



**ABAQULUSI
MUNICIPALITY**

**PUBLIC NOTICE
2021/2022 OVERSIGHT REPORT ON THE 2021/2022 ANNUAL
REPORT**

Notice is hereby given in terms of section 129 (3) of the Local Government: Municipal Finance Management Act 56 of 2003, that AbaQulusi Oversight Report on the 2021/2022 Annual Report was tabled before the Municipal Council on the 31 of March 2023 and was adopted without reservations.

In terms of Section 127 (5) (a) (i) (ii) (iii) of the Municipal Finance Management Act 56 of 2003 and Section 21A of the Municipal Systems Act 32 of 2000, the copies of the Oversight Report are available for public inspection from the 3rd of April 2023 to the 24th of April 2023 on the municipality's website, www.abaqulusi.gov.za under documents and at the following municipal access points:

Vryheid Head Office, Vryheid Library, eMondlo Office, eMondlo Library, Bhekuzulu Library
Louwsburg Hall, and Coronation Office



**THE MUNICIPAL MANAGER
MR. ZG DHLAMINI**

Notice No. 09 of 2023



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

MPAC OVERSIGHT REPORT

ENQUIRIES	:	MPAC CHAIRPERSON
REFERENCE	:	
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DATE	:	06 MARCH 2023

TO : COUNCIL

SUBJECT : MPAC OVERSIGHT REPORT

1. PURPOSE

To consider the Annual Report for the 2021/2022 financial year and to adopt an Oversight Report containing Council's comments on the Annual Report in terms of section 129 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter indicated as MFMA).

It's an honour to stand before you as an MPAC Chairperson to present the MPAC oversight report for the 2021/2022 annual report. The committee took significant effort to scrutinise and interrogate the annual report as prepared and presented by the officials. Furthermore assessment were more specifically to determine whether service delivery is at outmost best rendered to the community and value for money and transparency principles are emulated throughout the 2021/2022 financial year.

2. BACKGROUND

A. Legal Requirements

Section 121(1), (2) and (3) of the MFMA determines as follows:

121(1) Every Municipality must for each financial year prepare an Annual Report. The Council must within nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

The purpose of an annual report is:-

- (a) To provide a record of the activities of the municipality during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality for the financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

The annual report of a municipality must include-

- (i) The annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
- (ii) The Auditor-General audit report in terms of section 126(3) on those financial statements;
- (iii) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;
- (iv) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act, (Act 32 of 2000);
- (v) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
- (vi) An assessment by the municipality's Accounting Officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;
- (vii) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (ii) and (iv);
- (viii) Any explanations that may be necessary to clarify issues in connection with the financial statements;
- (ix) Any information as determined by the municipality;
- (x) Any recommendation as determined by the municipality; and
- (xi) Any other information as may be prescribed.

In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled; make public the annual report, invite the local Community to submit representations in connection with the annual report and submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

According to section 129(1) of the MFMA, the Council must consider the Annual Report by no later than two months from the date on which the annual

report was tabled, adopt an oversight report containing the Council's comments on the annual report which must include a statement whether-

- ✓ *The Council has approved the Annual Report with or without reservations;*
- ✓ *Has rejected the Annual Report or*
- ✓ *Has referred the Annual Report back for revision of those components that can be revised.*

3. PROCESS

a) Submission and tabling of the Annual Report

The Draft Annual Report of the Municipality for the 2021/2022 financial year was tabled at the Ordinary Council Meeting, on **26 January 2023** in terms of section 127(2) of the Local Government: Municipal Finance Management Act, 56 of 2003.

Council resolved the following:

- (a) Council considers the 2021/2022 Draft Annual Report
- (b) The MPAC prepares an oversight report guided by section 129 of the MFMA 56 of 2003 on the annual report and makes a submission to the council within 60(sixty) days from the date of the annual report tabling.

b) The MPAC

The Municipal Public Accounts Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998.

The members of MPAC are as follows:

Cllr M Viktor (Chairperson)	Cllr E Cronje
Cllr HV Khumalo	Cllr BP Buthelezi
Cllr PP Selepe	Cllr BE Ndlela
Cllr NP Ndlela	Cllr MD Buthelezi
Cllr CB Hlatshwayo	

The MPAC analyses and reviews the annual report in detail before tabling the report to Council for consideration.

In terms of the resolution by Council to comply with section 127 (2) the annual report was made public:

- ✓ The public notice was advertised on the local newspapers to invite community members to submit comments / objections regarding the Draft Annual Report from **02nd of February 2023 to the 16th of February 2023** and no comments or objections were received.
- ✓ The Annual Report was placed at all the Municipal satellite offices, and on the municipal website.
- ✓ The Annual Report was submitted to the relevant government departments.

At the closing date for public comments on **16 February 2023**, no representations had been received.

The MPAC working session met on the **08 February 2023 at 10am** whereby the draft Annual report was reviewed and further scrutiny was performed on the document and the following were highlighted to be considered on the annual report:

- ✓ On page 7, Mayors foreword, "30 June 2021" and "2020/21" must be restated as "30 June 2022" and "2021/22" respectively.
- ✓ On page 16, Municipal overview the number of wards should be restated to "23" instead of "22".
- ✓ On page 21, the table on service delivery highlights does not indicate the actual amount spent on the projects.
- ✓ No mention of the Supply Chain Management unit size of workforce, how capacitated the unit is in terms of competency required and what trainings will be undertaken.
- ✓ On page 25 of the Annual Report, Municipal Overview, water leaks have not been included as reason for loss of income.
- ✓ On page 56 Risk Management, "collation" to be rephrased as "collection".
- ✓ On page 66 of the Annual Report on Governance, No public satisfaction survey conducted on municipal services.
- ✓ On page 78 of the Annual Report on service delivery performance, there is no indication on the status of gravel and tarred roads for the 2021/22 financial year.
- ✓ On page 81 of the Annual Report on service delivery performance, there is no indication on the status of storm water for the 2021/22 financial year.
- ✓ On page 157, there are manager's positions that are not specified which have been filled such as Manager Thusong centres, Asset Manager.
- ✓ On page 158, recently adopted policies are not uploaded on the municipal website.
- ✓ On page 158 – 159 Policies and Plans, "police" must be rephrased to "policy"
- ✓ On page 160, no injuries were reported, however consultation with relevant department indicated otherwise.
- ✓ Request to provide training/policy workshop to MPAC members on all finance related policies and real estate.

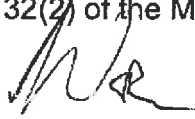
4. RECOMMENDATIONS

4.1 that the oversight report on the annual report of 2021/2022 be adopted in terms of section 129 (1) of the local government municipal financial management act (MFMA act no 56 of 2003);

4.2 that the annual report for 2021/2022 financial year be adopted with corrections made on the findings paragraph 3.

4.3 that the 2021/2022 oversight report and annual report of the municipality be made public in terms of section 129(3) of the MFMA, and uploaded on the municipal website

4.4 that the oversight report and annual report 2021/2022 be submitted to the relevant provincial departments, provincial legislature and AGSA in terms of section 132(2) of the MFMA



CLLR. M VIKTOR
MPAC CHAIRPERSON