

ELIAS MOTSOALEDI LOCAL MUNICIPALITY



OVERSIGHT REPORT FOR THE 2015 /2016 ANNUAL REPORT



"The agro-economical and ecotourism heartland"

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1. FOREWORD BY THE CHAIRPERSON

"Everything that man can imagine, he is capable of creating" T. Sankara

First and foremost allow me to acknowledge the oversight role played by the predecessor, the then MPAC Chairperson and the entire committee for the wonderful work and foundation they have laid for us to continue playing our role as a committee. Dialectical materialism teaches us that the past gave birth to the present, in as much as the present is pregnant with the future. From this dictum, we learn that we cannot exist without the past and it is of utmost importance that we pay tribute to the outgone committee which has advised the council as required.

The Municipal Accounts Public Committee, as established by the council to play a specific role with regard to council's operation and discharging the mandate bestowed upon them by the electorates, is indeed clear and committed to resolutely discharge its mandate. This we do without any hesitation, contradiction and ambiguity so to reside within the values of Elias Motsoaledi Local Municipality. The arduous road we have traversed is a proof that the committee has learnt many lessons from the community and was sharpened as a committee. We endured this road not for compliance purposes only, but to as well genuinely accord the other component of what constitute a municipality which is the community to participate in the affairs of their municipality. The participation of our communities in the affairs of the municipality will among other things dispel the myth of adverse perception about the municipality and as well impart knowledge about usage of their resources. The Oversight Report is a report of the Municipal Council and follows consideration and consultation on the Annual Report by the Council itself as dictated to by section 129 of the MFMA.

During the year under review (2015/02016), which marked the end of the term of the previous council elected in 2011; the mandate was clear and straightforward: to eradicate poverty, reduce unemployment and narrow the gap between the rich and the poor. The jaunty tour still continues even during the term of the very new council as elected in 2016. It is upon us as the new council to build on the bedrock as laid by the previous council.

Elias Motsoaledi Local Municipality endeavors to build an economy which is driven by agriculture and tourism as espoused in our vision. Going back to the words utters by Tomas Sankara, that *"Everything that man can imagine, he is capable of creating."* It is within this context that our vision remains attainable. Nevertheless it needs our commitment and our collective wisdom. This we can achieve if we work together for common good. We must ensure that we stick to our values of commitment, integrity and accountability in order for us to move to clean governance.

2. PURPOSE

To inform Council about the work of the Municipal Public Accounts Committee (MPAC) and to make recommendations to Council as required in terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 on the draft 2015/2016 annual report.

3. BACKGROUND

In terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003, Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in Council in terms of Section 127, adopt an oversight report containing the Council's comments on the annual report, which must include a statement whether the Council:-

- (a) Has approved the annual report with or without reservations;
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised.

In terms of section 121 (1) of the Local Government: Municipal Finance Management Act 56 of 2003: the council of a municipality must within nine months after the end of financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

During council meeting of the 24 January 2016, the Mayor tabled the Draft 2015/2016 Annual Report as prescribed by Section 127 (2) of the Local Government: Municipal Finance Management Act 56 of 2003. In dealing with the tabled annual report, Council resolved inter alia:

1. "That council notes the audit report for 2015/2016 financial year.
2. That considers the draft Annual Report for the 2015/ 2016 financial year in its entirety including the auditor general's report, audit action plan developed to address the audit findings.
3. That council refer the draft annual report to MPAC for further consideration and evaluation within the provision of Treasury Circular No. 63 for oversight report.

4. That, as prescribed by Section 127(5) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Accounting Officer ensures that the annual report is made public in accordance with Section 21A of the Municipal Systems Act and that the local community are invited to submit representations in connection with the annual report, and that the annual report be submitted to the Auditor-General, the relevant Provincial Treasury and the provincial department responsible for local government.”

4. ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE. (MPAC)

During 2016, Elias Motsoaledi Municipal Council resolved to establish a Municipal Public Accounts Committee (MPAC) in terms of the provisions of the Local Government : Municipal Structures Act (Act 117 of 1998) and the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive obligations of Council. In terms of SALGA’s Practical Guide on MPACs (2012:10-14) the terms of reference for the MPAC include the interrogation of the following financial aspects addressed in the Municipal Finance Management Act:

- (i) Unforeseen and unavoidable expenditure;
- (ii) Unauthorized, irregular or fruitless and wasteful expenditure;
- (iii) The quarterly report of the Mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP;
- (iv) Monthly budget statements;
- (v) Mid – year budget and performance assessment;
- (vi) Mid – year budget and performance assessment of municipal entities – currently not applicable to Elias Motsoaledi Municipality;
- (vii) Disclosures concerning councilors, directors and Officials;
- (viii) Submission and auditing of Annual Financial Statements;
- (ix) Submission of the annual report;
- (x) Oversight report on the annual report;
- (xi) Issues raised by the Auditor – General in audit reports;
- (xii) Audit Committee;
- (xiii) Disciplinary action instituted in terms of the MFMA

The MPAC interrogate the following aspects addressed in the Municipal Systems Act:

- (xiv) Review of the IDP post elections;
- (xv) Annual review of the IDP;
- (xvi) Performance Management Plan;
- (xvii) Monitoring that the annual budget is informed by the IDP;
- (xviii) Monitoring that all declaration of interest forms are completed by councilors on an annual basis.

The MPAC committee constitutes of the following members:

PARTY	SURNAME	FULL NAMES	TITLE	GENDER
ANC	Makunyane	Justice	Chairperson	MALE
ANC	Phala	Lucas	Member	MALE
ANC	Mahlangu	Julia	Member	FEMALE
ANC	Makeke	George	Member	MALE
ANC	Motlale	Girly	Member	FEMALE
BPSA	Mohlala	Moses	Member	MALE
EFF	Mthombeni	Vensile Lea	Member	FEMALE
ANC	Salminah	Mehlape	Member	FEMALE

Mechanisms for public participation process

Immediately after the annual report was tabled in Council, the Accounting Officer in accordance with Section 21A of the Local Government: Municipal Systems Act 32 of 2000 made the draft annual report public. The following are mechanisms which were followed to ensure that the public viewing of the draft 2015/2016 annual report was extensively published for public comments.

Date	Activity
27 January 2016	The draft 2015/2016 Annual Report is uploaded on municipal website and made available in municipal offices, municipal library and Municipal Satellite Offices.
17 March 2017	The draft 2015/2016 Annual Report was advertised in the Local Newspaper for Public Participation.

Messages inviting Ward Committees, CDW's, Traditional Leaders, Traditional Healers and Business people were sent through Ward Secretaries to attend Public hearings. Below are the programme for Public hearings.

OVERSIGHT VISIT PROGRAM

Date	Time	Ward	Venue	Responsible Councillor	Contact
13/03/2017	14h00	Cluster 1 in ward 20	Monsterlus Stadium	Cllr. W. J Skosana	078 423 2251
14/03/2017	10h00	Cluster 2 in ward 27	Tafelkop Stadium	Cllr. S.M Maipushe	078 423 2118
15/03/2017	10h00	Cluster3-4 Ward 20	Ndlovu Centre	Cllr. G.R Namane	078 423 2038
20/03/2017	10h00	Cluster 3-4 in Ward 3	Kgobokwane / Ga-Matlala	Cllr. M.L. Mamakoko	078 423 2010

Below are the processes undertaken by the MPAC in dealing with the report.

Date	Purpose	Venue
12 January 2017	MPAC meeting to interrogate and evaluate the Annual Report	Bushfellow Lodge
20-22 February 2017	MPAC to draft questionnaire to Management of their findings	Thaba Moshate (Burgersfort)
23 February 2017	Finalisation of questions and submission to MM	MM's Boardroom

9 March 2017	Meeting with administration to answer questions based on MPAC comment	MM's Boardroom
24 March 2017	Compilation of oversight report by MPAC	MM's Boardroom
28 March 2017	Submission of Oversight report to Council by MPAC	Council Chambers

Summary of comments on the draft 2015/2016 Annual Report

The MPAC believes that the draft 2015/2016 annual report reflects a substantial and positive improvement in municipal annual planning, budgeting and reporting processes. It is a significant improvement over the previous years' annual report. The annual report complies with the requirements of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA) and with National Treasury (NT) guidelines for annual reports. MPAC notes that the draft annual report complies with Circular 63 of the MFMA as it contains the following:

Chapters	Details
01	Mayor's Foreword and Executive Summary
02	Governance
03	Service Delivery
04	Organizational Development Performance
05	Financial Performance
06	Audit General's Findings
07	Appendices and Volume : AFS

MPAC'S findings on the report

Attached AS "**ANNEXURE A**" is the MPAC questions to management and questions from the public as well as their responses and as "**ANNEXURE B**" the attendance registers of the Public hearings.


7. CONCLUSION

The MPAC committee thank all the relevant participants for their support and cooperation during the oversight process. The committee believes that Elias Motsoaledi Municipality and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in years to come. We like to thank the entire Management team for various roles that they have played during the compilation of these oversight report.

8. RECOMMENDED TO COUNCIL.

MPAC COMMITTEE'S RECOMMENDATIONS: 24 MARCH 2016

1. That Council approves the draft 2015/2016 Annual Report.
2. That the oversight report be made public in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act 56 of 2003.
3. That the oversight report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Local Government: Municipal Finance Management Act 56 of 2003.


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CLLR. H.J. MAKUNYANE
MPAC CHAIRPERSON