

SALDANHA BAY MUNICIPALITY
REPORT TO THE MUNICIPAL COUNCIL

SUBJECT : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
ON 2015/16 ANNUAL REPORT

AUTHOR : COUNCILLOR T KHULU

DATE : 16 MARCH 2017

FILE NO : 9/1/1-2015/16

ITEM NUMBER : R1113-17

PURPOSE OF THE REPORT

This report contains the findings of the Municipal Public Accounts Committee of Council relating to the 2015/16 Annual Report which was tabled at a Special Council meeting dated 24 January 2017. The 2015/16 Annual Report and related correspondence was subsequently perused by the committee members listed below and the comments in this regard is depicted under section 2:

- Councillor T Khulu (Chairperson)
- Councillor S Scholtz
- Councillor G Kordom
- Councillor F Pronk
- Councillor J Skei

DISCUSSION

Mr A du Plessis, Senior Manager: PMS, International Relations and Special Projects presented the report and provided feedback on the corrective actions relating to the progress made in addressing the 2015/16 Auditor-General issues raised by the Auditor-General, Provincial Treasury's comments on the 2015/16 annual report and the Audit Committee's report on its activities for the financial year ended on 30 June 2016.

The Auditor-General's audit for 2015/16 reported numerous audit findings relating to the Predetermined Objectives (PDO's) which forms part and directly impacts on the information presented in the annual report and management is urged to implement necessary corrective actions to prevent repeat audit findings of similar nature.

Annexure

- (a) Attached, please find copies of the agendas and minutes of the Oversight committee meetings.

Annexure A

Minutes

14 March 2017

Annexure B

MPAC report including the status on progress made in addressing findings of the Auditor-General, Provincial Treasury's comments on the tabled 2015/16 annual report and the Audit Committee's report for the financial year-end on 30 June 2016.

Mr Du Plessis reported that no formal written representations were received on the 2015/2016 Annual Report of which the public were notified of its availability for comment in the local newspaper, the municipal Facebook and website.

RECOMMENDATIONS

1. That the Council having considered the 2015/2016 annual report of the municipality, adopts the oversight report;
2. That feedback on issues raised pertaining to the 2015/16 annual report review and the status on the implementation of corrective actions to address these matters be noted;
3. that the status on progress made in addressing the 2015/16 issues raised by the Auditor-General be noted;
4. that Council approves the 2015/2016 annual report with reservations as listed below:
 - i. that paragraph 2.1 a) and b) of Provincial Treasury's comments on legislative compliance and the high level findings contained in paragraph 3.6 be noted, but cognisance be taken of management's disagreement with the findings;
 - ii. that Council take note that circulars serve as guidelines only and that the municipality fully complied with legislated requirements as stipulated in the municipal finance management act, systems act and structures act as it relates to the submission of the annual performance report as well as the annual report to the auditor general as well as council.
5. regular feedback be provided to the MPAC on the actions implemented/taken to address above aspects; and
6. the oversight report be made public.


.....
CHAIRPERSON

16/3/17
.....
DATE

SALDANHA BAY MUNICIPALITY**REPORT TO THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE / COUNCIL**

SUBJECT : **OVERSIGHT REPORT ON THE 2015/16 TABLED ANNUAL REPORT**

DIRECTORATE : **STRATEGIC SERVICES AND HUMAN SETTLEMENTS**

AUTHOR : **AE DU PLESSIS**

CONTACT DETAILS : **022-701 7189**

DATE : **28 FEBRUARY 2017**

FILE NO : **9/1/1-2015/16**

ITEM NUMBER : **MPAC 6/3 -17**

PURPOSE OF THE REPORT

The purpose for this report is to provide feedback on the status of corrective measures identified as part of the 2014/15 oversight report and to consider the inputs received pertaining to the 2015/16 Annual Report.

DISCUSSION

The as part of the delegated roles and responsibilities the committee are required to considered the annual report and any matters that relates to the report, to enable the committee to make recommendations to Council. The public were informed of the draft 15/16 Annual Report via an advert in the local newspaper on 26 January 2017, and placed on the website of SBM, and advertised on the SBM facebook page and requested to provide comments and inputs. At the date of publishing of this report, no comments or inputs were received from the public.

The following reservations were made by the 14/15 Oversight Committee (MPAC):

Assessment performed by	Area	Reservation	Status comment
Provincial Treasury	Executive Mayors foreword	Areas not included	Addressed
Provincial Treasury	Municipal Managers foreword	Areas not included	Addressed
Audit committee	Risk Management	The municipality has not yet adopted a formal combined assurance framework and this will be dependent on the finalisation of a fully implemented enterprise risk management system.	Addressed

Assessment performed by	Area	Reservation	Status
Audit committee	Risk Management	Risk management has still not been fully imbedded at the municipality	Addressed
Audit committee	Performance Management	The management presented performance reports and results to the Committee and all these was scrutinised	Addressed

Annexure A contains the status on progress made in addressing the 2015/16 issues raised by the Auditor-General whilst **Annexure B** contains the 2015/16 annual report assessment performed by Provincial Treasury (**Will receive on 3 March 2017**). **Annexure C** contains the report from the Audit Committee Chairperson on the Draft Annual Report (**will receive on Monday 6 March 2017**).

LEGISLATIVE COMPLIANCE

Section 129 of the Municipal Finance Management Act related to "**Oversight reports on annual reports**."-(1) *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, 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.*
- (2) *The accounting officer must-*
- (a) *attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and*
 - (b) *submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.*
- (3) *The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption."*

RECOMMENDATIONS

Recommended that:

- i) that the report be noted;
- ii) that feedback on issues raised pertaining to the 2014/15 annual report review and the status on the implementation of corrective actions to address these matters be noted;
- iii) that the status on progress made in addressing the 2015/16 issues raised by the Auditor-General as per annexure A be noted;
- iv) that the 2015/16 annual report assessment performed by Provincial Treasury as per Annexure B be noted;
- v) that the report of the Audit Committee Chairperson on the draft 2015/16 Annual Report be noted as Annexure C; and
- vi) that feedback on outstanding matters be reported following the next key control visit by the Auditor-General.



**SENIOR MANAGER: PMS, INTERNATIONAL
RELATIONS AND SPECIAL PROJECTS**

28/2/17.
DATE



**SENIOR MANAGER: STRATEGIC AND ENTERPRISE
RISK SERVICES**

28/2/17
DATE



**COUNCILOR S VAN TURA
PORTFOLIO CHAIRPERSON: STRATEGIC SERVICES
& HUMAN SETTLEMENTS**

28/02/17.
DATE