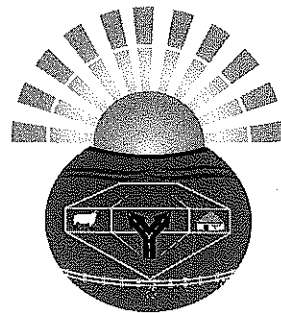


UMSOBOMVU

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Umsobomvu Municipality
Continuously Rising

OVERSIGHT REPORT ON THE 2014/15 ANNUAL REPORT

**REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON IT'S
OVERSIGHT ROLE WITH REGARD TO THE 2014/15 DRAFT ANNUAL REPORT**

1. Introduction

The Constitution of the Republic of South Africa, 1996 (S152) states that:

"(1) The objects of local government are –

- a) *To provide democratic and accountable government for local communities;*
- b) *To ensure the provision of services to the communities in a sustainable manner;*
- c) *To promote social and economic development*
- d) *To promote a safe and healthy environment*
- e) *To encourage the involvement of communities and community organisations in the matters of local government"*

Sub-section (2) qualifies within which parameters a municipality must carry out its mandate. It states that *"A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)".*

The Annual Report gives further expression to these Constitutional provisions by:

- ❖ Providing a record of the activities of the municipality during the financial year.
- ❖ Providing a report on performance against the budget; and
- ❖ Promoting accountability to the local community for the decisions made throughout the year.

Council is vested with the responsibility to oversee the performance of the municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA).

The Speaker or Mayor therefore must submit to Council the Annual Report that provides a record of the activities of the municipality, a report on the performance against the budget of the municipality and thereby promoting accountability to the local community for the decisions made throughout the year, as envisaged by section 152(1)(d) of the Constitution.

The Municipal Public Accounts Committee therefore in the execution of its mandate should check whether the information contained in the Annual Report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon.

"The MFMA now requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals" (MFMA Circular 11 dd 14 January 2005)

Approval of the Annual Report means that the executive and administration have discharged in full, their accountability for decisions and actions and that their

performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members.

Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate. During the 2009 Association of Public Accounts Committee (APAC) Conference a resolution was taken stating that the Conference supports the establishment of Municipal Public Accounts Committees (MPACs) in each municipality in the country as part of improving financial management and accountability at local level.

Thus in order to enhance, promote and consolidate the oversight role of the Council over the executive, the Department of Cooperative Governance and Traditional Affairs having consulted the National Treasury and SALGA, has instructed that all municipalities establish MPACs. The focus of the MPAC will be to assist Council to hold the executive to account and to ensure the effective and efficient use of municipal resources.

The 2014/15 Draft Annual Report was tabled to Council on the 29th of January 2016 in compliance with Section 127 (2) of the Municipal Finance Management Act, 56 of 2003.

The Municipal Public Accounts Committee is a Section 79 Committee established by Council in terms of Section 79 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and populated per Council Resolution 07/09/2014 dated 23 September 2014. The composition of the Committees is as follows:

Composition of the Municipal Public Accounts Committee (MPAC)

Councillor	Mr M.A. Sestile (Chairperson)
Councillor	Mr S. Siko
Councillor	Mr C.F. Gronum
Councillor	Mrs S. Ngalimani

Oversight Committee Support Staff

B.J. Kapp	Manager: Corporate Services
V. Mokhothu	Section Head: Corporate Services

This Oversight Report is tabled by the Umsobomvu Local Municipality's Public Accounts Committee under the Chairpersonship of Councillor M.A. Sestile.

The Municipal Public Accounts Committee is tasked to review all the activities of the municipality for the period 1st July 2014 to 30th June 2015 and provides

guidance in financial matters and assist in maintaining oversight within the broader governance context. Every effort has been made to ensure that the facts are correct and applicable to the mandate of the Municipal Public Accounts Committee.

Chairperson's Foreword

The recent years and especially running up to the 2014 elections, we have seen protest action throughout the country as a regular occurrence in the local government environment we operate in and execute our Constitutional mandate. Umsobomvu Local Municipality (ULM) has been very fortunate as no real protests were recorded during the oversight period. Programmes, projects and actions plans are taken up in our Integrated Development Plan (IDP) to comprehensively address our communities' and citizens' needs and expectations. Our responsibility now is to ensure that these projects, programmes and action plans are sustainable and service delivery are enhanced to ensure that all our citizens' lives are enriched to uplift our communities socially and financially in a sustainable manner.

This year, for the fourth time, ULM subjected its Annual Report to the scrutiny of an Oversight Committee appointed by Council. The Third Council of ULM is the first Council to initiate and complete such a process which is another example of our commitment to outstanding financial and operational performance, oversight and accountability.

As noted in our Oversight Report, ULM's 2014/15 Annual Report contains many positive elements and is a significant improvement over previous years' reports as it complies with the National Treasury guidelines in most areas. But we also note areas of deficiency and challenges that remain to be addressed. We encourage and are ready to support the Mayor and Municipal Manager in continuing ULM's record of continuous improvement by addressing the issues noted in our Report.

All in all, the year under review has been one of steady progress despite the many challenges encountered during the period in overview. Councillors have noticed that the Annual Report is presented in a different format as from the 2013/14 financial year and it is somewhat difficult to unpack the strengths and weaknesses of the municipality.

On behalf of the Councillors serving on the Municipal Public Accounts Committee, I would like to congratulate the Mayor, Cnr Nombulelo Lillian Hermans, the Municipal Manager, Mr Amos China Mpela, and his staff for the significant success that is demonstrated by the 2014/15 Annual Report.

On behalf of the Oversight Committee,



COUNCILLOR M.A. SESTILE
CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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 Annexure B: Minutes Oversight Committee meeting held on 01 March 2016;
 Annexure C: Minutes Oversight Committee meeting held on 02 March 2016;
 Annexure D: Invitation and Notification of Public Hearings;
 Annexure E: Publication of 2014/15 Annual Report.

1. Overview and Process

1.1 Legislative Framework

The Municipal Public Accounts Committee is a Section 79 Committee established by Council in terms of Section 79 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended. An Oversight Committee has been populated per Council Resolution 24/08/2011 dated 26 August 2011. This Committee purely functioned as an Oversight Committee for the purposes of producing an Oversight Report on the Annual Report. A Municipal Public Accounts Committee was established by Council per Council Resolution 87/06/2012 dated 20 June 2012 who took responsibility for all MPAC functions. The MPAC was dis-established on 23 September 2014 and re-established by Council resolution 07/09/2014.

In accordance with National Treasury's Circular 32, Committee members received the following information to guide and inform members of their roles and responsibilities in carrying out their oversight functions:

- (i) The 2014/2015 Annual Report;
- (ii) The Municipal Financial Management Act (MFMA), Pocket Version;
- (iii) National Treasury's Circular 32, The Oversight Report;

- (iv) National Treasury's Circular 11, Annual Report: Guidelines;
- (v) The 2014/2015 Integrated Development Plan (IDP);
- (vi) The 2014/15 Service Delivery and Budget Implementation Plan; and
- (vii) The 2014/2015 ULM Budget document.

1.2 Accountability Framework for Local Government

It is important to have a proper understanding of the responsibility framework for municipalities in order to correctly comprehend the purpose of the Oversight Report as it differs from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the culpability framework for local government:

Responsible body / individual	Responsible for	Oversight over	Accountable to
<i>Council</i>	Approving policy and budget	Mayor	Community
<i>Mayor</i>	Policy, budgets, outcomes, management of/oversight over Municipal Manager	Municipal Manager	Council
<i>Municipal Manager</i>	Outputs and implementation	Administration	Mayor (Council)
<i>Chief Financial Officer and Senior Managers</i>	Outputs and implementation	Financial management and operational functions	Municipal Manager

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Financial Management Act, 2003 (Act 56 of 2003) hereinafter referred to as the MFMA, requires the Council to consider the annual report of its municipality and to adopt an "Oversight Report" containing the Council's comments on the annual report. The Oversight Report must include a statement whether the Council:

- (i) Has approved the annual report, with or without reservations;
- (ii) Has rejected the annual report.

1.3 Community Participation Process

The Committee scheduled three Public Hearing meetings on the 23rd February 2016, 01st and 2nd March 2016 in Norvalspont, Noupoot and Colesberg respectively (minutes of each meeting are attached), to:

- (i) review the results of individual reviews;
- (ii) attempt to reach consensus on each of the issues raised; and
- (iii) to review responses to the Committee's questions of the Municipal Manager and his staff and the community's input about the Annual Report.

Additionally, the Committee solicited other input and comments on the Annual Report by inviting all Councillors to attend the Public Hearings to provide their comments and ask questions about the Annual Report. The community members were invited per official notice published in the local media and on the official notice boards to provide their comments, in writing, and/or by attending public meetings of the Committee.

The Committee also had an opportunity in a formal Council meeting to hear the Auditor General's comments on the Annual Report and on his Audit Report for the period 1 July 2014 to 30 June 2015. The MPAC Committee also invited the Audit Committee to present the Committees with their perspective on the Annual Report, and to comment specifically on those report findings related to the performance of the Audit Committee.

The 2014/15 Annual Report was made available to the community and other bodies and same was open for inspection at the following places:

Colesberg:	Main Office Colesberg Library Mongezi Juda Library Multi-Purpose Community Centre
Noupoort	Noupoort Administrative Office Noupoort Library
Norvalspont	Norvalspont Administrative Office
Official Website	www.umsobomvumun.co.za

2. MPAC COMMITTEE

In terms of Council Resolution 07/09/2014 dated 23 September 2014, Council appointed the following Councillors to serve on the MPAC:

- Cllr M.A. Sestile (Chairperson)
- Cllr C. Gronum
- Cllr S. Ngalimani
- Cllr S. Siko

The Committee did not co-opt any person to the Committee to assist with its work to consider the Oversight Report.

The Oversight Committee held meetings on the following dates:

23 February 2016	Norvalspont
01 March 2016	Noupoort
15 March 2016	Colesberg (Dates different from public notice due to non-attendance of public in the Colesberg Civic Centre and inclement weather)

Minutes of these meetings are attached as **Annexures 5 to 7**.

3. Functions of the MPAC

The functions of the MPAC with regard to oversight are to:

- (i) Undertake a review and analysis of the Annual Report.
- (ii) Invite, receive and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- (iii) Consider written comments received on the Annual Report from the public consultation process.
- (iv) Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- (v) Preparation of the draft Oversight Report, taking into consideration the views and inputs of the public, representative(s) of the Auditor General, organs of states, Council's Audit Committee and Councillors.
- (vi) Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.

4. Summary of Positive Aspects of the 2014/15 Annual Report

The Committee believes the 2014/15 Annual Report reflects a substantial and positive improvement in ULM's annual planning, budgeting and reporting processes. It is a significant improvement over the 2010/11, 2011/12, 2012/13 and 2013/14 Annual Reports adopted by Council in January 2012, January 2013, January 2014 and January 2015 respectively. The Report complies with all of the MFMA requirements and with National Treasury's guidelines for annual reports, as contained in Circular 11 issued by National Treasury.

The Committee notes, and commends the ULM management team, for preparing a well-organized and readable document, in the format suggested by National Treasury. It also needs to be mentioned that the current format has been replaced with a new standardised format for all municipalities. The new format has introduced to Council in the 2013/14 financial year and the presentation thereof will gradually improve once all statistical information has been collected and filled out for all the reporting periods. This comparative information is useful tool in assessing improvement, stagnation or deterioration.

5. Content of the 2014/15 Annual Report

The document's organization is an excellent example of the template that is prescribed by National Treasury in Circular 11, including the extensive Functional Service Delivery Report as contained in Annexure A of Circular 11.

Clearly, a substantial amount of high quality work is reflected in the 2014/15 Annual Report. The Committee notes specifically that most of the information required to be included by the MFMA is included. Specifically, the 2014/15 Annual Report contains the following items:

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

Component A: Mayor’s Foreword

Component B: Executive Summary

- ❖ Municipal Manager’s Overview
- ❖ Municipal Functions, Population And Environmental Overview
- ❖ Service Delivery Overview
- ❖ Financial Health Overview
- ❖ Organisational Development Overview
- ❖ Auditor General Report
- ❖ 2014/15 IDP/Budget Process

CHAPTER 2 – GOVERNANCE

Component A: Political and Administrative

- ❖ National Key Performance Indicators-Good Governance and Public Participation
- ❖ Introduction to Governance
- ❖ Governance Structure

Component B: Intergovernmental Relations

- ❖ Intergovernmental Relations

Component C: Public Accountability and Participation

- ❖ Public Meetings
- ❖ Ward Meetings
- ❖ Functionality of Ward Committee
- ❖ Representative Forums

Component D: Corporate Governance

- ❖ Risk Management
- ❖ Anti-Corruption And Fraud
- ❖ Audit Committee
- ❖ Performance Audit Committee
- ❖ Internal Auditing
- ❖ By-Laws and Policies
- ❖ Communication
- ❖ Website
- ❖ Supply Chain Management
- ❖ Disclosure of Financial Interest

CHAPTER 3

Overview of Performance Within Organisation

Introduction to Strategic Municipal Performance for 2014/15

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Component A: Basic Services

- ❖ Water Provision
- ❖ Waste Water (Sanitation) Provision
- ❖ Electricity
- ❖ Waste Management (This Section To Include: Refuse Collections, Waste Disposal, Street Cleaning and Recycling)
- ❖ Housing
- ❖ Free Basic Services and Indigent Support

Component B: Road Transport

- ❖ Roads
- ❖ Waste Water (Storm water Drainage)

Component C: Planning and Local Development

- ❖ Planning
- ❖ Local Economic Development (Including Tourism and Market Places)

Component D: Community & Social Services

- ❖ Libraries and Museums
- ❖ Cemeteries
- ❖ Child Care; Aged Care; Social Programmes

Component E: Security and Safety

- ❖ Public Safety

Component G: Corporate Policy Offices and Other Services

- ❖ Financial Services
- ❖ Human Resource Services
- ❖ Procurement Services

Component H: Service Delivery Priorities for 21015/16

- ❖ Development of a capable institution to respond to community needs
- ❖ Ensure that the municipality id viable
- ❖ Establish and strengthen governance structures
- ❖ Facilitate economic growth in municipal area
- ❖ Ongoing maintenance of municipal infrastructure
- ❖ Provide appropriate services to all households
- ❖ Provide quality and sustainable municipal infrastructure

CHAPTER 4 – NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Introduction to the Municipal Workforce

- ❖ Employment Equity
- ❖ Vacancy Rate
- ❖ Turnover Rate
- ❖ Component B: Managing The Municipal Workforce
- ❖ Policies
- ❖ Injuries, Sickness And Suspensions
- ❖ Performance Rewards

Managing Municipal Workforce

- ❖ Injuries
- ❖ Sick Leave

- ❖ HR Policies and Plans
- Capacitating Municipal Workforce
- ❖ Skills Matrix
- ❖ Skills Development –Training Provided
- ❖ MFMA Competencies
- Managing the municipal Workforce Expenditure
- ❖ Personnel Expenditure

CHAPTER 5 –FINANCIAL PERFORMANCE

Component A: Statements of Financial Performance

- ❖ Financial Summary
- ❖ Financial Performance per Municipal Function
- ❖ Grants
- ❖ Asset Management
- ❖ Financial Ratios based on Key Performance Indicators

Component B: Spending Against Capital Budget

- ❖ Capital Expenditure: Source of Finance
- ❖ Municipal Infrastructure Grants

Component C: Cash Flow Management and Investments

- ❖ Cash Flow
- ❖ Gross Outstanding Debtors per Service
- ❖ Total Debtors Age Analysis
- ❖ Borrowing And Investments

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDING

Component A: Auditor-General Opinion 2013/14

- ❖ Auditor General Report 2013/14

Component B: Auditor-General Opinion 2014/15

- ❖ Auditor General Report 2014/15
- ❖ List of Abbreviations
- ❖ Annexure A: Audited Financial Statements 2014/15
- ❖ Annexure B: Auditor General's Report 2014/15

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6. Summary of Representations received from bodies/individuals

The following table reflects the key written representations received from/made by the respective bodies/individuals relating to the contents of the Annual Report:

Representation Submitted by	Key Issues Raised
Councillors	None.
Auditor General	<u>Emphasis of Matters</u> Restatement of corresponding figures.

	<p>Irregular expenditure. Material losses and impairment. Material inconsistencies in other information included in the annual report. Usefulness of Information in the Annual Performance Report <u>Compliance with Laws and Regulations</u> Budget. Annual financial Statements, performance and Annual Report. Procurement. Internal Control. Leadership. Financial and Performance Management. Expenditure Management</p>
Audit Committee	None.
Public input at Public Hearings	None.
Other spheres of Government	None.

7. Summary of Issues and Concerns with the 2014/15 Annual Report

The List of Issues and Concerns with the 2014/15 Annual Report contains the specific items noted by the Committee. The Committee had a look at the various pieces of legislation and drafted same in a table format to identify compliance and or non-compliance and recommended remedial actions.

Generally, these issues fall into the following categories:

ANNUAL REPORT CHECKLIST

Annual Financial Statements - Section 121(3) & (4) MFMA	For Consideration	Questions	Response	Recommended Corrective Action
121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial statements are required. The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities.	<ol style="list-style-type: none"> 1. Have the financial statements been included? 2. Are the financial statements audited? 3. Have the financial statements been prepared in compliance with applicable accounting standards. 	<ol style="list-style-type: none"> 1. The Annual Performance Report, Audited Financial Statement and Report have been included in the Annual report. 2. The Auditor-General Report on the Financial Statements for 2013/14 is unqualified with matters. 3. The Financial Statements are prepared in terms of GRAP compliance 	<ol style="list-style-type: none"> 1. No action required 2. Audit Action Report has been submitted with the Annual Report 3. No action required
121 (3)(a)	The above applies to the AFS of municipal entities.	N/A	N/A	
121 (3)(b) The Auditor-General's reports on the financial statements of the municipality.		<ol style="list-style-type: none"> 1. Is the audit report included in the tabled Annual Report? 2. If not, when will the audit report be tabled? 3. What are causes of the delays? 4. What actions are being taken to expedite the report? 	<ol style="list-style-type: none"> 1. The Audit Report is included in the Annual Report. The Audit Report was tabled along with the Annual report. The office of the Auditor-General officially handed over the Report on the 1st December 2015 and tabled to Council on the 29th January 2016. 2. N/A 3. N/A 4. N/A 	<ol style="list-style-type: none"> 1. No action required
121 (4)(b)	The above applies to the AFS of municipal entities.	N/A	N/A	N/A

<p>121 (3)(h) Any explanations be necessary to clarify issues in connection with the financial statements</p>	<p>The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also to points below on information in notes to AFS.</p>	<p>1. Taking into consideration the Audit report and the Audit Committee comments, is sufficient explanation of financial issues contained in the notes to the statements?</p>	<p>The Audit Committee and Performance Audit Committee has submitted their reports respectively.</p>	<p>1. No action required</p>
<p>121 (4)</p>	<p>The above applies also to the AFS of municipal entities.</p>	<p>N/A</p>	<p>N/A</p>	

Annual Financial Statements - Section 121(3) & (4) MFMA continue	For Consideration	Questions	Response	Recommended Corrective Action
121 (3)(e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities		<ol style="list-style-type: none"> 1. Has an adequate assessment been included? 2. Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation? 3. Is any other action needed? 	<ol style="list-style-type: none"> 1. The report is included in the Annual report, Finance Department Section of the Annual Report. 2. A dedicated section has been set up to deal with the collection of arrears and targets have been set. <ul style="list-style-type: none"> • Debtors Age Analysis is captured in the Financial Statements. 3. No 	<ol style="list-style-type: none"> 1. No action required 2. Remedial action already implemented • No action required
121 (4)(c)	The above applies also to the AFS of municipal entities.	N/A	N/A	26
121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	<p>The conclusions of the annual audit may be either – - An unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;</p> <p>- A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there</p>	<ol style="list-style-type: none"> 1. Taking into account the audit report, audit opinion and the views of the audit committee, council should consider: <ul style="list-style-type: none"> • To what extent does the report indicate serious or minor financial issues? • To what extent are the same issues repeated from previous audits? • Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? 2. Has a schedule of action to be taken been included in the 	<p>The Annual Audit is unqualified with matters, however, minor management issues were raised and subsequently taken to management for corrective actions to be considered on issues of non-compliance. Refer to Annexure A of the Oversight Draft Report</p> <p>Most of the issues raised in the Management report has been attended to.</p> <p>The Municipality has taken steps ensuring that managers draw up an action plan to address the issues as raised by the AG report.</p>	The Corrective Action Report on the matters is attached in the Audit Committee Report

	may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion.	annual report with appropriate dates? 3. Has the municipality taken steps to address the issues raised in the Audit Report? 4. Has the Audit Report been forwarded to the MEC?		
121 (4)(e)	The above applies also to the AFS of municipal entities.	N/A	N/A	
121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality	Review all other information contained in the Annual Report.	1. Is the other information Report, relevant and accurate?	The Auditor General expressed a concern on the usefulness and reliability of information contained under basic service delivery	
121 (4)(h)	The above applies also to the AFS of municipal entities.	N/A	N/A	
121 (4)(d) An assessment by the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the Municipality	Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, expenditure targets etc. The entity's annual report must include an assessment by the accounting officer, of performance against these objectives. In order to show the linkage between the entity	1. Has the performance met the expectations of Council and the community? 2. Have the performance objectives been met? 3. What explanations have been provided for any non-achievement? 4. What was the impact on the service delivery and expenditure objectives in the budget?	The Municipality does not have any entities, thus any Performance Agreements with an entity are irrelevant.	

<p>121(3)(J) and 121(4)(G) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and it's entities.</p>	<p>and the municipality, the report of the municipality should also include the performance of entities. Council should comment and draw conclusions on performance and explanations provided.</p> <p>Conclusions on these recommendations and actions required should be incorporated in the oversight report.</p>			
		<p>1. Have recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity? 2. What actions need to be taken in terms of these recommendations?</p>	<p>1. The Audit Committee Reports have been attached.</p>	<p>The Audit Committee submitted a separate report on the AFS</p>

Disclosures – Allocations received and made - Section 123 & 125 MFMA	For Consideration	Questions	Response	Recommended Corrective Action
<p>123(1)(a) Allocations received by the municipality from an organ of state, a municipal entity or another municipality.</p>	<p>The AFS must disclose:</p> <ol style="list-style-type: none"> 1. Details of allocations received from another organ of state in the provincial or national sphere, municipal entity or another municipality. 2. Any other allocation made to the municipality under Section 214(1)(c) of the Constitution. <p>Council should comment and draw conclusions on information and explanations provided.</p>	<ol style="list-style-type: none"> 1. Have allocations been received by an organ of state, a municipal entity or another municipality disclosed? 2. Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? 3. Does the audit report or the committee recommend any action? 	<p>The disclosure of grants and subsidies in terms of Section 123 of the MFMA, 2003 (Act 56 of 2003) is captured in the AFS.</p> <p>The audit report confirmed all allocations received.</p> <p>No actions were recommended.</p>	
<p>123(1)(a) Allocations made by the municipality to an organ of state, a municipal entity or another municipality.</p>	<p>The AFS must disclose:</p> <ol style="list-style-type: none"> 1. Details of allocations made to another organ of state in the provincial or national sphere, municipal entity or another municipality. 2. Other information as may be prescribed. <p>Council should comment and draw conclusions on information and explanations provided.</p>	<ol style="list-style-type: none"> 1. Have allocations been made to an organ of state, a municipal entity or another municipality disclosed? 2. Does the audit report confirm the correctness of the allocations made? 3. Does the audit report or the committee recommend any action? 	<p>1. No allocations have been made to an organ of state or other municipality.</p> <p>2. Not applicable.</p>	<p>No actions were recommended.</p> <p style="text-align: right;">29</p>
<p>125 Other compulsory disclosures and information in relation to outstanding debtors and creditors of the municipality and entities.</p>	<p>Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and</p>	<ol style="list-style-type: none"> 1. Are all the compulsory disclosures contained in the notes to the Annual Financial Statements? 2. Does the audit report confirm that the disclosures 	<p>The following amounts owed to the Municipality has been disclosed:</p> <ul style="list-style-type: none"> • Grants received disclosed in the Financial Statement. 	

<p>123 (1)(c) - (f) Information in relation to the use of allocations received</p>	<p>public entities.</p> <p>Other disclosures required; Contributions to organised local labour and amount outstanding at year end.</p> <p>Total amounts paid in audit fees, taxes, levies, duties and pensions and medical aid contributions and whether there were amounts outstanding at year end</p> <p>Name of bank where accounts held and year end balances</p> <p>Summary of investments held</p> <p>Contingent Liabilities Material irregular, fruitless or wasteful expenditure details of unauthorised expenditure particulars of non-compliance with the MFMA</p> <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information</p> <p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:</p>	<p>have been made.</p>	<ul style="list-style-type: none"> • Matters of compliance on MFMA Exemptions are outlined • The following were reported: <ul style="list-style-type: none"> - Contingent Liabilities Material irregular, fruitless or wasteful expenditure - Details of irregular expenditure is attached <p>Information on the bank accounts of the municipality is captured in the notes to the AFS</p> <p>The comments of the Auditor-General are captured in the Auditor-General Report</p>	
		<ol style="list-style-type: none"> 1. Disclosure on how allocations received have been spent per vote 2. Has the Municipality complied with the 	<ol style="list-style-type: none"> 1. Allocations received per vote are captured in the Financial Statements. Expenditure has not been classified by vote. 2. All grants conditions have been complied with. 	

	<p>1. The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects.</p> <p>2. Information stating whether the municipality has compiled with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance are to be provided.</p> <p>3. Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this</p> <p>The Auditor-General will ensure that the audit process included a proper assessment (and reconciliation) on all national</p>	<p>conditions of the grants received?</p> <p>3. Has the Municipality had any allocation per DORA, delayed or withheld?</p> <p>4. Does the Audit report or Audit Committee recommend any action?</p>	<p>3. No allocations in terms of DORA were withheld.</p> <p>4. No action necessary</p>	<p>31</p>
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grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received. The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.

Disclosures – Councillors, Directors and Officials in the notes to the Financial Statements - Section 124 MFMA	For Consideration	Questions	Response	Recommended Corrective Action
<p>124(1) & (2) Information relating to benefits paid by municipality and entity to councillors, directors and officials</p>	<p>Information on the following items is to be included in the notes to the annual report and AFS:</p> <ol style="list-style-type: none"> Salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind; Any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors; Salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; <p>The comments of the Auditor- General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information</p>	<ol style="list-style-type: none"> Have the salaries, allowances and benefits paid to Councillors and the Municipal Manager, CFO and Senior Managers been disclosed? Is there a statement by the Accounting Officer, stating that salaries, allowances and benefits paid to Councillors are within the upper limits of the framework envisaged in section 219 of the Constitution. Have arrears for rates and services owed by Councillors, in which the arrears were for more than 90 days been disclosed including the name of the councillor? Have the salaries, allowances and benefits paid to members of the board of directors, CEO and senior managers of the entity been disclosed? 	<ol style="list-style-type: none"> Salaries and allowances of Councillors, Municipal Manager, CFO and other Senior are disclosed in the AFS. All salaries and allowances of Councillors are within the upper limits as per Government Gazette applicable to the 2014/15 financial year. Councillors arrears for rates are captured in the Financial Statements (Councillor's arrear consumer accounts) N/A - No entities. 	

Municipal Performance	For Consideration	Questions	Response	Recommended Corrective Action
<p>The annual performance reports of the municipality and entities</p>	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. In terms of key functions or services, how has each performed? E.g. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc? To what extent has performance achieved targets set by council? Is the council satisfied with the performance levels achieved? Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings? To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported</p>	<ol style="list-style-type: none"> 1. Has the performance report been included in the annual report? 2. Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report? 3. Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIPP approved for the financial year? 4. What actions have been taken and planned to improve performance? 5. Is the council satisfied with actions to improve performance? 6. Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager? 7. Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? 	<p>N/A - No entities.</p>	<p style="text-align: center;">34</p>

	<p>year been carried over to the current of future years? If so are any explanations been provided by the municipal manager and are these satisfactory?</p>	<p>8. Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective</p>	
<p>Audit reports on performance</p>	<p>Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually.</p>	<p>1. Have the recommendations of internal audit been acted on during the financial year? 2. Have recommendations by the auditor-general been included in action plans to improve performance in the following year?</p>	<p>1. Yes, the recommendation of the Audit Committee, were acted upon, for example, Council had adopted the Audit Plan and Charter. The impendence of the Auditors reporting directly to the MM has been strengthened.</p> <p>2. The Auditor-General has made reference to lack of Performance Audit during the period under review.</p> <p style="text-align: right;">31 31</p>
<p>Performance of municipal entities and municipal service providers</p>	<p>The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered. Is the council satisfied with the evaluation and conclusions of the municipality? What other actions are considered necessary to be taken by the accounting</p>	<p>1. Has an assessment been included in the Annual Report on the performance of the municipal entities? 2. Has an assessment been included in the Annual Report on the performance of all contracted service providers?</p>	<p>N/A</p>

<p>For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality</p>	<p>officers? This is the separate report of the municipal entity an should contain details of service delivery agreements with the municipality and the performance measures therein. Council should consider similar issues to that outlined above for municipal performance of municipal entities. To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP? Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality? What specific actions should be taken by the entity and the municipality to improve performance?</p>	<ol style="list-style-type: none"> 1. Has the entity performed in line with its service delivery agreements? 2. Have the objectives and performance measures of the entity been aligned to the overall strategy of the municipality? 	<p>N/A</p>
<p>36</p>			

General Information	For Consideration	Questions	Response	Recommended Corrective Action
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.	1. Does the annual Report include detailed information on all municipal entities?	N/A	
The use of any donor funding support	What donor funding has the municipality received? Have the purposes and the management agreements for the funding been properly agreed upon? Have the funds been used in accordance with agreements? Has the use of funds been effective in improving services to the community? What actions need to be taken to improve utilisation of the funds?	1. Has there been disclosure of donor funding received in the Annual Report, if applicable?	No donor funding were received, but donations of property were received from SASSA and same has been disclosed in the AFS..	37
Agreements, contract and projects under Private-Public-Partnerships	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.	1. Have details of all PPP's been disclosed in the Annual Report, if applicable?	No PPP's were entered into during the financial year or are currently running as long term contracts.	
Service delivery performance on key services provided	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic	1. Is there a high level summary detailing the overall performance of the municipality against its strategic objectives	The quarterly performance evaluation of the Municipal Manager and that of Managers reporting directly to the Municipal Managers has been	

	<p>objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report or in statistical tables.</p>		done.	
<p>Information on long-term contracts</p>	<p>Details of all long-term contracts including levels of liability to the municipality should be included, council should ensure all information is correctly supplied.</p>	<p>1. Have all long term contracts been disclosed?</p>	No long term contracts	
<p>Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations</p>	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.</p>	<p>1. Have significant IT activities been disclosed?</p>	<p>The Municipality is considering the purchase of the new Financial System to enhance the performance of the Municipality, but that has been postponed to afford National Treasury an opportunity to evaluate all financial systems and make recommendations on suitable systems.</p>	38
<p>Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG)</p>	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should</p>	<p>1. Has a summary of the long-term capital plans been disclosed?</p>	<p>The Long-Term Capital Plans have been disclosed, especially in the Technical Section. However, a more detailed plan would be included in future to</p>	

framework	include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.		capture backlogs in terms of (MIG) and Department of Energy (DE).	
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Other considerations recommended	For Consideration	Questions	Response	Recommended Corrective Action
Supply Chain Management Regulations and Policy Timing of reports	Certain disclosures on Supply Chain matters are required to be included in the Annual Report.	<ol style="list-style-type: none"> 1. Was the Annual Report tabled by 31 January, as per legislative requirements? 2. Has a schedule for consideration of the report been adopted? 	<p>The Supply Chain matters has been disclosed</p> <ol style="list-style-type: none"> 1. The Draft Annual Report was tabled to Council 29 January 2016 2. Council adopted the Draft Annual Report 	
Oversight Committee or other mechanism		<ol style="list-style-type: none"> 1. What mechanisms have been put in place to prepare the oversight report? 2. Has a schedule for its completion and tabling been adopted? 	<p>A schedule for the adoption of the Oversight Report has been adopted by the Oversight Committee</p>	
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager of a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the	<ol style="list-style-type: none"> 1. Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council? 2. If so has a proper evaluation of performance been undertaken? 3. Was the evaluation approved by council? 4. Does the performance evaluation align and 	<ol style="list-style-type: none"> 1. The payment of performance bonuses is subject to the adoption of the Annual and evaluation of managers' performance report by Council. 2. Proper evaluation has been conducted by the Performance Evaluation committee. 3. Evaluation was submitted to Council and subsequently approved. 4. Performance Report submitted to Council and 	40

	<p>annual report. Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.</p>	<p>reconcile with the performance reported in the annual report? It not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</p> <p>5. Are the payments justified in terms of performance reported in the annual report?</p>	<p>approved</p> <p>5. Payments were done in accordance with council approval and outcome of the Performance Assessment.</p>	
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8. RESERVATIONS AND COMMENTS

8.1 Format of Annual Report

A substantial amount of high quality work is reflected in the 2014/15 Annual Report. The Committee notes specifically that most of the information required to be included by the MFMA is included. The Committee is satisfied with the overall format of the Annual Report.

8.2 Performance, Compliance with legislation, Compliance and Control

8.2.1 Performance

The Committee is concerned that the Auditor General raised concerns with regard to the usefulness and reliability of the reported information with regard to Basic Services as per Chapter 3 of the Annual Report with specific reference to the indicators whether same are well defined, verifiable, specific, measureable, time bound and relevant as required by the National Treasury's Framework for managing programme performance information. Centre to the concern of the Auditor General was the lack of sufficient and appropriate evidence in support of the information.

8.2.2 Compliance with Legislation

The Committee is concerned that sufficient reasonable steps were not taken to prevent unauthorised and irregular expenditure as required by Sections 62(1)(d) and 95(d) of the Municipal Finance Management Act. The reservations expressed by the Auditor General with regard to procurement have been taken up with the Chief Financial Officer and is satisfied that the bid in question was drafted in an unbiased manner. Failure by the Auditor General to attend a scheduled meeting to address the concern of the municipality with regard to the matter could have resolved the matter amicably.

8.2.3 Compliance and Control

The Committee is concerned that reasonable steps were not taken to implement sufficient control measures which are regarded as the basis for the findings of the Auditor General in the Annual Report and the compliance with legislation.

8.2.3 Leadership

It is clear from the Annual report that comprehensive and firm political and administrative leadership is required to exercise sufficient oversight responsibility regarding financial and performance reporting and compliance. The Committee is concerned that management failed to implement adequate controls to ensure that goods and services are procured in accordance with the minimum requirements as set by the supply chain management regulations. The Committee is concerned that management failed to ensure that adequate controls are in place to ensure that monies collected for services (pre-paid electricity) are handled and accounted for in accordance with the minimum requirements as set by the policy on handling of cash.

The Committee would like to express its satisfaction with and congratulate management with the unqualified audit report, albeit with emphasis on matters, received from the Auditor General. The Committee concludes that, despite the major achievement of an unqualified audit report that was received from the Auditor General, improvement is still needed in critical areas such as the issues raised by the Auditor General under the heading "Emphasis of Matters". The Committee is of the view that the Management Team should place a high priority on producing an Annual Report in accordance with the MFMA and National Treasury guidelines, and strive to eliminate the emphasis of matters expressed by the Auditor General.

9. Conclusion

The Committee would like to express a word of thanks to the Mayor of the Umsobomvu Council, Councillors, the entire management team of Umsobomvu municipality, the Auditor General, Audit Committee and the Internal Audit Section for their support and co-operation in completing the annual report oversight process. The Committee strongly believes that ULM and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in the following years. The Committee is grateful for the opportunity to be of service to municipality and its citizens.

10. Recommended resolution to be adopted by Council, in accordance with MFMA Section 129 (1):

Having performed the following tasks:

- Reviewed and analysed the Draft 2014/15 Annual Report;
- Considered comments and representations received;
- Received and considered Council's Audit Committee's views and comments on the annual financial statements and the performance report; and
- Prepared the draft 2014/15 Oversight Report, taking into consideration the views and inputs from the public, representatives of the Auditor-General, organs of state, Council's Audit Committee, Councillors and the Accounting Officer

The MPAC has pleasure in presenting the Oversight Report to Council to consider the following resolution:

- (i) Council having fully considered the 2014/15 Annual Report of the Umsobomvu Local Municipality for the 2014/15 financial year, adopts the Oversight Report for the 2014/15 financial year;
- (ii) approves the 2014/15 Annual Report without reservations;
- (iii) the rectification of deviations listed in the Financial Improvement Plan Performance Plans be included in the performance plans of the Municipal Manager and Managers directly accountable to the Municipal,

- (iv) the oversight process be continued on an on-going basis by means of the Municipal Public Accounts Committee (MPAC), and that the MPAC perform a quarterly review of progress towards meeting ULM's IDP and budget commitments, preparation of the following year's annual report, implementation of commitments made in response to the prior year's annual report issues, and any other issues as directed by the Council
- (v) the Oversight Report be made public as provided for in terms of Section 129(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003);
- (vi) the Oversight Report and the final 2014/15 Annual Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003);
- (v) sufficient budgetary provision is made by Council to address the capacity issues raised in the MPAC Report and those raised by the Auditor General

Councillor Mr M.A. Sestile (Chairperson)

Councillor Mr S. Siko

Councillor Mr C.F. Gronum

Councillor Mrs S. Ngalimani

18 March 2016

ANNEXURE A**MINUTES OF THE OF THE PUBLIC HEARING OF THE ANNUAL REPORT
2014/15****NORVALSPONT 23 FEBRUARY 2016****1. OPENING AND WELCOME**

The Chairperson Clr. M.Sestile opens the meeting with a prayer. The Chairperson extends a word appreciation to community members for responding positively to the requests of the meeting and declares meeting open.

2. ATTENDANCE REGISTER

2.1 Councillors present.

2.2 As per the attached Attendance Register

All Members of the Oversight were present.

3. 2012/13 ANNUAL REPORT

The Chairperson, Clr. M.Sestile briefly discussed the purpose and the importance of the Public Hearing .

The Chairperson highlighted the committee's responsibilities as required by the MFMA and National Treasury circulars and also highlights the Legal Framework of the comparison of the performance of the Municipality, each external service provider during the financial year and, the measures were that taken to improve performance. He also mentions that every Municipality and every Municipal entity must prepare an Annual Report in accordance with chapter 6 of the Municipal Systems Act. The Annual report promotes accountability of the local government of the decision made through the year by the municipality or municipal entity. The Chairperson tables the Annual Report.

The Community members accepted the Oversight Report. On proposal by Mpumelelo Afrika seconded by Desi Dambha, the report is approved.

Issues raised at the meeting are of operational type and not related to the 2014/15 Annual Report.

4. CLOSURE

The Chairperson closes by allowing members of the community to give input on the tabled report.

Several inputs were posted on the Annual report by community members after whom the meeting adjourned at approximately 18.10.

MINUTES APPROVEDDAY OF 2015

COUNCILLOR M.A. SESTILE
CHAIRPERSON MPAC

MINUTES OF THE PUBLIC HEARING OF ANNUAL REPORT 2014/15

NOUPOORT: 1 MARCH 2016

1. OPENING AND WELCOME

The Chairperson Clr. M.Sestile extends a word of welcome to all Community members and the oversight committee members. The Chairperson proceeds by requesting a member of the community to open the meeting with a prayer. Community member does a prayer and upon conclusion, the Chairperson extends a word of appreciation to Community member and declares the meeting open

2. ATTENDANCE REGISTER

2.1 Councillors present.

2.2 As per the attached Attendance Register

All Members of the Oversight were present.

3. 2014/15 ANNUAL REPORT

The Chairperson, Clr. M.Sestile briefly discussed the purpose and the importance of the Public Hearing .

The Chairperson explains the committee's responsibilities as required by the MFMA and National Treasury circulars and also highlights the Legal Framework of the comparison of the performance of the Municipality, each external service provider during the financial year and, the measures that were taken to improve performance. He also mentions that every Municipality and every municipal entity must prepare an Annual Report in accordance with chapter 6 of the Municipal Systems Act. The Chairperson highlighted that the Annual reports promotes accountability of the local government of the decision made through the year by the municipality or municipal entity. The Chairperson tables the Annual Report.

The Community members accepted the Oversight Report on proposal by Nontobeko Dywili seconded by Pamela Mqakathi.

4. CLOSURE

The Chairperson closes by allowing members of the community to give input on the tabled report.

No inputs have been raised on the 2014/15 Annual Report, and in the absence of inputs, the meeting adjourned at 16.10.

MINUTES APPROVED THIS.....DAY OF2016

M.SESTILE

CHAIRPERSON

MINUTES OF PUBLIC HEARING OF THE ANNUAL REPORT 2014/15

COLESBERG: 15 MARCH 2016

1. OPENING AND WELCOME

The Chairperson Clr. M.Sestile extends a word of welcome to all community members and the Oversight Committee members. The Chairperson proceeds by requesting a member of the community to open the meeting with a prayer. A community member, Mr Xolile Jonkile, does prayer and upon conclusion, the Chairperson extends a word of appreciation to community member. The Chairperson extends a word appreciation to Mr Xolile Jonkile and declares the meeting open.

2. ATTENDANCE REGISTER

2.1 Councillors present.

2.2 As per the attached Attendance Register

All Members of the Oversight were present.

3. 2014/15 ANNUAL REPORT

The Chairperson, Clr. M.Sestile briefly explains the purpose and the importance of the Public Hearing .

The Chairperson explains the committee's responsibilities as required by the MFMA and National Treasury circulars and also highlights the Legal Framework of the comparison of the performance of the Municipality, each external service provider during the financial year and, the measures that were taken to improve performance. He also mentions that every municipality and every municipal entity must prepare an Annual Report in accordance with chapter 6 of the Municipal Systems Act. The Chairperson highlighted that Annual reports promotes accountability of the local government of the decision made through the year by the Municipality or Municipal entity. The Chairperson tables the Annual Report.

The Community members accepted the Oversight Report on proposal by Mpumelelo Afrika seconded by Desi Dambha.

4. CLOSURE

The Chairperson closes by allowing members of the community to give input on the tabled report.

Several inputs were posted on the Annual report by community members, which were not related to the 2014/15 Annual Report. The meeting adjourned at approximately 18.05.

MINUTES APPROVED.....DAY OF2016

M.SESTILE

CHAIRPERSON

ANNEXURE D**UMSOBOMVU MUNICIPALITY: PUBLIC NOTICE****INVITATION TO SUBMIT COMMENTS ON THE 2014/15 DRAFT ANNUAL REPORT**

Notice is hereby given to the general public, interest groups and role-players in terms of Section 21A of the Local Government: Municipal Systems Act, 2000 Act 32 of 200) and Section 127 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that the Draft Annual Report for the financial year 2014/15 lies open for inspection at the various municipal offices and public Libraries. The public and interest groups are requested to submit written comments on the report to the Municipal Manager on or before 4 March 2016 at close of business. Persons who cannot read or write will be assisted to submit.

UMSOBOMVU MUNISIPALITEIT: PUBLIEKE KENNISGEWING**UITNODIGING OM VOORLEGGINGS IN TE DIEN OP DIE 2014/15 KONSEP
JAARVERSLAG**

Kennis geskied hiermee aan die publiek in terme van Artikel 21A van die Plaaslike Regeringswet op Munisipale Sisteem, 2000 (Wet 32 van 2000) en Artikel 127 van die Plaaslike Regeringswet op Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) dat die 2014/15 Konsep Jaarverslag ter insae lê by die munisipale kantore en openbare biblioteke. Die publiek en belangegroep word uitgenooi om skriftelike kommentaar in te dien na die Munisipale Bestuurder oor die verslag voor of op 4 Maart 2016 teen sluit van besigheid. Persone wie nie kan lees of skryf nie sal bystand verleen word om voorleggings te maak.

A.C. MPELA**MUNISIPALE BESTUURDER**

Notice No. Kennisgewing Nr 5/2016

Date/ Datum: 1 February / Februarie 2016

ANNEXURE E**UMSOBOMVU MUNICIPALITY: PUBLIC NOTICE****UMSOBOMVU MUNISIPALITEIT: PUBLIEKE KENNISGEWING****2014/15 ANNUAL REPORT – 2014/15 JAARVERSLAG**

Members of the public are herewith notified in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that the municipality has scheduled Public Hearings on the 2014/15 Annual Report that was made public per notice 5/2016 dated 1 February 2016. These Hearings have the purpose to afford the public an opportunity to present submissions and inputs on the Annual Report.

Lede van die publiek word hiermee in terme van Hoofstuk 4 van die Plaaslike Regering: Munisipale Sisteem Wet, 2000 (Wet 32 van 2000) in kennis gestel dat die munisipaliteit Publieke Verhore gereël het ten opsigte van die 2014/15 Jaarverslag wat geadverteer is per kennisgewing 5/2016, gedateer 1 Februarie 2016. Die Verhore het ten doel om die gemeenskap 'n geleentheid te bied om voorleggings te doen op die Jaarverslag.

The Hearings are scheduled as follows:

Die datums vir die verhore is as volg geskeduleer:

<u>Norvalspont:</u>	23 February/ Februarie 2016, Clubhouse/klubhuis at/om 14:00;
<u>Noupoort:</u>	29 February/ Februarie 2016, Hutchinson Hall/gemeenskapsaal at/om 14:00;
<u>Colesberg:</u>	25 February/ Februarie 2016, Civic Centre/Burgersentrum at/om 14:00

A.C. MPELA

MUNICIPAL MANAGER/MUNISIPALE BESTUURDER

Date/Datum: 23 February/Februarie 2016

Notice Nr./Kennisgewing No.10/2016