

LAINSBURG MUNICIPALITY

OVERSIGHT REPORT ON ANNUAL REPORT: 2022/2023 FINANCIAL YEAR

1. PURPOSE OF REPORT

To consider the municipality's Annual Report for the 2022/2023 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)

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 the annual report is: -

- (a) To provide a record of the activities of the municipality during the financial year to which 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 municipality includes the following: -

- (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 of the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
- (vi) An assessment of 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 (b) and (d);
- (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, 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 Annual Report of the Municipality for the 2022/2023 financial year is tabled on 29 January 2024 in terms of section 127(2) of the Local Government: Municipal Finance Management Act, 56 of 2003.

Council resolved at item 10.3.4 at the minutes of the meeting of the Council held on 29 January 2024:

1. *That the Draft Annual Report for the 2022/2023 financial year be approved; and*
2. *That the Draft Annual Report 2022/2023 be advertised for public comment;*

b) The Oversight Committee

Laingsburg Municipality's Municipal Public Accounts Committee (MPAC) formed the Oversight Committee on 28 February 2023 in terms of National Treasury: MFMA Circular No. 32 and assumed such oversight role to analyse and review the annual reports in detail before tabling the Annual Report to Council for consideration.

The Committee comprised of Municipal Public Accounts Committee Councillors, and administratively the Municipal Manager, Chief Financial Officer, Internal Auditor, Development Coordinator and Committee Clerk.

In terms of the resolution by Council regarding the advertisement of the Draft Annual Report:

- The local community was invited via the Community Notices No. 5/2023 to submit comments/ objections received in connection with the Annual Report from 29 January 2024 to 26 February 2024; **No comments and objections were received.**
- The Draft Annual Report has been placed on the municipal website, www.laingsburg.gov.za
- The Draft Annual Report has been submitted to the relevant government departments.

At the closing date for public comments on 26 February 2024, no representations were received. However, the Western Cape Provincial Department comments were received.

4. OVERSIGHT COMMITTEE COMMENTS

The Municipal Public Accounts Committee held a meeting on Wednesday, 28 February 2024 at 10:00 in the Municipal Council Chambers:

Kommentaar: Raadslid Theron verwys na die Action Plan en gee geleentheid aan meneer Strydom om sy insette te lewer.

Mnr Strydom noem dat:

- die munisipaliteit 110 comaf's gekry het en is daar 'n aksieplan bymekaar gesit oor hoe die Raad en administrasie dit gaan regstel
- dit gaan ook oor die implementering daarvan en indien dit nie aangespreek word nie gaan dieselfde comaf weer uitgereik word en raak die Ouditkoste outomaties al meer
- bestuur sal moet fokus op die opstel- en nasien van State en sal die proses met die state baie vroeër moet afskop
- die onreelmatige uitgawes kan ook maklik doodgemaak word
- die ongemagtigde uitgawes is baie meer problematies omdat dit verwys na die allokasie van uitgawes
- meterlesings was 'n probleem
- die OG aangedui het dat hulle nie altyd terugvoering gekry het nie en gesukkel het om inligting te kry
- hy ook net kan noem dat die Ouditeur Generaal nie baie tegemoetkomend was nie
- dat die kommunikasie baie moet verbeter
- die vrugtelose uitgawes nie so 'n groot probleem was nie
- dat die Budget Steering Komitee ook goedgekeur is
- Uitgawes

Uitgawes word nie te boek gestel nie
Uitgawes word ook nie dadelik op die stelsel vervat
nie
Die stelsel gee ook baie moeilikheid en is daar 'n
groot kommunikasie-probleem met die
diensverskaffers

Mnr Booyesen noem ook dat hy reeds met meneer
Strydom in gesprek getree het rondom die Ouditeur
Generaal se bevindinge.

Raadslid Theron noem dat die Administrasie skouer aan
die wiel moet sit en versoek meneer Post om toe te sien
dat die implementering gedoen word en ook dat
mense doen wat van hulle verwag word.

Mnr Strydom noem ook dat daar 'n hele klomp
wanvoorstellings was en is hulle tans besig om daarna te
kyk en die regstellings te maak,

Die Bateregister is ook baie swak en het die Ouditeur
Generaal ingestem om die munisipaliteit te help om die
bateregister reg te kry.

Mnr Strydom verwys ook na die verkeers/inventory wat
maandeliks ge-evalueer moet word.

Mnr J Booyesen meld dat Provinsiale Verkeer die grootste
probleem is aangesien daar nie rekonsiliasies kan
plaasvind nie en sal die beste wees om maandeliks te
rekonsilieer.

5. RECOMMENDATIONS TO COUNCIL:

- **THAT THE OVERSIGHT REPORT ON THE ANNUAL REPORT 2022/2023 BE APPROVED IN TERMS OF SECTION 129 (1) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE ACT (MFMA ACT NO.56 OF 2003);**
- **THAT THE ANNUAL REPORT 2022/2023 BE APPROVED IN TERMS OF SECTION 129 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA ACT NO.56 OF 2003) WITH OR WITHOUT RESERVATIONS;**
- **THAT THE 2022/2023 OVERSIGHT REPORT OF LAINGSBURG MUNICIPALITY BE MADE PUBLIC IN TERMS OF 129(3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, NO.56 OF 2003, AND**
- **THAT THE OVERSIGHT REPORT BE SUBMITTED TO THE PROVINCIAL LEGISLATURE IN TERMS OF SECTION 132(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT.**