



**GREATER  
KOKSTAD  
MUNICIPALITY**

PROVINCE OF KWAZULU-NATAL

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OFFICE OF THE MUNICIPAL MANAGER

**OVERSIGHT REPORT FOR 2018/2019**

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## 1. INTRODUCTION

In terms of Section 129 of the MFMA no.56 of 2003, it is required that,

“the Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism through which Council can fulfil its oversight responsibilities. MPAC’s primary role in this regard is to consider the Annual Report, receive input from the various stakeholders and prepare a draft Oversight Report for consideration by Council.

In light of the above, the Annual Report for 2018/2019 was tabled to Council on the 21 January 2020 for consideration. Council subsequently referred the Annual Report to the Municipal Public Accounts Committee for scrutiny and public consultation in order to compile its Oversight Report.

The draft Annual Report was submitted to the Auditor-General, the KZN Provincial Treasury and the Department of Co-operative Governance and Traditional Affairs after tabling to Council.

## 2. PREPARATION OF THE OVERSIGHT REPORT

Section the 127 (5) (a) (i); (ii) and (b) of the MFMA no. 56 of 2003 states that -

(5) Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—

(a) in accordance with section 21A of the Municipal Systems Act—

(i) make public the annual report; and

(ii) invite the local community to submit representations in connection with the annual report; and

(b) Submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

The Accounting Officer complied with the section referred to above and made public the annual report, issued a public notice inviting the public to make submission on the annual report and submitted the annual report to the AGSA, the KZN Provincial Treasury and KZN Department of Co-operative Governance & Traditional Affairs.

For purposes of the preparation of the draft oversight report,

A notice was published in terms of Section 21A of the Municipal Systems Act, inviting the public and all stakeholders to a public hearing meeting for the tabling of the annual report for public input for purposes of incorporating those inputs into the Municipal Public Accounts Committee's oversight report.

The public hearing was held as follows:

DATE : 13 February 2020

TIME : 10h00

VENUE : Municipal Town Hall

The Municipal Public Accounts Committee further convened its own meeting on the 19 March 2020 to further consider the draft annual and draft oversight reports.

Below are comments received from stakeholders in relation to the draft Annual Report.

#### COMMENT

- The member of the stakeholder raised a concern about ignorance of letter written to the Municipality by the Province.
- The member raised a question on whether the Irregular Expenditure incurred would be recovered or not.
- The Community requested clarity on the number of people who are getting indigent while they do not qualify for, in line with the finding of the AGSA.
- The Community was also complaining about the poor customer care by municipal officials.
- The question was raised on the tariffs finding raised by AG whether those tariffs charged whether were more or less.
- A complaint was raised on the water maintenance which is usually left incomplete with pipes left uncovered.
- The comment was raised on issue of the appointment of incompetent individuals in critical positions.
- The committee also requested that the municipality must make sure that service delivery is done to communities also ensure that the War rooms must sit on a monthly basis.

#### Summary and way forward

- The speaker responded on the issues of indigent support that people who know someone who do not qualify for indigent must report that to the municipality since the municipality rely on collecting money from the community.
- The speaker also reported that they set with Department of transport to remove all damaged pipes from the roads.
- The speaker also emphasizes that all people who do not qualify for the indigent support to come disclose their name to the municipality so assist the municipality in this regard because this is the way the municipality collect funds
- He also responded to the issue of the roads that they sat meeting with department of transport to assist in removing water pipes under roads especial in town.
- He also highlighted that greater Kokstad municipality has employed qualified employees in terms of their qualifications.
- He also highlighted that all people with complaints must to the office of the Municipal Manager.

- The Mayor reported MEC write to him if there is a complain, he is not aware of the letter from the minister regarding the budget.
  - The Mayor also responded on the question of irregular expenditure that it is not recoverable only the fruitless and wasteful expenditure can be recovered.
  - He also reported that greater Kokstad municipality has qualified officials leading the municipality.
  - Security contract question, mayor reported that the municipality is entitled to sick a legal opinion but not cancelling the Tender but are still waiting guidance from treasury.
  - He also responded on the issue of the Jim Payne Sport complex that the contract new contractor appointed and is on site.
  - He also heightened the issue they are facing regarding indigent support that are those people who were employed by department but earning less 3600.
  - The Mayor emphases that people must report those who seen commit fraud.
  - The Mayor also reported that the Municipality set business customize tariffs that why greater Kokstad municipality is number financial in KZN.
- 
- The Municipal Manager reported that the members of the community must come and make their inputs in the budget presentation during public participation.
  - The Municipal Manager appreciated the work performed by the ward committees in the Municipality.
  - He also highlighted that in terms of the complaints from members of the community are responding to that issues immediately within 5 days.
  - He also highlighted that greater Kokstad municipality is there to ensure to deliver service delivery and engage stakeholders to provide quality services.
  - The Municipal Manager reported that the roads show for 2020/2021 will be starting on April and residence are invited.
  - He also highlighted that their focus on roads are in Extension 7.

In this regard, MPAC recommends that Council notes the comments made by stakeholder and the public and develop plans to address concerns raised where necessary or applicable.

### **3. COMPOSITION AND FUNCTIONING OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

#### **3.1. Membership**

The Municipal Public Accounts Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the MPAC.

The following members of Council served as members of the Municipal Public Accounts Committee for GKM during the 2018/2019 financial year:

- Cllr HT Mngonyama - Chairperson
- Cllr. M. Mgewu
- Cllr. E. Bhengu
- Cllr. BL Marncé

Cllr M Mgewu served in the Municipal Public Accounts Committee until his time of death on 24 April 2019.

Cllr Mgewu served in the Committee with dedication, always available at the call of duty.

The MPAC of Greater Kokstad Municipality who like to express its appreciation to the late member for his efforts and the role he played with willingness.

#### **3.2. Authority & Power**

**3.2.1.** In terms of section 79 of the Municipal Structure Act No117 of 1998, the MPAC will assist Council to effectively and efficiently exercise its functions and powers;

**3.2.2.** MPAC functions as a sub-committee of Council, and therefore adhered to the Council's Rules of Order;

**3.2.3.** MPAC makes recommendations to management via Council, resulting from activities carried out by the Committee in terms of its delegated authority;

**3.2.4.** MPAC is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

### **3.3. Duties Performed by MPAC**

The MPAC of Greater Kokstad Municipality in performing its oversight role for the reporting period under review has through its scheduled meetings considered the following areas of the municipality's functioning:

- The municipality's reporting on financial matters.
- The functionality of Council and its structures.
- The response of management to findings and recommendations of the Auditor General's report.
- The achievement of municipal goals through performance management.
- Infrastructure Project implementation

### **3.4. On-going oversight activity**

The MPAC of GKM has during the 2018/2019 financial scheduled meetings in order to consider reports prepared by management to execute its responsibility of oversight over matters of compliance.

Also during the year under review, Council referred a request for to the MPAC to investigate irregular expenditure that was reported as per Annual Financial Statements from prior years. The irregular expenditure from 2017/18-2018/19 financial years. The during the year tabled to Council, the following progress has been noted by MPAC on the implementation of recommendations that it made:

- Progress is noted on the processing of financial misconduct cases, that processes is underway.
- Process of recovering moneys that were deemed as financial losses will be processed through the same process of financial misconduct charges.
- Process is underway to recover fruitless expenditure from responsible individuals, through an internal recovery process by the Accounting Officer in terms of the MFMA Circular 68 and through a legal process.

In this regard, MPAC is pleased with the process employed by Council in addressing Irregular, fruitless and wasteful expenditure and awaits finalisation of the different matters.

MPAC is currently monitoring the implementation of the recommendations made to Council. An item on irregular expenditure has now been made a standing item of the MPAC agenda in order to ensure adequate implementation of Sec 32 of the MFMA.

#### 4. ANNUAL REPORT COMPLIANCE ASSESSMENT

The MPAC of GKM in its process of preparing the oversight report on the annual report consider the annual report in line with requirements of various sections of the municipal legislative framework as stated below. The MPAC has considered the annual report in ensuring the municipality's level of compliance to legislation requirements.

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	CONSIDERATIONS	COMMENTS BY MPAC
<b>1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA</b>	<b>Financial reporting matters to be Considered</b>	
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.	The AFS are to be in the form as required by the applicable Generally Recognized Accounting Practice standards, MFMA and DoRA. Confirmed by Auditor General report that the Annual Financial Statements were fairly presented as at 30 June 2018.	The municipality has complied with the requirements of this Section.  The Audited Annual Financial Statements have been included in the annual report. The AFS will be adopted by Council together with the Annual Report.
121 (3)(a) 121 (4) 121 (4)(b)	The above applies also to the AFS of municipal entities.	The section is not relevant to Greater Kokstad Municipality for the period under review.
121 (3) (e) An assessment by the accounting officer on any arrears on	Has an adequate assessment been included?	The requirements of the section has been complied with.



municipal taxes and service charges, including municipal entities.	<p>Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?</p> <p>Is any other action required to be taken?</p>	A report by the Accounting Officer on assessment of arrears on municipal taxes has been included in Charter 5 of the report.
<p>121 (3)(g)</p> <p>Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports.</p>	<p>The conclusions of the annual audit are:</p> <ul style="list-style-type: none"> <li>✓ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;</li> <li>✓ The objective of the municipality should be to achieve an unqualified audit opinion.</li> <li>✓ Taking into account the audit report, audit opinion and the views of the audit committee, council considered: <ul style="list-style-type: none"> <li>• To what extent does the report indicate serious or minor financial issues?</li> <li>• To what extent are the same issues repeated from previous audits?</li> <li>• Is the action proposed considered to be adequate to effectively</li> </ul> </li> </ul>	<p>The requirements of this section of the MFMA has been complied with.</p> <p>An audit action has been developed by the Accounting Officer to address issues raised in the Auditor General's report. This report is included under Chapter 6 of the annual report.</p> <p>The Accounting Officer has also appointed an Operation Clean Audit Task team to monitor the following:</p> <ol style="list-style-type: none"> <li>1. That the findings of the AG are adequately addressed.</li> <li>2. To ensure maintenance of management and compliance standards where the Auditor General has provided positive feedback, through engagement with management.</li> </ol>

	<p>address the issues raised in the audit report?</p> <ul style="list-style-type: none"> <li>Has a schedule of action to be taken been included in the annual report, with appropriate due dates?</li> </ul>	
	<p>Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC for Cooperative Government &amp; Traditional Affairs to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC.</p>	<p>Complied with.</p> <p>The AG action plan report was submitted together with the Draft Annual Report to MEC for COGTA on the 23 January 2020.</p>
<p>121 (3)(f)</p> <p>An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.</p>	<p>The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)). The accounting officer must include these objectives in the annual report and report on performance accordingly.</p> <p>Has the performance met the expectations of council and the community?</p> <p>Have the objectives been met?</p>	<p>Complied with.</p> <p>An assessment was done by the Accounting Officer and the report of which has been included in the annual report as appendix D.</p>

	<p>What explanations have been provided for any non-achievement?</p> <p>What was the impact on the service delivery and expenditure objectives in the budget?</p>	
121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality.	Review any other information that has been included in regard to the AFS.	N/A
<b>1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA continued....</b>	<b>Financial reporting matters to be considered</b>	
121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities.	<p>Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity?</p> <p>What actions need to be taken in terms of these recommendations?</p> <p>Conclusions on these recommendations and the actions required should be</p>	<p>The requirements of the section of the MFMA has been complied with.</p> <p>A report from the audit committee on the assessment of the functionality of the Internal Audit Function has been included in the report.</p> <p>The report of the audit committee also included matters in relation to the AFS. The report has been attached as Appendix A.</p>

	incorporated in the oversight report.	
<b>2. Disclosures - Allocations received and made - Section 123-125 MFMA</b>	<b>Considerations</b>	
123 (1)(a) Allocations received by and made to the municipality.	<p>The report should disclose:</p> <ul style="list-style-type: none"> <li>✓ Details of allocations received from another organ of state in the national or provincial sphere.</li> <li>✓ Details of allocations received from a municipal, entity or another municipality.</li> <li>✓ Details of allocations made to any other organ of state, another municipality, or a municipal entity.</li> <li>✓ Any other allocation made to the municipality under Section 214(1) (c) of the Constitution.</li> </ul> <p>Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? Does the audit report or the audit committee recommend any action?</p>	<p>All grants allocations have been included in the report under Chapter 5 of the Annual report.</p> <p>Full disclosures of the grants have been made in line with legislative requirements.</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

<p>125 (1)</p> <p>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 public entities.</p> <p>It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.</p> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> <li>✓ the information has been properly disclosed;</li> <li>✓ conditions of allocations have been met; and</li> <li>✓ That any explanations provided are acceptable.</li> </ul>	<p>The requirements of the section has been complied with.</p> <p>All outstanding debtors and creditors of the municipality were disclosed of the AFS and report on the annual report under Chapter 5.</p>
<p><b>2. Disclosures – Allocations received and made - Section 123-125 MFMA continued....</b></p>	<p><b>Considerations</b></p>	
<p>123 (1)(c)</p> <p>Information in relation to the use of allocations received.</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> <ul style="list-style-type: none"> <li>✓ 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</li> </ul>	<p>Information in relation to all received grant allocations and use thereof has been disclosed in the audited AFS, under volume 2 of the annual report.</p> <p>All related disclosure information as per MFMA requirements were made.</p>

	<p>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> <ul style="list-style-type: none"> <li>✓ Information stating whether the municipality has complied 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, details of the reasons for non-compliance are to be provided.</li> <li>✓ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</li> </ul> <p>This information is required on all allocations excluding the municipality's portion of the equitable share and where prescribed otherwise by the nature of the allocation.</p> <p>The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national 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.</p> <p>Council should be satisfied that –</p>	<p>Comments of the Audit Committee were effected prior to submission for auditing by the AGSA.</p> <p>AGSA comments were considered and effected prior to finalization of the audit.</p> <p>All other comments and finding have been incorporated in the AG action plan.</p>
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	<ul style="list-style-type: none"> <li>✓ the information has been properly disclosed;</li> <li>✓ conditions of allocations have been met; and</li> <li>✓ that any explanations provided are acceptable.</li> </ul> <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>	
<b>3. Disclosures in notes to AFS</b>	<b>Considerations relating to section 124</b>	
Information relating to benefits paid by municipality and entity to councillors, directors and officials.	<p>Information on the following items is to be included in the notes to the annual report and AFS:</p> <ul style="list-style-type: none"> <li>✓ salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind;</li> <li>✓ 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;</li> <li>✓ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager;</li> <li>✓ contributions for pensions and medical aid;</li> <li>✓ travel, motor car, accommodation, subsistence and other allowances;</li> <li>✓ housing benefits and allowances;</li> </ul>	ALL councilors and senior management remuneration have been fully disclosed in the AFS, under volume 2.

	<ul style="list-style-type: none"> <li>✓ overtime payments;</li> <li>✓ loans and advances, and;</li> <li>✓ any other type of benefit or allowance related to staff.</li> </ul> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> <li>✓ the information has been properly disclosed;</li> <li>✓ conditions of allocations have been met; and</li> <li>✓ that any explanations provided are acceptable.</li> </ul> <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>	
<b>4. Municipal Performance</b>	<b>Considerations</b>	
The annual performance reports of the municipality and entities.	<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. Questions that may be considered are –</p> <ul style="list-style-type: none"> <li>✓ Has the performance report been included in the annual report?</li> <li>✓ Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report?</li> </ul>	<p>The Annual Performance Report has been included under chapter 3 of the annual report.</p> <p>The report was audited and submitted to Council for approval prior to inclusion in the Annual Report.</p>



- ✓ Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?

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?
- ✓ What actions have been taken and planned to improve performance?
- ✓ Is the council satisfied with actions to improve performance?
- ✓ 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?
- ✓ Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?

	<ul style="list-style-type: none"> <li>✓ Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</li> <li>✓ To what extent have actions planned for the previous year been carried over to the financial year reported upon?</li> <li>✓ Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?</li> </ul> <p>Council should comment and draw conclusions on information and explanations provided.</p>	
Audit reports on performance.	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually. Have the recommendations of internal audit been acted on during the financial year? Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?	<p>The section has been complied with.</p> <p>Findings and recommendations by the Auditor General have been included in the action plan developed by the Accounting Officer.</p>
Performance of municipal entities and municipal service providers.	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.	<p>The requirement has been complied with.</p> <p>Assessment of service provider was performed on a quarterly basis. A report has been included under chapter 2 of the Annual Report.</p>

	<p>The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p> <p>Is the council satisfied with the evaluation and conclusions of the municipality?</p> <p>What other actions are considered necessary to be taken by the accounting officer?</p>	
<b>5. General information</b>	<b>The following general information is required to be disclosed in the annual report.</b>	
Relevant information on municipal entities.	<p>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.</p>	This section is not applicable to GKM for the period under review.
The use of any donor funding support.	<p>What donor funding has the municipality received?</p> <ul style="list-style-type: none"> <li>✓ Have the purposes and the management agreements for the funding been properly agreed upon?</li> <li>✓ Have the funds been used in accordance with agreements?</li> <li>✓ Have the objectives been achieved?</li> <li>✓ Has the use of funds been effective in improving services to the community?</li> <li>✓ What actions need to be taken to improve utilisation of the funds?</li> </ul>	This section is not applicable to GKM for the period under review.

Agreements, contracts 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.	This section is not applicable to GKM for the period under review.
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 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 and or in statistical tables.	Complied with.  This information has been covered under executive summary section of the annual report and in statistical tables.
Information on long-term contracts.	Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.	Complied with.  Report on long term contracts included under chapter 2.
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.	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.	Complied with.  A report on all significant IT activities is included under chapter 3.

	Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.	
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework.	<p>A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided.</p> <p>This should 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.</p> <p>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.</p>	<p>Complied with.</p> <p>3 year capital plan addressing backlogs has been included under chapter 5.</p>

#### 6. Other considerations recommended

Timing of reports.	<p>Was the report tabled in the time prescribed?</p> <p>Has a schedule for consideration of the report been adopted?</p>	<p>The process plan for the Annual Report was adopted by Council on June 2018.</p> <p>The report was tabled in accordance to prescribed timelines. The approved process plan has been included under chapter 1.</p>
Oversight committee or other mechanism.	<p>What mechanisms have been put in place to prepare the oversight report?</p> <p>Has a schedule for its completion and tabling been adopted?</p>	<p>MPAC was established by Council as a council oversight committee.</p> <p>MPAC scheduled public hearing meetings. MPAC held public hearings to</p>

		<p>receive and consider public comments on the AR. MPAC also ensured publication of the AR on media and municipal website.</p> <p>Comments of which have been documented under section 1 on the report.</p>
<p>Payment of performance bonuses to municipal officials.</p>	<p>Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or 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 annual report.</p> <p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p> <ul style="list-style-type: none"> <li>✓ If so has a proper evaluation of performance been undertaken?</li> <li>✓ Was the evaluation approved by council?</li> <li>✓ Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</li> </ul>	<p>Individual performance assessments for senior managers are done per quarter, mid-term and at year end.</p> <p>No payments of performance bonuses have been made in relation to 2018/2019 financial.</p> <p>In this regard, the municipality has taken a decision to only pay performance bonuses where applicable, after the adoption of the Annual Report by Council.</p>

	✓ Are the payments justified in terms of performance reported in the annual report?	
Public Consultative meetings: Meetings conducted by ward councilors and feedback documented	✓ Reports on all public consultation meetings by ward councilors.	Report on public consultative meetings by ward councilors have been included under chapter 2.
Residents/Ratepayers Association consulted and feedback documented	Needs to be noted and should be included in the annual report	The stakeholder was consulted -13 FEB 2020. Comments contained in section 1 of this report.
Farmers Association consulted and feedback documented	Needs to be noted and should be included in the annual report	The stakeholder was consulted - 13 FEB 2020. There were no submissions received from the Farmers Association.
Other organisations identified, consulted and feedback documented	Needs to be noted and should be included in the annual report	All stakeholders were consulted 13 Feb 2020. Comments from stakeholders are documented under section1 of the annual report.
Annual report distribution points documented and feedback documented	Distribution points were Municipal offices and Library.  Feedback documented.	The annual report was displayed in following places: The municipal website The municipal library Municipal Youth Centre Hall Municipal Main Office  No written submissions were received expect those documented at the public hearing session as held on the 13

		February 2020 and documented under section 1 of this report.
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## 6. CONCLUSION & RECOMMENDATIONS

The MPAC commends Council, the Municipal Manager, Management and all staff at Greater Kokstad Municipality for the achievements recorded by municipality during the 2018/2019 financial; the unqualified audit opinion and the improved IDP raking to number 4.

As recorded earlier, Council has made commendable progress in addressing Unauthorised, irregular and fruitless & wasteful expenditure. The Municipal Manager must consistently ensure implementation of measure to curb Irregular and Fruitless Expenditure.

MPAC has also noted the AGSA Audit action plan developed by the Municipal Manager to address findings raised and MPAC will require progress reports on the implementation of the action plan.

Having performed the following tasks:

- ✓ Reviewed and analysed of the Annual Report;
- ✓ Invited stakeholders and considered their inputs on the Annual Report;
- ✓ Received and considered the Audit Committee views and comments on the annual financial statements and the performance report;

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

1. That Council having fully considered the Annual Report of Greater Kokstad Local Municipality for the 2018/2019 financial year adopts the Oversight Report for the 2018/2019 financial year.
2. That Council approves the Annual Report of Greater Kokstad Local Municipality for the 2018/2019 financial year with no reservations.
3. That Council authorizes the Accounting Officer to make public, the Oversight Report in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.

7. REPORT PREPARED BY:

  
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CLLR HT MNGONYAMA

CHAIRPERSON OF MPAC

25-03-2020

DATE