

**20/3 CONSIDERATION OF THE ANNUAL REPORT 2014/2015 AND THE  
ADOPTION OF THE OVERSIGHT REPORT 2014/2015**

**DATE : 22/03/2016**

**AGENDA : COUNCIL MEETING: 31/03/2016**

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**REPORT : MUNICIPAL MANAGER**

**1. PURPOSE**

The purpose of this item is to table the Annual Report 2014/2015 for consideration by and to table the Oversight Report 2014/2015 to Council for adoption.

**2. BACKGROUND**

The municipality submitted the Annual Report 2014/2015 to the Office of the Auditor General on the 31 August 2015 as required. The AGSA audited the report for two months and handed the Audit Report to Management on the 04<sup>th</sup> December 2015.

The Annual Report 2014/2015 was then tabled to Council on the 25<sup>th</sup> January 2016 and the Council referred the report to the Municipal Public Accounts Committee for further engagement.

The municipality advertised the report and indicated the areas within the municipality where copies of the report is available, as well as placing it on the municipal website. A schedule of meetings was compiled and made public to communities.

**3. DISCUSSIONS**

The Municipal Public Accounts Committee engaged Communities on the Annual Report 2014/2015 whereby attendance was very poor. Councillors serving on the Municipal Public Accounts Committee did not always honour the scheduled meetings of the Committee.

Attached please find the Oversight Report 2014/2015, compiled in terms of the required formats.

**4. STAKEHOLDERS CONSULTED**

All Departments within the Municipality  
Community Members  
AGSA  
Audit and Performance Audit Committee  
Senekal Business Forum

**5. FINANCIAL IMPLICATIONS**

Operational expenditure of the Municipal Public Accounts Committee Office.

**6. LEGAL IMPLICATIONS**

Municipal Systems Act, 32 of 2000  
Municipal Systems Amendment Act, 7 of 2011  
Municipal Finance Management Act, 56 of 2003  
MFMA Circulars 11, 18, 28 and 32

**7. STAFF IMPLICATIONS**

Office of the Speaker  
Office of MPAC  
Office of Municipal Manager

**8. RISKS**

Non compliance to legislative requirements if the Annual Report is not considered and the Oversight Report is not adopted within two months after tabling to Council.

**9. RECOMMENDED**

It is therefore recommended that:

1. Council approves the Annual Report 2014/2015 without reservations;
2. The Council having fully considered the Annual Report 2014/2015 of the municipality and representation expressed thereon, adopts the Oversight Report 2014/2015; and
3. The Chairperson of the Municipal Public Accounts Committee to report to Council on the implementation of the corrective actions contained in the Oversight Report 2014/2015, on a quarterly basis.

**(FOR RESOLUTION)**

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**Minutes Council Meeting: 31/03/2016**

Cllr Selasi proposed that the matter be resolved as follows and seconded by Cllr Marwick.

**RESOLVED:**

1. That Council approves the Annual Report 2014/2015 without reservations;
  2. That Council having fully considered the Annual Report 2014/2015 of the municipality and representation expressed thereon, adopts the Oversight Report 2014/2015; and
  3. That the Chairperson of the Municipal Public Accounts Committee to report to Council on the implementation of the corrective actions contained in the Oversight Report 2014/2015, on a quarterly basis.
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MUNICIPALITY SETSOTO MUNICIPALITEIT  
MMASEPALA WA SETSOTO



# OVERSIGHT REPORT

2014/2015

Setsoto Local Municipality  
27 Voortrekker Street  
Ficksburg  
9730

Office of the Municipal Public Accounts Committee  
[manager@setsoto.co.za](mailto:manager@setsoto.co.za)

## **TABLE OF CONTENTS**

- 1. Statement of Purpose of the Oversight Report**
- 2. The Municipal Public Accounts Committee**
- 3. Circulation of the Annual Report 2014/2015**
- 4. Summary of Findings Relating to the Annual Report Process-2014/2015**
- 5. Summary of Submissions Received From Community and Others**
- 6. Summary Reservations Expressed and Corrective Actions Required**
- 7. Summary of Components that Require Revision**
- 8. Minutes of the Meetings of the Municipal Public Accounts Committee**
- 9. Resolution of Council**

## 1. Statement of Purpose of the Oversight Report

It is important to have some understanding of the accountability framework for the municipality in order to correctly understand the role of the Oversight Report as a distinct form from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the accountability for local government:

Body/Person	Responsible for	Oversight over	Accountable to
Council	Approving policy and budget	Executive Committee	Community
Executive Committee	Policy, budget implementation	Municipal Manager	Council
Municipal Manager	Outcomes and implementation	Administration	Executive Committee
Section 56 Managers	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

The Annual Report is submitted to the Council by the Mayor and the Municipal Manager as part of the process for discharging accountability by the Executive Committee and Administration for the performance in achieving the 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 the report of the municipal council to the community disclosing the level of success or otherwise, obtained with meeting the priority needs and stated desired of the community as contained in the Integrated Development Plan.

## 2. The Municipal Public Accounts Committee

The Municipal Public Accounts Committee consists of the following Councillors:

Name	Gender	Political Party	Position
T J Tsolo	Male	African National Congress	Chairperson
V Mohala	Female	African National Congress	Councillor
S Fuso	Male	African National Congress	Councillor
T Mohase	Male	Congress of the People	Councillor
M Semahla	Female	African National Congress	Councillor
A Bester	Female	Freedom Front	Councillor
M Maduna	Male	African National Congress	Councillor
C Marwick	Male	Democratic Alliance	Councillor
C Lubbe	Male	Democratic Alliance	Councillor

The following officials served as support staff to the committee:

M S Makhele	Acting Manager in the Office of the Municipal Manager
D S Lebeko	Chief Audit Executive
MM Rathaba	IDP Clerk
N Malebo	P A to Speaker
P Semela	MPAC Clerk
T Potloane	IDP Clerk
J Matsela	PMS Clerk

### 3. Circulation of the Annual Report

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

- Municipal Website
- Marquard Municipal Offices and Marquard/Moemaneng Libraries
- Clocolan Municipal Offices and Clocolan/Hlohlolwane Libraries
- Senekal Municipal Offices and Senekal/Matwabeng Libraries
- Ficksburg/Meqheleng Municipal Offices and Ficksburg/Meqheleng Libraries

### 4. Summary of Findings relating to the Annual Report Process-2014/2015

The following table summarises the respective findings of the Municipal Public Accounts Committee relating to the process followed in compiling the Annual Report 2014/2015 and resultant Oversight Report 2014/2015 in comparison to the process required by statute.

Reservations Expressed by the Municipal Public Accounts Committee	Action Required	Due Date
The Annual Report 2014/2015 was submitted to Council on due date and there were no reservations expressed by the Committee in this regard.	None	25 January 2016

### 5. Summary of submission received from the Community and Others

The following table reflects the key written and oral submission received from the respective bodies/individuals relating to the contents of the Annual Report 2014/2015:

Representation submitted by	Key Issue Raised	Determination by the Municipal Public Accounts Committee
Individual Councillors	None	None
Private Individuals	None	None
Bodies	None	None
Auditor General	Restatement of corresponding figures	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Material losses	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Material Impairment	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Going concern	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Irregular expenditure	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Predetermined objectives	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Compliance with legislation	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
	Internal control	Council to monitor the implementation of the corrective measures as contained in the Action Plan 2015/2016
Audit and Performance Audit Committee	None	None
Appraisal Committee	None	None
Cooperative Governance and Traditional Affairs	None	None
National Treasury	None	None
Provincial Treasury	None	None

## 6. Summary reservations Expressed and Corrective Actions Required

A summary of reservations expressed by the Municipal Public Accounts Committee and actions required to be taken by the administration, Municipal Finance Management Act, 56 of 2003, section 131(1) on the Annual Report 2014/2015 and the Auditor General's Audit Report 2014/2015 are as follows:

### A. Reservation on the checklist regarding reporting

No	Reservation Expressed by the Municipal Accounts Committee	Action Required	Responsible Person
1	Restatement of corresponding figures	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
2	Material losses	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
3	Material Impairment	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
4	Going concern	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
5	Irregular expenditure	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
6	Predetermined objectives	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
7	Compliance with legislation	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management
8	Internal control	Implementation of corrective measures as contained in the Action Plan 2015/2016	Management

### B. Reservations on the Annual Report 2014/2015

No	Reservation Expressed by the Municipal Accounts Committee	Action Required	Responsible Person
	Predetermined Objectives		
1	KPI Infrastructure and Service Delivery	Management to ensure that indicators are well defined and have clear definitions so that data can be collected consistently and be easy to understand and to use The municipality ensure that it has appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets	Management

**7. Summary of Components that require Revision**

None

**8. Minutes of the Meetings of the Municipal Public Accounts Committee**

Attached please find the minutes of the public consultative meetings held on the following dates:

- 10 March 2016 in Meqheleng
- 14 March 2016 in Marquard
- 16 March 2016 in Matwabeng
- 22 March 2016 in Senekal

**9. Resolution of Council**

The resolution of Council at the meeting where the Annual Report 2014/2015 was considered and the final version of the Oversight Report 2014/2015 was adopted is as follows:

1. Council approves the Annual Report 2014/2015 without reservations;
2. The Council having fully considered the Annual Report 2014/2015 of the municipality and representation expressed made thereon, adopts the Oversight Report 2014/2015; and
3. The Chairperson of the Municipal Public Accounts Committee to report to Council on the implementation of the corrective actions contained in the oversight Report 2014/2015.

  
CLLR TSOLO T J  
CHAIRPERSON

  
DATE