …………………..

BUDGET & TREASURY OFFICE (FINANCE) REPORTING FORMAT

|  |
| --- |
| **COUNCIL / EXECUTIVE COMMITTEE / PORTFOLIO COMMITTEE** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

**1. ANNEXURES**

List of all Annexures (if any)

1. **PURPOSE**

To inform / appraise / request / recommend to the Council / Executive Committee / Portfolio Committee ……..

***[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]***

1. **BACKGROUND**

Provide a background to the subject.

***[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]***

1. **DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

***[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]***

**Standard Items in a monthly finance report to the Finance Portfolio Committee**

* 1. Revenue management (revenue collection on billed revenue)
  2. Debtors management (Balance on debtors as per category and service)
  3. Debtors management (Balance on ITB debt)
  4. Debtors collection % and narration
  5. Debt collection strategies implemented to improve debt collection.
  6. Creditors owed for more than 30 days.
  7. Top ten creditors
  8. Eskom / Water Board amount in arrears.
  9. Grant management (Grant received and expenditure)
  10. Expenditure management strategy (cash flow management and cost reduction)
  11. Section 36 financial deviations and Section 32 awards
  12. Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW)
  13. Consequence management on Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW) (provide cases under investigation, recommendations, action implemented by Council and progress)
  14. Other expenditure management issues:
      1. SCM report
      2. Employee related cost to Total Operating Expenditure
      3. Spend on Free Basic Services
      4. Percentage spend on MIG
  15. Liquidity
      1. What is the cash and cash equivalents available to meet short term obligations? (Net cash and cash equivalents after creditors and unspent conditional grants)
      2. What is the balance on the bank current account?
      3. What is balance on investments?
      4. Current ratio and a narration
  16. Asset management
      1. Existence of an Operations and Maintenance Plan
      2. Repairs and Maintenance expenditure to PPE
      3. Actual expenditure on allocated repairs and maintenance
      4. Fixed Asset Register reconciliations
  17. Compliance
      1. Section 71 report
      2. Audit Action Plan
      3. Monthly departmental performance report

1. **IMPLICATIONS (where applicable)**
   1. Financial implications –

***[What are the costs that will be incurred; is there a budget provision; from which vote?]***

* 1. Legal implications –

***[Is the proposed course of action within the legal framework; is there possibility of legal action?]***

* 1. Environmental implications –

***[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]***

1. **RECOMMENDATIONS**

**[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.**

It is recommended:

* 1. THAT …………………..
  2. THAT …………………..

PLANNING AND DEVELOPMENT DEPARTMENT REPORTING FORMAT

|  |
| --- |
| **COUNCIL / EXECUTIVE COMMITTEE / PORTFOLIO COMMITTEE** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

**1. ANNEXURES**

List of all Annexures (if any)

**2. PURPOSE**

To inform / appraise / request / recommend to the Council / Executive Committee / Portfolio Committee ……..

***[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]***

**3. BACKGROUND**

Provide a background to the subject.

***[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]***

**4. DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

***[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]***

**Standard Items in a monthly report to the Planning and Development Portfolio Committee**

* + IDP regulatory matters
  + SPLUMA regulatory matters :-
    1. Report on planning applications in terms of SPLUMA by-laws
    2. Rezoning and town establishments in terms of SPLUMA by-laws
    3. Enforcement and management of land use and irregular developments (including human settlements)
    4. Amendments required in SPLUMA by-laws,
    5. % coverage of land area by Land Use Schemes,
    6. Amendments required to Land Use Schemes
    7. Policy alignment between Land Use Schemes, Valuation and Rates
    8. Spatial priorities & budget expenditure alignment and compliance
    9. Efficiency and administration of Land Use development applications compliance by Municipal planning authorised officer and by Municipal Planning Tribunal
    10. Functionality of Municipal Planning Tribunal and of Municipal and planning and land use staff
    11. Progress in improving SDF in terms of provincial review reports
  + Geospatial Information system update on functionality and data available
  + Valuation roll status in terms of % land coverage and up to date property details
  + New investments or investment retention
  + Progress report on LED and tourism projects
  + Monthly departmental performance report

**5. IMPLICATIONS (where applicable)**

Financial implications –

***[What are the costs that will be incurred; is there a budget provision; from which vote?]***

Legal implications –

***[Is the proposed course of action within the legal framework; is there possibility of legal action?]***

Environmental implications –

***[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]***

**6. RECOMMENDATIONS**

**[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.**

It is recommended:

THAT …………………..

THAT …………………..

TECHNICAL SERVICES REPORTING FORMAT

|  |
| --- |
| **COUNCIL / EXECUTIVE COMMITTEE / PORTFOLIO COMMITTEE** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

**1. ANNEXURES**

List of all Annexures (if any)

**2. PURPOSE**

To inform / appraise / request / recommend to the Council / Executive Committee / Portfolio Committee ……..

***[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]***

**3. BACKGROUND**

Provide a background to the subject.

***[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]***

**4. DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

***[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]***

**Standard Items in a monthly report to the Technical Services Portfolio Committee**

* + Capital expenditure

The report should include a schedule of all projects and indicate, as a minimum, the actual project progress versus targeted progress and actual expenditure versus targeted expenditure. The MIG Implementation Plan (IP), which includes set milestones, may be used as the reporting framework:

* Internal (own) funded projects
* MIG
* RBIG
* WSIG
* INEP
* Other

The progress and expenditure to be reported monthly

* + Service delivery improvement

Annual and quarterly targets need to be set for each service, in consultation with the relevant service authority (e.g. WSA or Eskom), as appropriate

The report should indicate progress against quarterly targets e.g. 2nd quarter target may be connection of 350 households to electricity – how many were achieved in the 2nd quarter?

Categories of service:

* Water connections or access to water (number of households)
* Electricity connections or access to water (number of households)
* Sanitation facilities provided (number of households)
* Kilometres of road constructed
* Refuse removal services provided (number of households)
* Houses constructed (number of houses)
  + Maintenance of services. The following should be included in the report :
* Actual expenditure against monthly targets for infrastructure maintenance.

(Municipalities are required to budget a minimum of 8% of the carrying value of Property, Plant and Equipment annually. Expenditure of the maintenance budget needs to be projected monthly)

* Number of water supply interruptions in the preceding month
* Average time to restore the water supply (hours)
* Number of electricity supply interruptions in the month
* Average time to restore the electricity supply (hours)
* Number of sewer spillages in the preceding month
* Average time to remedy the spillage (hours)
* Number of refuse collection runs missed versus targeted runs in the preceding month
* Area of potholes repaired (square metres, m2) in the preceding month versus monthly target
* Kilometres of unpaved road maintained in the preceding month versus monthly target
* Number of traffic light outages in the preceding month
* Average time to repair traffic light outages
* % real water loss, measured against System Input Volume (SIV), in the preceding month (monthly water balance)
* Number of mechanical breakdowns of vehicles, plant and equipment
* Average time to repair
* Number of community complaints reported
* Average response time to complaints
  + Revenue protection

In the case of a Water Service Authority or Licensed Electricity Distributor, the report should include :

* Number of illegal water connections reported
* Number of illegal water connections removed
* Number of illegal electricity connections reported
* Number of illegal electricity connections removed
  + Other Departmental matters which may include delays or blockages, the reasons and the remedial action. Actions or decisions required from the Portfolio Committee / Exco or Council

**5. IMPLICATIONS (where applicable)**

Financial implications –

***[What are the costs that will be incurred; is there a budget provision; from which vote?]***

Legal implications –

***[Is the proposed course of action within the legal framework; is there possibility of legal action?]***

Environmental implications –

***[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]***

**6. RECOMMENDATIONS**

**[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.**

It is recommended:

THAT …………………..

THAT …………………..

COMMUNITY SERVICES DEPARTMENT REPORTING FORMAT

|  |
| --- |
| **COUNCIL / EXECUTIVE COMMITTEE / PORTFOLIO COMMITTEE** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

**1. ANNEXURES**

List of all Annexures (if any)

**2. PURPOSE**

To inform / appraise / request / recommend to the Council / Executive Committee / Portfolio Committee ……..

***[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]***

**3. BACKGROUND**

Provide a background to the subject.

***[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]***

**4. DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

***[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]***

**Standard Items in a monthly report to the Community Services Portfolio Committee**

* + Functionality of Municipal Libraries / Museums / sports fields / community halls
  + Functionality of Ward Committees
  + OSS report
  + Report on Public Protests
  + Traffic report
  + Disaster incidents / fire incidents and state of readiness of the municipality
  + Environmental Health
  + Report on Special programmes (e.g. events, transversal issues, etc.)
  + Monthly departmental performance report

**5. IMPLICATIONS (where applicable)**

Financial implications –

***[What are the costs that will be incurred; is there a budget provision; from which vote?]***

Legal implications –

***[Is the proposed course of action within the legal framework; is there possibility of legal action?]***

Environmental implications –

***[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]***

**6. RECOMMENDATIONS**

**[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.**

It is recommended:

THAT …………………..

THAT ………………

CORPORATE SERVICES REPORT FOR THE MONTH: …….. 20…..

|  |
| --- |
| **COUNCIL / EXECUTIVE COMMITTEE / PORTFOLIO COMMITTEE** |

DELEGATED / NON-DELEGATED MATTER

FOR INFORMATION / CONSIDERATION / NOTING

IN COMMITTEE / OUT OF COMMITTEE

AUTHOR:

DEPARTMENT:

REFERENCE NO.:

DATE:

**[ SUBJECT ]**

**1. ANNEXURES**

List of all Annexures (if any)

1. **PURPOSE**

To inform / appraise / request / recommend to the Council / Executive Committee / Portfolio Committee ……..

***[The report should contain a statement setting out its purpose which provides an understanding of why the report is being presented and the expected outcome from the relevant structure in which it will be tabled]***

1. **BACKGROUND**

Provide a background to the subject.

***[The background is succinct and links the matter to be discussed in the report to previous deliberations, legislation, resolutions, regulations, etc.]***

1. **DISCUSSION**

Provide a comprehensive detail of the subject matter in support of the purpose for which the report is being written.

***[This section should be comprehensive and provide enough detailed information to enable councillors to take decisions or whichever cause of action. The content of the Annexures must be summarised in this section and if necessary linking the report to legislative provisions.]***

**Standard Items in a monthly report to the Corporate Services Portfolio Committee**

* + **Staff Establishment** 
    1. The status of the review of the organogram, as prescribed.
    2. Total number of posts on the organogram
    3. The number of vacancies on the organogram (and vacancy rate (%)
    4. The status of the MM and each s56 posts, including contracts terminating within the next 12 months, and, where appropriate, the status of recruitment
    5. The status of each post below s56 managers and, where appropriate, the status of recruitment
  + **Job Evaluation** 
    1. The status of Job Evaluations and job descriptions
  + **Employment Equity** 
    1. Submission of an approved Employment Equity Plan to the Department of Labour, as prescribed.
  + **Capacity Building and training plan**
    1. Provide details of training and capacity building initiatives for the month
  + **Policies** 
    1. Report on the review, amendment and implementation, where appropriate
    2. New policies
  + **Performance Management**
    1. The implementation of the council-approved Performance Management System for the Municipality, senior management and all other staff
  + **Code Of Conduct For Staff**
    1. The report should include any breaches and enforcement of the Code.
  + **Labour Matters**
    1. Compliance with the Local Government: Regulations on the Disciplinary for Senior Managers, 2010
    2. The number, and the status, of each labour and/or disciplinary matter
    3. Details of any financial settlements reached/proposed
    4. Meetings of the LLF and issues currently being dealt with by the LLF
  + **Consequence Management**
    1. Progress iro the consequence management register (to cover issues of discipline, UIFW and investigations)
  + **By-Laws** 
    1. Progress on the review and amendment of bylaws, where appropriate
  + **Legal & Compliance Issues** 
    1. Status of all Legal & Compliance Issues (Pending and/or ongoing)
  + **B2B** 
    1. Progress with the implementation of the B2B programme.
  + **Records management**
    1. State of readiness of the records management system to support the AG process.
  + **District Corporate Services Forum** 
    1. Issues raised at the last quarterly District Corporate Services Forum
  + **Staff leave and overtime management**
    1. Information on leave and overtime
  + **ICT** 
    1. ICT Steering Committee report on ICT governance matters/security and Disaster Recovery Plan
  + **SALGBC and SALGA critical issues**
  + **Other Departmental matters which may include delays, the reasons and the remedial action.**
  + **Actions or decisions required from the Portfolio Committee / Exco or Council**

1. **IMPLICATIONS (where applicable)**
   * Financial implications –

***[What are the costs that will be incurred; is there a budget provision; from which vote?]***

* + Legal implications –

***[Is the proposed course of action within the legal framework; is there possibility of legal action?]***

* + Environmental implications –

***[Are there possible environmental issues related to the subject matter, has the municipality complied with all environmental requirements?]***

1. **RECOMMENDATIONS**

**[Each recommendation must be crafted in such a way that it is a stand-alone statement which can be understood without reading the entire report, Names, dates, amounts, times, etc. must be clearly spelt out.**

It is recommended:

* + THAT …………………..
  + THAT …………………..