



## UMHLABUYALINGANA MUNICIPALITY

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### THE 2014/2015 OVERSIGHT REPORT FOR UMHLABUYALINGANA MUNICIPALITY

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#### 1. THE CHAIRPERSON'S FOREWORD

The functioning of the MPAC is to strengthen the oversight arrangements in the municipality. This is clarified out with a clear distinction between oversight and interference in the administration, as defined in the Municipal Finance Management Act no.56 of 2003 section 52 (b) and 103 respectively, as well as the code of conduct for councillors defined in schedule 1 of Municipal Systems Act no 32 of 2000. Section 129 (4) of the MFMA further provides for the manner in which the municipal council should consider the Annual Report and conduct public hearings and the functioning and composition of any public accounts and oversight committees established by the council to assist it to consider such an annual report.

I fill very strongly to grant the high level of appreciation to team work done by every member within the institution by making sure where they are working they carried the mandate of the municipal council. It is imperative to note that the municipality has achieved the best audit outcome results (clean administration) in 2014/2015 financial year however; we do have challenges with the following:

- Sitting of portfolio committees (i.e. finance and MPAC).
- Persisting outcomes i.e. tenders awarded to members in service of the state
- The issue of resources to the MPAC and etc.

With great pleasure wishing the new administration best of luck, dedication, respect and unity to achieve the strategic goals for the next term.

## **2. THE PERFORMED PROGRAMME**

- The council has approved the Auditor- General Action plan based on previous financial year findings following its presentation in the presence of the office of the Auditor General and the Audit Committee
- There is a serious need for proper coordination between political and administrative leadership to ensure effectiveness of the MPAC

## **3. STATEMENT OF PURPOSE OF THE OVERSIGHT COMMITTEE**

It is important to have some understanding of the accountability framework for municipalities in order to understand the role of the oversight report as distinct from that of the annual report and any other reports required from the municipality.

	<b>Responsible for</b>	<b>Oversight</b>	<b>Accountable to</b>
Council	Approving policies and budget	Mayor	Community
Mayor	Policy, budgets, outcomes management of /oversight over municipal manager	Municipal manager	Council
Municipal manager	Outputs and implementation	The administration	Mayor
Chief financial officer and senior managers	Outputs and implementation	Financial management and operational functions	Municipal manager

Section 129 of the Municipal Finance Management Act requires the council to consider the Annual Report of its municipality and to adopt an oversight report containing the councils comment on the Annual Report

The oversight report is a separate product from the Annual Report. The Annual Report is submitted to the council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance and achieving objectives and goals set by the municipality in the relevant financial year and etc.

The oversight report follows consideration and consultation on the Annual Report and is considered to be a report of the municipal council to the community disclosing the level of success or otherwise obtained with meeting the priority needs and stated desires of the community as contained in the IDP

#### **4. THE OVERSIGHT COMMITTEE**

The MPAC committee was established under Section 33 and 79 of the Municipal Structures Act 1998. It is imperative to mention that the committee made up of only non-executive councillors and representatives of the community. Names of members;

1. Cllr. DM Mhlongo - Chairperson
2. Cllr. JS Mkhabela
3. Cllr KO Tembe
4. Cllr FG Mlambo
5. Cllr NL Mlambo
6. Cllr G Gumede
7. Cllr T Fakude
8. Cllr TF zikhali

## **5. CIRCULATION OF THE ANNUAL REPORT MEETING AND ISSUES**

It is imperative to note that on the 22/03/2016 the MPAC invited the Audit Committee chairperson and the representative of the community to its meeting to assist the committee with the oversight report.

It is imperative to acknowledge that the Annual Report was subject to public scrutiny in the form of Annual Report public participation process, which the MPAC has used the level of satisfaction of the community, annexed in the adopted annual report. Minutes are available for verification. The Annual Report public participation was conducted on the following dates;

- Manzingwenya area ward 05 date 24 February 2016
- Kwa-hlomula area ward date 01 March 2016
- Hlazane area ward 13 date 11 February 2016
- Kwa Zibi area ward 8 date 16 March 2016
- Mabasa Tribal ward 15 date 24 February 2016
- Masulumane and Nyamazane area ward 11 & 12 date 08 February 2016
- 10/02/2016; 22/02/2016

## **6. SUMMARY OF FINDINGS RELATING TO THE ANNUAL REPORTING PROCESS 2014/2015**

- Consultants policy and related documents not in place
- Suppliers in which persons in service of other state institution have an interest
- Reliance on a single individual to perform all required IT

## **7. RESOLUTION AND RECOMMENDATION OF THE MPAC**

- We affirm the recommendation in the management letter based on the raised issues
- Further recommends the implementation of AG action plan addressing such issues
- We recommend that the management focus on IT issues raised Auditor General

## **8. CONCLUSION**

The committee recommends the adoption of the oversight report and approves the 2014/2015 Annual Report without reservations

Compiled by:  \_\_\_\_\_

D.M Mhlongo

MPAC Chairperson