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**KOPANONG LOCAL**  
**MUNICIPALITY**

**OVERSIGHT REPORT**

**2011/2012**

## 1. PURPOSE

To submit to Section 80 Oversight Report of 2011/12 in terms of Section 129 MFMA.

## 2. BACKGROUND

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports.

The MFMA and MSA recognise that council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/council, the administration and the public.

The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor or the Executive Committee to resolve any performance failures, ultimately the council is vested with the power and responsibility to oversee both the executive and administration.

## 3. THE OVERSIGHT COMMITTEE

In terms of Council Resolution, an Oversight Committee was established in terms of Section 79 of the Structures Act, 1998, to review the Annual Report of Council and to prepare an Oversight Report based on the Annual Report.

The Oversight committee comprises of three (3) Non-Executive Councilors as nominated by Council, Chairperson (member from the Audit Committee) and 1 community member.

### Members of the Oversight Committee:

Mr M M Segalo (Chairperson of the Oversight Committee and Member of the Audit Committee)

Cllr. Stuurman

Cllr. Rigala

Cllr. Matseo

Me.W J Cookley

## 4. 2011/2012 ANNUAL REPORT CONSULTATION PROCESS

The Annual report 2011/2012 was made public on the Municipal Website and the Community (9 units) within five (days) of adoption on the 30th January 2013.

Members of the community and other stakeholders were invited to submit written comments / inputs into the Annual Report 2011/2012.

In addition, the Annual report 2011/2012 was made available at all municipal libraries.

The Annual report was also submitted in terms of Section 127(5) (b) to the Auditor General of South Africa, provincial Treasury and Co-operative Governance and Traditional Affairs (COGTA).

The closing date for public comments was on the 19th February 2013. Oversight Committee received 2(two) comments from the public.

## 5. RESOLUTIONS OF THE OVERSIGHT COMMITTEE

At a meeting held on the 26th February 2013, the Oversight Committee sat to consider the Annual Report 2011/12 and resolved as follows:

### **Recommendation to Council:**

The Oversight Committee resolved to recommend that Council adopts the Annual Report of 2011/12 with reservations.

The following formed basis for reservations:

- a) An assessment by the Accounting officer on any arrears on municipal taxes and service charges has not been included in the Annual Report;
- b) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget has not been included in the annual report;
- c) The annual performance reports of the municipality do not include performance targets set in the budget, SDBIP and service agreements.
- d) No audit reports on the audit of performance information have been included in the Annual Report;
- e) Report on the Information technology and systems purchased and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations has not been included in the Annual Report;

# Oversight Report 2011/2012

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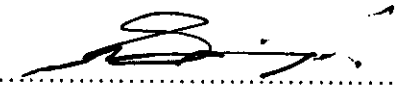
## Recommendations to Management:

The Oversight Committee resolved to recommend that the following measures be implemented by Management going forward:

- a) Oversight committee to sit twice in a year to consider midyear and annual reports;
- b) Standing committees should be appointed to serve in Bid, evaluation and adjudication committees to address procurement issues;
- c) Municipal manager to report to Council on a quarterly basis on progress made by service providers;
- d) Investigations be conducted on the accuracy of the arrears accounts of the Council members and measures be instituted to ensure that these accounts are updated.
- e) Monthly reports be generated on progress made in cleaning debtors' accounts and such progress be reported to Council on quarterly basis;
- f) CFO should identify potential failures that may lead to a Disclaimer of the Audit Report and report how such matters are going to be handled to give Council an assurance that a Disclaimer opinion will be avoided;
- g) IDP manager to report to Municipal Manager on challenges with implementation of infrastructural projects identified in the IDP;
- h) Latest population statistics should be made available to compile an annual report for 2012/2013.

Compiled by

Date

  
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Chairperson of the Oversight Committee

05/03/2013  
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