



## **OVERSIGHT REPORT IN RESPECT OF THE 2014/15 ANNUAL REPORT OF METSIMAHOLO LOCAL MUNICIPALITY**

### **1. PURPOSE**

The Purpose of this oversight report is to enable the Municipal Public Accounts Committee to discharge its oversight responsibility in considering the 2014/15 Annual Report of Metsimaholo Local Municipality in terms of section 129 of the Municipal Finance Management Act 56 of 2003 ( MFMA)

### **2. BACKGROUND AND DISCUSSION**

Section 127 (3) of the Municipal Finance Management Act states that; “ *The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality.....*”. In line with this statutory provision, the 2014/15 annual report for Metsimaholo Local Municipality was tabled on 27 January 2016.

In terms of section 129(1) of the Municipal Finance Management Act, the Council of a Municipality must consider the tabled annual report of the Municipality by no later than two months after the date on which the annual report was tabled in council in terms of section 127 of the MFMA.

MFMA Circular 32 recommends the establishment of an oversight committee to analyse and review the annual report. In the case of Metsimaholo Local Municipality, the annual report is analysed and reviewed by the Municipal Public Accounts Committee as a committee of Council.

In line with section 21A of the Municipal Systems Act, the community was invited to make representations in terms of the annual report via a newspaper advert which was published on 29 January in the local newspaper. Copies of the annual report and boxes in which to insert the submissions were placed at the entrances of Municipal buildings and the public libraries on 01 February 2016 the last date for submissions was on 19 February 2016.

Furthermore a letter was forwarded to all Councillors in which the councillors were invited to make submissions on the annual report.

Subsequent to the above, two submissions were made by two council members, and MPAC responded to those submissions. No comments were received from the public. These inputs were considered by the MPAC and where applicable they were included in the reviewed annual report.

MPAC considered the 2014/15 annual report of Metsimaholo Local Municipality and raised issues of concern with the Senior Management of Metsimaholo Local Municipality at several meetings held to consider the report. The necessary changes were effected and where corrections needed to be effected this was also done.

According to section 129 of the MFMA the Council must adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

- (a) has approved the annual report with or without reservations;



- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.

MFMA Circular 32 dictates that in order to approve the annual report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

### **3. FINANCIAL IMPLICATIONS**

None.

### **4. LEGAL IMPLICATIONS**

- The Municipal Finance Management Act 56 of 2003
- MFMA Circular 32 of 15 March 2006
- The Municipal Systems Act 32 of 2000
- The Municipal Systems Amendment Act 44 of 2003
- Municipal Structures Act 117 of 1998

### **5. HUMAN RESOURCE IMPLICATIONS**

None.

### **6. PARTIES CONSULTED**

- Members of the Council of Metsimaholo Local Municipality
- The Local Community of Metsimaholo
- The Audit Committee
- The Office of the Auditor General (AGSA)
- Senior Management of the Municipality

### **7. POWER OF APPROVAL**

The power of approval to approve the oversight report is vested in the Council of Metsimaholo Local Municipality.



## **8. RECOMMENDATIONS**

It is recommended that:

- Council, having fully considered the 2014/15 annual report of Metsimaholo Local Municipality and the representations thereon, adopt the oversight report and approve the annual report without reservations but with emphasis on the Auditor General's Comments and recommendations of the 2014/15 financial year audit report.
- Documents required to be made public in terms of the legislation be placed on the municipal website at all times.
- All municipal data/stats pertaining to number of households, vacant stands, population, number of households billed for electricity, water, waste management, etc must be consistent, reliable, accurate and centralised.

---

**Mr. TE Mosia**  
**Chairperson MPAC: Metsimaholo Local Council**