

GREATER TZANEEN MUNICIPALITY

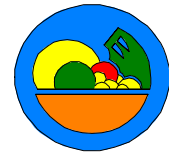


OVERSIGHT REPORT (ON 2009 / 2010 ANNUAL REPORT)



GREATER TZANEEN MUNICIPALITY GROTER TZANEEN MUNISIPALITEIT

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OVERSIGHT COMMITTEE REPORT ON THE 2009/2010 ANNUAL REPORT (A 6)

The oversight committee report on the 2009/2010 annual report for Greater Tzaneen Municipality.

Purpose

To enable the Oversight Committee to discharge the oversight responsibility in considering the Greater Tzaneen Municipality's Annual Report for 2009/2010 in terms of Section 129 of the Municipal Finance Management Act (Act no. 56 of 2003) MFMA.

1. STRATEGIC INTENT

Good governance and regulatory reform

2. BACKGROUND

The constitution of the Republic of South Africa of 1996 as amended, the Municipal Finance Management Act of 2003, the Municipal Systems Act of 2000 and the MFMA circular 32 views the Oversight role of Council as an important component of the financial reforms.

This task is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) (EXCO) and Administration. Good governance, effective accountability and oversight can only be achieved if there is a clear distinction between the functions performed by different role players.

The Municipal Finance Management Act (MFMA) requires Council to oversee the performance of municipality both in terms of the Finance Management and Service Delivery. As per the supra referred directive, the 2009/2010

Annual Report was tabled and adopted by Council on 22nd February 2011 as per Council resolution no. A6.

The Annual Report was then referred to the Oversight Committee. The Oversight Committee held several meetings to prepare for the execution of its tasks.

DATE	ACTIVITY	VENUE	BY WHOM	TIME
22 Feb 2011	Tabling of Annual Report	Council Chamber		17:15
25 Feb 2011	Councillors and Oversight Committee	Council Chamber	Provincial Treasury and Local Government and Housing	09:00
09 March 2011	Committee Meeting	Entertainment Hall	All members	14:30
14 March 2011	Committee Meeting	Entertainment Hall	Oversight members, PMS Officer, IDP Officer and All Directors	15:00
16 March 2011	Viewing of projects	Field work	All members	08:00 All day event
18 March 2011	Committee Meeting	Entertainment Hall	All members	14:30
25 March 2011	Interviewing departments	Council Chamber	All members and Directors	14:00
28 March 2011	Committee Meeting	Entertainment Hall	All members	14:30
30 March 2011	Special Council Meeting	Council Chamber	Speaker	17:15

3. The Oversight Committee met with the Acting Municipal Manager and Directors on the 25 March 2011 to interact with all questions which needed clarity.

The following observations were made:

- 3.1 Significant improvement on the layout of the Annual Report. The Annual Report is user friendly though visual representation of some facts can add more value on the comprehension of the document (map, graphs)
- 3.2 The Oversight Committee expressed serious concerns that for the past 10 years in succession the municipality received qualified reports. This casts a shadow of doubt on whether the municipality will be able to receive an unqualified Auditor General's report by 2014.
- 3.3 Disclosure in our financial statements must be complete and cover all problematic areas.
- 3.4 A written Management Action Plan must be submitted, explaining how issues raised by Auditors General are addressed.
- 3.5 An impressive Annual performance report was given to the Oversight Committee while it was not submitted to the Internal Audit unit and it was not availed to the Auditor General.
- 3.6 Service Delivery and Budget Implementation Plan (SDBIP) was not timeously submitted as prescribed.
- 3.7 PMS reports were not timeously submitted
- 3.8 Some queries raised by Internal Audit are not attended to.
- 3.9 Need for the immediate setting up of Risk Management System.
- 3.10 Information Technology System (IT) lacks integrity and accuracy as raised by the Auditors General.
- 3.11 Communication to all stakeholders must not beg questions, it must be comprehensive, effective and explicit.

4. RECOMMENDATIONS

Having fully considered the 2009/2010 Annual Report, the Oversight Committee of the Greater Tzaneen Municipality and the representation thereon:

Adopts the Oversight Report and approves the Annual Report with reservations.

Resolved

That Council having fully considered the 2009/2010 Annual Report of the Greater Tzaneen Municipality and representation thereon

Adopts the Oversight Report and approves the Annual Report with reservations.

MJ Mbhalati
Chairperson: Oversight Committee
Greater Tzaneen Municipality