



# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

## OVERSIGHT REPORT ON THE MUNICIPAL ANNUAL REPORT 2019/20- JUNE 2021

BY SERVING WE GOVERN

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## **1. INTRODUCTION**

The Municipal Public Account Committee (MPAC) has the responsibility to provide oversight to support the performance of the municipality in terms of the legislative requirements. On the 12<sup>th</sup> May 2021, the Executive Mayor tabled in the council of John Taolo Gaetsewe District Municipality the 2019/20 Annual Report.

Council considered the report and referred it to the Municipal Public Account Committee (MPAC) for review and compilation of the Oversight report, as per Council Resolution No.

Once tabled, the Annual Report must be subjected to public participation, conducted by the Municipal Public Accounts Committee (MPAC). The oversight report on the tabled Annual Report must be submitted by the Municipal Public Accounts Committee (MPAC) to Council within two months of tabling.

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the Council to consider the Annual Report and to adopt an Oversight Report containing the Council's comments on the Annual Report not later than two months from the date on which the annual report was tabled in the council in terms of section 127 of the MFMA, adopt an oversight report containing the council 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
- Has referred the annual report back for revision of those components that can be revised

As required by section 129 (2)(a) of the MFMA, the Municipal Manager did attend the council and council committee meetings where the annual report was discussed, for the purpose of responding to questions concerning the report.

## 2. CHAIRPERSON'S FOREWORD

John Taolo Gaetsewe District Municipality' Municipal Public Accounts Committee (MPAC) members, are committed in playing their oversight role with great determination and dignity, in a manner that is fair and just, within the John Taolo Gaetsewe District Municipality.

For the year under review, the committee had several meetings, at which all matters referred to the Committee by Council were considered. The attendance by members of the committee was satisfactory and the following are, amongst others, matters that were considered and concluded on by the Committee:

1. Consideration of the 2019/20 Annual Report
2. Investigations of the unauthorized, irregular, fruitless and wasteful expenditures (2019/20 financial year)

The reports on investigations conducted were submitted to Council and have been resolved upon.

This report therefore seeks to outline and detail the overall outcome of the processes followed by the committee, in playing its oversight role on the Annual Report 2019/20 as legislatively required.

## 3. PROCESS FOLLOWED BY THE MPAC

The Committee based its work on the following documents:

- 3.1 Council Resolution No. F08.12/05/2021
- 3.2 2019/20 Annual Report including:
  - Performance report 2019/20
  - Annual Financial Statements 2019/20
  - Auditor General's report 2019/20
  - Audit Action Plan 2019/20
  - Audit committee report – 2019/20
- 3.3 Section 129 of the MFMA
- 3.4 NT's Circular 32 – The Oversight Report
- 3.5 Treasury' Annual report checklist

### ANNUAL REPORT CHECKLIST

The Committee held two (2) meetings during June 2021 i.e., on the 9<sup>th</sup> and 24<sup>th</sup> June 2021, at which the 2019/20 Annual Report was considered.

During the meeting on the 9<sup>th</sup> June 2021 the committee resolved as follows:

1. *That council support the explanations provided for delayed tabling of the Annual Report*
2. *That the committee take note that;*
  - a. *the Annual Report has been made public and representations invited from the local community.*
  - b. *that the process as per a. above is still ongoing and is scheduled to close on 24<sup>th</sup> June 2021.*

3. That the committee reconvenes upon closure of the process as per 2. above, to consider the Annual report for purposes of compiling an Oversight report.

The meeting as per resolution 3. above was held on the 24<sup>th</sup> June 2021, at which this Oversight Report was compiled.

The oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires council to adopt an oversight report with a statement whether the council:

- a. Has approved the annual report with or without reservations
- b. Has rejected the annual report
- c. Has referred the annual report back for revision of those components that can be revised

The table below, seeks to outline the MPAC findings on the Annual Report

No	Question	Yes	No	Comments
1	Was the annual report submitted to auditor General, together with the financial statements by 31 <sup>st</sup> August?	✓		
<b>CHAPTER 1</b>				
2	Does chapter 1 of the annual report include: -The Mayor/executive mayor's foreword, -The Municipal manager's foreword? -Municipal overview?	✓		
<b>CHAPTER 2</b>				
3	Does Chapter 2 of the Annual report include the Governance Structures both political and Administrative?	✓		
4	Does chapter 2 of the annual report include details of the intergovernmental relations?	✓		
5	Does chapter 2 on the Governance in the annual report include the details on all public accountability and public participation meetings and IDP participation and alignment?	✓		
6.	Does chapter 2 on Governance in the annual report address risk management issues?	✓		
7	Does chapter 2 of the annual report address anti-corruption and fraud?	✓		

No	Question	Yes	No	Comments
8	Does chapter 2 on Governance in the annual report address Supply Chain Management issues?	✓		
9	Does chapter 2 on Governance in the annual report address By-laws?	✓		
10.	Does chapter 2 on Governance in the annual report address the website where the information is available?	✓		
11	Does chapter 2 on Governance in the annual report share information on public satisfaction on municipal services?	✓		
12	Does chapter 2 in the annual report address the municipal oversight committees?	✓		
<b>CHAPTER 3</b>				
13	Does chapter 3 in the annual report demonstrate what service delivery has been achieved and what is outstanding?	✓		
14	In Chapter 3 of the annual report, are the service delivery issues structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievement against budget and SDBIP?	✓		
<b>CHAPTER 4</b>				
15	Does chapter 4 of the annual report provide information pertaining to the implementation of an effective performance management system, organisational development and performance of the municipality?	✓		
16	Does chapter 4 of the annual report provide information on planning, service delivery, organisation, Job evaluation, remuneration, benefits personnel expenditure, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill health?	✓		
17	Does chapter 4 of the annual report provide information to identify skills gaps and plans for the development of such skills?	✓		

No	Question	Yes	No	Comments
<b>CHAPTER 5</b>				
18	Has chapter 5 of the annual report on financial performance include information divided into the following framework: <ul style="list-style-type: none"> <li>a) Statement of financial performance</li> <li>b) Spending against capital budget</li> <li>c) Cash flow management and investment</li> <li>d) Other financial matters?</li> </ul>	✓		
<b>CHAPTER 6</b>				
19	Does chapter 6 of annual report include the Auditor General's Report as submitted by the Auditor General?	✓		
20	Does Chapter 6 of annual report details on issues raised during the previous financial year by the Auditor General?	✓		
21	Does chapter 6 of the annual report include remedial action taken to address issues raised during the previous financial year by Auditor General and preventative measures?	✓		
<b>APPENDICES</b>				
22	Is the Appendix A on Councillors; Committee allocation and council attendance included?	✓		
23	Is an Appendix B on Committee and Committee purpose included, listing all committees of council, the purpose of each and the names of councillors serving on the and the attendance of each councillor?	✓		
24	Is an Appendix C includes an organogram of the administrative structure?	✓		
25	Is an Appendix D included on what constitutes a municipal function and the applicable functions of the municipality?	✓		

No	Question	Yes	No	Comments
26	Is an Appendix E on ward reporting included with information on the functions of ward committees, the sector of the community representation, report submitted by each of these committees challenges experienced and the measures taken to address them?		*	Not applicable to JTG District Municipality
27	Is an Appendix F on Ward information included outlining the name /number of the ward, listing the seven largest projects in each ward with start and end dates, their total value, progress and information on the top four delivery priorities per ward?		*	Not applicable to JTG District Municipality
28	Is an Appendix G included on recommendations of the audit committee, those adopted, those that were not adopted and the meetings held?	✓		
29	Is Appendix H included on the information related to the largest projects, agreements and contracts and Public, Private Partnerships?		*	No long-term contracts were entered into during 2019/20.  There are no public private partnerships.
30	Is an Appendix I include service provider performance schedule from the top four priority indicators in the IDP?	✓		
31	Is an Appendix J included with senior manager's disclosures of financial interest?	✓		
32	Is Appendix K included on Revenue collection by votes and by source based on prior year and current year actual collections?	✓		
33	Is Appendix L included on conditional grants received (excluding MIG) received during the year indicating adjustments budget and the actual, showing percentage variances and any major conditions applied by donors on each grant?	✓		
34	Is an Appendix M included on capital expenditure: a) On new assets programme b) On upgrade/renewal programmes showing the actual of the prior year, the adjusted budget and actual expenditure in the current year?	✓		



No	Question	Yes	No	Comments
35	Is an Appendix N on all capital projects in the current financial year, indicating the adjusted budget, actual in the current year and the variance?	✓		
36	Is an Appendix O included on all capital projects per ward in the current financial year and if work was completed or not?	✓		
37	Is an Appendix P included on service connection backlogs at schools and clinics with their names and location?		*	Function is performed by local municipalities
38	Is an Appendix Q included with all service backlogs experienced by the community where another sphere of government is responsible for providing the service?	✓		
39	Is an Appendix R included listing all organisations or person in receipt of loan and grants, from the municipality stating the nature of the projects funded, conditions attached and the rand value?	✓		
40	Is an Appendix S included listing all monthly MFMA S71 budget statement not submitted in time?	✓		
41	Is an Appendix T included for powers and functions not covered in other sections of the annual report?		*	n/a
<b>VOLUME 2</b>				
42	Have all components of the audited financial statements as signed by the Auditor General, been included in the annual report in Volume 2?	✓		

The committee considered the fact that the municipality received an **Unqualified Audit with no findings audit outcome for 2019/20 financial year**. This means that Financial Statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation.

#### **4. PUBLIC PARTICIPATION**

The committee considered the requirements of section 127(5) of the Municipal Finance Management Act (MFMA), and confirmed;

- a. that the Annual Report was made public and submitted to the relevant institutions as required
- b. No comments were received from the local community as at the date of the sitting of the committee.

## 5. RECOMMENDATIONS

- 5.1. That Council approves the Annual Report 2019/20 without reservations
- 5.2. That the oversight report be submitted to relevant stakeholders

Signature



Cllr. H. KGOPODITHATE

**MPAC CHAIRPERSON**