



## **MOPANI DISTRICT MUNICIPALITY**

### **THE OVERSIGHT REPORT ON THE 2011/2012 ANNUAL REPORT FOR MOPANI DISTRICT MUNICIPALITY.**

#### **1. PURPOSE**

The oversight report on the 2011/2012 Annual Report for Mopani District Municipality is tabled to Council for consideration and Approval.

#### **2. BACKGROUND**

As part of the process to ensure oversight, transparency; accountability by the executive and the administration on the performance of Mopani District Municipality, the council has established the Municipal Public Accounts Committee (MPAC) in terms of section 33 and 79 of the Municipal Structures Act, 117 of 1998. The established committee is mandated to, among other things, assess; analyze and evaluate the annual and other in-year reports and to also make recommendations to council. The 2011/12 Annual Report was tabled and adopted at a council meeting on the 30 January 2013, (Council Resolution no 01/2013).

The 2011/12 Annual Report was then referred to the Municipal Public Accounts Committee (MPAC) through council resolution numbered as above. A public notice on the availability of the annual report was placed in the Sowetan newspaper dated 15/02/2013. Hard copies of the mentioned report were distributed to all local municipalities. Electronic copies were also available on the municipal website ([www.mopani.gov.za](http://www.mopani.gov.za)).

(Annexure A: copy of the public notice advert).

The MPAC held a meeting on the 13<sup>th</sup> February 2013 and on the 11 March 2013 respectively to adopt the program of action. (Annexure B, Minutes and attendance register).

The MPAC conducted a public hearing as per the adopted program of action on the 26<sup>th</sup> March 2013 at a Community Hall in Enable village under Maruleng Municipality. The public hearing was advertised in the local and national news papers, City press dated 24 March 2013. (Annexure C: copy of the advert and attendance register for the public hearing.

The following organs were invited to the public hearing session:

- Executive Mayor
- The Speaker
- Chief Whip
- Members of Mayoral Committee
- All District Councilors
- Mayors; Speakers; Chief Whips; and Executive Committee members from local municipalities
- Municipal Managers from local municipalities
- Chairpersons and support staff of Municipal Public Accounts Committees from local municipalities
- Houses of Traditional leaders
- District Municipal Manager and the management team
- Audit Committee
- SALGA
- District Ward Committee Forum
- The Limpopo Legislature
- Treasury
- Auditor General South Africa
- Cooperative Governance, Human Settlement, and Traditional Affairs and other municipal stakeholders.

The purpose of the public hearing was for the accounting officer to provide oral responses to the questions raised by MPAC during the public hearing.

### 3. RECOMMENDATIONS ON THE MANAGEMENT RESPONSES

#### 3.1 Municipal Transformation and Organizational Development

Findings	Recommendations
1. The municipality has challenges regarding capacitated and skilled personnel.	<p>The undertaking by management to attract and retain appropriate capacity and skills for the improvement of services delivery should be supported by council.</p> <p>The Accounting Officer should ensure that employees are taken through the capacity development programmes.</p> <p>The management should strengthen the internal performance monitoring processes for improved performance on records keeping as this has become a standing finding.</p>

#### 3.2 Basic Services Delivery

Findings	Recommendations
1. There are delays in implementing some service delivery projects which is also acknowledged by management.	<p>Management has since improved on the area of Supply Chain. However, management should ensure that impact assessment is done on the interventions for purposes of monitoring and evaluation.</p> <p>There should be a consistent and effective contract management processes for the fast tracking of services delivery.</p>

	<p>Management should fast track the establishment and or resourcing the contract management unit.</p> <p>The established engagements platforms with the Department of Water Affairs should be used profitably to deal with all issues at stake to avoid delays in processing infrastructure projects.</p> <p>Council should support management to develop and execute mechanisms of addressing vandalized water infrastructure.</p>
<p>2. Water transactions and loses as per the AG's findings</p>	<p>The Accounting Officer should ensure continuous monitoring as per the signed Water Service Provider Agreement with local municipalities.</p> <p>The accounting officer should ensure that the responsibility of records keeping should rest with the relevant directorate and they should in future be held responsible as such.</p> <p>The council should re-consider the appointment of Greater Giyani and Ba-Phalaborwa Municipalities as water services providers.</p>

### 3.3 Local Economic Development

Findings	Recommendations
<p>1. The transfer of skills and empowering of local graduates in the relevant fields has not been realised during projects implementation.</p>	<p>Management should be continuously supported in the quest of ensuring local economic empowerment and job creation.</p>

	The council should assist management on engaging relevant stakeholders for the land release and availability for infrastructure development to take place.
--	--

### 3.4 Municipal Financial Viability

Findings	Recommendations
1. Financial management was identified by AG as challenge e.g water transactions.	<p>Management should ensure that established forums function effectively to address the findings by AG. Relevant capacity building initiatives should be activated internally.</p> <p>The management should ensure the revitalization of CFO district forum and support it for functionality and or effectiveness.</p>

### 3.5 Good Governance and Public Participation

Findings	Recommendations
<p>1. The legal fees have since registered high percentage expenditure in the mid-year report.</p> <p>2. Asset management was identified as a challenge during the auditing.</p> <p>3. Unauthorized expenditure of R</p>	<p>The council should support management to establish legal unit for the municipality to avoid huge legal expenses in future.</p> <p>The accounting officer should activate processes of involving all the affected parties and thereby managing the institutional register and assets.</p>

<p>112 365 606 was identified by the AG in the 2011/12 report</p>	<p>The MPAC could not assess all the relevant documents relating to this matter as per Section 32 of the MFMA. The committee will still undertake investigations on this matter.</p>
<p>4. Irregular; Unauthorized and fruitless expenditure of R152' 128' 789.34 was raised by the AG in the 2011/12 report.</p>	<p>The MPAC was still to assess this matter with all the relevant documents as per Section 32 of the MFMA accompanied with the details behind the irregular and fruitless expenditure.</p> <p>The accounting officer should ensure that data base of service provider is always updated to avoid irregular expenditures in future.</p>
<p>5. The work of the Audit Committee is not given much preference in some municipalities</p>	<p>Council should allow the Audit Committee space for presentation to reflect on the state on municipal audits.</p>

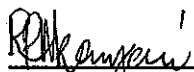
**4. RECOMMENDATIONS**

Having fully considered the 2011/2012 Annual Report, the Municipal Public Accounts Committee would further recommend thus:

- 4.1 That Management takes into cognizance the findings of the Auditor General and effect corrections on the critical areas to avoid similar findings in future.
- 4.2 That management should ensure improvements in administering the implementation plan of the AG findings.

- 4.3 Management should ensure improvement of leadership for the institutional performance improvement and implementation of the actions plans.
- 4.4 The accounting officer should ensure that the in-year performance reports should also be reflective of the improvements as a result of interventions done. The above will alert council on the state of municipal governance at all times.
- 4.5 That the district MPAC be allowed to convene a district wide session with all local committees. This for purposes of strengthening coordination; improving on committees' functionality and learning on the best practices.
- 4.6 That the MPAC be granted an extension of reporting back to council on the investigation of unauthorized and irregular expenditure as per the council resolution numbered 01/2013. The investigation report to be tabled in the next council sitting.
- 4.7 That Council adopts the oversight report notwithstanding the section 32 (MFMA) investigations.
- 4.8 That council approves the 2011/12 annual report with no reservations.

**SIGNATURE**



\_\_\_\_\_  
Clr Nkanyani R.P  
MPAC Chairperson

**MPAC Members**

Clr Nkanyani R.P - Chairperson  
Clr Mabasa M.H  
Clr Raganya M.P  
Clr Mohale N.L  
Clr Sibiya M  
Clr Mafona M.E  
Clr Flemming G.J  
Clr Mashele G  
Clr Magoro M.C