

COUNCIL MEETING HELD ON 16th JULY 2013

SUBJECT
TO BE FINALISED
FOR THE INFORMATION
COUNCIL RESOLUTION

ITEM : 03/07/2013

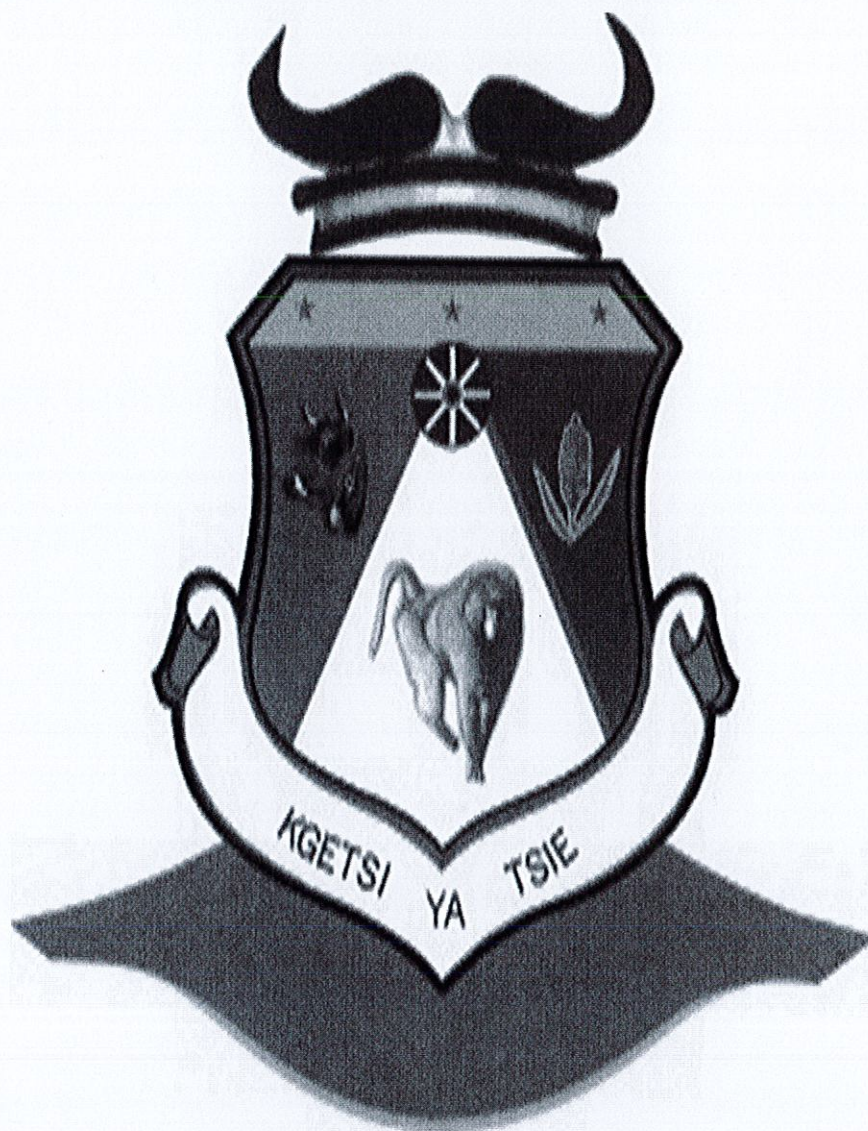
REPORT : MPAC

SUBJECT : TABLING OF OVERSIGHT REPORT – 2011/2012 ANNUAL REPORT

Council resolved as follows;

1. Council adopted the Oversight Report on the 2011/2012 Annual Report
2. That the Oversight Report be published in accordance with Section 129 (3) of the Municipal Finance Management Act
3. That the Oversight Report for 2011/2012 be submitted to both the Department of Local Government and Traditional Affairs and National and Provincial Treasury respectively
4. That the Municipal Public Accounts Committee (MPAC) should in future comply with the required timeframes as guided by Section 129 (1) of the Municipal Finance Management Act

RAMOTSHERE MOILOA LOCAL MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT

2011/2012

1. INTRODUCTION

The Municipal Public Accounts was appointed by the Council to oversee the contents of the Annual Report on its behalf. The Annual Report is the major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the Council to consider the annual report and adopt an oversight containing the council comments on the annual report.

2. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee was established by council resolution during the council meeting held on the 22 November 2011 in terms of the section 33 and 79 of the Municipal Structure Act, 117 of 1988 as amended.

MEMBERS OF THE COMMITTEE

CLLR C.S TSILE (CHAIRPERSON)

CLLR S.F NGWEYE

CLLR M.E GAE

CLLR O.C MOILOA

CLLR P.M MOTANG

CLLR A.J AMODS

CLLR N.T MOROENG

CLLR K.Q SESWANE

CLLR J.K MOKGATLHE

3. LEGISLATIVE REQUIREMENTS

In terms of section 129 (1) of the MFMA the council must consider the annual report by not later than two months from the date at which the annual report was tabled in council in terms of section 127, adopt an oversight containing the

council's comments on the annual report, which was included whether the council:-

- ✦ Approves the annual report without reservations
- ✦ Approves the annual report with reservations
- ✦ Refers the annual report back for revisions of the components listed in the oversight report
- ✦ Rejects the annual report for the reasons summarised in the oversight report

4. SUBMISSION AND TABLING OF THE ANNUAL REPORT

The Mayor tabled the Annual Report for 2011- 2012 during council meeting held on the 31 January 2013 in terms of section 129(2) of the Local Government: Municipal Finance Management Act 2003. The report was then given to the MPAC to oversee it on the behalf of council and then submit an oversight report with recommendations to council.

5. MEETINGS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

5.1 MPAC MEETING WITH THE AUDITOR GENERAL

The MPAC sat on the 05 May with a representative from the office of the AG Ms M Fourie to go through the Auditor General's Report for 2011-2012. She explained in detail each paragraph and issue raised in the meeting.

5.2 MPAC MEETING WITH SENIOR MEMBERS

Meeting with Senior Managers was held on 08 April 2013 in order to clarify information on the annual report. Basically the report was not as reader friendly as it should have been, but the Municipal Manager promised the committee a summarized version but did not deliver on time. That is one of the reasons why we delayed to submit our oversight report.

6. MPAC PUBLIC HEARING

The committee noted that only three ward committee members per ward and representatives from sector departments turned up, and that is why the first meeting was postponed not enough people were invited. However the second meeting was a success because the turn- up was good.

7. HOW PUBLIC HEARING WAS CONDUNTED

VENUE: RAMOTSHERE TOWN HALL

DATE : 25 JULY 2013

TIME : 10H00

7.1 THE APPROACH

The approach was to take the report generally for some of the community members will not remember the exact page or paragraph that they may pose a question from.

7.2 COMMENTS AND QUESTIONS ON THE ANNUAL REPORT (FINDINGS)

- Ward 3 has registered for food parcels in December but until now there have been no response.
- PROPERTY PLANT AND EQUIPMENT – There is no evidence that the municipality has proper accounting on the assets in general.
- Botshelo Water is failing the community by not fixing licking pipes because sometimes those licks cause water shortage.
- There are some Councillors who are councillors and have other jobs (dual employment).
- Why is the road between Supingstad and Swartkop not mentioned in the report?
- What are the by- laws regarding the loud sounds of music during weekends, is the municipality paying attention to the issue?
- Open toilets and unfinished road in Moshana.
- Humps in khunotswane are too high.
- What happened to the high mass lights in Gopane?
- Mayor to assist farmers to get food and water for their cows
- Not all people on the list to get electrical connection are assisted just a few, what about the rest?
- Have anyone been arrested for fraud after the municipality got a disclaimer audit opinion from the AG
- Some amounts are not captured at all.

- LED budget is too small, and 4million of that budget is not accounted for.
- ACCOUNTABILITY – There is a lot of money that have not been accounted for on this report, some amounts are overstated by millions of rands.
- There is no tarred road in Lobatla.
- LOANS REPAYMENTS - There is no evidence as how the loans will be paid back, where will the revenue come from?
- Capturing and processing has errors.
- Which internal road in Gopane was referred to in the report because there is no such road in Gopane.
- There are late submissions and it is alleged that the problem is technical and operation of the financial system.
- ACCOUNTABILITY – There is a lot of money that have not been accounted for on this report, some amounts are overstated by millions of rands.
- There are wrong vote numbers.
- Misallocations are visible.
- CHIEF FINANCIAL OFFICER REPORT – There is no report from the C.F.O on how finances of the municipality are accounted for.
- Wrong amount are captured.

ALTHOUGH SOME OF THE QUESTIONS AND COMMENTS DID NOT RELATE DIRECTLY TO THE ANNUAL REPORT BUT ARE EQUALLY IMPORTANT BECAUSE THEY ARE THE CONCERNS OF THE COMMUNITY.

7.3 RECOMMENDATIONS FROM COMMUNITY MEMBERS

- The speaker needs to respond and address reports submitted to him by the ward committees.
- People need to be hired to remove stones after blading, and there is also a lot of dust afterwards.

- Councillors should report back to ward committees after council meeting.
- Indigents need to be empowered with the upcoming projects.
- The accounting is not clear as the financial committee in the council did not give the report e.g. How many meetings of finance steering committee did sit in 1 year or between the period of 211/2012
- The annual report should contain information that is relevant and true.
- That municipality should not be hesitant to perform duties due political interference.
- Someone has to take responsibility for the mess that we are in, mainly the C.F.O, MM and the Finance steering committee of the municipality.
- Members indicated that the municipality should be transparent, allow participation and share ideas with the community.

MUNICIPAL PUBLIC ACCOUNT COMMITTEE: RECOMMENDATIONS TO COUNCIL.

- The municipality should appoint qualified and knowledgeable people especially in the financial department.
- That municipality should not be hesitant to perform duties due political interference.
- The information on the annual report should indicate or speak to IDP with regards to service delivery.
- Time to present the annual report should be observed and respected.
- That there should be corporation, togetherness and petty politics or rumours should not interfere with service delivery.
- That councillors should avoid a stage where a certain party or members from a certain party are only those that are getting first preference when coming to employment especially EPWP.
- That care should be exercised to make sure that indigents are properly checked and names are written down for reference sake.
- Outcome of the forensic investigation conducted months ago must be given to councillors and all structures i.e. it should not be something kept in offices if it gives the true reflection of what happened.

- Someone has to take responsibility for the mess that we are in, mainly the C.F.O, MM and the Finance steering committee of the municipality.
- Members indicated that the municipality should be transparent, allow participation and share ideas with the community.
- The AO responsible must be committed and make sure that the morale of the staff around him is not low so that they can also be committed in their work and that can result in better work performance.
- Regular on the job training is required. That will enable them to comply with the changes in the system.
- Reshuffling of incompetent workers should be considered as an option because the worker who can't perform hampers productivity in the department.
- Reconciliations of financial accounts to be done timeously.
- The AO must ensure that the personnel in his department are relevant and qualified to do the job.
- The department to liaise with the MPAC and exchange information and documentations to assist both offices in future to eliminate delays.

8. RECOMMENDATION

THE COMMITTEE RECOMMENDS THE FOLLOWING:

- That the council adopts the oversight report
- That the oversight report be made public in accordance with section 129(3) of MFMA 56 of 2003
- That the oversight report of 2011-2012 be submitted to the Department of Local Government and Traditional Affairs

9. CONCLUSION

Ramotshere Moiloa Local Municipality recommends that in future community members be taught the main objective of annual report so that they can respond in time and in good numbers when annual report is presented.