

OVERSIGHT REPORT

2015/2016

LETSEMENG LOCAL MUNICIPALITY: OVERSIGHT REPORT 2015/2016

1. INTRODUCTION

1.1 Background

Letsemeng Local Municipality was established on 06 December 2001 as results of section 21 of the Local Government Demarcation Act (Act 27 of 1998) this report is thus prepared based on and in accordance with the legislative requirements.

1.2 Purpose

To consider the Letsemeng Local Municipality's Annual Report for the 2015/2016 financial year and to compile an Oversight Report containing Council comments on the Annual Report in terms of section 129(1) of the local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as the MFMA).

1.3 Regulatory Requirements

1.3.1 Section 121(1) of the MFMA stipulates the following:

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 of the MFMA.

1.3.2 Section 121(2) of the MFMA states that the purpose of an 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, end.
- (c) To promote accountability to be local community for the decision

1.3.3 Section 121(3) of the MFMA state that the annual report of the municipality must include:

- (a) The annual financial statements of the municipality, and in addition, if section 122(2) applies consolidation annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(3);
- (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 System Act;
- (d) The Auditor-General's audit report in terms of section 45(b) of the Municipality System Act, Act 32 of 2000;
- (e) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and services 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) for revenue from each source and each vote in the municipality's approved budget financial year;
- (g) Particulars of any corrective action take or be taken in response to issues raised in the Audit reports referred to the paragraphs (b) and (d);
- (h) Any explanations that may be necessary to clarify issue in connection with the financial Statement;
- (i) Any information as determined by the municipality;
- (j) Any recommendation of the municipality's audit committee; and
- (k) Any other information as may be prescribed.

1.3.3 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 the 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.

1.3.4 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 the statement whether-

- The Council has approved the annual report with or without reservations
- Has rejected the annual; report or
- Has referred the annual report back for revision of those components that can be revised.

1.4 Submission and tabling of the Annual Report

The Annual Report of the municipality for the year **2015/16** financial year was tabled in the Council meeting held on **31ST January 2017** in terms of section 127/(2) of the Local Government : Municipal Finance Management Act 2003.

Council resolved during the meeting held on 31st January 2017:

- Council notes the Annual Report for the financial year 2015/2016;
- That the office of the Speaker and the Municipal Manager be mandated to convene an Oversight Committee to review the report and prepare an Oversight Report thereon for approval of Council : and
- That the 2015/16 Annual Performance Report be submitted to both office of the MEC for Cooperative Governance ,Traditional Affairs and Human and Settlement, Free State Provincial Treasury and Auditor-General South Africa.

Oversight Committee Members

The committee consists of the following members:

Initial and surname	Designation	Position
Mr. Patrick Mathobie	Community Representative	Chairperson
Cllr. Nikiwe November	Councillor	Member
Cllr Malvin Rens	Councillor	Member
Cllr. Thabo Moqhoishi	Councillor	Member
Mieta Nkonki	Official	PMS Officer
Marie Meintjies	Scriber	HR Intern

2. THE APPROACH, OBSERVATION AND CONCLUSION OF THE OVERSIGHT COMMITTEE

2.1 The Approach

The Oversight Committee inspected the Annual Report of Letsemeng Municipality. Items reported on in the Annual Report and issues raised by the Auditor-General were thoroughly studied.

2.2 Observation

The committee takes note of the outcome of the audit opinion which remained the same as the previous financial year 2014-2015 (qualification). The committee noted that issues raised by the Auditor-General is recurring and there is no improvement.

2.3 Comments/objections received

The committee noted that the local community was invited through public notices and advertisements to submit written comments and/or objections on the Annual Report. The period allowed for comments and/or objections was from **8th February 2017** until **10th March 2017**. However, no responses were received to date. While the committee accepts that the local community was informed and did not respond.

2.4 Inputs from the Committee

- The Committee considered all contents of the Annual Report and the Auditor General's view and conclusions on reports included herein.

3. RECOMMENDATION

The committee recommends the following:

- They acknowledge the Annual Report for 2015-16 financial year.
- That the Oversight Committee members be trained on their roles and responsibilities as they are new members of the committee.
- That the Committee sits quarterly to monitor progress on implementation of issues raised by the Auditor-General.


- That the members of the Oversight Committee also forms part of the training that will be conducted to the Section 32 adhoc committee, which will be conducted by the department of Treasury as alluded by the Accounting Officer as soon as possible.

4. CONCLUSION

Based on the results of the review stated above, the Oversight Committee accepts the Annual Report for the 2015/2016 financial year.

Recommendation to the Council

- The committee recommends that Council approves the Annual Report 2015-2016 with reservations.


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Mr. Patrick Mathobie
Chairperson of the Oversight
Committee

2017/3/29
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Date: Signed