



OVERSIGHT REPORT ON THE ANNUAL REPORT OF THE PIXLEY KA SEME DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2016

A. PREAMBLE

The Municipal Public Accounts Committee established by the Pixley Ka Seme District Municipal Council has pleasure in submitting an oversight report on the Annual Report of the Pixley Ka Seme District Municipality for the year ended 30 June 2016 to the Municipal Council for consideration and adoption, on 31 March 2017.

B. INTRODUCTION

The Executive Mayor of the Pixley Ka Seme District Municipality has, in terms of section 127(2) of the Municipal Finance Management Act No 56 of 2003 (MFMA), read with section 58 of the same Act, tabled before the meeting of the Municipal Council held on 30 January 2017, a draft annual report which was prepared in terms of section 121 of the MFMA and section 46 of the Municipal Systems Act No 32 of 2000 (MSA).

Section 129 of the MFMA, Act No 56 of 2003, requires the Council of a municipality to consider the annual report and by no later than two months from the date on which the annual report was tabled in the Council in terms of section 127 of the MFMA, Act 56 of 2003, to adopt an oversight report, which must include a statement whether the council;-

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

The Municipal Council appointed a Municipal Public Accounts Committee in terms of Section 33 and 79 of the Municipal Structures Act No 117 of 1998, to develop an oversight report on the Annual Report as tabled by the Executive Mayor. The members of the Municipal Public Accounts Committee are the following;-

- Councillor J Grobbelaar (Chairperson)
- Councillor J George
- Councillor S Swartling
- Councillor J Hoorn
- Councillor M Matebus
- Councillor L Van Niekerk

C. COMMENTS ON THE ANNUAL REPORT

1. Compliance with legal requirements for submission and publication

The Municipal Public Accounts Committee noted that the draft annual report was tabled by the Executive Mayor on 30 January 2017 in compliance with Section 127(2) of the MFMA.

The Municipal Public Accounts Committee has also been advised by the Accounting Officer that the annual report will, in terms of section 127(5) of the MFMA, be submitted to the following institutions by courier on 03 April 2017.

- Auditor General
- Provincial Treasury
- Department of Cooperative Governance, Human Settlements and Traditional Affairs

The Accounting Officer has further advised the Municipal Public Accounts Committee as follows:-

- A notice was published in the De Aar Echo of 17 February 2017, calling upon the Local Municipalities in the district as well as members of the public to submit comments on the annual report.

The Accounting Officer has reported to the Municipal Public Accounts Committee that no representations or comments have been received from the members of the community and the relevant stakeholders or from the Local Municipalities in the district in respect of the annual report.

2. Components of the annual report

Section 121(3) of the MFMA, Act 56 of 2003 prescribes that the annual report of a municipality must include the following:-

- Annual Financial statements of the municipality as submitted to the Auditor General for audit in terms of section 126(1);
- The Auditor General's audit report in terms of section 126(3) on those financial statements;
- The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act, Nr 32 of 2000;
- The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act, Nr 32 of 2000;
- An assessment by the municipality's accounting officer of the municipal taxes and service charges;



- An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives for revenue collection for each revenue source and for each vote in the municipality's approved budget;
- Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to above;
- Any explanations that may be necessary to clarify any issues in connection with the financial statements;
- Any information as determined by the municipality;
- Any recommendations by the municipality's Audit Committee; and
- Any other information as may be prescribed.

The Municipal Public Accounts Committee has noted the following:-

- i. The Draft Annual Report as tabled by the Executive Mayor does contain all the required components;
- ii. The Annual Financial Statements of the Pixley Ka Seme District Municipality for the year ended 30 June 2016 were submitted to the Auditor General on the 31 August 2016;
- iii. The Auditor General has issued an audit report on the Pixley ka Seme District Municipality's annual financial statements;
- iv. The Pixley ka Seme District Municipality does have performance indicators and there was a Service Delivery and Budget Implementation Plan approved by the Executive Mayor;
- v. The Municipal Council had on 30 January 2016 adopted an audit action plan containing milestones to be achieved by 30 June 2017. The audit action plan has been submitted to the Municipal Council for adoption.
- vi. The reduction in the matters of emphasis raised by the Auditor-General, in comparison with the previous audit opinions issued by the Auditor General.

3. Format of the Annual Report

MFMA Circular no 11 – Annual Report Guidelines, issued on 14 January 2013, provides the following format for the annual report:-

- Chapter 1: Executive Mayors forward and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational Development Performance
- Chapter 5: Financial Performance
- Chapter 6: Auditor General Audit Findings

4. Performance Information

Municipal Public Accounts Committee has noted that and appreciated that,

- i. An attempt has been made to provide qualitative performance information that was previously not known to members of the Municipal Council and Municipal Public Accounts Committee.
- ii. The unqualified audit opinion, with a reduction in the matters of emphasis.
- iii. The slide presentation by the Accounting Officer, summarizing the draft Annual Report.

D. RECOMMENDATIONS

The Municipal Public Accounts Committee therefore recommends that the Municipal Council resolves as follows:-

- a) The Municipal Council having fully considered the draft Annual Report of the Pixley Ka Seme District Municipality for the year that ended 30 June 2016, and representations there-on, adopts the oversight report.
- b) The Municipal Council approves the Annual Report for 2015-2016 with no reservations.

E. CONCLUSION

We wish to take this opportunity to express our gratitude to the Municipal Council of the Pixley ka Seme District Municipality for the trust placed in the members of the Municipal Public Accounts Committee.

We also thank the Municipal Manager and the Senior Management team for their assistance in the development of the oversight report.


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COUNCILLOR J GROBBELAAR
MPAC CHAIRPERSON

DATE: 28 March 2017