

! Kheis

Munisipaliteit
Municipality

OVERSIGHT REPORT ON ANNUAL REPORT: 2013/

2014

FINANCIAL YEAR

OVERSIGHT REPORT ON ANNUAL REPORT: 2013/2014 FINANCIAL YEAR

The Municipality Public Accounts Committee (MPAC) has scrutinized the 2012/13 Annual Report and has drafted this Oversight Report in compliance with Section 129 of Local Government Finance Management Act 2003 (Act NO. 56 of 2003) hereafter indicated as MFMA).

The Oversight Report contains comments on the 2012/13 Annual report (per section) as required Section 129 of the MFMA.

PURPOSE OF THE REPORT:

To consider the Municipality's Annual Report for the 2013/2014 financial year and to adopt an Oversight Report containing MPAC comments on the Annual Report in terms of section 129 (1) of the MFMA.

BACKGROUND

MFMA Circular 32 recommends the establishment of an oversight committee for the detailed review and analysis of the annual report after its tabling to Council, receiving and reviewing representations made by the public and inputs from Councillors and then drafting an oversight report to be considered by full Council.

A. Legal Requirements

1. Section 121 (1) (2) AND (3) OF THE MFMA DETERMINES AS FOLLOWS.

121 (1) Every Municipality must for each financial year prepare an Annual Report. The Council must within nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

2. The purpose of the annual report is:-

- (a) To provide a record of the activities of the municipality during the financial year to which the report relates.
- (b) To provide a report on performance against the budget of the municipality for the financial year, and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

3. The annual report of a municipality must include, _

- (a) The annual financial statements of the municipality, and in addition, if section 122920 applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1).
- (b) The Auditor-General audit report in terms of section 126(3) on those financial statements;
- (c) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act.
- (d) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act, Act 32 of 2000.
- (e) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
- (f) An assessment by the municipality's Accounting Officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;
- (g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) Any explanations that may be necessary to clarify issues in connection with the financial statements;
- (i) Any information as determined by the municipality;
- (j) Any recommendation as determined by the municipality; and
- (k) Any other information as may be prescribed.

2. In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled, make public the annual report, invite the local Community to submit representations in connection with the annual report and submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

3. According to section 129(1) of the MFMA, the council must consider the Annual Report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing the Council's comments on the annual report which must include a statement whether-

4. Comments and Findings

Reference in Annual Report	MPAC findings and recommendations
Indexing	
Municipal website	<p>Findings. Municipal Website</p> <p>The publishing dates of all documents publish on the website of the municipality are not include in the annual report as required.</p>
	<p>Recommendations.</p> <p>That the Municipal Manager ensures that all sections in the Annual Report are fully completed and that all dates as required will be included in the annual report.</p>
Performance Management system	<p>Findings. Performance Management System</p> <p>There is no Performance Management System in place; therefore no individual performances could be measure during the 2013/14 financial year. The performance of all Directorates that was measured through the SDBIP was not attached or include in the Annual report. The date for the development of the PMS with the assistance of the District Municipality as stated in the annual report is not correct.</p>
	<p>Recommendations.</p> <p>That the Municipal Manager ensures that PMS will be implemented within the next financial year. That the performance of all Directorates which was measured through the SDBIP are includes in the Annual report, and that the date for the development of the PMS are corrected in the report.</p>
Financial Performance	<p>Findings. Financial Performance</p> <p>No explanations were given on the Financial Performance of the municipality. The annual report only refer to the Annual Financial Statement in component A – D.</p>
	<p>Recommendations.</p> <p>That a detailed explanation on the municipal financial performance should be included in the annual report.</p>

Report of the Auditor General	<p>Findings. Auditor General Audit Findings</p> <p>The Audit report of the municipality is not sign-off by the Municipal Manager.</p>
	<p>Recommendations.</p> <p>That the Municipal Manager ensures that the final audit report is attached to the annual report.</p>
Registration of indigents	<p>Findings</p> <p>The register for indigents does represents the full picture of indigents in the Kheis municipal area, if the payment rate of debtors are taken into account</p>
	<p>Recommendations</p> <p>The satellite offices should develop a programme, in conjunction with the ward councillor to register all indigent households in their respective areas.</p>
Outstanding debts	<p>Findings</p> <p>There is no clear strategy in place that is being used for the write-off of outstanding debts</p>
	<p>Recommendation</p> <p>The municipal manager should develop a strategy for consideration by council to write-off outstanding debts</p>
Fixed Asset Register	<p>Findings</p> <p>The progress on the fixed assets register</p>
	<p>Recommendation</p> <p>The municipal manager should arrange an information session with the consultants for progress</p>
Valuation roll	<p>Findings</p> <p>The progress on the queries of the valuation roll</p>
	<p>Recommendations</p> <p>Give feedback to council on the progress of the supplementary valuation roll</p>

5. Recommendations

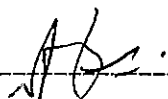
That Council having fully considered the 2013/14 Annual report of the municipality and represents thereon:

- (i) That the Oversight Report as compiled by Municipal Public Accounts Committee on the 2012/13 Annual Report be adopted in compliance with section 129(1) of Local Government. Municipal Finance Management Act, 2003(Act. No. 56 of 2003).
- (ii) That the 2012/13 Annual Report be approved without reservations in terms of Section 129(1)(a) of the Local Government Management Act, 2003(Act. No 56 of 2003).
- (iii) That the recommendations of the Municipality Public Accounts Committee as contained in the Oversight Report are accepted as resolutions and that the Municipal Manager must ensure the implementation thereof.
- (iv) That the Oversight Report be made available to the public within seven days of the date of this resolution in compliance with Section 129(3) of the Local Government Municipal Financial Management Act.
- (v) That the oversight report, as well as the submitted schedules for the Annual Report for 2013/14 financial year be approved.

Conclusion

Council is vested with the responsibility to oversee the performance of the municipality as required by the legislature. The Mayor is vested with the power and responsibility to oversee both the Council and administration. The Oversight responsibility of Council is particularly important for the process of considering in-year and annual reports.

Signature.



MAYOR OF IKHEIS MUNICIPALITY

Date.

31 | 03 | 2015

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