



The home of harmony, prosperity and growth

OVERSIGHT REPORT

2019/2020 ANNUAL REPORT

Prepared by:

THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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- ✓ Public Notice on availability of draft Annual Report.
- ✓ Acknowledgement of receipt of the Ngwathe Local Municipality's Annual Report by Auditor General.
- ✓ Assessment sheet of the Ngwathe Local Municipality's Annual Report by Free State Cooperative Governance and Traditional Affairs Department
- ✓ Public Notice on Annual Report Public Consultation Session.
- ✓ Attendance Statistic of Public Consultations: (Annexure E)

OVERSIGHT REPORT REPORTED TO NGWATHE LOCAL MUNICIPALITY COUNCIL ON 28th MAY 2021

FOREWORD BY CHAIRPERSON OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Madam Speaker, Executive Mayor, Councillors and officials

It is my great privilege that I should present today the Oversight Report on the Annual Report for the period of 2019/2020 financial year on behalf of the Municipal Public Accounts Committee (MPAC). Let me extend my gratitude to all officials for the great co-operation that they gave to MPAC.

MPAC of Ngwathe Local Municipality is a functional committee that considers matters of good governance and financial oversight is given a high priority in its dealings.

Allow me to quote Jim Rohn **“The challenge of leadership is to be strong, but not rude; be kind, but not weak; be bold, but not bully; be thoughtful, but not lazy; be humble, but not timid; be proud, but not arrogant; have humour, but without folly.”** As we close the chapter bestow upon us as these MPAC collective in Council on the 30th September 2016, we can safely pride ourselves that we indeed tried to live to the expectation of what Jim Rohn meant. We provided leadership with humour, dignity and pride. We rose to the occasion during difficult periods in the execution of our work. We remained strong and confident. It was indeed a journey well-travelled.

I therefore, confirm that the Annual Report of Ngwathe Local Municipality was assessed with due attentiveness and proper coordination, by all MPAC members. The MPAC fulfilled its obligations in terms of the Municipal Structures Act no. 117 of 1998 and the Municipal Finance Management Act no. 56 of 2003 on the subject of oversight exercise. The review process included a page by page scrutiny where questions for clarity were identified and asked from the Directors and other affected employees. It also reviewed the Annual Financial Statements for accuracy and compliance. MPAC then came to the conclusion that the Annual Report of 2019/20 was an honest and detailed reflection of Ngwathe Local Municipality's past year performance and it complied with the legal framework as prescribed in the MFMA.

Please allow me again to extend appreciation to the Mayor, the Mayoral Committee, the Audit Committee and the Internal Audit Unit for the role they played in the oversight of the Annual Report.

The efforts of the Accounting Officer (the Municipal Manager) and his team are commended in this respect.

In assessing the Annual Report which includes the Annual Financial Statements of 2019/2020, the MPAC paid particular attention to the following areas:

- Financial Performance
- Non-financial Performance
- Legal Requirements
- Mistakes/Errors picked up

- Inputs made by the public

The Ngwathe local municipality MPAC has identified the following priority areas for the forthcoming audit periods, namely,

- Performance monitoring.
- The strengthening of the capacity support to MPAC through training.
- Ensuring that a clean audit opinion is achieved by extending the oversight efforts of the MPAC throughout the Municipality

For transparency purpose and the acknowledgement of all Councillors and interested public members present here today, I therefore table this report.

Signed:

MPAC CHAIRPERSON: Councillor Matjhini Toyi:

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1. BACKGROUND

According to the Municipal Finance Management Act and Municipal Systems Act each municipality and their entities must prepare an annual report for each financial year. The reasons for developing the Annual Report, are as follows:

- the provision of a record of the activities of the municipality.
- the provision of a service delivery performance report against the budget.
- the provision of information that supports the revenue and expenditure decisions made; and
- to promote accountability to the local community for decisions reached by the council.

2. THE ANNUAL REPORT

It is a tool that is meant for the Council to reflect on the past year's financial performance. It must also demonstrate effective budget implementation as well as the results of service delivery initiatives for the financial year in question.

The tabling of the Annual report should include four main components of which each has an important function in the promotion of accountability and good governance.

The main components are as follows:

- The annual performance report as required by section 46 of the Municipal Systems Act.
- Annual Financial Statements submitted to the Auditor-General;
- The Auditor-General's report on the financial statements in terms of section 126(3) of the Municipal Financial Management Act and
- The report of Auditor-General according to section 45(b) of the Municipal Systems Act.

In the annual reporting process of a Municipality, the development of the Oversight Report is the final step. For each Annual Report, the Council is required by section 129 of the Municipal Financial Management Act (MFMA) to consider the Annual Report of the Municipality as well as its entities and to adopt an oversight report which contains the Council's comments.

The oversight report must have within it a statement detailing whether the Council:

- has approved the Annual Report, with or without the reservation;
- has rejected the Annual Report or has referred the annual report back for revision of those components that can be revised or has,
- rejected the Annual Report.

The Oversight report is thus clearly distinguished from the Annual report. This Annual Report is submitted to the Council by the Accounting Officer and the Mayor and is part of the process of discharging accountability by the executive and administration for their performance in achieving the goals set by Council. The oversight report is a report of the Municipal Council and follows consideration and consultation on the Annual Report, by the Council itself. Thus the full accountability cycle is completed and the separation of powers is preserved to promote effective governance and accountability.

3. APPOINTMENT OF MPAC

The MPAC was appointed by a resolution of the Council of the 2016, to perform oversight function on behalf of the Council.

In terms of that Council Resolution, the MPAC comprises of the following members:

Chairperson:	Councillor M Toyi
Members	Councillor R Mehlo Councillor A Schoonwinkel Councillor M Magashule Councillor M Mofokeng Councillor V De Beer Councillor B Thene

4. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

As far as the Annual Report is concerned, MPAC is required to perform the following functions,

- review and analyse the Annual Report.
- look at and consider written comments received on the Annual Report from the public consultation processes.
- conduct public hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Receive and consider views and comments of the Council's Audit Committee on the annual financial statements and the performance report.
- prepare the Oversight Report, taking into consideration, the views and inputs of the public, representative(s), of the Auditor- General, organs of state, Council's Audit Committee and Councillors.

5. THE PROCESS OF ASSESSMENT OF THE ANNUAL REPORT

The Draft Annual report for 2019/2020 was tabled at the Council meeting held on 31 March 2021, where it was resolved as follows:

- that the Annual Report for 2019/2020 be made public in terms of section 127(2) of the MFMA and that the local community be invited to submit representations in connection therewith;
- that the Draft Annual Report be submitted to the next meeting of the Ngwathe Local Municipal Public Accounts Committee (MPAC) for analysis and review.

In dealing with the tabled Annual Report, the Council is required to adopt an oversight report by not later than two months from date of tabling, which for the 2019/2021 annual report will be 28 May 2021

6. ADVERTISING PROCESS

After the Council meeting of the 31 March 2021 and in response to the Council resolution taken at that meeting, the Ngwathe Local Municipality Annual Report for 2019/2020 was made public in terms of section 127(2) of the MFMA and the local community was invited to submit representations in connection therewith.

Official notices advising where the Annual reports could be viewed, were placed in the municipal website, municipal site offices and the municipal main building Notice Boards and submissions were invited from the public on the document. The closing date for their inputs and comments was 30th April 2021

Copies of the Annual Report were placed in the Municipality website.

Copies of the report were also forwarded to the following as per the MFMA:

Auditor General. (See Annexure)

Provincial Treasury

Provincial Department of Cooperative Governance and Traditional Affairs.

A copy was also forwarded to National Treasury in compliance with MFMA Circular 63/2012.

The Ngwathe Local Municipality adopted a public meetings scheduled starting from the 04th May till 12 May 2021 in the towns making up the municipal jurisdiction.

A. COMMENTS RECEIVED FROM STAKEHOLDERS AND PUBLIC CONSULTATION

The following constitute comments received from the stakeholders and community meetings held from the 4th –to 12th May 2021 in response to Section 172 (2) of the MFMA (*see annexure E*)

- A need for fixing of roads infrastructure to address potholes.
- Electricity theft.
- Poor water quality and distribution
- Lack of housing opportunities
- Continued vandalism at sports complexes
- Lack of employment opportunities
- Unfinished sports complexes

A. COMMENTS FROM THE FREE STATE COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

None

7. FINDINGS OF MPAC.

There is a need for Council to:

- Secure funding, relevant skills and technical expertise to ensure smooth service delivery.
- Create more awareness programmes to ensure clean environment.
- Encourage greater progress in revenue collection so that there is cash available for procuring the necessary tools for staff to address basic service delivery.
- Explore innovative means of improved service delivery with the local partners being involved through the IGR Forum.

- Explore investment opportunities to enhance economic growth and development.
- Explore possible avenues to grow the municipality tax base.
- Work towards sustainable water distribution and blue drop status
- Create partnership with organised sports bodies for the management of sport facilities.

8. RECOMMENDATIONS TO BE ADOPTED BY COUNCIL IN ACCORDANCE WITH SECTION 129(1) OF THE MFMA

- That cognisance be taken of the Oversight Report on the 2019/2020 Annual Report of the Ngwathe Local Municipality;
- That Council, having fully considered the Annual Report referred to above, adopts the Oversight Report;
- That the 2019/2020 Annual Report of the Ngwathe Local Municipality be adopted without reservation;
- That the Oversight Report be made public in accordance with section 129(3) of the Municipal Finance Management Act (Act 56 of 2003);
- That the Oversight report be submitted to the Provincial Legislature in accordance with section 132(2) of the Municipal Finance Management Act (Act 56 of 2003).
- That Council considers and advise on the findings of MPAC that are outlined above.

9. CONCLUSION

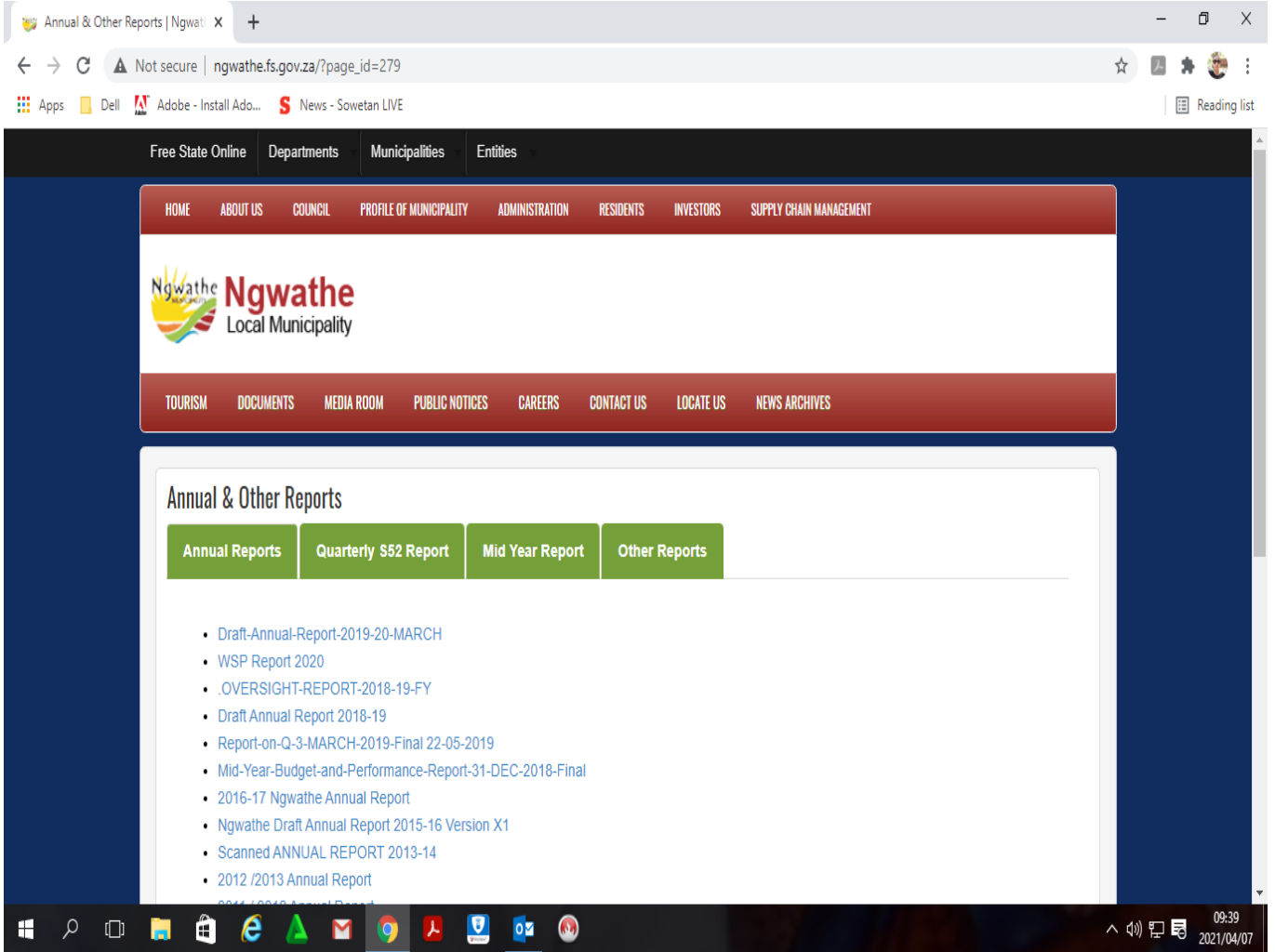
- ✓ The MPAC, having performed the following tasks:
- ✓ Reviewed and analysed of the Annual Report;
- ✓ Considered comments and representations received;
- ✓ Prepared the Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors;
- ✓ The MPAC has pleasure in presenting the Oversight Report to Council to consider the abovementioned resolutions which would be forwarded to the relevant Departments and the Provincial Legislature

10. ANNEXURES:

- a) Public Notice on availability of draft Annual Report. (See Annexure A)
- b) Acknowledgement of receipt of the Ngwathe Local Municipality's Annual Report by Auditor General. (None)
- c) Assessment sheet of the Ngwathe Local Municipality's Annual Report by Free State Cooperative Governance and Traditional Affairs Department (None)
- d) Public Notice on Annual Report Public Consultation Session (See Annexure D)
- e) Attendance Statistic of Public Consultations: (Annexure E)

ANNEXURE: A

Screen Shot Website: Public Notice on availability of draft Annual Report



On Screen Shot Website: Draft Annual Report 2019-20 Public Comments

The screenshot shows a web browser window displaying the Ngwathe Local Municipality website. The browser's address bar shows the URL ngwathe.fs.gov.za/?page_id=376. The website's navigation menu includes links for HOME, ABOUT US, COUNCIL, PROFILE OF MUNICIPALITY, ADMINISTRATION, RESIDENTS, INVESTORS, and SUPPLY CHAIN MANAGEMENT. The Ngwathe Local Municipality logo is prominently displayed. A secondary navigation menu includes TOURISM, DOCUMENTS, MEDIA ROOM, PUBLIC NOTICES (highlighted), CAREERS, CONTACT US, LOCATE US, and NEWS ARCHIVES. The main content area is titled "Public Notices" and lists notices for three months:

- April 2021**
 - [AMMENDED-IDP-BUDGET-PUBLIC-PARTICIPATION-SCHEDULE-2021-22](#)
 - [Annual-Report-2019-20-Notice-Public-Comments](#)
 - [DRAFT-IDP-REVIEW-BUDGET-Public-Notice-IDP-2021-22-COMMENTS](#)
- February 2021**
 - [PUBLIC-NOTICE-IDP-REVIEW-AND-BUDGET-2021-22](#)
 - [INVITATION-TO-VIRTUAL-MEETINGS-FEBRUARY-2021-IDP-INPUTS](#)
 - [EXTENSION OF THE DEBT RELIEF AMNESTY PERIOD](#)
- January 2021**

The Windows taskbar at the bottom shows the system clock at 14:45 on 2021/04/06, along with various application icons.

ANNEXURE: D

Screen Shot Website: Public Notice on Annual Report Public Consultation Session

PUBLIC CONSULTATIVE MEETINGS ON DRAFT ANNUAL REPORT 2019/20

Ngwathe
MUNICIPALITY

The home of harmony, prosperity and growth

IN TERMS OF SECTION 127 (5) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003 AND SECTION 21 A OF THE MUNICIPAL SYSTEMS ACT, ACT 32 OF 2000 REQUIRE MUNICIPALITIES TO PUBLICISE THEIR ANNUAL REPORT AND INVITE THE PUBLIC TO MAKE REPRESENTATIONS ON THE REPORT AFTER IT HAS BEEN TABLED IN COUNCIL MEETING..

THE PUBLIC MEETINGS WILL BE HELD AS SCHEDULE BELOW:

DATE	TOWN	MEETING	VENUE	TIME
04/05/2021 TUESDAY	EDENVILLE	STAKEHOLDER MEETING	EDENVILLE LIBRARY	14H00
		COMMUNITY MEETING	NG KERK - NGWATHE	16H30
05/05/2021 WEDNESDAY	VREDEFORT	STAKEHOLDER MEETING	MONTOELI HALL	14H00
		COMMUNITY MEETING	SS PAKI SCHOOL	16H00
06/05/2021 THURSDAY	PARYS	STAKEHOLDER MEETING	MOSEPEDI SIDE HALL	14H00
		COMMUNITY MEETING	SCHONKENVILLE HALL	16H00
11/05/2021 TUESDAY	KOPPIES	STAKEHOLDER MEETING	KWAKWATSI HALL	14H00
		COMMUNITY MEETING	KWAKWATSI HALL	16H00
12/05/2021 WEDNESDAY	HEILBRON	STAKEHOLDER MEETING	PHIRITONA LIBRARY	14H00
		COMMUNITY MEETING	MULTI PURPOSE COMMUNITY CENTRE	16H00

COPIES OF THE DRAFT ANNUAL REPORT 2019/20 ARE AVAILABLE ON THE MUNICIPAL WEBSITE, www.ngwathe.fs.gov.za.

ANNEXURE: E

Attendance Statistic of Public Consultations:

DATE	TOWN	ATTENDANCE
04/05/2021 TUESDAY	EDENVILLE	STAKEHOLDERS 17
		83
05/05/2021 WEDNESDAY	VREDEFORT	STAKEHOLDERS 18
		120
06/05/2021 THURSDAY	PARYS	STAKEHOLDERS 8
		42
11/05/2021 TUESDAY	KOPPIES	STAKEHOLDERS 38
		108
12/05/2021 WEDNESDAY	HEILBRON	STAKEHOLDERS 0
		71