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Molemole Municipality

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EXTRACT COUNCIL RESOLUTION

OC/6.2/29/03/18. Oversight Report on Draft Annual Report for 2016/17

- The Chairperson of Municipal Public Accounts Committee, Cllr Rathete PT presented the report to Council for approval.
- Unanimously Resolved
- That Council approved the Oversight Report in terms of section 129(1) of Municipal Finance Management Act, Act 56 of 2003 (MFMA), for the 2016/17 financial year.
- That Council approved the Report without reservations.

**THE SPEAKER
CLLR MOREROA MS**

04 APRIL 2018

DATE

Vision: A developmental people driven organization that serves its people"

Mission: To provide essential and sustainable services in an efficient and effective manner.



Kopano ka maatla, go aga setšhaba se kaone

Molemole Municipality

**OVERSIGHT REPORT
ON
2016/17 ANNUAL REPORT**

Vision:

A developmental people driven organization that serves its people"

Mission:

To provide essential and sustainable services in an efficient and effective manner.

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1. ACRONYMS AND DEFINITION OF TERMS

AG	Auditor General
COUNCIL	Council of Molemole Local Municipality as constituted
FY	Financial Year
LM	Local Municipality
IDP	Integrated Development Plan
LED	Local Economic Development
MPAC	Municipal Public Accounts Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
NDP	National Development Plan
KPA	Key Performance Areas
OCA	Operation Clean Audit
PMS	Performance Management System
SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Systems Act
RDP	Reconstruction of Development Programme
CLLR	Councillor
EXCO	Executive Committee
GRAP	Generally Recognized Accounting Practice
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs

2. Applicable Legislative Framework

- a) Final Guidelines for the Establishment of Municipal Public Accounts Committees, August 2011
- b) Republic of South Africa. *Constitution of the Republic of South Africa. Act no 108 of 1996.*
- c) Republic of South Africa. *Local Government: Municipal Finance Management Act. No. 56 of 2003.*
- d) Republic of South Africa. *Local Government: Municipal Finance Management Act: Circular no. 11, 32 & 63*
- e) Republic of South Africa. *Local Government: Municipal Systems Act no. 32 of 2000.*
- f) Republic of South Africa. *Municipal Structures Act no 117. 1998.*
- g) Republic of South Africa. *Municipal Supply Chain Management Regulations, 2005*
- h) Republic of South Africa. *The White Paper on Local Government. 1998. Pretoria: Government Printers.*

2.1 The purpose of Annual Report

According to Circular 63 of the National Treasury the main purpose of the Annual report is:

- a) To provide a record of the activities of the municipality during the 2016/17 financial year ;
- b) To provide a report on performance against the budget of the municipality for the 2016/17 financial year;
- c) To promote accountability to the local community for the decisions made throughout the year by the municipality
- d) To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

3. Introduction

The Municipal Public Accounts Committee of the Molemole Local Municipality fulfils the oversight role of Council. The mandate of the Municipal Public Accounts Committee includes an analysis of the institution's Annual Report and the development of appropriate recommendations to Council. Each municipality is required to prepare an Annual Report in

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terms of Section 121 of the MFMA. Circular No. 63 issued by the National Treasury provides guidance on the structure of the Annual Report to ensure consistency by all municipalities in preparing their Annual Reports.

The adoption of an Oversight Report by the municipal council should be viewed as a compulsory task in terms of Section 129(1) of the Municipal Finance Management Act (MFMA) No.56 of 2003 in exercising financial management over the respective municipality.

4. Municipal Public Accounts Committee Members:

4.1 Molemole municipal council has delegated the responsibility of playing oversight on the Annual report to MPAC. MPAC is therefore tasked with the responsibility to:

4.1.1 To consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard.

4.1.2 To compile an Oversight Report and table it in Council no later than 60 days from the date of which the Annual Report was tabled, in terms of Section 129 of the MFMA. The report must include a statement whether the council has approved the Annual Report with or without reservations, or refer the annual report back for revision of issues that need to be revised.

4.1.3 The Municipal Public Accounts Committee should check whether the information contained in the Annual 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.

4.1.4 The committee consists of the following members:

- a. Cllr Rathete P T - Chairperson
- b. Cllr Makgato M P - Member
- c. Cllr Leferela MJ - Member
- d. Cllr Kobola S E - Member
- e. Cllr Matjee C - Member
- f. Cllr Raphaswana T - Member

5. Annual Report consultation processes

The 2016-17 Annual Report was tabled in Council on the 31st January 2018 in terms of section 127(2) of the MFMA (act no.56 of 2003). As part of performing its mandatory duties, Council has considered the Draft 2016/17 Annual Report of Molemole Local Municipality and referred it to the Municipal Public Accounts Committee (MPAC) for review Accordingly, MPAC

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embarked on a public participation drive with a view to canvass the views of the community to assess the impact of the projects implemented in their communities.

Public notices inviting communities to attend public participation on Annual reports were issued through posters on notice boards as well as through the Ward Councillors and their committees. A copy of the Draft Annual report was made available in all municipal service points as well as on the municipal website. Municipal stakeholders were requested to collect copies of the draft Annual report in order to make comments.

MPAC has also undertaken public participation in all the 16 municipal wards with a view to canvass views and inputs on the 2016/7 Annual Report. I am glad to report that the meetings of the Municipal Public Accounts Committee on the 2016/17 Annual Report were open to the public and media to ensure a transparent and credible oversight process. The report on public participation is attached in Annexure A.

6. Major Elements of the 2016/17 Annual Report

6.1 Mayor's Foreword

The Mayor's foreword gives a helicopter view of the performance of the municipality during the 2016/17 financial year. This includes the methods used to improve public participation and corrective actions taken to ensure achievement of the IDP as approved by council. /

6.2 Municipal Manager Overview

The Municipal Manager's foreword provided an overview of administrative performance of the municipality during the year under review.

6.3 Auditor- General Report

Molemole Municipality received "unqualified audit opinion" for the 2016/2017 Financial Year. The opinion of the Auditor General is quoted as follows: "I have audited the financial statements of Molemole Local Municipality which comprises the statement of financial position as at 30 June 2017, and the statement of financial, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2017, and its financial performance and cash flows or the year then ended in accordance with the South African Standards of Generally

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Recognized Accounting Practice (SA Standards of GRAP) and the requirements of the MFMA (Act 56 of 2003) and the Division of Revenue Act (Act 3 of 2016).

6.4 Chapter 3 - Annual Performance Report

The 2016/17 Annual Performance Report was a considerable improvement on the report for the previous financial year and MPAC thanks the Municipal officials led by Municipal Manager and COGHSTA for this improvement.

6.5 Chapter 4- Financial Statements

MPAC is happy with the opinion of the Auditor General on the financial statements for the 2016/17. Furthermore the committee would like to emphasize that an action plan should be developed and adhered to in order to deal with issues raised by the Auditor

7. Summary of Submissions Received from the Community and Other stakeholders

The following table reflects the key written representations received from the respective bodies/individuals relating to the contents of the Annual Report:

Representation submitted by	Key issues raised	Determination by Oversight Committee
Individual Councillors	None	N/A
Private Individuals	None	N/A
Civic organizations	None	N/A
Public, communities and other stakeholders	<i>See attached MPAC public participation report.</i>	Public Participation sessions were held on the 06 to 09 March 2018 in Molemole East (Nthabiseng Community Hall and Motswapo Crèche) and Molemole West (Maponto Community Hall and Maribana Community Hall) respectively.

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8. Conclusion

MPAC is now in position to table to Council the Oversight Report on the 2016-2017 Annual Report of Molemole Local Municipality. Credit should go to members of MPAC, officials from COGHSTA, Audit Committee, and Internal Audit who have contributed in ensuring that the oversight report is credible. The Committee concluded that the Public Hearing would be held the 27 March 2018 of as the Questions were submitted to top Management on the 14th March 2018

9. Recommendations

9.1 That the 2016/2017 Oversight Report together with the 2016/7 Annual Report be adopted;



**CLLR RATHETE PT
MPAC CHAIRPERSON**

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ANNEXURE A:

REPORT ON MPAC PUBLIC PARTICIPATION ON THE DRAFT 2016/7 ANNUAL REPORT

a. Background

The committee expected a minimum of 300 people per cluster to attend the events. Two buses were organized per cluster to collect people from wards which are far from the actual venue. The outstanding number of community residents was expected from the local area where the event is held. The municipal event committee was roped in to assist with preparations for logistics in all the sessions. Catering was organized in each sessions and it can be reported that the committee is relatively happy with the service provided by the appointed Service Providers. The public participation sessions were held as follows:

Date	Time	Cluster	Venue
06 -03-2018	10h00	Ward 1,2,3,4	Nthabiseng Community Hall
07-03-2018	10h00	Ward 5,6,7,8,9	Motswapo Crèche
08-03-2018	10h00	Ward 11, 12, 13, 14	Maponto Community Hall
09-03-2018	10h00	Ward 10, 15, 16	Maribana Community Hall

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b. Attendance

The attendance in all the sessions was satisfactory as the minimum number of 120 people attended the sessions in all the clusters.

DATE	CLUSTER	VENUE	2015/16 TURNOUT	2016/17 TURNOUT
06-03-2018	Ward 1,2,3,4	Nthabiseng Community hall	298	147
07-03-2018	Ward 5,6,7,8,9	Motswapo Crèche	215	109
08-03-2018	Ward 11,12,13,14	Maponto Community Hall	259	111
09-03-2018	Ward 10,15,16	Maribana Community Hall	163	102
Total number of attendees in all sessions			935	469

The committee would like to express its displeasure on the regression of the turnout during these sessions. It should be noted that the Annual Report is an important instrument wherein the municipality account on the implementation of the IDP. It offers an opportunity for the community to reflect on the performance of the municipality. It is therefore imperative that the community attend these sessions to hold the municipality to account.

The Committee also took note of the poor attendance by Ward Committees as the foot soldiers assigned by the municipal council to monitor service delivery programmes on the ground. It was critical that they do attend in order to have an overview of municipal performance in the previous financial years as they prepare themselves for years ahead. Ward Councillors are therefore urged to encourage their ward committees to attend all the sessions as that form an important part of their work.

We are pleased with the support of traditional authorities and civic formations for their attendance throughout the public participation sessions.

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c. Presentation of the 2016/17 Annual Report

The chairperson presented a summarized version of the draft Annual report in all the sessions and invited members of the public to make comments and inputs which will be incorporated into the Annual report for approval by Council. Most importantly the comments and inputs will be used to compile an Oversight report. A copy of the draft Annual Report was handed over to those in attendance as well as traditional authorities for perusal with the purpose of making inputs. The closing date for the submission of inputs to the annual report was set to the 20 March 2018. Residents were urged to submit their written comments to Mogwadi and Morebeng offices so that they can be incorporated into the final Annual report.

d. Issues raised by the Community

The residents were also given an opportunity to raise issues after the presentation of the draft Annual Report during public participation. The following issues were raised in each cluster

Cluster 1: Wards 1,2,3 & 4 06 March 2018	Nthabiseng Community Hall
ISSUES RAISED	
<ul style="list-style-type: none"> a. Technical Services must improve their performance to ensure they attain all their targets. b. Roads at Eisleben and Ramokgopa are not in a good condition. The municipality must maintain them periodically. This matter was even raised with the Mayor in the recent Mayoral Imbizo. 	

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Cluster 1: Wards 5,6,7,8 & 9	Motswapo Crèche
07 March 2018	
ISSUES RAISED	
<ul style="list-style-type: none"> i. Shortage of RDP houses in Ward 8 and 9. ii. Ward Committees complained that their Ward Councillors are not informing them of municipal events. This lead to poor attendance when the municipal organize these events. 	

Cluster 1: Wards 11, 12, 13 & 14	Maponto Community Hall
08 March 2018	
ISSUES RAISED	
<ul style="list-style-type: none"> • Madikana: <ul style="list-style-type: none"> i. Madikana low level bridge is not properly compacted and it must be fitted with culverts. ii. The community request that Humps on the tar road are not safe for cars travelling there. They appeal to the municipality to please lower them. iii. The municipality must maintain internal streets as they are not in good drivable state. • Maponto: <ul style="list-style-type: none"> i. The municipality is requested to assist pre-schools with supply of water and maintenance of toilet facilities as they are struggling to cater for the young ones without water. ii. Apolo lights, regravelling of roads and sports fields, proper waste management for pampers. iii. Appeal to the municipality to put in humps in Matipane to Madikana road <p>It was noted that these issues were also raised in the previous public participation sessions.</p>	

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09 March 2018	Maribana Community Hall
<p>a. A complaint that the notice for the event was not circulated to all the areas in the cluster.</p> <p>b. Allocation of food parcels to members of Community by ward Councillor and recruitment processes of EPWP and CWP.</p> <p>c. How did the municipality decide on the percentage and rating of each department</p> <p>d. The community need a satellite office to cater for Wards 10, 15, 16 as it is inconvenient for them to travel to Dendron every time they need minor services.</p>	

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