

2015/2016



## **OVERSIGHT REPORT 2015/2016**

This Oversight Report on the Annual Report 2015/2016 and is drafted and submitted in terms of Section 129 of the Municipal Finance Management Act (MFMA), 56 of 2003

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**ANNEXURES**

**Annexure "A": Minutes of the Municipal Public Accounts (MPAC) on  
the oversight of the Annual Report 2015/16**

## 1. FOREWORD BY THE MPAC CHAIRPERSON

The constitutional democracy that was ushered in 1994 promised with it “(A) *Better Life for All*”. It further promised with it a government of the people, by the people, and for the people; premised on the will of the people. Because of all the promises that came with the new dispensation, the masses of our people have high expectations from the institutions of government. The masses of our people expect the institutions of government to be transparent and accountable, to them this is the government that is premised on the will of the people. The residents within the jurisdiction of Emalahleni Local Municipality expect no less and no different from their local government. The Annual Report of a municipality is but one of the mechanisms used for accountability, in this regard section 121(1)(c) of the Municipal Finance Management Act provides that “the purpose of the annual report is to promote accountability to the local community for the decisions made throughout the year by the municipality”.

Our people not only expect government institutions to be accountable, they expect these institutions to comply and adhere to the principles of good governance. The masses of our people expect government institutions that are properly functional. More importantly in local government, as it is the sphere of government that is closest to the people. Our people expect a municipality that has the ability to live up to its constitutional promise, thus a municipality that has the ability to deliver services on time. According to the United Nations Secretary-General good governance means, “creating well-functioning and accountable institutions – political, juridical and administrative – that citizens regard as legitimate, through which they participate in the decisions that affect their lives, and by which they are empowered”.

It is in this regard that the Constitution of 1996, the Municipal Systems Act of 2000, and the Municipal Finance Management Act of 2003 enjoin Municipal Councils to oversee the performance of the municipalities.

The Draft 2015/16 Annual Report was table to Council on the 30 August 2016. Council referred the Draft Annual Report to the Municipal Public Accounts (MPAC) for further interrogation so that the Oversight Report can be developed. The Oversight Report is of great importance to Council in that it guides it in remedying the shortcomings identified in the Annual Report. In fulfilling the responsibilities assigned to it by Council, MPAC held meetings on the following dates:

21 October 2016;

8 November 2016;

16 November 2016;

22 November 2016; and

6 December 2016.

In considering the Draft 2015/16 Annual Report, MPAC also consulted the 2014/15 Oversight Report to establish those areas that had not yet been implemented or attended to, so that those could also be incorporated in the 2015/16 Oversight Report. MPAC will ensure that recommendations developed in the 2015/16 Oversight Report are fully implemented by the municipal administration, this will be monitored through quarterly reports to MPAC.

Finally, I would like to extended a word of gratitude to the new MPAC honourable members for their dedication and hard working in ensuring that this Report is tabled within seven days of receipt of the Auditor-General's Report. Indeed, you have hit the ground running. I would also like to thank the administration for its role in the development of this Report. We have demonstrated that indeed "working together we can do more in moving Emalahleni Municipality forward".

I thank you.

*L. P. MAPETE*

**COUNCILLOR P. MAPETE**

**MPAC CHAIRPERSON**

### 3. ACRONYMS

<b>“AGSA”</b>	Auditor General of South Africa
<b>“COGTA”</b>	Department of Cooperative Governance and Traditional Affairs
<b>“EC”</b>	Province of the Eastern Cape
<b>“ELM”</b>	Emalahleni Local Municipality
<b>“FY”</b>	Financial Year
<b>“IDP”</b>	Integrated Development Plan
<b>“KPI”</b>	Key Performance Indicators
<b>“MFMA”</b>	Municipal Finance Management Act
<b>“MPAC”</b>	Municipal Public Accounts Committee
<b>“MSA”</b>	Municipal Systems Act
<b>“PMS”</b>	Performance Management Systems
<b>“RSA”</b>	Republic of South Africa
<b>“SDBIP”</b>	Service Delivery Budget & Implementation Plan

#### **4. INTRODUCTION**

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Finance Management Act of 2003 requires Council to consider the Annual Report and adopt an Oversight Report containing the Council's comments on the Annual Report. The Annual Report is thus a key and critical instrument of good governance and accountability. It is a post-financial year reporting which provides an overview of the financial and non-financial performance in respect of the previous financial year.

#### **5. PURPOSE**

The purpose of this report is to present to Council for adoption the Final Audited Annual Report for 2015/2016 as well as the Oversight Report on the Annual Report as required in terms of Section 129 of the Municipal Finance Management Act of 2003.

#### **6. LEGAL FRAMEWORK**

Herewith are extracts from key legislative requirements as stipulated in the Local Government: Municipal Finance Management Act 56 of 2003 relating to the Annual Report :-

##### **“121. Preparation and adoption of annual reports**

- (1) Every municipality and every municipal entity must for each financial year prepare and annual report in accordance with this Chapter. The Council of a municipality must within nine (9) months after the end of the financial year deal

with the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

(2) The purpose of an Annual Report is –

- (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.”

#### **“127. Submission and tabling of annual reports**

(2) The Mayor of a municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.”

#### **“129. 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 27, adopt an oversight report containing the Council's comments on the Annual Report, which must include a statement whether the council –

- (a) has approved the Annual Report Annual Report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those comments that can be revised.”



## **7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

The Municipal Public Accounts Committee (MPAC) is a committee of council established in terms of Section 79 of the Local Government: Municipal Structures Act of 1998 (Act 117 of 1998). According to the Terms of Reference MPAC has the responsibility to, *inter alia*, perform oversight over the process of preparing the Annual Report of Council and produce an Oversight Report based on the Annual Report. Thus the committee is delegated the responsibility to conduct meetings and hold public hearings to receive and hear public submissions on the Annual Report on behalf of Council.

The Local Government elections that were held on the 3 August 2016 resulted in the ushering of new councillors. The current MPAC members were elected at the first Council Meeting.

**MPAC currently consists of the following members:**

- i. Cllr. P. Mapete      **(Chairperson)**
- ii. Cllr. ZG Moshani
- iii. Cllr. MF Mthandeki
- iv. Cllr. M. Makatesi
- v. Cllr. N. Kraqa
- vi. Cllr. AT Lwanyana

## **8. LEGISLATIVE / STATUTORY REQUIREMENTS**

The following legislative framework is applicable:

- i. The Constitution of the Republic of South Africa, Act 108 of 1996;
- ii. The Local Government: Municipal Structures Act 117 of 1998;
- iii. The Local Government: Municipal Systems Act 32 of 200, as amended;
- iv. The Local Government: Municipal Finance Management Act 56 of 2003;
- v. The Local Government: Municipal Finance Management Act: Circular 11;
- vi. The Local Government: Municipal Finance Management Act: Circular 32;
- vii. The Local Government: Municipal Finance Management Act of 2003 (Circular 63);
- viii. National Treasury and Department of Cooperative Governance and Traditional Affairs: Final Guidelines for the establishment of the Municipal Public Accounts Committee, August 2011.

## **9. CONSULTATION AND ADOPTION PROCESS**

The Draft Unaudited Annual Report was submitted to Council on the 30 August 2016 and was referred to the Municipal Public Accounts Committee for oversight in terms of relevant legislation. The community was advised through the print media on the availability of the Annual Report and was further invited to submit representation on the report thereof. Copies of the Annual Report were made available to all municipal libraries and community halls. Copies were further circulated to all Councillors, Office of the Auditor-General, the Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs.

Members of MPAC interrogated the *Annual Report* and the minutes thereof are attached for formal records of the proceedings in accordance with the provisions of Section 129(2)(b) of the MFMA 56 of 2003.

In considering the Draft Unaudited Annual Report, the committee assessed the following documents:

- The ELM's Integrated Development Plan 2015/16;
- Annual Report 2015/16;
- Auditor-General's Audit Report;
- Management Audit Action Plan.

The first step for the MPAC adopted an approach to consider the report. The applied approach was to focus on four issues, thus:

- Annual Report 2015/16;
- Auditor-General Audit Report;
- Action Plan for addressing queries raised by the Auditor General; and
- Formulation of Recommendations to Council regarding the 2015/16 Annual Report.

## **10. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS**

Section 130 of the MFMA provides that meetings of a Municipal Council or committee established by Council at which an Annual Report is to be discussed or at which decisions concerning an Annual Report are to be taken, must be open to the public and any organ of state. This is in promotion of public participation in municipal processes.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- Invite written submissions from the local community or organs of state on the Annual Report;
- Make public all meetings at which the Annual Report will be discussed;
- Representatives of the Auditor-General are entitled to attend and to speak at any meeting that deals with the Annual Report; and
- Engage in the process of public participation on the Annual Report.

It is unfortunate that in considering the Annual Report for 2015/16 the MPAC did not invite the community to participate in its meetings. The committee is recommending that going forward an advertisement be published inviting the community and other relevant stakeholders to participate in the oversight of the Annual Report.

The Municipality undertook the following initiatives to promote public participation in considering the Annual Report:

<b>MECHANISMS TO PROMOTE PUBLIC PARTICIPATION</b>	<b>STATUS</b>	<b>COMMENTS</b>
Invitation to the public to submit comments on the Annual Report	<b>DONE</b>	Public was invited to submit comments on the Annual Report. A relevant advertisement was published in the local newspaper

<p>Make public all meetings of MPAC that will consider the Annual Report</p>	<p><b>NOT DONE</b></p>	<p>There was no invitation that was published inviting members of the public to participate in the MPAC meetings that were considering the Annual Report. Recommendations will be made by the chairperson in this report that going forward invitation must be extended to the public on the dates of the meetings that will consider the Annual Report.</p>
<p>Representatives of the Auditor-General invited to meetings of Council that consider the Annual Report</p>	<p><b>NOT DONE</b></p>	<p>Representatives from the Auditor-General were not invited to MPAC meetings that were considering the Annual Report. It will be recommended that going forward representatives from the Auditor-General, the EC Office of the Premier, Cogta, Provincial Treasury, and Chris Hani District Municipality be invited.</p>

## 11. COMMITTEE FINDINGS AND RECOMMENDATIONS

The first step for the MPAC adopted an approach to consider the report. The applied approach was to focus on four issues, thus:

- Annual Report 2015/16;
- Auditor-General Audit Report;
- Action Plan for addressing queries raised by the Auditor General; and
- Formulation of Recommendations to Council regarding the 2015/16 Annual Report.

AREA 1	MATTERS UNDER CONSIDERATION	RECOMMENDATIONS
ANNUAL REPORT	Chapter 1: Mayor's Foreword and Executive Summary	The Municipal Public Accounts Committee is satisfied with the Mayor's Foreword. The committee does not have any finding in relation to the Mayor's Foreword. The committee is further satisfied that the Mayor's Foreword complies with Chapter 12 of the Municipal Finance Management Act. The committee is further satisfied that the Mayor's Foreword has been able to capture the spirit and ethos of the Municipality. In addition, the

		<p>committee further commends the Honourable Mayor and the Executive Committee on the leadership directives of the Municipality. It is the view of the committee the Mayor's Foreword has correctly captured the spirit of the activities of the Municipality.</p>
	<p><b>Municipal Manager's Overview</b></p>	<p>The committee is satisfied with the Municipal Manager's Overview. The committee has resolved the Municipal Manager's Overview has captured the spirit and policy overview of the Municipality in the year under review. The committee recommends that the second last paragraph of the Municipal Manager's Overview be deleted. The committee is of the view that the paragraph is outdated as the Accounting Officer and the Director for Corporate Services were not employed during the</p>

		financial year under review as stated in the Overview.
	<b>CHAPTER 2: GOVERNANCE</b>	The Municipal Public Accounts Committee does not have any findings on Chapter of the Unaudited Annual Report. It is the view of the committee that Chapter is fairly the true reflection of the activities of the Municipality in relation to the political and administrative leadership of the Municipality.
<b>ANNUAL REPORT</b>	<b>CHAPTER 3:</b>	<b>SERVICE DELIVERY PERFORMANCE</b>
	<b>SANITATION (3.2.2)</b>	The committee is concerned with the state of septic ablation facilities, the committee is of the view that attention needs to be given to the ablation facilities. The committee is of the view that the state of the ablation facilities in our communities contribute to the



		<p>state of hygiene in our communities.</p> <p>The committee recommends that the municipality must embark on the hygiene awareness campaign to educate the community on issues related to hygiene and cleanliness. The committee further recommends that the Municipality to provide mechanisms that will ensure that the chemicals used in ablution facilities are easily accessible.</p>
	<p><b>SOLID WASTE (3.2.4)</b></p>	<p>The committee commends the strides that have been made in relation to solid waste management. The committee recommends that further strides should be made to ensure that there is enough budget for solid waste management.</p>
	<p><b>ELECTRICITY (3.4)</b></p>	<p>The committee has resolved and recommends that the Municipality must engage on awareness</p>

		<p>campaigns in relation to the provision of Free Basic Electricity (FBE). The committee recommends that strides should be made for members of the community who qualify as indigent to be registered as such.</p>
	<p><b>HUMAN SETTLEMENTS (3.5)</b></p>	<p>The committee has resolved that the Municipality must engage in awareness campaign to educate the community in relation to Building Control Measures. The committee thus recommend that the Municipality must engage in awareness campaign on the By-Law in Relation to Buildings. The committee recommends that the community must be taught about the processes that need to follow before any person can renovate or build an immovable property. The committee has resolved it must still engage in loco inspection on the houses that</p>

		have been built during the financial year under review.
	<b>COMPONENT B: ROAD TRANSPORT</b>	The Committee had intended to engage in loco inspection on the projects that have been completed during the financial year under review, thus Lady Frere to Zakhele Road and Bankies Access Road. The committee has resolved to still engage in the loco inspection to assess the quality of the work done against the specifications thereof. The committee further recommends that a By-Law on Roads Development be promulgated to ensure uniformity thereof.
	<b>PUBLIC TRANSPORT (3.10.2)</b>	The committee has expressed concern on the taxis that park illegally on the Main Road in Lady Frere. The committee recommends that there should be

		strict compliance with the relevant By-Law.
	<b>COMPONENT G: TRAFFIC SERVICES</b>	The committee notes the challenges provided in the Annual Report in relation to Traffic Services. The committee recommends that more staff should be employed in that Section to overcome staff shortages. The committee further recommends that strides should be made in relation to the establishment of the Municipal Court. The committee is of the view that such a court will assist in revenue enhancement of the Municipality and also in relation to the enforcement of By-Laws of the Municipality.
	<b>CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE</b>	The committee is satisfied that this chapter of the Annual Report has been sufficiently reported and

		thus no findings were made by the committee
	<b>CHAPTER 5: FINANCIAL PERFORMANCE</b>	The committee is satisfied that this chapter of the Annual Report has been sufficiently reported and thus no findings were made by the committee
<b>AREA 2</b>	<b>AUDITOR GENERAL'S AUDIT FINDINGS</b>	<b>RECOMMENDATIONS</b>
	<b>EMPHASIS 9: UNAUTHORISED EXPENDITURES</b>	The Committee notes the unauthorised expenditure as a result of depreciation and debt impairments that had not been adequately budgeted for. The committee commends the Budget and Treasury Office (BTO) for the exercise they took in determining the true value of municipal assets. The committee thus recommends that for a Special Adjustment Budget by Council in line with Circular 68 of the MFMA to the amount of R21 573 065 in respect

		of unauthorised expenditure for the 2015/16 Financial Year.
	<b>EMPHASIS 10: IRREGULAR EXPENDITURE</b>	The committee recommends that the municipality to engage in consequence management for individuals that are found to be contravening relevant procurement policies and/or legislation.
	<b>EMPHASIS 11 AND 12: MATERIAL LOSSES AND IMPAIRMENTS</b>	The committee recommends that an action plan must be developed in order to mitigate material losses and impairments. The committee will request an update during the submission of quarterly reports
	<b>EMPHASIS 25: COMPLIANCE WITH LEGISLATION</b>	The committee recommends that a compliance register must be compiled to ensure that there is compliance with relevant legislations.

**12. RECOMMENDATIONS BY THE CHAIRPERSON:**

- a) That an Action Plan with time-frames to address the findings in the Auditor-General's Report be drawn up by the Accounting Officer and be submitted to the next MPAC meeting.
- b) That the Chief Audit Executive identify risk factors in the institution and submit same to the Municipal Manager and the Audit Committee, with proposed solutions for dealing with such risks.

**13. OVERSIGHT COMMITTEE RESOLUTIONS:**

The Municipal Public Accounts Committee having fully considered the Emalahleni Local Municipality Annual Report for the 2015/16 Financial Year, resolves to recommend to Council:

1. That Council **APPROVES** the Special Adjustment Budget in line with Circular 68 of the Municipal Finance Management Act of 2003 in the amount of R 21 573 065 in respect of unauthorised expenditure for the 2015/16 Financial Year.
2. That Council having fully considered the Annual Report for the 2015/16 Financial Year, **ADOPTS** the Oversight Report on the Annual Report 2015/16 as presented by the Municipal Public Accounts Committee.
3. That Council, having fully considered the Final Draft of the Annual Report for the 2015/16 Financial Year, attached hereto, **ADOPTS** the Annual Report for the 2015/16 Financial Year without any reservations.

4. That the recommendations of the Municipal Public Accounts Committee as reflected above, be **ADOPTED** and that reports on the implementation be submitted to the Committee.
5. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act of 2003.
6. That the Oversight Report be submitted to the Provincial Legislature in accordance with section 132(2) of the Municipal Finance Management Act of 2003.



**EMALAHLENI LOCAL MUNICIPALITY**

**MINUTES OF SPECIAL MPAC COMMITTEE MEETING**

**OF THE**

**EMALAHLENI LOCAL MUNICIPALITY**

**HELD ON**

**THURSDAY, 21 OCTOBER 2016**

**AT 14:00**

**AT THE TRAFFIC STATION BOARDROOM**

**CACADU**



EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
21 OCTOBER 2016



**PRESENT:**

**COUNCILLORS**

Cllr P Mapete	Chairperson
Cllr ZG Mashani	Ward Councilor
Cllr M Makatesi	Ward Councilor
Cllr N Kraqa	Ward Councilor
Mr AT Lwanyana	Traditional Leader

**OFFICIALS:**

DR SW Vatala	Municipal Manager
Adv Td Sagela	MPAC Coordinator
Ms N Peter	Committee Clerk

**A. DELIBERATIONS**

**1. OPENING AND WELCOME**

Councillor ZG Moshani opened the meeting with a short prayer and the Chairperson Councillor P Mapete welcomed everyone present.

**2. NOTICE CONVENING THE MEETING**

The notice convening the meeting was read by the Accounting Officer, Dr Vatala.

  
DR SW VATALA  
MUNICIPAL MANAGER

1 Date

13.12.2016

  
CLLR P MAPETE  
CHAIRPERSON: MPAC



**EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
21 OCTOBER 2016**



### 3. APPLICATION FOR LEAVE OF ABSENCE

The following applications for leave of absence were received:

Cllr F Mthandeki

Mr De Jager

Ms POB Makoma

Councillor ZG Moshani moved for the acceptance of the apologies. He was seconded by Councillor F Mthandeki.

### 4. CONFIRMATION OF MINUTES

The minutes of the meeting that was held on the 26 July 2016 were presented by the Chairperson. The minutes were not confirmed but were only noted as no one had attended that meeting but for the chairperson.

### 5. ADOPTION OF THE AGENDA

Councillor ZG Moshani moved for the adoption of the agenda. He was seconded by Cllr N Kraqa.

  
DR SW VATABA  
MUNICIPAL MANAGER

2

Date

13.12.2016

  
CLR P MAPETE  
CHAIRPERSON: MPAC



**EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
21 OCTOBER 2016**



**6. CONSIDERATION OF THE REPORTS**

**6.1 EMALAHLENI MUNICIPALITY MUNICIPAL PUBLIC ACCOUNTS TERMS OF REFERENCE.**

The MPAC Coordinator presented the Terms of References for the Municipal Public Accounts Committee.

**RECOMMENDATIONS**

It was recommended that


:

- a) The Municipal Public Accounts Committee NOTES the Review of the Terms of References.
- b) The Municipal Public Accounts Committee ADOPTS the Reviewed Terms of References.
- c) The Municipal Public Accounts Committee SUBMITS the Reviewed Terms of References to Council for Adoption.

Councillor ZG Moshani moved for the acceptance of the recommendations. He was seconded by Councillor N Kraqa.

  
DR SW VATALA  
MUNICIPAL MANAGER

3 Date \_\_\_\_\_

  
CLLR P MAPETE  
CHAIRPERSON: MPAC



EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
21 OCTOBER 2016



## 6.2 OVERSIGHT ON THE UNAUDITED ANNUAL REPORT 2015/16

The MPAC Coordinator presented the Unaudited Annual Report 2015/16.

### RECOMMENDATIONS:

It was recommended that:

- a) The Municipal Public Accounts Committee INTERROGATES the Unaudited Annual Report 2015/16.
- b) The Municipal Public Accounts Committee SUBMITS to Council its findings and recommendations to Council after the oversight period is complete.

Councillor N Kraqa moved for the acceptance of recommendations. He was seconded by Councillor ZG Moshani.

## 7. CLOSURE


The meeting was officially closed at 14h25.

  
DR SW VATALA  
MUNICIPAL MANAGER

4

Date

13.12.2016

  
CLR P MAPETE  
CHAIRPERSON: MPAC

**EMALAHLENI LOCAL MUNICIPALITY**

**MINUTES OF SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING**

**OF THE**

**EMALAHLENI LOCAL MUNICIPALITY**

**HELD ON**

**TUESDAY, 8 NOVEMBER 2016**

**AT 10H00**

**AT THE DEPARTMENT OF EDUCATION BOARDROOM**

**CACADU**

  
R SW VATALE  
MUNICIPAL MANAGER

1 \_\_\_\_\_  
Date

  
CLLR L MAPETE  
CHAIRPERSON



EMALAHLENI LOCAL MUNICIPALITY



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
8 NOVEMBER 2016

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**A. PRESENT**

**Councillors**

- |                      |             |
|----------------------|-------------|
| 1. CLLR L MAPETE     | CHAIRPERSON |
| 2. CLLR ZG MOSHANE   |             |
| 3. CLLR M MAKATESI   |             |
| 4. CLLR MF MTHANDEKI |             |
| 5. CLLR N KRAQA      |             |
| 6. MR AT LWANYANA    |             |

**Officials**

- |                  |                   |
|------------------|-------------------|
| 1. DR SW VATALA  | MUNICIPAL MANAGER |
| 2. ADV TD SAGELA | MPAC COORDINATOR  |
| 3. MS N PETER    | COMMITTEE ADMIN   |

**B. DELIBERATIONS**

**1. OPENING AND WELCOMING**

The meeting was opened with a short prayer that was conducted by Councillor Mthandeki. The chairperson welcomed everyone that had attended the meeting. The chairperson further thanked the Municipal Manager for honouring the invitation that was sent to his office by the committee.

**2. NOTICE CONVENING THE MEETING**

The notice to convene the meeting was read by the Accounting Officer.

  
SW VATALA  
MUNICIPAL MANAGER

2 Date

13.12.2016

  
CLLR L MAPETE  
CHAIRPERSON



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
8 NOVEMBER 2016

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**3. APPLICATION FOR LEAVE OF ABSENCE**

The following applications for leave of absence were received:

Mr De Jager

Ms POB Makoma

Councillor ZG Moshane moved for the acceptance of the apologies. He was seconded by Councillor F Mthandeki

**4. ADOPTION OF THE AGENDA**

Councillor ZG Moshane moved for the adoption of the agenda. He was seconded by Councillor F Mthandeki

**5. CONSIDERATION OF REPORTS**

**5.1 OVERSIGHT ON THE ANNUAL REPORT 2015/2016**

**5.1.1 LOCAL ECONOMY AND STATISTICS**

The Accounting Officer made a presentation in front of the committee on behalf of the executive management. The Accounting Officer made a presentation on the overview of the local economy and the population thereof.





## EMALAHLENI LOCAL MUNICIPALITY



### MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 8 NOVEMBER 2016

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The Accounting Officer provided that the data that is presented in the Annual Report is a credible data from Statistics SA. He further noted that the trend in rural municipalities was that the population was decreasing because people migrate to the cities looking for opportunities (ie school and jobs). The decline of the population trends in Emalahleni Municipality is not a unique trend.

The Accounting Officer further stated that strides are being made to boost the local economy thus retaining the people that are here and further attract those that left. The Accounting Officer outlined the mega projects that are in the pipeline as part of the strides that are being made. The revatilisation of the milling company is also one of the strides.

#### 5.1.2 PUBLIC ROADS

The Accounting Officer responded to the request that the committee wanted to inspect the roads that have been developed in the year under review. The Accounting Officer recommended to the committee to obtain the specifications of the roads that have been developed. The Accounting Officer stated that such specifications will give the committee an understanding whether the projects have been completed according to the targets set. It was agreed that such information will be made available

#### 5.1.3 INFRASTRUCTURE

The Accounting Officer stated that water is no longer the competence of the local municipality as such it has not been a key factor in the Annual Report. Water Services is the competence of the Chris Hani District Municipality.

With regard to the provision of the Free Basic Electricity (FBE), the Accounting Officer stated the Chief Financial Officer would account to that effect when he attends in the next



EMALAHLENI LOCAL MUNICIPALITY



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
8 NOVEMBER 2016

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meeting. The Community Services Director will also attend the next meeting to provide a further and detailed account.

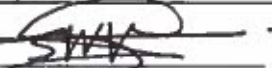
**Recommendations**

It was Recommended that;

- a) Municipal Public Accounts Committee Notes the report by the Accounting Officer.
- b) The Accounting Officer to immediately make available the specifications of the roads that have been constructed during the year under review.
- c) The committee to engage in loco inspection on the roads constructed during the year under review.

**7. Closure**

The meeting was officially closed with a short prayer at 14h25

  
DR SW VATALA  
MUNICIPAL MANAGER

2

13.12.2016  
Date

L. P. MAPETE  
CLLR L. MAPETE  
CHAIRPERSON

**EMALAHLENI LOCAL MUNICIPALITY**

**MINUTES OF SPECIAL MPAC COMMITTEE MEETING**

**OF THE**

**EMALAHLENI LOCAL MUNICIPALITY**

**HELD ON**

**16 NOVEMBER 2016**

**AT 10:00**

**IN THE DEPARTMENT OF EDUCATION BOARDROOM,**

**CACADU,**



**EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
16 NOVEMBER 2016**



**PRESENT:**

**COUNCILLORS**

Cllr P Mapete	Chairperson
Cllr ZG Moshani	Ward Councillor
Cllr MF Mthandeki	PR Councillor
Cllr M Makatesi	Ward Councillor

**OFFICIALS:**

ADV TD Sagela	MPAC Coordinator
Ms N Ncarhashe	Community Services Manager
Ms N Peter	Committee Clerk

**1. OPENING AND WELCOME**

The meeting was opened by a short prayer that was led by Councillor Mthandeki. The chairperson welcomed all those that attended the meeting and further thanked them with their cooperation during this critical time of oversight.

**2. NOTICE CONVENIG THE MEETING**

It was agreed that all meetings subsequent to the first oversight meeting will be deemed as the continuation of that meeting.

  
DR SW VATALA  
MUNICIPAL MANAGER

1

Date

13.12.2016

  
CLLR P MAPETE  
PORTFOLIO: MPAC



**EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
16 NOVEMBER 2016**



**3. APPLICATION FOR LEAVE OF ABSENCE**

Application for leave of absence were received from the following:

Councillor N Kraqa

Inkosana AT Lwanyana

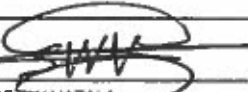
Mr G De Jager

**4. ADOPTION OF AGENDA**

Councillor MF Mthandeki moved for the adoption of the agenda. He was seconded by Councillor M Makatesi.

**5. CONFIRMATION OF MINUTES**

Councillor Makatesi moved for the adoption of the minutes of the 08 November 2016. He was seconded by Cllr MF Mthandeki.

  
DR SW VATALA  
MUNICIPAL MANAGER

2

13.12.2016  
Date

  
CLLR P MAPETE  
PORTFOLIO: MPAC



EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
16 NOVEMBER 2016



**6. CONSIDERATION OF REPORTS**

**6.1 REPORT ON PUBLIC TRANSPORT & PUBLIC SAFETY**

A report on public safety and public transport was presented to the committee by the Community Services Manager. The Community Services Manager alluded that an agreement has been reached with the Taxi Associations to the extent that the Taxi Ranks will be operational from December 2016.

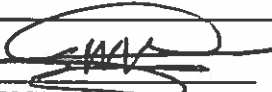
The Community Services Manager further alluded to the challenges faced by the Traffic Department, and that most of the challenges are as a result of the shortage of staff.

**RECOMMENDATIONS**

**It was RECOMMENDED THAT:**

- a) The Municipal Public Accounts Committee NOTES the report on the public transport.
- b) The Municipality must ensure that enough staff is employed to the Traffic Services.
- c) The Municipality must ensure that there is compliance with relevant legislation and by-Laws.
- d) The administration must ensure that progress is made in relation to the establishment of the Municipal Court.

Councillor MF Mthandeki moved for the adoption of the recommendations. He was seconded by Councillor ZG Moshani.

  
DR SW VATALA  
MUNICIPAL MANAGER

3

Date

13.12.2016

  
CLLR P MAPETE  
PORTFOLIO: MPAC



**EMALAHLENI LOCAL MUNICIPALITY  
MINUTES OF SPECIAL MPAC COMMITTEE MEETING  
16 NOVEMBER 2016**



## **6.2 MAYOR'S FOREWORD AND THE MUNICIPAL MANAGER'S EXECUTIVE SUMMARY**

The Municipal Public Accounts Committee interrogated chapter one of the Annual Report. The committee was satisfied that chapter one is the true reflection and summary of the activities of the municipality. The committee expressed concerns that the appointment of the Accounting Officer and the Corporate Services Director are mentioned in the Executive Summary as they did not occur during the financial year under review


## **RECOMMENDATIONS**

### **It was RECOMMENDED THAT**

- a) The Municipal Public Accounts Committee RECOMMENDS that the information on the second paragraph of the Municipal Manager's Executive Summary be updated.

## **7. CLOSURE**


The meeting was officially closed at 12:39.

  
DR SW VATALA  
MUNICIPAL MANAGER

4

Date

13.12.2016

  
CLR P MAPETE  
PORTFOLIO: MPAC

**EMALAHLENI LOCAL MUNICIPALITY**

**MINUTES OF SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING**

**OF THE**

**EMALAHLENI LOCAL MUNICIPALITY**

**HELD ON**

**TUESDAY, 22 NOVEMBER 2016**

**AT 10H00**

**AT THE DEPARTMENT OF EDUCATION BOARDROOM**

**CACADU**

  
R SW DATALA  
MUNICIPAL MANAGER

1 Date

13.12.2016

  
CLLR L MAPETE  
CHAIRPERSON





MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
22 NOVEMBER 2016

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**A. PRESENT**

**Councillors**

- |                    |                 |
|--------------------|-----------------|
| 1. CLLR L MAPETE   | CHAIRPERSON     |
| 2. CLLR ZG MOSHANI | WARD COUNCILLOR |
| 3. CLLR N KRAQA    | WARD COUNCILLOR |
| 4. MR AT LWANYANA  | INKOSANA        |

**Officials**

- |                   |                         |
|-------------------|-------------------------|
| 1. MR GP DE JAGER | CHIEF FINANCIAL OFFICER |
| 2. ADV TD SAGELA  | MPAC COORDINATOR        |
| 3. MR M NGXOWA    | AFS MANAGER             |
| 4. MS N PETER     | COMMITTEE ADMIN         |

**B. DELIBERATIONS**

**1. OPENING AND WELCOMING**

Councillor N Kraqa opened the meeting with a short prayer and the Chairperson welcome everyone present to the meeting

**2. NOTICE CONVENING THE MEETING**

It was agreed that all the meeting subsequent to the first oversight meeting will be deemed as the continuation of that meeting.



13.12.2016



**MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
22 NOVEMBER 2016**

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**3. APPLICATION FOR LEAVE OF ABSENCE**

The following applications for leave of absence were received:

Cllr MF Mthandeki

Cllr M Makatesi

Councillor ZG Moshane moved for the acceptance of the apologies. He was seconded by Councillor N Kraqa

**4. ADOPTION OF THE AGENDA**

Councillor ZG Moshane moved for the adoption of the agenda. He was seconded by Councillor N Kraqa

**5. CONSIDERATION OF REPORTS**

**5.1 ANNUAL FINANCIAL STATEMENTS**

The Chief Financial Officer presented chapter 5 of the Annual Report, the Annual Financial Statement.

**RECOMMENDATIONS**

It was **RECOMMENDED**:

- a) That Municipal Public Accounts Committee NOTES the report on the Annual Financial Statements.
- b) That Municipal Public Accounts Committee NOTES that the Asset Register must be updated.



EMALAHLENI LOCAL MUNICIPALITY



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
22 NOVEMBER 2016

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6. CLOSURE

The meeting was closed at 12:14

  
DR SW VATALA  
MUNICIPAL MANAGER

4

13.12.2016  
Date

L-P. MAPETE  
CLLR L MAPETE  
CHAIRPERSON

**EMALAHLENI LOCAL MUNICIPALITY**

**MINUTES OF SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING**

**OF THE**

**EMALAHLENI LOCAL MUNICIPALITY**

**HELD ON**

**TUESDAY, 6 DECEMBER 2016**

**AT 10H00**

**AT THE DEPARTMENT OF EDUCATION BOARDROOM**

**CACADU**

  
R SW VATALA  
MUNICIPAL MANAGER

1

Date

13.12.2016

  
CLLR L MAPETE  
CHAIRPERSON



EMALAHLENI LOCAL MUNICIPALITY



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
6 DECEMBER 2016

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**A. PRESENT**

**Councillors**

1. CLLR P MAPETE                      CHAIRPERSON
2. CLLR N KRAQA
3. CLLR ZG MOSHANI
4. CLLR M MAKATESI
5. CLLR MF MTHANDEKI
6. INKOSANA AT LWANYANA

**Officials**

1. MR M NGXOWA      AFS MANAGER
2. T SAGELA              MPAC COORDINATOR
3. N PETER                ADMIN. CLERK

**B. DELIBERATIONS**

**1. OPENING AND WELCOMING**

Inkosana T Lwanyana opened the meeting with a short prayer. The Chairperson welcomed everyone present to the meeting.



13-12. 2016

L-P. MAPETE





**MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
6 DECEMBER 2016**

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**2. NOTICE CONVENING THE MEETING**

The notice to convene the meeting was not read as per the previous committee resolution that all the oversight meetings are a continuation.

**2. APPLICATION FOR LEAVE OF ABSENCE**

There was no application for leave of absence all the members were in attendance.

**3. CONFIRMATION OF MINUTES**

Councillor Moshani moved for the acceptance of the minutes. He was seconded by Cllr Mthandeki .

**4. ADOPTION OF THE AGENDA**

Councillor N Kraqa moved for the adoption of the agenda. She was seconded by Councillor ZG Moshani

**5. CONSIDARATION OF REPORTS**

**5.1 AUDIT REPORT**

The Audit Report by the Auditor General was presented to the committee by the AFS Manager. A comparison was made between the findings of the Auditor General from the 2014/14 financial year and the year under review. It was mentioned that matters of emphasis have declined from 152 in the 2014/15 financial year to 53 in the year under review.



EMALAHLENI LOCAL MUNICIPALITY



MINUTES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING  
6 DECEMBER 2016

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The committee commended the administration of the audit outcomes and further made recommendations to the report. The recommendations are submitted to the oversight report.

A presentation was further made in relation to the unauthorised expenditure to the amount of R21 573 065. Recommendations were further made in relation to that.

**RECOMMENDATION:**

**IT IS RECOMMENDED THAT**

- a) The Municipal Public Accounts Committee to recommend to Council for the Special Budget Adjustment for the 2014/15 Financial Year in line with the Municipal Finance Management Act Circular no:68 to the amount of R21 573 065.
- b) The Municipal Public Accounts Committee to make recommendations to Council on the Auditor General's Report and such recommendations to form part of the Oversight Report.

Councillor Moshani moved for the acceptance of recommendations and he was seconded by Councillor Mthandeki.

**6. CLOSURE**

The meeting was closed with a short prayer at 11h00

  
DR SW VATALA  
MUNICIPAL MANAGER

4

Date

13.12.2016

  
CLLR L. MAPETE  
CHAIRPERSON