

OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE IN RESPECT OF THE 2014/2015 ANNUAL REPORT

1. Purpose

To table before Council the oversight report of the Municipal Public Accounts (**MPAC**) in respect of the Fezile Dabi Annual Report for the period ending 30 June 2015 as required in terms of section 129 of the **MFMA** and Circular no.32 of the **MFMA**.

2. The process followed in analyzing the Annual Report

The Fezile Dabi District Municipality Draft Audited Annual Report for the period ending 30 June 2015 was tabled in council on the 29 January 2016 by the Executive Mayor, Honorable Cllr M Moshodi as per section 127 (2) of the Local Government: Municipal Finance Management Act no.56 of 2003.

During the council meeting of the 29 January 2016 where the annual report was tabled, a representative from the Office of the Auditor General of South Africa was also present as per the requirement of section 130 (2) of the **MFMA**.

The copy of the draft audited annual report for the period ending 30 June 2015 was also submitted to the Auditor General of South Africa, Provincial Treasury and CoGTA to perform quality assurance check on the contents of the annual report as per the requirements of section 127 (5) (b).

Immediately after tabling the annual report in council, the report was advertised on the Sowetan newspaper for a period of 21 days to invite public and local communities to make both written and oral representations on the contents of the annual report as per section 127 (5) (a) of the **MFMA** and Section 21A and B of the Local Government: Municipal Systems Act no.32 of 2000.

MPAC considered and analyzed the report during its meeting held on the 22 March 2016 as per section 129 of the **MFMA** and Circular no. 32 of the **MFMA**.

MPAC prepared the oversight report and tabled it to Council for approval as per section 129 of the **MFMA**.

3. General Observations by MPAC

The following are general observations by MPAC:

- 3.1. Management to update the schedule for performance of service providers as reported under appendix H on Long term Contracts and Public Private Partnerships.
- 3.2. Management was also requested to update the schedule on leave utilization under component D: Managing the Municipal Workforce expenditure with specific focus on other/special leave and annual leave as this information was not updated as part of the completed report.
- 3.3. Thirdly, the committee requested management to provide updated status on the activities performed by MPAC and by the Audit Committee during the financial year under review.
- 3.4. The committee was also impressed with the following key achievements recorded during the period under review:
 - Attainment of an unqualified audit opinion on the Annual Financial Statements and Annual Performance Report for the period ending 30 June 2015.
 - 100% expenditure on all conditional grants transferred to the municipality under the division of revenue act namely;- EPPW, RAMS, Equitable Share, FMG, MSIG.
 - The committee was also impressed with the general expenditure trends and such work is highly commendable.
 - Over and above the committee recommends consistency in this regard and committee noted that such can be achieved through implementation of succession planning and skills transfer among staff in the finance department.

4. Recommendations

Recommend to council that:

- (a) Council adopts the Draft Audited Annual Report for the period ending 30 June 2015 without reservations.