
**EPHRAIM MOGALE MUNICIPALITY
INSTRUCTIONS TO MANAGERS**

**EXTRACTS FROM THE MINUTES OF THE 2ND COUNCIL MEETING OF EPHRAIM
MOGALE LOCAL MUNICIPALITY HELD ON THURSDAY THE 13TH DECEMBER 2012.**

FILES: 5/16/2

Original of this document on file: 5/16/2

FINALISATION BY:

Municipal Manager

Referred to  **by Municipal Manager**

**ITEM 18.6 DRAFT PROCESS PLAN FOR THE DEVELOPMENT OF THE 2012/2013
OVERSIGHT REPORT OF EPHRAIM MOGALE: MPAC**

3/2/3/12

RESOLVED

1. That Council notes the report.
2. That the MPAC process plan for the 2012/13 Annual Report be forwarded to the Municipal Manager to be circulated to all heads of departments to enable them to attend and provide clarity as well as written responses to written questions by the Municipal Public Accounts Committee.
3. That Council instructs the Acting Municipal Manager implements the decision accordingly.


B.P. MARAIS

ACTING MUNICIPAL MANAGER

13 December 2012

REGISTRATION OFFICE

Official responsible for the circulation of this document (Please print): Oupa Aphané



Signature



Date received

ITEM 18.6	DRAFT PROCESS PLAN FOR THE DEVELOPMENT OF THE 2012/2013 OVERSIGHT REPORT OF EPHRAIM MOGALE: MPAC	3/2/3/12
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REPORT

PURPOSE

The purpose of this item is to obtain approval for the MPAC process plan for scrutinizing the 2012/2013 Annual Report of Ephraim Mogale Local Municipality and the development of the Oversight Report on the 2012/13 Annual Report in compliance with section 127(2) of the MFMA, 56 OF 2003..

BACKGROUND

MPAC is as a section 79 standing committee which is established through council resolution and in-line with section 154 of the constitution. It further ensures that the policies and programme of municipality are implemented in an effective, efficient and economical manner in accordance with the principles of value for money. MPAC guide administration and executive on measures to avoid recurrence of problem or irregularities

RECOMMEND TO RESOLVE

1. That Council notes the report.
2. That the MPAC process plan for the 2012/13 Annual Report be forwarded to the Municipal Manager to be circulated to all heads of departments to enable them to attend and provide clarity as well as written responses to written questions by the Municipal Public Accounts Committee.
3. That Council instructs the Acting Municipal Manager implements the decision accordingly.

For Cognizance

EPHRAIM MOGALE LOCAL MUNICIPALITY



MPAC PROCESS PLAN 2012/2013

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OFFICE OF THE SPEAKER

DRAFT PROCESS PLAN FOR THE DEVELOPMENT OF THE 2012/2013 OVERSIGHT REPORT OF

EPHRAIM MOGALE: MPAC

1 STRATEGIC THRUST

Well-governed and managed municipality

2 OBJECTIVE

To obtain approval for the MPAC Process Plan for scrutinizing the 2012/2013 Annual Report of Ephraim Mogale Local Municipality and the development of an Oversight Report on the Annual 2012/2013 Annual Report of Ephraim Mogale in compliance with Section 127(2) of the Municipal Finance Management Act(MFMA), 56 of 2003. The 2012 Annual Report of the Municipality comprises of:

- 2012/2013 Annual Performance Report
- Consolidated Group Annual Financial Statements for the Year Ended 30 June 2012
- Regularity Audit of the Ephraim Mogale Municipality for the Year Ended 30 June 2012

3 SUMMARY

3.1 The 2012/2013 Annual report, which is compiled in terms of the Municipal Finance Management Act, 56 of 2003(MFMA) and the Municipal Systems Act, 32 of 2000(as Amended) (MSA), reflects on the performance of the Municipality for the period 1 July 2011 to 30 June 2012.

In terms of section 121(1) of the MFMA, every municipal entity must prepare an Annual Report for each financial year. The purpose of an Annual Report, pursuant to Section 121(2), is to provide a record of activities, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.

The annual Report must include, in terms of Section 121(3), the following:

Section	Requirement	Legislative Provision
121(3)a	Consolidated Financial Statements(Municipality and Municipal Entities)	Annual financial statements of the municipality, and in addition, if Section 122(2) applies, consolidated financial statements, as submitted to the Auditor-General for audit in terms of Section 126(1) – preparation of financial statements is specified in Section 122.
121(3)b	Auditor-General's audit report	Auditor-General's audit report in terms of section 126(3) on those financial statements
121(3)c	Annual Performance Report	Annual Performance Report of the municipality prepared by the municipality in terms of Section 46 of the Municipal Systems Act

121(3)d	Auditor-General's performance audit report	Auditor-General's audit report in terms of Section 45(b) of the Municipal Systems Act
121(3)e	Accounting Officer's assessment on arrears	Assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges
121(3)f	Accounting Officer's assessment of performance on each vote of the budget	Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality's approved budget for the relevant financial year
121(3)g	Audit corrective actions	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)
121(3)h	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues in connection with the financial statements- sections 124 and 125 state that the notes to the annual financial statements must include disclosures concerning councilors, directors and officials; and other compulsory disclosures respectively
121(3)i	Other information	Information as determined by the municipality
121(3)j	Audit committee recommendations	Recommendations of the municipality's audit committee
121(3)k	Other prescribed information	Other information as may be prescribed

3.2 Annual Report Process

The group financial statements and the annual performance report for 2012/2013 financial year is submitted to the Auditor-General by the end of August for auditing as per the timeframe prescribed by the MFMA.

Council process on the annual report

In terms of the new governance model implemented by the Ephraim Mogale Local Municipality, the council will refer the 2012/13 Annual Report to MPAC for processing and to develop a draft oversight report to be tabled in Council before 31 March.

The process plan as set out in the table below seeks to set time-frames for the various activities to be undertaken by MPAC as part of the Council when exercising oversight on the annual report.

Activity Description	Legislative Provision	Responsible Department	Key Dates
Tabling of Annual Report to Council by Mayor	MFMA Section 127(2)	Office of the Mayor	26 January 2013
Council refer the Annual Report to MPAC	MFMA Section 129(1)	Office of the Speaker	26 January 2013
MPAC invites written comments from the public	MFMA Section 127(5)(a)(i)	Office of the Speaker/Municipal Manager	03 February 2013
Relevant Annual Report Components tabled at respective Committees -Presentation of the Analysis -Departments presentations	MFMA Section 129(1)	Office of the Speaker	03 February onwards
Annual Report tabled at MPAC A-G to brief the Committee Presentation of the Analysis Municipal Manager to present the Annual Report	MFMA 129(1)	Office of the Speaker	15 February Ordinary Meeting
Special Portfolio Committee meetings for consideration of their respective draft oversight reports on the Annual Reports of Departments' submissions to MPAC by the 01 March 2012			
Closing date for written submissions	MFMA 127(5)	Office of the Speaker	02 March
MPAC develops and adopt preliminary questions for written response by the Executive	MFMA 129(2A)	Office of the Speaker	21 February Special meeting
MPAC considers written submissions from the Municipal Manager's office -Directors and EXCO appear at MPAC to respond and clarify written response.	MFMA 129(2A)	Office of the Speaker	29 February Special meeting

Executive Committee member present their oversight reports to MPAC -MPAC considers draft oversight report	MFMA 129(1)	Office of the Speaker	09 March Ordinary meeting
Tabling of the Annual Report with a Draft Oversight report to Council	MFMA 129(1)	Office of the Speaker	29 March
Review quarterly projections for period ending 31 for service delivery and budget implementation plan and compare actual performance to objectives, in conjunction with preparation of section 52 report.	MFMA Guidance	Office of the Speaker	10 April
-Make public the tabled annual budget and accompanying budget documentation, invite the community to submit representations and submit to the provincial treasury, National Treasury and other affected organs of state -Consider and approve, reject or refer back the annual report at a council meeting	MFMA 22 & MFMA 121(1)	Accounting Officer	31 May
-Submit draft service delivery and budget implementation plan to the mayor-final date under legislation 14 July -Submit draft annual performance agreements for the next three years to the mayor-final date under legislation 14 July	MFMA 69(3)(a) MFMA 69(3)(b)	Accounting Officer	16 June

IT IS RECOMMENDED

1. That the MPAC Process Plan for the 2012/13 Annual Report be forwarded to the Municipal Manager to be circulated to all heads of departments to enable them to attend and provide clarity as well as written responses to written questions by the Municipal Public Accounts Committee.
2. That the Acting Municipal Manager implement the decision accordingly

ITEM 19 CLOSING

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CHAIRPERSON

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DATE
