



Ga-Segonyana Local Municipality

MPAC

(Municipal Public Accounts Committee)

Oversight report

2021/2022 Annual Report

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Abbreviation

AFS	Annual Financial Statements
AG	Auditor General
APAC	Association of Public Accounts Committees
CFO	Chief Financial Officer
CAPEX	Capital Expenditure
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Account Committee
MSA	Municipal Systems Act
OPEX	Operating Expenditure
GRAP	Standards of generally recognized accounting practice.

Foreword by the chairperson

The Council of Ga-Segonyana Local Municipality has the responsibility to oversee the performance of the municipality, as required by the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA). During its ordinary council sitting in January 2023, Council considered the Draft 2021/2022 Annual Report of the Ga-Segonyana Local Municipality and referred the report to the Municipal Public Accounts Committee for review and drafting of this Oversight Report.

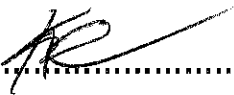
The Oversight Report is the final step in the annual reporting process of a municipality. IN terms of Section 129 of the MFMA Council is required to consider the Annual Report and to adopt an oversight report containing the Council' comments on the Annual report. The Oversight Report is therefore clearly distinguished from the Annual Report, it is a report of the Municipal Council and follows consideration and consultation of the Annual Report by the Council itself.

The Municipal Public Accounts Committee of the Ga-Segonyana Local Municipality fulfils the oversight role of Council. The mandate of the MPAC includes an analysis of the municipality's Annual Report and the development of appropriate recommendations and correction actions to Council. The meetings of the MPAC on the 2021/2022 Annual Report as detailed in the accompanying report. 2021/2022 Annual Report was subjected to public comments between February & March 2023 and copies of the Draft Annual Report were made available for inspection at all municipal libraries, accounting officer's and on the municipal website. Written public comments were however not received by the MPAC for consideration and inclusion in its oversight report.

The Committee, noted improved performance in the audit opinion by the Auditor General on the annual financial statements and applaud Council, management and officials of the Ga-Segonyana Local Municipality. The municipality has received a unqualified audit opinion in its 2021/2022 annual financial statements, however more emphasis should be put on the performance objectives as indicated in the audit opinion on the same area and the KPI's should be crafted in way that they addresses the AG's recommendation. These issues should be included in the audit action plan and

monitored periodically in order to attain improved results including implementation of consequences management as this has been highlighted by the Auditor General in his report for the past few years.

Finally, I would like to commend my fellow MPAC members for their hard work and commitment, I would also like to thank the honorable Speaker, and officials for their support during the oversight process, especially the Municipal Manager, Chief Financial Officer, Manager Supply Chain Management, Council Secretaries and Internal Audit officials who provided strategic support and guidance in this process. A word of thanks must also be given to the Auditor General and the Audit Committee for their input in the Annual Report and oversight report.


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CLLR. T MEREMENTSI

CHAIRPESON MPAC

Preamble

The Municipal Public Accounts Committee (MPAC) was appointed by Council to amongst other things oversee the content of the 2021/2022 Annual Report. The oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the Council to consider the annual report and to adopt an oversight report containing council comments on the annual report.

The oversight report covers the period 2021/2022 financial year and started off with a broad outline of the objectives of the Municipal Public Account Committee (MPAC). The Ga-Segonyana Local Municipality MPAC committee set out to achieve the following objectives; -

- ✓ There is no fraud or corruption in the administration or in council
- ✓ There is legal compliance whenever required
- ✓ That we get value for money whenever money is spent
- ✓ That the budget and IDP is properly aligned
- ✓ That there is proper service delivery in all areas of our jurisdiction and always take into consideration the needs of the people, needs established through public participation.
- ✓ That the impact of our report will be of such a nature, that it is useful to council and that in the final analysis, the committee is able to advice the council correctly.

Methods used by the committee in preparing the oversight report included the convening of meetings where the Annual Report and all supporting documentation were scrutinized.

Accordingly, the oversight report will cover the 2021/2022 Annual Report

1.Municipal Public Accounts Committee

The Municipal Public Accounts Committee was established by Council during the Council in terms of section 33 and 79 of the Municipal Structure Act, 117 of 1998 as amended. The following Councilors were appointed as members: -

Cllr T. Meremetsi	Chairperson effective from 22 November 2021.
Cllr K. Molokwe	Member
Cllr S. I. Kok	Member
Cllr K. P. Moepeng	Member
Cllr K. Chweu	Member
Cllr T. Nyathi	Member
Cllr K. M. Taeng	Member
Cllr O. D. Mathibe	Member
Cllr K. S. Setlhodi	Member
Cllr M. Disang	Member
Cllr C Mojaki	Member

2.Support staff

Ms Lerato Ntwagae

3.Oversight Report Activity Plan as noted by Council

Activity	Responsibility	Target date	Comments
Presentation of the Annual Report to council	Mayor	January 2023	
Advertise the availability of the Annual report for comments	Accounting Officer	February 2023	
Submit a copy of the Annual report to DLG & HS	Accounting Officer	August 2022	
Submit a copy of the Annual report to the	Accounting Officer	August 2022	

Activity	Responsibility	Target date	Comments
Submit a copy of the Annual report to the National Treasury	Accounting Officer	August 2022	
MPAC meeting- discussion of the annual report.	Members	March 2023	
MPAC meeting with Management for administrative leadership to acquaint themselves with the Annual report	MPAC members Accounting Officer Senior Managers	March 2021	
Submission of comments and public participation process	Accounting officer MPAC	January/February 2023	
MPAC meeting with Mayor and the Executive committee to acquaint themselves with the Annual Report	MPAC members Mayor Executive committee	March 2023	
MPAC meeting: adoption of the Draft Oversight Report	MPAC Members	March 2023	
Adoption of the Oversight Report by Council.	Council	March 2023	
Make Oversight Report public	Accounting Officer	March 2023	
Submit Oversight Report to Provincial and National	Accounting Officer	April 2023	

Activity	Responsibility	Target date	Comments
Treasury			
Submit Oversight Report to DLG& TA	Accounting Officer	April 2023	

4. checklist of the Annual Report as per section 121 (3) of the MFMA, of 56 of 2003 and MFMA Circular 11

Content of the Annual Report	tick
Annual Financial Statement of the municipality	✓
AG's report on the financial statements	✓
Annual Performance report of the municipality prepared by the municipality in terms of section 46 of the municipal systems act.	✓
Auditor General's report in terms of section 45 (b) of the Municipal System Act	✓
An assessment by the accounting officer of any arrears on municipal taxes and services	✓
Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year.	✓
Particulars of corrective action taken or to be taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)	✓
Any explanation that maybe necessary to clarify issues in connection with the financial statement	N/A
Any information as determined by the municipality	N/A
Any recommendations of the municipal's audit committee	✓
Any other information as may be prescribed	N/A

5. Legislative Requirements

5.1 Municipal Finance Management Act

Legislative requirements	Compliance	Response	Recommended corrective action
Annual financial statements- Section 121(3) (4); of MFMA.	Have the AFS of the municipality and that of municipal entity been included in the annual report?	Yes	Management has developed an audit action plan to address all findings of the Auditor General. Debt Collection strategy was developed in order to maximize revenue
	Are both annual financial statements been audited	Yes	
	Are the AFS compliant with GRAP?	Yes	
	Is the audit report been included in the tabled annual report?	Yes	
	Any explanations that may clarify issues in connection with the financial statement?	Yes	
	Any assessment by the accounting officer on arrears on municipal taxes and service charges.	Yes	
	Any comment by the audit		

Legislative requirements	Compliance	Response	Recommended corrective action
	committee in relation to the AFS?		collection. A report was tabled to Council on all activities undertaken by the Committee and internal audit leading towards AFS.
Supply Chain Management Regulations and Policy	Has certain disclosures of SCM matters been included in the annual report as required.	Yes	All of these have been included in the audit action plan by management.

5.2 Division of Revenue Act

Legislative requirements	Compliances	Response	Recommended corrective actions
SECTION 123 OF MFMA AND CIRCILAR 11	<p>Has the municipality had any allocation per DORA delayed or withheld</p> <p>Is there any disclosure on allocation made by the municipality to an organ of state, municipal entity or other municipality?</p> <p>Are all compulsory disclosures contained in the notes to the Annual Financial Statements?</p> <p>Has the municipality complied with</p>	<p>No</p> <p>No.</p> <p>Yes</p> <p>yes</p>	

Legislative requirements	Compliances	Response	Recommended corrective actions
	the conditions of the grant?		
SECTION 124 (1)(2) Disclosure of councillors, Directors and Officials in the notes to the AFS	<p>Have the salaries, allowances and benefits paid to councillors and the Municipal Manager, CFO and senior been disclosed?</p> <p>Is there a statement by the Accounting Officer, stating that salaries, allowance and benefits paid to councillors are within the upper limits of the framework envisage in section 219 of the constitution?</p> <p>Have arrears for rates and services owed by councillors, in which the arrears was more than 90 days been disclosed including the name of the councillor?</p>	<p>1. Yes</p> <p>2. Yes</p> <p>3. Yes</p> <p>4. N/A</p>	

Legislative requirements	Compliances	Response	Recommended corrective actions
	Have salaries of the board of MODA, CEO and senior managers been disclosed?		

5.3 Municipal Systems Act Performance Management System

Legislative requirements	Compliances	Response	Recommended corrective actions
Section 46 of the MUNICIPAL SYSTEMS ACT Annual Performance reports of the Municipality	Has the performance report been included in the annual report?	1.Yes	None required
	Have all the performance target set in the budget, SDBIP, service agreements etc. been included in the report?	2.Yes.	None required
	Does the performance evaluation in the annual report compare actual performance with target expressed in the budget and SDBIP approved for the financial year?	3.Yes	None required
	In terms of key functions or services, how has each performed?	4. 78%	

Legislative requirements	Compliances	Response	Recommended corrective actions
	To what extent have targets been met?	5. Yes	Implementation of AGs action plan
	Are council and community satisfied with the performance?	6.	
	What actions have been taken and planned to improve performance?	7.	
	Did the target set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and other senior manager?	8. Yes	
	Does the report evaluate the efficiency of mechanism applied to deliver the performance outcomes? Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?	9. YES	

Legislative requirements	Compliances	Response	Recommended corrective actions
PERFORMANCE OF MUNICIPAL ENTITIES AND MUNICIPAL SERVICE PROVIDERS	<p>Has an assessment been included in the Annual Report on the performance of the municipal entities?</p> <p>Has the assessment been included in the annual report on the performance of all contracted service providers?</p>	The municipality does not have an entity.	None required

5.3 Public Participation

Legislative requirement	Compliances	Respond	Recommended corrective action
Section 127 (2);130 (1)(2)(3) and section 21A of MSA	Was the public invited to the council sitting where the annual report was considered?	No	
Council meetings open to public and certain public official	Did the Accounting Officer make public the annual report?	Yes	
	Was the annual report submitted to the AG; PT and DLG&HS?	Yes	
WRITTEN COMMENTS	Did the municipality receive any written submission on the Annual Report?	No, there were no written comments submitted by the community.	

6. Auditor General's opinion

2016/17	2017/18	2018/19	2019/20	2020/2021	2022/2022
Qualified	Qualified	Qualified	Unqualified	Unqualified	Qualified

6.1 Reasons for unqualified Opinion

Please refer to the attached Annexure A for the reason for qualification provided by AG:

7. 2021/2023 Annual Report Community Consultations

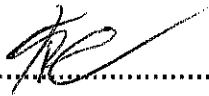
The annual report was made public on the municipal website, municipal libraries and also obtained at the municipal website, however no comments were received.

8. Recommendations by MPAC

1. That the survey be conducted to obtain the reason why there is no public comments with regard to the 2021/2022 annual report that was made public January/February 2023.
2. That MPAC roadshows be conducted and the community be notified through Kurara FM for the message to reach all community members.
3. That Audit action plan be presented on a quarterly basis to reflect and track the implementations done with regard to the findings raised by AG.
4. That appointment of the vacant position of senior managers be completed ASAP that will ensure that composition of the bid committees is accurate and line in laws and regulations.
5. That appointment of the researcher for the MPAC committee be done ASAP to ensure that the committee functions are executed effectively and accurately.

9. Conclusion

- ✓ Council to note that MPAC approved 2021/2022 Annual Report with reservations
- ✓ Council having fully considered the 2021/2022 Annual Report adopt the oversight report in terms of Section 129 of the MFMA.



MPAC CHAIRPERSON

DATE 23-03-2023