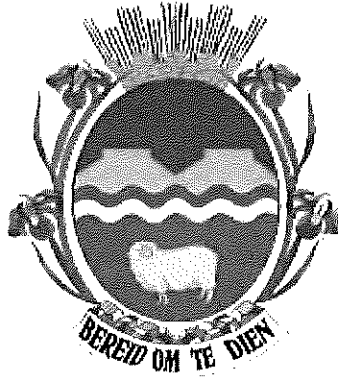


HANTAM MUNICIPALITY



OVERSIGHT REPORT ON THE ANNUAL REPORT

2019/20

This Oversight Report is based on the Annual Report 2019/2020 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003).

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1. INTRODUCTION AND BACKGROUND

The Council of Hantam Municipality is vested with the responsibility to oversee the performance of the municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA). The Draft Annual Report 2019/20 was tabled in Council; 31 March 2021 and the municipality did comply with prescribed Section 127 (2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

The Oversight Report is the final major step in the annual reporting process of a municipality. The Draft 2019/2020 Annual Report of Hantam Municipality was considered by Council and referred to the Municipal Public Accounts Committee for review and for the drafting of the Oversight Report. The Municipal Public Accounts Committee (MPAC) of Hantam Municipality fulfills the oversight role of council. The meeting of the Municipal Public Accounts Committee (MPAC) on the Annual Report of 2019/2020 was held on 31 May 2021.

2. LEGAL REQUIREMENTS

In terms of Section 129 of the MFMA, the council must 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 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.

In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon.

3. ADOPTION

The statutory authority to adopt an Oversight Report in respect of the Annual Report 2019/2020, rest with the municipal council.

4. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

In terms of council resolution, a Municipal Public Accounts Committee (MPAC) was established in terms of Section 79 of the Structures Act, 1998. The Terms of Reference tasks the MPAC with the responsibility to perform an oversight role over the process of preparing the Annual Report of council and to produce an Oversight Report based on the Annual Report.

MPAC currently consists of the following members:-

- Cllr J. Klaaste (Chairperson)
- Cllr H. De Wee (member)
- Cllr J Steenkamp (member)

5. COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2019/2020 is based on the annual report template issued by National Treasury in MFMA circular 63 of 2012. MFMA Circular 63 of 2012 comprises six (6) chapters and attempts to cover all the aspects that need to be reported on as derived from the MFMA and the Local Government: Municipal Systems Act (Act 32 of 2000). The chapters are as follows:

- Chapter 1: Mayor's Foreword and Executive Summary;
- Chapter 2: Governance;
- Chapter 3: Service Delivery Performance;
- Chapter 4: Organisational Development Performance;
- Chapter 5: Financial Performance;
- Chapter 6: Auditor General's Findings;
- Appendices; and
- Annual Financial Statements

6. PUBLIC CONSULTATION PROCESS

The draft Annual Report 2019/2020 was made public in the local newspaper on 2 April 2021, published on the municipal website on 1 April 2021 and was in addition also made available at all municipal libraries and service points in Hantam. Members of the community and other stakeholders were invited to submit written comments/inputs until 4 May 2021 extended to 13 May 2021.

The Annual Report 2019/2020 was furthermore submitted in terms of Section 127(5)(b) to the Auditor General, Provincial Treasury and COGHSTA Provincial Office on 8 April 2021.

7. MINUTES OF THE MPAC MEETING 31 May 2021 (Extract of the minutes)

HANTAM MUNISIPALITEIT

NOTULE VAN 'N MPAC VERGADERING SOOS GEHOU OP MAANDAG 31 MEI 2021 OM 09H00 IN DIE KOMITEE KAMER VAN HANTAM MUNISIPALITEIT, HOOPSTRAAT, CALVINIA

TEENWOORDIG

LEDE VAN DIE KOMITEE

Rdl. J. Klaaste (Voorsitter MPAC)

Rdl. H. De Wee

Rdl. J.E. Steenkamp

Rdl. G Gous (Verteenwoordiger MPAC-NDM) (verskoning)

AMPTENARE

Me. J.C. Louw (Sekretariaat)

Mnr GS Mathys – IDP/LED

<p>MPAC03/05-21</p>	<p>OORSIG VERSLAG VAN MPAC TEN OPSIGTE VAN DIE 2019/2020 JAARVERSLAG VAN HANTAM MUNISIPALITEIT</p>	<p>Dat MPAC ingevolge Artikel 129 van die MFMA die Oorsigverslag ten opsigte van die 2019/20 Jaarverslag oorweeg en ingevolge Artikel 129(3) van die MFMA aan die Raad van Hantam Munisipaliteit voorlê vir oorweging en goedkeuring.</p> <p>Dat die 2019/2020 Oorsigverslag van die Hantam Munisipale Openbare Rekening Komitee (MPAC) ingevolge Artikel 129(3) van die MFMA na goedkeuring deur die Raad openbaar gemaak word en voorgelê word aan die Noordkaapse Wetgewer ingevolge Artikel 132(2) van die MFMA.</p> <p>Dat die Munisipale Bestuurder, J.I Swartz op verlof is en dat Mnr JR vvan Wyk as Waarnemende Munisipale Bestuurder. Die oorsig verslag 2019/20 teken</p> <p>In terme van ons munisipale beleid van waarneming.</p>
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8. ANNUAL REPORT CHECKLIST

The oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to consider the annual report of the municipality and adopt an oversight report. The oversight report must include a statement whether the council:

- Has approved the annual report, with or without reservations
- Has rejected the annual report
- Has referred the annual report back for revision of those components that can be revised

No	Question	Yes	No	Comments
1.	Was the annual report submitted to the Auditor-General, together with the annual financial statements by, the 31st August 2020?	Yes		The annual performance report was submitted with the annual financial statements to the Auditor General on 31 st October 2020. (Government gazette no. 43582)
CHAPTER 1				
2.	Does Chapter 1 of the annual report include: <ul style="list-style-type: none"> - The Mayor's/Executive mayor's foreword, - The Municipal manager's foreword, - Municipal overview? 	Yes		Refer to page 4
		Yes		Refer to page 7
		Yes		Refer to page 7 onwards
CHAPTER 2				
3.	Does Chapter 2 of the annual report include the Governance Structures, both Political and Administrative?	Yes		Refer to chapter 2
4.	Does Chapter 2 of the annual report include details of Intergovernmental relations?	Yes		Refer to chapter 2 page 45
5.	Does Chapter 2 on Governance in the annual report include			Refer to chapter 2 page 51

No	Question	Yes	No	Comments
	details on all public accountability and public participation meetings and the IDP participation & alignment?	Yes		
6.	Does Chapter 2 on Governance in the annual report address risk management issues?	Yes		Refer to chapter 2 page 59
7.	Does Chapter 2 of the annual report address anti-corruption and fraud?	Yes		Anti-corruption and fraud is being addressed partially through internal audit, the risk management policy, the audit committee and the MPAC committee. This is being addressed through follow-up audits and an audit action plan. Also through our disciplinary procedures. (refer to pages 60)
8.	Does Chapter 2 on Governance in the annual report address supply chain management issues?	Yes		Refer to chapter 2 page 63
9.	Does Chapter 2 on Governance in the annual report address By-laws?	Yes		Refer to chapter 2 page 67
10.	Does Chapter 2 on Governance in the annual report address the website(s) where information is available?	Yes		Refer to chapter 2 page 68
11.	Does Chapter 2 on Governance in the annual report share information on public satisfaction on municipal services?	Yes		Refer to Chapter 2 page 70
12.	Does Chapter 2 in the annual report address the municipal oversight committees?	Yes		Refer to Chapter 2 page 41 onwards
CHAPTER 3				
13.	Does Chapter 3 in the annual report demonstrate what service delivery has been	Yes		Being address in chapter 3 as a whole

No	Question	Yes	No	Comments
	achieved and what is outstanding?			
14.	In Chapter 3 of the annual report, are the service delivery issues structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievements against budget and SDBIP?	Yes		Being addressed in chapter 3 as a whole
CHAPTER 4				
15.	Does Chapter 4 of the annual report provide information pertaining to the implementation of an effective performance management system, organizational development and performance of the municipality?	Yes		This is being addressed in chapter 3 and chapter 4
16.	Does Chapter 4 of the annual report provide information on planning, service delivery, organization, job evaluation, remuneration, benefits, personnel expenditure, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labor relations, leave and discharge due to ill-health?	Yes,		This chapter includes Employment Equity, Occupational levels; Employee totals, turnover and vacancies; municipal workforce; policies; injuries, sickness and suspensions, sick leave, disciplinary cases, performance rewards; skills development and training, Financial Competency development; Employee expenditure; *job evaluation ; Expenditure – training.
17.	Does Chapter 4 of the annual report provide information to identify skills gaps and plans for the development of such skills?	Yes		This is being addressed in chapter 4 page 161-163
CHAPTER 5				

HANTAM MUNICIPALITY OVERSIGHT REPORT 2019/2020

No	Question	Yes	No	Comments
18.	Has Chapter 5 of the annual report on financial performance include information divided into the following framework: a) Statement of financial performance b) Spending against Capital budget c) Cash flow management and investment d) Other financial matters?	Yes		This is being addressed in chapter 5 pages 166-192
CHAPTER 6				
19.	Does Chapter 6 of the annual report include the Auditor-General's Report as submitted by the Auditor-General?	Yes		Refer to chapter 6 page 194 onwards
20.	Does Chapter 6 of the annual report include details on issues raised during the previous financial year by the Auditor-General?	Yes		Refer to chapter 6 page 194
21.	Does Chapter 6 of the annual report include remedial action taken to address issues raised during the previous financial year by the Auditor-General and preventative measures?	Yes		Refer to chapter 6 page 194
APPENDICES				
22.	Is an Appendix A on Councilors; Committee allocation and council attendance included?	Yes		Information forms part of Chapter 2 pages 41
23.	Is an Appendix B on Committee and Committee purpose included, listing all committees of the council, the purpose of each committee and the names of councilors serving on them and the attendance of each councilor?	Yes		Information forms part of Chapter 2 refer to page 41-42

No	Question	Yes	No	Comments
24.	Is an Appendix C include an organogram of the administrative structure?	Yes		Information forms part of Chapter 2 refer to pages 44
25.	Is an Appendix D included on what constitutes a municipal function and the applicable functions of the municipality?	Yes		This information is included in Chapter 3
26.	Is an Appendix E on Ward reporting included with information on the functions of ward committees, the sector of community representation, reports submitted by each of these committees' challenges experienced and measures taken to address them?	Yes		This is being included in Chapter 2
27.	Is an Appendix F on Ward information included outlining the name/number of the ward, listing the seven largest projects in each ward with start & end dates, their total value, progress and information on the top four delivery priorities per ward?	Yes		This is being included in Chapter 3 refer to page 83
28.	Is an Appendix G included on recommendations of the audit committee, those adopted, those that were not adopted and the meetings held?	Yes		Refer to page 62 Report of the committee included as annexure between the AFS and the AG report in the AR 2019/2020
29.	Is an Appendix H included on information related to the largest projects, agreements and contracts and any Public, Private Partnerships?		No	Do not have Public Private Partnerships Will be included for the 2020/2021 financial year.
30.	Is an Appendix I include service provider performance schedule from the top four priority indicators in the IDP?	Yes		Refer to Chapter 3

No	Question	Yes	No	Comments
31.	Is an Appendix J included with senior managers' disclosures of financial interest?	No		Information is available at HR but not included in annual report due to confidentiality of information.
32.	Is an Appendix K included on Revenue collection by votes and by source based on prior year and current year actual collections?	Yes		Included in Chapter 5 refer to pages 169-170
33.	Is an Appendix L included on Conditional Grants received (excluding MIG) received during the year indicating adjustments budget and the actual, showing percentage variances and any major conditions applied by donors on each grant?	Yes		Included in Chapter 5 refer to page 177-178
34.	Is an Appendix M included on capital expenditure: a) On new assets program, b) On upgrade/renewal programs Showing the actual of the prior year, the adjusted budget and actual expenditure in the current year?	Yes		Refer to Chapter 5 Pg: 183 - 186
35.	Is an Appendix N on all capital projects in the current financial year, indicating the adjusted budget, actual in the current year and the variance?	Yes		Refer to Chapter 5 Pg: 185 - 186
36.	Is an Appendix O included on all capital projects per ward in the current financial year and if the work was completed or not?	Yes		Refer to Chapter 5 Pg: 186
37.	Is an Appendix P included on service connection backlogs at schools and clinics with their names and location?		NO	Not applicable to municipality

No	Question	Yes	No	Comments
38.	Is an Appendix Q included with all service backlogs experienced by the community where another sphere of government is responsible for providing the service?	Yes		Refer to page 101
39.	Is an Appendix R included listing all organisations or person in receipt of loans and grants; from the municipality stating the nature of the projects funded, conditions attached and the rand value?		No	N/A
40.	Is an Appendix S included listing all monthly MFMA S71 budget statements not submitted in time?		No	N/A All monthly S71 reports submitted on time
41.	Is an Appendix T included for powers and functions not covered in other sections of the annual report?		No	N/A
VOLUME 2				
42.	Have all components of the audited financial statements, as signed by the auditor-General, been included in the annual report in Volume 2?	Yes		Refer to pages 194 onwards


9. CONCLUSION


As Chairperson of the MPAC, I would like to thank the MPAC Committee Members, the Mayor and Municipal Manager for their diligence and constructive commitment during the period.

The MPAC is satisfied with the Annual Report 2019/2020 and recommends that the Annual Report 2019/2020 be adopted.

10. RECOMMENDED RESOLUTION FOR ADOPTION

- 1) That Council fully consider the Oversight Report in terms of the Annual Report 2019/2020 for adoption;
- 2) That Council fully considered the Annual Report 2019/2020 for adoption;
- 3) That the Oversight Report 2019/2020 be made public in accordance with Section 129(3) of the MFMA;
- 4) That the Oversight Report on the Annual Report 2019/2020 be submitted to the Provincial Legislature in accordance with Section 132(2) of the MFMA.

NAME	DESIGNATION	SIGNATURE	DATE
JR van Wyk	Acting Municipal Manager		31 May 2021

NAME	DESIGNATION	SIGNATURE	DATE
Cllr J Klaaste	MPAC CHAIRPERSON		31 May 2021

Contact Information:

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