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**A111 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MPAC OVERSIGHT REPORT
ON THE 2017/18 4th QUARTER RISK MONITORING AND COMPLIANCE REPORT
(C 2019 01 31) (12/2/3/1/1)**

RESOLVED

- a) That council takes note of the 2017/18 4th quarter risk monitoring and compliance report
- b) The council notes that the risk monitoring and compliance report by the risk management committee outlines risk and corrective measure to mitigate risks as identified.
- c) That Management should take cognisance of the risks that are not fully mitigated in order to employ strong systems of internal controls.
- d) That the progress on the implementation of corrective measures to mitigate the identified risks be reported to the council on quarterly basis.

Signed by the speaker:

Councillor DJ Mmetle

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REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
CHAIRPERSON: COUNCILOR DG MKHABELA.

PURPOSE OF THE REPORT

The purpose of the report is to table before Council on the Municipal Public Accounts committee's oversight report on the 2017/18 4th quarter Risk monitoring and compliance report.

BACKGROUND

The 2017/2018 4th quarter risk and compliance report was referred to the Municipal Public Accounts committee by Council on the 30 August 2018 for oversight processes by the committee council resolution (A76 EC 2018 08 21 C2018 08 30)

DISCUSSIONS

The committee perused the report and observed that the risk as identified in the report are of a serious nature and while other risks are recurring and which includes among others; Excessive amounts of overtime/abuse of overtime by officials, irregular and fruitless expenditures which mostly emanate from noncompliance with supply chain management policy, and while other emanates from expired contract and interest on late payment.

There is lack of compliance with legislations and policies of the municipality and lack of commitment to address the identified risks by management, and these will affect the municipality from achieving the clean audit or even to sustain the unqualified audit opinion.

The risk monitoring and compliance report should be seen as an enabling tool for management and Council to determine value-add of Risk Management function. Risk reporting, which is done on quarterly basis, must serve as a tool which informs management of successes and failure in achieving municipal objectives as stipulated

in the Integrated Development Plan (IDP). The report will assist Management to take cognisance of the risks that are not fully mitigated in order to employ strong systems of internal controls.

The attached 4th quarter risk management and compliance report by the risk management committee is detail and it provides corrective measures to mitigate the identified risks.

RECOMMENDATIONS

- a) That council take note of the 2017/18 4thquarter risk monitoring and compliance report
- b) The council note that the risk monitoring and compliance report by the risk management committee outlines risk and corrective measure to mitigate risks as identified.
- c) That Management should take cognisance of the risks that are not fully mitigated in order to employ strong systems of internal controls.
- d) That the progress on the implementation of corrective measures to mitigate the identified risks be reported to the council on quarterly basis.

FOR CONSIDERATION

