

IDP05 of 2018

DRAFT UNAUDITED ANNUAL PERFORMANCE REPORT 2017/2018:
MATJHABENG LOCAL MUNICIPALITY (ED: SSS) (12/1/2/12)

PURPOSE

To table the draft unaudited Annual Performance Report for the financial year 2017/2018 to S80 Committee for noting.

BACKGROUND

The Municipality is required to provide progress report in relations to the draft quarterly performance reports. The basis for providing the report is to show proof on implementation of projects and programmes that have been budgeted by council. The consolidated draft annual performance report was required and was submitted to Office of the Auditor General by the end of August of that year. The Municipality makes public a record of performance for the past financial year and in the report we indicate areas that were challenges and how we anticipate solving such challenges going forward.

Essentially, the draft annual performance report is intended to influence budget adjustments when the mid-year performance report is tabled in council in relations to challenges that were experienced in the last financial year. This process enables council to have seamless planning in relations to projects that were not implemented in the previous financial year.

LEGAL IMPLICATIONS

Local Government: Municipal Systems Act 2000 (Act No 32 of 2000):

Section 46 (1) "A municipality must prepare for each financial year a performance report reflecting-

(a) The performance of the municipality and of each external service providers during the financial year;

(2) An annual performance report must form part of the municipality's annual Report in terms of Chapter 12 of the Municipal Finance Management Act."

*** **Attached on the Separate cover 1** is the Draft annual report 2017/2018

FINANCIAL IMPLICATIONS

None.

RECOMMENDATIONS

1. It is recommended that Section 80 Committee notes the draft unaudited annual performance report for the financial year 2017/18.

IDP06 of 2018

DRAFT UNAUDITED ANNUAL REPORT 2017/2018: MATJHABENG LOCAL MUNICIPALITY (ED: SSS) (12/1/2/13)

PURPOSE

The purpose of the item is to table the draft unaudited annual report for the financial year 2017/2018 to S80 Committee for noting.

BACKGROUND

After the end of each financial year, the law requires Municipalities to develop draft unaudited annual reports for submission to Office of the Auditor General by the end of August of that year. The purpose of drafting an annual performance report is to provide evidence of planned tasks and the actual achievements for work that was planned. In other words, the Municipality makes public a record of performance for the past financial year and in the report we indicate areas that were challenges and how we anticipate solving such challenges going forward. According to the Municipal Financial Management Act, Act 56 of 2003: the draft annual report should include:

- The Annual Financial Statements of the Municipality, and consolidated Annual Financial statements as submitted to the Auditor-General for auditing in terms of section 126(1) of the MFMA
- The Auditor General's Audit Report in terms of Section 126(3) of the MFMA on the financial statements in (a) above;
- **The Annual performance report of the Municipality as prepared by the Matjhabeng Local Municipality in terms of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 (MSA)**
- An assessment of the Municipality's performance against the measurable objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year 2016/2017

The Municipality intended submitting the draft unaudited annual report to office of the Auditor General by the 31st August 2018 after council has noted it and the process was successfully implemented.

*** **Attached on the Separate cover 2 Page 1 to page 518** is the Draft unaudited Annual performance report

LEGAL IMPLICATIONS

Local Government: Municipal Systems Act 2000 (Act No 32 of 2000):

Section 46 (1) "A municipality must prepare for each financial year a performance report reflecting-

- (b) *The performance of the municipality and of each external service providers during the financial year;*
- (c) *A comparison of the performance referred to in paragraph (a) with targets set for and performances in the previous financial year; and*

(d) Measures taken to improve performance.

FINANCIAL IMPLICATIONS

None.

RECOMMENDATIONS

1. It is recommended that S80 Committee notes the draft unaudited annual report for the Financial Year 2017/18.

IDP07 of 2018

PROGRESS REPORT SUBMITTED TO REC ON IDENTIFIED ITEMS FOR INFORMATION (ED: SSS) (12/1/2/12)

PURPOSE

To submit to S80 Committee, a report that was submitted to revenue enhancement committee of the 8th August 2018 as part of items requested from Strategic Support Services for information.

Background

The Executive Mayor was tasked with the responsibility of ensuring that the Municipality increases its revenue to ensure that more basic service needs are implementable. The item was submitted to council and a resolution was taken for a multi-party formation to address revenue challenges of the Municipality.

The committee comprises of all parties in the Municipal Council and is chaired by the MMC: Finance. Revenue enhancement areas were then discussed during one of the meetings and each Executive Director was asked to identify issues that have direct/indirect revenue enhancing capacity of the Municipality. The meetings are held every alternate week on Wednesday at 10h00. Each of the Departments are then expected to present progress reports on identified areas. For the month of August 2018, the report as attached has formed part of the reports required for the meeting. It is expected that we will provide further progress on the 19th September 2018 as well

Attached from Page 1 to page 5 of the Annexure is the REC report

1. Legal implication

The committee is an internal arrangement to ensure that revenue is enhanced.

2. Financial implication

There is no financial implication for establishing the committee

3. Recommendation

1. That s80 committee notes the report

IDP08 of 2018

TO REQUEST THE INPUTS FROM IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE FOR MATJHABENG INFORMATION SECURITY POLICY (ED: SSS)

PURPOSE

To present to IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE Matjhabeng Information Security Policy for the year 2018/19 for inputs. The intention of this policy is to reduce risks that can be caused to the Municipality's ICT systems, information and infrastructure. In addition, this policy defines the acceptable use of ICT resources by Officials and 3rd party service providers and breach or non-conformance is unacceptable.

BACKGROUND

Information security is becoming increasingly important to the Municipality, driven in part by changes in the regulatory environment and advances in technology. Information security ensures that the Municipality's ICT systems, data and infrastructure are protected from risks such as unauthorised access (see ICT User Access Management Policy for further detail), manipulation, destruction or loss of data, as well as unauthorised disclosure or incorrect processing of data.

The policy was drafted bearing in mind the legislative conditions, as well as to leverage internationally recognized ICT standards.

***** Attached on Page 6 to Page 21 of the Annexures find Matjhabeng Draft Information Security Policy for inputs.**

LEGAL IMPLICATIONS

The following legislations, among others, were considered in the drafting of this policy:

- Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
- Copyright Act, Act No. 98 of 1978
- Electronic Communications and Transactions Act, Act No. 25 of 2002
- Minimum Information Security Standards, as approved by Cabinet in 1996
- Municipal Finance Management Act, Act No. 56 of 2003
- Municipal Structures Act, Act No. 117 of 1998
- Municipal Systems Act, Act No. 32, of 2000
- National Archives and Record Service of South Africa Act, Act No. 43 of 1996
- National Archives Regulations and Guidance
- Promotion of Access to Information Act, Act No. 2 of 2000
- Protection of Personal Information Act, Act No. 4 of 2013
- Regulation of Interception of Communications Act, Act No. 70 of 2002
- Treasury Regulations for departments, trading entities, constitutional institutions and public entities, Regulation 17 of 2005.

The following internationally recognized ICT standards were leveraged in the development of this policy:

- Control Objectives for Information Technology (COBIT) 5, 2012

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- ISO 27002:2013 Information technology — Security techniques — Code of practice for information security controls 4
- King Code of Governance Principles, 2009

FINANCIAL IMPLICATIONS

None

RECOMMENDATION

1. That IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE gives its inputs and recommendations.

IDP09 of 2018

RISK MANAGEMENT IMPLEMENTATION PLAN (ED: SSS) (15/2/1/3)

PURPOSE

To present to Sec 80 Committee, Risk Management Implementation Plan for the year 2018/19 for consideration.

BACKGROUND

The Municipality is committed to the effective risk management and treatment of risk in order to achieve the municipality's objectives.

In terms of Section 62(1)(i) of MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and for this purpose must take all responsible steps to ensure that the Municipality has and maintains: Effective, efficient and transparent systems of financial and risk management and internal control."

The Risk Management Implementation Plan is a planning tool for risk management, it determines the activities that are planned for the financial year. It highlights activities that are to be done, when they should be done, and responsibility assignment for the ensuring implementation of desired output, clearly delegating duties.

The municipality reviews its Risk Management Implementation Plan annually.

*** **See attached Risk Management Implementation Plan for the year 2018/19 on page 22 to page 25 of the Annexures.**

LEGAL IMPLICATIONS

Municipal Finance Act (MFMA) (No 56 of 2003).

Public Sector Risk Management Framework.

FINANCIAL IMPLICATIONS

None.

RECOMMENDATION

1. That Sec 80 Committee considers the Risk Management Implementation Plan for the year 2018/19 for approval.

IDP10 of 2018**THREE YEAR INTERNAL AUDIT PLAN - 2018-2021 (ED: SSS) (6/12/1)****PURPOSE**

To submit a three year Internal Audit Plan to Section 80 Monitoring Committee for noting.

BACKGROUND

In terms of Section 165 of the Municipal Finance Management Act, (2) (a) the Internal audit division of the municipality must prepare a risk based Audit Plan and an Internal Audit Program for each financial year and advise the Accounting officer and report to the Audit Committee on matters relating to:

- Internal Audit;
- Internal controls
- Accounting procedure and practice
- Risk and risk management
- Performance management.
- Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

DISCUSSION

The Internal Audit Plan is designed to provide an independent, objective assurance and advisory service, in an efficient and effective manner, to the following key stakeholders:

- The Municipal Council through the Audit Committee of the Municipality
- Municipal Manager;
- Local line management;
- Audit Committee.

The objective of the three year Audit Plan is to align the activities of the Internal Audit with the objectives of the Municipality by:

- Identifying the priorities of Internal Audit, consistent with the objectives of the Municipality and Internal Audit Charter;
- Identifying the priorities of Internal Audit based on an assessment and potential exposure that may affect the Municipality in the achievement of its objectives;
- Setting out the audit universe for the Municipality and timeframe needed for the provision of opinion on risk management, control and governance processes; and
- Presenting Internal Audit Plans and resource requirements to the Audit Committee and the Chief Executive Officer for review and approval.

It should be noted that the Plan was not approved but noted by the Audit Committee because it was not Risk-based because Municipality did not conduct Risk assessment.

*** Attached on Page 26 to page 51 of the Annexures is the three-year Audit Plan.

FINANCIAL IMPLICATION

None

LEGAL IMPLICATION

Section 165 of Municipal Finance Management Act.

RECOMMENDATION

1. That the Section 80 Monitoring Committee notes the three year Internal Audit Plan.

IDP11 of 2018

TO REQUEST INPUTS FROM IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE FOR MATJHABENG IT STRATEGIC PLAN (ED: SSS) (3/1/3/3)

PURPOSE

The purpose of IT Strategic Plan is to align technology with your Municipal goals, enabling a contribution to Municipal's strategic objectives. It also enables ICT systems to be fully integrated across each department, which in turn allows for organization-wide management of ICT environment. The needs of your customers are fully considered and satisfied. It further builds a strong relationship between Municipal and ICT department, which secures commitment to the ICT strategy since all key stakeholders are involved in the process.

***** Attached on page 52 to page 67 of the Annexures find the Matjhabeng Draft IT Strategic Plan for inputs.**

FINANCIAL IMPLICATIONS

None

RECOMMENDATION

1. That IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE gives its inputs and recommendations.

IDP12 of 2018

TO REQUEST THE INPUTS FROM IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE FOR MATJHABENG ANTIVIRUS POLICY

PURPOSE

To present to IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE Matjhabeng Antivirus Policy for the year 2018/19 for inputs. The intention of this policy is to reduce risks that can be caused by virus to the Municipality's ICT systems and information. In addition, this policy defines the responsibilities of ICT and departments in prevention and detection of antivirus.

BACKGROUND

Virus management as part of information security is becoming increasingly important to the Municipality, driven in part by changes in the regulatory environment and advances in technology. Information security ensures that the Municipality's ICT systems and data are protected from virus risks.

The policy was drafted bearing in mind the legislative conditions, as well as to leverage internationally recognized ICT standards.

*** **Attached find Matjhabeng Draft Antivirus Policy for inputs on Page 68 to page 74 of the Annexures.**

LEGAL IMPLICATIONS

The following legislations, among others, were considered in the drafting of this policy:

- Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
- Copyright Act, Act No. 98 of 1978
- Electronic Communications and Transactions Act, Act No. 25 of 2002
- Minimum Information Security Standards, as approved by Cabinet in 1996
- Municipal Finance Management Act, Act No. 56 of 2003
- Municipal Structures Act, Act No. 117 of 1998
- Municipal Systems Act, Act No. 32, of 2000

- National Archives and Record Service of South Africa Act, Act No. 43 of 1996 •
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- Promotion of Access to Information Act, Act No. 2 of 2000
- Protection of Personal Information Act, Act No. 4 of 2013
- Regulation of Interception of Communications Act, Act No. 70 of 2002
- Treasury Regulations for departments, trading entities, constitutional institutions and public entities, Regulation 17 of 2005.

The following internationally recognized ICT standards were leveraged in the development of this policy:

- Control Objectives for Information Technology (COBIT) 5, 2012
- ISO 27002:2013 Information technology — Security techniques — Code of practice for information security controls 4
- King Code of Governance Principles, 2009

FINANCIAL IMPLICATIONS

None

RECOMMENDATION

1. That IDP & MONITORING SECTION 80 PORTFOLIO COMMITTEE gives its inputs and recommendations.