



## **MOPANI DISTRICT MUNICIPALITY**

### **THE OVERSIGHT REPORT ON THE 2010/2011 ANNUAL REPORT FOR MOPANI DISTRICT MUNICIPALITY.**

#### **1. PURPOSE**

The oversight report on the 2010/2011 Annual Report for Mopani District Municipality is tabled to Council for consideration and Approval.

#### **2. BACKGROUND**

As part of the process to discharge oversight, and accountability by the Executive and the administration on the performance of MDM, 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, resolution number 21/2011. The committee is assigned among other things, to assess the annual reports and make recommendations to council. The 2010/11 Annual Report was tabled and adopted at a council meeting on the 31 January 2012, (Council Resolution no 03/2012).

The 2010/11 Annual Report was then referred to the Municipal Public Accounts Committee (MPAC). A public notice on the availability of the annual report was placed in the Sowetan newspaper dated 20/02/2012. Hard copies of the said report were distributed to all local municipalities. Electronic copies were also available on the Mopani website.

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

The MPAC held a meeting on the 23<sup>rd</sup> February 2012 to adopt the program of action. (Annexure B, Minutes and attendance Register).

As part of promoting transparency, good governance and accountability, the Oversight Committee met at Lorraine village in Maruleng Municipality on the 02 March 2012 to adopt the questionnaire developed for responses by the executives. The questions were based on the 2010/11 annual report. The questionnaire was developed as part of preparations for the public hearings to be conducted. (Annexure C, Minutes, roll call and questionnaire).

The Constitution of the Republic of South Africa of 1996, the Municipal Finance Management Act of 2003 and the Municipal Systems Act, 32 of 2000 require Council to oversee the performance of the Municipality both in terms of the Financial Management and services delivery in all the key performance areas as identified by the Minister of Cooperative Governance and Traditional Affairs (GOGTA).

The 2010/11 Annual Report was then referred to the Municipal Public Accounts Committee (MPAC), which was established as per the above sections governing municipalities.

As part of promoting transparency, good governance and accountability, the MPAC also held public hearing on the 29<sup>th</sup> March 2012. The following organs were invited to the hearing session:

- Executive Mayor
- Members of Mayoral Committee
- SALGA
- District Ward Committee Forum
- Mopani District Municipal management
- Treasury
- AG
- Cooperative Governance, Human Settlement, and Traditional Affairs

The Municipal Manager and his management team subsequently provided further responses to the questions raised by MPAC at the session mentioned supra held on the 29<sup>th</sup> March 2012. Annexure D is attached (attendance register and minutes)

The following are issues raised in the questionnaire by MPAC.

### 3. COMMENTS ON THE MANAGEMENT RESPONSES

#### 3.1 Municipal Transformation and Organizational Development

Findings	Comments
1. The HR policies were found to still undergoing discussion processes with the labour union.	The engagement process between management and labour union should be finalized for the policies to be put to use since this might affect administrative processes adversely.
2. 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>Municipality should ring fence recruitment of engineers in the new financial year in order to beef up Engineering and Project Management Unit so that queries of infrastructural management do not repeat themselves.</p>

#### 3.2 Basic Services Delivery

Findings	Comments
1. There are delays in constructing some service delivery projects which is also acknowledged by management.	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.
2. Water transactions and loses as per the AG's findings	The Accounting Officer should ensure continuous monitoring is done as per the signed Water Service Provider Agreement

	<p>with local municipalities.</p> <p>The Accounting Officer should ensure that investigations are done on the discrepancies of GGM and GTM in relation to water.</p>
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### 3.3 Local Economic Development

Findings	Comments
<p>1. The projects initially identified for economic growth are not yielding immediate expected results.</p>	<p>The re-focus as per recommendations by management should be implemented to re-assure economic growth.</p> <p>The identified projects as per the LED Strategy should be implemented and challenges be addressed by management as and when identified.</p> <p>Council should support the LED initiatives for purposes of job creation and effectively poverty alleviation.</p>

### 3.4 Municipal Financial Viability

Findings	Comments
<p>1. Financial management was identified by AG as challenge e.g water transactions.</p>	<p>Management should ensure that established forums function effectively to address the findings by AG.</p> <p>Relevant capacity building initiatives should be activated internally. Achieving clean audit will be a tall order if these matters are not attended to.</p>

#### **4. RECOMMENDATIONS**

Having fully considered the 2010/2011 Annual Report, the Municipal Public Accounts Committee recommends thus:

4.1 That Council adopts the oversight report.

4.2 That Management takes into cognizance the findings of the Auditor General and Municipal Public Accounts Committee in the drafting of the 2011/2012 Annual Report.

4.3 The in-year performance reports should also be reflective of the improvements as a result of interventions done.

#### **5. SIGNATURE**

Cllr Nkanyani R.P  
MPAC Chairperson

## ANNEXURE

### Names of MPAC Members

Cllr Nkanyani R.P - Chairperson

Cllr Mabasa M.H

Cllr Raganya M.P

Cllr Mohale N.L

Cllr Sibiya M

Cllr Mafona M.E

Cllr Flemming G.J

Cllr Mashele G

Cllr Magoro M.C