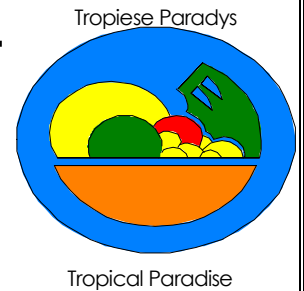




GROTER TZANEEN MUNISIPALITEIT GREATER TZANEEN MUNICIPALITY

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**A 24 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT (MPAC)
(E/C 2015 03 30; 2015 03 31) (12/2/3/1/1)**

REPORT OF THE MPAC CHAIRPERSON (CLLR T K NUKERI)

1. INTRODUCTIONS

In accordance with the provisions of Section 79(1) (a) of the Municipal Structures Act, no 117 of 1998 a Municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. The Municipal Public Accounts Committee of Greater Tzaneen Municipality was established by Council through Council resolution A40, on the 29th of November 2011. MPAC focus is to assist Council to hold the executive to account and ensure the effective and efficient use of municipal resources.

2. PURPOSE

The purpose of this report is to table to Council, MPAC Oversight Report on the probing of Greater Tzaneen Municipality Annual Report 2013/2014 for Council consideration and adoption.

3. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OF GREATER TZANEEN MUNICIPALITY

The appointment of Council's Municipal Public Account Committee on 29 November 2011, was done in accordance with Section 127(3) of the Municipal Finance Management Act, no 56 of 2003. MPAC comprise of the non-executive councillors of various political parties and Chairperson appointed by Council. The Greater Tzaneen Municipality's MPAC compose of the following councillors:

MEMBER	POLITICAL PARTY
1. Cllr TK Nukeri (Chairperson)	ANC
2. Cllr NH Zandamela	ANC
3. Cllr S Mahori	ANC
4. Cllr A van Vuuren	DA
5. Cllr N Nkhwashu	APC
6. Cllr J Mokgoloboto	ANC
7. Cllr T Manyama	ANC
8. Cllr TL Mhlongo	ANC
9. Cllr L Mohale	ANC
10. Cllr D Maake	ANC
11. Cllr JHS Mbhalati	ANC
12. Cllr G Nghondzweni	ANC

4. ANNUAL REPORT CONSULTATION PROCESS

- a) The Annual Report was tabled at an open Council Meeting on 29th January 2015; the same report was further referred to MPAC for consideration and recommendation.
- b) An official notice advising where the annual reports could be viewed and inviting representation from the public was placed in the newspaper on the 12 February 2015. Further the notice was displayed in the municipal buildings. Copies of the Annual Reports were placed at the Municipal administration buildings including

libraries as well as at the 4 Thusong Centres, which are Bulamahlo, Runnymede, Relela and Lesedi.

- c) Copies of the report were forwarded to the following stakeholders as required by the MFMA: Provincial Treasury, National Treasury, Provincial COGSTA, Provincial Legislature, and Auditor General
- d) The Municipal Public Accounts Committee held a consultation meeting with the AG (Manager, Ms L Phateng) on the 03rd March 2015, to clarify on matters of Audit.
- e) The committee conducted a project inspection visits on the 13 January 2015, and the following are the projects that were visited:
 - Thapane- Moruji: Phase2
 - Refurbishment and Upgrading of Tzaneen Swimming Pool: Phase 2
 - Refurbishment and Upgrading of Lenyenye Stadium: Phase 2
 - Senakwe to Morapalala
 - Nkowankowa Sports Centre

5. OBSERVATIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE 2013/14 ANNUAL REPORT. THE COMMITTEE NOTED WITH CONCERN THE FOLLOWING:

- That the municipality has again for 3 years in succession failed to improve to a better audit opinion.
- That some of the Audit Findings for the year under review are recurring from the previous financial years.
- That the Audit Action Plan for the year under review does not adequately remedy the audit findings.
- That there is a lack of monitoring on implementation of projects and use of Conditional grants.
- That the Municipality did not fully recognise revenue from fines issued amounting to R14 million on a gross Basis as required by GRAP1 and the tickets amounting to 14 million were not captured on the Municipal system.

- That there is non-compliance with GRAP standards when preparing the cash flow statements.
- That there is disregard of compliance by departments on matters of supply chain processes
- That the non-attendance of BEC, BAC meetings by officials and the practice has been going on repeatedly without any corrective measures put in place.
- That money was loaned by the municipality to a client, of which, the municipality's business is to render services to the communities it serves not a money laundering institution.
- Lack of Public Participation on the Draft Annual Report by the Executive Committee and Management
- Lack of thorough co-ordination by management

6. MPAC RECOMMENDED RESOLUTIONS TO BE ADOPTED BY COUNCIL, IN ACCORDANCE WITH THE MFMA.

- a) That the Council having fully considered the Greater Tzaneen Municipality annual report for the financial year 2013/2014 and representations thereon, adopts the oversight report; and approve the Final Revised Annual Report with reservations as follows:
- (i) That in future Council having noted the Draft Annual Report, the Public Participation on the Annual Report, be conducted by the Executive Committee and Management to the four clusters of the Municipality.
 - (ii) That Council ensures that the accounting officer monitors the use of Conditional Grants by Departments and report progress to Council on a quarterly basis to avoid roll-overs of projects.
 - (iii) That the R14 million worth of traffic fines that were not captured on the Municipal system be captured within 14 working days of Council having adopted the MPAC report and proof of the captured fines be forwarded to MPAC.

- (iv) That the non-compliance with GRAP1&2 standards be attended to as a matter of urgency to avoid the finding recurring in the next financial year.
- (v) That Council mandate the Accounting Officer to forward the terms of reference, that was used to appoint the Panel of Attorneys along with the offer that the firm was offered and the contract between the municipality and the Panel of Attorneys to MPAC.
- (vi) That a corrected indigent register be compiled and finalised by the Finance department as a matter of urgency.
- (vii) That a clarity be provided to Council as the Annual report indicates that Mr Mahowa owed the Municipality R270 000 and the proof of payment forwarded to MPAC is different.
- (viii) That Council mandate the Accounting Officer to take action against the members of the BEC and BAC who failed to honour the meetings that were organised and the result of the corrective measures be reported to Council in the next Council sitting.