



MPAC OVERSIGHT REPORT FOR 2014/2015

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Oversight Report for Annual Report 2014 & 2015 Financial Year



1. INTRODUCTION

In terms of the Municipal Finance Management Act, Municipalities must prepare an Annual Report for each financial year. The purpose of the Annual Report is to:

- Provide a record of the activities of the Municipalities.
- Provide report on performance in service delivery and against the budget.
- Provide information to support the revenue and expenditure decisions made; and
- Promote accountability to local community for decision made.

The 2014/2015 Annual Report was tabled in Council on the 29th of January 2016 and was further recommended to Oversight Committee.

The final step in the reporting process the oversight report is for Council to consider the Annual Report in the light of the findings contained in oversight report compiled by none Executive Councillors (Municipal Public Account Committee) and members of the community and is aimed at enhancing accountability and good governance.

2. LEGISLATIVE MANDATE FOR THE OVERSIGHT REPORT

Section 129 (1) of the Municipal Finance Management Act No. 56 of 2003 states that the Council of the Municipality must consider the Annual Report of the Municipality and by no later than two months from the date on which the Annual Report was tabled in the Council, adopt an oversight report containing the Council's comments on the Annual Report, which must include a statement whether the Council has:

- Approved the Annual Report with or without reservations.
- Rejected the Annual Report, or
- Referred the Annual Report back for revision of those components that can be solved.

3. COMMENTS ON THE ANNUAL REPORT

The requirements for the Annual Report as set out in the various Acts, together with an indication of the level of compliance are set out below.

3.1. MFMA

Legislative Requirements	Level of Compliance
a) The Annual Financial Statements (AFS) are with the Generally Recognised Accounting Practice (GRAP).	Complied
b) The Auditor General's report is to be included in the Annual Report.	Complied
c) Explanations to be included that are necessary to clarify issues in	Complied



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connection with the financial statements.	
d) An assessment on arrears on municipal taxes and service charges to be included.	Complied
e) Corrective action taken or be taken in response to issues raised in the audit report.	Complied

3.2. DIVISION OF THE REVENUE ACT

Legislative Requirements	Level of Compliance
a) The Annual Report to disclose the following: <ul style="list-style-type: none"> ■ Details of conditional grants received from National and Provincial spheres. ■ Details of conditional grants received from other Municipalities; and ■ Details of grants made to any organs of state. 	Complied
b) The extent to which the conditions of the grants were met.	Complied
c) Information relating to the outstanding debtors and creditors of the Municipality.	Complied
d) Information relating to the benefits paid to Councilors, Managers and officials	Complied

3.3. MUNICIPAL SYSTEM ACT

Legislative Requirements	Level of Compliance
a) Has the performance report included in the Annual Report?	Complied
b) Have the performance targets been included in the report?	Complied
c) Does the performance evaluation in the Annual Report compare actual with planned performance?	Partially complied
d) In terms of key functions or services, how has each performed?	Partially complied
e) To what extent have targets been achieved?	Partially complied
f) Is the Council and the community satisfied with the performance?	Partially complied
g) Actions that have been taken and	Complied



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planned to improve performance?	
h) Is there a correlation with the targets set for the Municipality and the targets set for the Municipal Manager and Heads of departments?	Partially complied
i) Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?	Complied
j) Taking into account the audit report and opinions and the views of the Audit Committee, is performance considered to be efficient and effective?	Partially complied
k) To what extent has action been planned for the previous year and carried over to the financial year reported upon.	Complied.

3.4. OTHER FINDINGS

- Correct Annual Report template was not followed to the latter.
- Proof reading not done.

3.5. PUBLIC CONSULTATIVE

Public consultative meeting held on the 04/02/2016 to 23/02/2016.

Meeting open for public held on the 17 March 2015.

4. GENERAL DISCUSSION

Understanding of municipal operations and processes improved.

5. RECOMMENDATIONS

Makhuduthamaga Local Municipality at its ordinary Council sitting dated 29 January 2016 referred 2014/2015 financial year's Annual Report to Municipal Public Accounts Committee in order to compile an oversight report.

The Committee having fully considered the Annual Report of the Municipality recommends to Council to approve the Annual Report with reservations listed in paragraph 3.4.

6. PROCESS FOLLOWED BY MPAC

Note the attached MPAC action plan.


MPAC Chairperson: Cllr: Rankoe TP


DATE SIGNED.



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MAKHUDUTHAMAGA MUNICIPALITY

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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

PROGRAMME OF ACTION ON ANNUAL REPORT 2014/15 FY

FEBRUARY TO MARCH 2016

ACTIVITY	DATE (Deadline)	RESPONSIBLE PERSON /UNIT/ DEPARTMENT
SCRUTINIZING	15-FEBRUARY-2016	MPAC CHAIRPERSON RESEARCHER CORDINATOR LEGAL MANAGER
MPAC WORKING SESSION ON DRAFT ANNUAL REPORT	23-FEBRUARY-2016	MPAC MEMBERS
MPAC WORKING SESSION ON DRAFT ANNUAL REPORT	24-FEBRUARY-2016	MPAC MEMBERS
CONSULTATIVE MEETING ON FORMULATION OF QUESTIONS ANNUAL REPORT 2014/15 FY	26-FEBRUARY-2016	MPAC MEMBERS
CONSOLIDATION OF QUESTIONS. SUBMISSION OF QUESTIONS TO MUNICIPAL MANAGER.	10-MARCH-2016	MPAC CHAIRPERSON RESEARCHER CORDINATOR LEGAL MANAGER MPAC CORDINATOR
MPAC PUBLIC HEARING SESSION	17- MARCH-2016	MEMBERS OF PUBLIC
COMPILATION OF OVERSIGHT REPORT AND ADOPTION	18- MARCH-2016	MPAC MEMBERS
MPAC OVERSIGHT REPORT PRESENTATION TO COUNCIL	30-MARCH-2016	MPAC CHAIRPERSON

MAKHUDUTHAMAGA MUNICIPALITY
CORPORATE SERVICES
PRIVATE BAG X 434 JANE FURSE 1085
SIGNATURE *[Signature]*
2016/02/15