



! Kheis
Munisipaliteit
Municipality

OVERSIGHT REPORT

2015 – 2016

FINANCIAL YEAR

Approved By Council: 29 March 2017

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1. Statement of Purpose of the Oversight Report

It is important to have some understanding of the accountability framework for municipalities in order to correctly understand the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality.

The following table displays the nature of the accountability framework for local government:

ACCOUNTABILITY FRAMEWORK FOR LOCAL GOVERNMENT

	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Mayor	Community
Mayor	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation	The Administration	Mayor
Chief Financial Officer and Senior Managers	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality.

Section 129 of the Municipal Finance Management Act requires the Council to consider the annual report of its municipality and to adopt an "oversight report" containing the council's comments on the annual report.

The Oversight Report must include a statement whether the council:

- has approved the annual report, with reservations;

The Oversight Report is a separate product from the Annual Report.

The Annual Report is submitted to the Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the relevant financial year.

The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report of the municipal council to the community disclosing the level of success or otherwise, obtained with meeting the priority needs and stated desires of the community as contained in the IDP.

2. The Oversight Committee.

The Oversight Committee consists of the following Councillors:

S. Sillo	Chairperson
S. Esau	Councillor
A. Tobias	Councillor
K. Esau	Councillor
E. Cloete	Councillor
G. Beukes	Councillor

3. Circulation of the Annual Report

The Annual Report was circulated by making copies available and advertising its availability for inspection as follows:

!Kheis Municipal Offices:

92 Oranje Street
Groblershoop
8850

Boegoeberg Municipal Offices

Main Street Street
Boegoeberg

Sternham Municipal Office
Aandblom Street
Sternham

Wegdraai Municipal Office
Jeug Street
Wegdraai
8826

Topline Municipal Office
Madeliefie Street
Topline

Grootdrink Municipal Office
Skool Street
Grootdrink

Zuma Valley
Soup Kitchen
Opwag

Municipal Office
Gariep

4. Summary of Findings relating to the Annual Reporting Process – 2010/2011

The following table summarises the respective findings of the Oversight Committee relating to the process followed in compiling the Annual Report and the resultant Oversight Report in comparison to the process required by statute.

Reservation Expressed by the Oversight Committee	Actions required	Due date
The Annual Report was submitted to council on due date. The Council meeting was held on the 31 January 2017.	Done	January 2017

5. Summary of Submissions received from the Community and others

The following table reflects the key written representations received from the respective bodies/individuals relating to the contents of the Annual Report:

Representation Submitted by:	Key Issues Raised	Determination by Oversight Committee
Individual Councillors	None	
Private individuals	None	
Civic organisations	None	
Other organised community structures (business, churches, sporting bodies, agriculture, labour, etc.)	None	See attached notice to community
Auditor-General	See attached e-mail	Presented at Oversight Committee
Audit Committee	<u>Members of the Audit Committee</u>	No Attendance
Other spheres of government	None	

6. Summary of Reservations Expressed and Corrective Actions required.

A summary of reservations expressed by the Oversight Committee and actions required to be taken by the Administration (MFMA 131/1) on the Annual Report and Auditor General's Report 2015/2016 are as follows:

A. Reservation on the checklist regarding reporting

Reference in Annual Report	MPAC findings and recommendations	Date	Responsible person
Indexing			
Municipal website	<p>Findings: Municipal website The publishing dates of some documents publish on the website of the Municipality are not include in the annual report as required.</p> <p>Recommendations: The Municipal Manager to ensure that all sections in the Annual Report are fully completed and all dates as required will be included in the annual report.</p>	02/03/2017	I.T. Officer
Performance Management System	<p>Findings: Performance Management System A Performance Management System is in its development phase. As a start, all senior managers' performance has been measured for the 2015/2016 financial year through the SDBIP</p> <p>Recommendations: That the Municipal Manager ensures that PMS will be fully implemented within the next financial year.</p>	30/06/2017	Director Corporate Service

Financial Performance	<p>Findings: Financial Performance The financial performance of the municipality did improve as can be seen in the Audit Outcomes of the Municipality.</p> <p>Recommendations: The implementation of the Revenue Enhancement Strategy as part of financial performance can lead us to have sustainable cash flow</p>	Immediate	CFO
Report of the Auditor General	<p>Findings: Auditor General Audit Findings The Audit report of the municipality is signed-off by the Municipal Manager. !Kheis Municipality obtained a Qualified Opinion for the 2014/2015 financial year and a Audit Improvement plan was developed in line with the management report</p> <p>Recommendations: The Municipal Manager to ensure that findings within the management has been addressed in the Audit Recovery Plan timeframes are adhere to</p>	01/10/2016	Internal Auditor
Registration of indigents	<p>Findings: The register for indigents does not represent the full picture of indigents in the !Kheis Municipal area, because the indigent register is not updated regularly.</p> <p>Recommendations: The satellite offices should ensure more effective implementation of the indigent programme and regular update</p>	Immediately	CFO
Outstanding debts	<p>Findings: The Revenue Enhancement Strategy is developed for the write-off of outstanding debts and needs to be executed</p>		

	<p>Recommendations: The Municipal Manager should ensure that a more effective approach is implemented for the implementation of the Revenue Enhancement Strategy</p>	Immediately	CFO
<p>Fixed Register Asset</p>	<p>Findings: There is progress on the fixed assets register with the appointment of SMEC to assist</p>		
	<p>Recommendations: The Municipal Manager should ensure that the following matters be concluded: (a) the unbundling of the water meters, as a line item; (b) the transfer of title-deeds of RDP houses; and (c) the monthly update of the fix asset register.</p>	<p>a) 30/06/2017 b) 30/06/2017 c) 30/04/2017</p>	<p>a) Dir. Tec. Serv. b) Dir. Comm. Serv. c) CFO</p>
<p>Valuation Roll</p>	<p>Findings: The progress on the supplementary valuation roll has been concluded</p>		
	<p>Recommendation: Update of valuation should be done midterm to identify and rectify omissions and errors.</p>	30/06/2017	CFO

7. Summary of Components that require to be revised

All issues of concern will be addressed as part of the corrective actions required under paragraph 6 above.

8. Conclusion

That council having fully considered the 2015/16 Annual report of the municipality and represents thereon;

- (i) That the Oversight Report as compiled by Municipality Public Accounts Committee on the 2015/16 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 2015/16 Annual Report be approved without reservation 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 Finance Management Act.
- (v) That the following schedule for the submission of the Annual Report for 2015/16 financial year be approved.

Signature:


MAYOR OF !KHEIS MUNICIPALITY

Signature:


MPAC CHAIRPERSON

Mr J Willemse,


(ACTING MUNICIPAL MANAGER)

Date:
