

2015/2016



OVERSIGHT REPORT

1. Purpose

To submit to Council oversight report for 2015/16 in terms of Section 129 of the 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 recognize 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 powers 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 Municipal Structures Act of 1998, to review the annual report of Council and to prepare an oversight report based on the annual report.

The oversight committee comprises of four non-executive councilors, as nominated by Council, one member from the Audit committee and one member of the community.

4. Members of the Oversight Committee

Cllr. SA Sola (Chairperson of the Oversight committee)
Cllr. L Makoa (Non-executive Councilor)
Cllr. TA Phafudi (Non -executive Councilor)
Cllr. J Smit (Non- executive Councilor)
Mr. S Thole (Chairperson of the Audit committee)
Mr M Matseo (Member of the Community)

5. 2015 / 2016 Annual Report consultation process

The Annual Report 2015/2016 was tabled before Council on the 25th January 2017, the document was publicized on the municipal website, the communities (9 units) and public libraries on the 25th January 2017.

Members of community were invited to submit written comments/ inputs into the Annual Report 2015/2016. The Annual Report was also submitted in terms of Section 127(5) (b) to the Auditor General of South Africa, Provincial Treasury, National Treasury, and the Department of Co-operative Governance and Traditional Affairs (COGTA).

The annual report was made available in all units for public comments for 21 days on the 25th January 2017 to the 14th February 2017.

There were no comments received from the public in all nine towns of Kopanong Local municipality.

6. Resolutions of the oversight committee

During a meeting held on the 14th March 2017, the oversight committee sat to consider the Annual Report 2015/2016 and resolved as follows:

7. Recommendation to Council

The oversight committee resolved to recommend that Council adopts the Annual Report of 2015/2016 without reservations.

8. Recommendations to Management:

The oversight committee resolved to recommend that the following measures be implemented by management going forward:

- ❖ Audit action plan on AFS: the AFS should go through levels of review before they are submitted to AGSA. If the AFS are prepared by the Manager, they should be reviewed by the CFO, Internal Audit and Audit Committee.
- ❖ Debt recovery: Explanation of the causes of the arrears and of actions to be taken to remedy the situation going forward should be outlined on the Annual Report.
- ❖ Notes to the Financial Statements should be as transparent as possible therefore Municipality's creditors must be specified on the Annual Financial Statements.
- ❖ Bloem Water: The committee resolved that out of the creditors the municipality possesses, big amount is for Bloem Water, the amount for Bloem-Water should be reflected aside on the AFS, because it gives a wrong reflection to the public, and as it stands now it appears as if the creditors amount is enormous whereas the amount is combined with Bloem-Water.
- ❖ The committee resolved that the Accounting Officer should be held accountable for Bloem-Water debt and take a lead on resolving the matter.
- ❖ Committee resolved that Council should monitor the audit action plan to be able to track progress.

Compiled by:

Date

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Chairperson of the Oversight Committee