EPHRAIM MOGALE
LOCAL MUNICIPALITY

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EXTRACTS FROM THE MINUTES OF THE 5th ORDINARY COUNCIL MEETING OF THE COUNCIL OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON THURSDAY 31st MARCH 2022

FILE: 3/2/3/12/1

OC./28/2022: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2020/21 ANNUAL REPORT

RESOLVED

1. That Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the 2020/21 Financial Year, adopts the Oversight Report for the 2021/22 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management
2. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.
4. That the oversight report together with the signed resolution of adoption be submitted to Auditor General ,COGHSTA and be published on the municipal website
5. That the Municipal Manager implements the decision accordingly.

CLLR.RM LENTSOANE
SPEAKER

31 MARCH 2022

FINALISATION BY:
REFERRED TO .... BY MUNICIPAL MANAGER

05/04/2022

S T MATLADI
MUNICIPAL MANAGER

DATE RECEIVED

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

RE HLABOLLA SETŠHABA

OVERSIGHT REPORT ON 2020/21ANNUAL REPORT

2021/2022 financial year

TABLE OF CONTENT

EPHRAIM MOGALE LOCAL MUNICIPALITY
OVERSIGHT REPORT

Officials:

TS Matladi	Municipal Manager
MSJ Madisha	Acting Chief Financial Officer
NS Makua	Director: Corporate Services
S Uwane	Acting Director: PED
PT Mashile	Director: Technical Services
C Badenhorst	Director: Community Services
R Maepa	Manager: IDP and PMS
ML Masombuka	Chief Audit Executive

MPAC Support staff

S Makua	Manager Council Support
ML Mbonani	MPAC Researcher
P Nkadimeng	MPAC Coordinator

MPAC members: Current

Cllr T Mabaso	Chairperson
Cllr NS Letsela	Member
Cllr KM Aphane	Member
Cllr SE Mahubane	Member
Cllr KW Sebothoma	Member
Cllr TC Kutu	Member
Cllr JP Thobejane	Member
Cllr BZ Mokwana	Member

Cllr MM Maphopha	Member
Cllr NL Magatla	Member
Cllr ML Makola	Member

Audit and Performance Audit Committee Members:

ML Malapela	Chairperson
MA Mmapheto	Member
LM Mokwena	Member
Adv. GT Moeeng	Member
VK Chuene	Member

Other: Stakeholders

Auditor-General's Office

Provincial COGTA

Limpopo Provincial Treasury

2. INTRODUCTION

The Municipal Finance Management Act No.56 of 2003 (MFMA) assigns specific oversight responsibilities to Council with regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role will be to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

3. BACKGROUND

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councilors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council have delegated to the *Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight

- Approval of budgets;
- Approval of Budget related Policies; and

- Review of the Annual Report and adoption of the Oversight Report

APPENDIX A

4. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

ANC, EFF and DA parties are represented on the Municipal Public Accounts Committee (MPAC/Oversight Committee), and the Performance and Audit Committees members act as advisory members of the committee.

The following Eleven non-executive council members were elected to serve on the MPAC/Oversight Committee to develop a program to address queries raised in the Auditor- General's report and exercise oversight on Municipal Affairs:

1. ANC: Cllr T Mabaso
   Cllr BZ Mokwana
   Cllr TC Kutu
   Cllr NL Magatla
   Cllr KM Aphane
   Cllr JP Thobejane
   Cllr MM Maphopha

2. EFF : Cllr ML Makola
3. DA: Cllr NS Letsela
4. Independent: Cllr SE Mahubane
   Cllr KW Sebothoma
5. That the elected MPAC/Oversight Committee will submit a report addressing the queries raised by the Auditor General, Public and stakeholders to Council for deliberations.
6. That the Committee will take the Oversight report to Council as per the following programme:

The functions of the MPAC/Oversight Committee are to:

- Undertake a review and analysis of the Annual Report going forward
- Interrogate the Annual Report
- Invite, receive and consider inputs from Councilors and Portfolio Committee, on the Annual Report
- Conduct Public Hearing(s) to allow the local community or any organs of the state to make representations on the Annual Report
- Receive and consider Councils' Audit Committee views and comments on the annual financial statements and performance report.
- Prepare the Oversight Report taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, Organs of State, Councils audit committee and Councilors

The Oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the council to consider the annual report of its municipality and municipal entities and to adopt an oversight report containing the council's comments on 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

The MPAC/Oversight Committee may use the attached checklist to organize its Report and to manage request for additional information. The questions suggested may be used by all councilors to gain clarification on contents of reports and also verify compliance with MFMA and MSA. Responses of many of these questions should be provided by the Accounting Officer of the municipality.

5. PROCESS PLAN AND TIMEFRAME FOR THE ADOPTION OF THE OVERISGHT REPORT AND THE ANNU

Date	**Reason**	**Responsible People**	**S**
Done Previous 202122 Date: 24 November 2021(SC4/01/2021) Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022	Council establishes the MPAC/Oversight Committee	Council	C
28 January 2022 Resolution Number: OC4/14/2022	Council resolution to adopt annual Report	S Uwane and Manager Mayor's office	C
28 January 2022	Handover of Annual Report to MPAC and internal audit	S Uwane handover to ML Masombuka and Cllr TL Mabaso	N
28 January 2022 Council Resolved OC4/14/2022	Draft Annual report copies given to AG and COGTA after consideration of comments from council	S Uwane to Amend the Report and ML Masombuka to ensure delivery	N
14 March 2022	Draft advert prepared for submission to MM for public and stakeholder hearings	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support	N
14 March 2022	Actual advertisement in Local Notice Board, Social Media and Municipal Website	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support MPAC Chairperson for Overseeing	N

16 March 2022	First meeting of MPAC on annual Report 20 pm, Polokwane to recognize the report and interrogation.	MPAC Committee, P Nkadimeng _MPAC Coordinator, MPAC Researcher and Chief Audit Executive	S m
17 March 2022-18 March 2022	Interrogation of Annual Report and drafting of questions	MPAC Committee ,SALGA, Treasury and CoGHSTA	S m
29 March 2022	Meeting(Radio Moutse) and Facebook life streaming with Public 10 am	Manager Mayor	P. A
Upon receipt	Incorporation of AG and CoGHTA comments of Annual Report into Oversight report	N/A	N
29 March 2022	Meeting with MPAC 2pm	MPAC members, Researcher, Coordinator, Manager Council Support , Chief Audit Executive	S o'
Special meeting to be requested not later than 31 March 2022	Tabling of oversight report to Council	Manager Council Support	C
31 March 2022	Submit Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to Amend the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	N
After Adoption of the minutes in a Council formal Meeting	Submit Minutes of Council Meeting Adopting Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to Amend the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	N

6. MPAC Public Hearing

This were the set of questions developed and asked by MPAC in preparation of the Oversight Report i the Honorable Mayor answered the questions, the questions prepared in accordance to the MFMA seci and the questions emanate from the Annual Report received on the 28 January 2022,MPAC Had two m a pre interrogation session to understand and make reference to legislation in considering the annual r ended 30 June 2021.

Upon interrogation of the Annual Report on 17th and 18th March 2022, the following matters were Management workshop prior to submission to council:

	Question (including legislation if necessary)	**Reference to the Annual Report**	**To be asked by:**	**Reference to response**
1.	S 121 (3) (a) Have the financial statements (AFS) been prepared Considering the GRAP checklist.	AFS	MPAC-	Yes ,However the Auditor Ge presentation of the financial s municipality still managed to therefore improving the pres consideration the Auditor Ge paramount important to susta and further escalation to Cle
2.	In the previous year measures were put in place to remove people in service of the state such as the Trans union system and vetting of suppliers however this finding is still being raised by the Auditor General. What other measures are being put in place as we do not want to see this repeated again.	Included as MPAC Hearing Questions	MPAC-	Part of the MPAC questions and Responses.

3.	The report of Auditor general states that the performance management system and related controls were not maintained, does the performance management unit have a procedure manual? If not what are they using to follow implementation of regulations? What will they do to prevent the recurring of such?	AFS, Page>>> AGSA Report>>>>		Part of the MPAC questions and Responses.
4.	S 123 (1) (c) - (f) Has the municipality had any allocations per DORA delayed or withheld.	AFS	MPAC-	No, there were no delays in t 2020/2021.
5.	S 124(1) (b) Are there any arrears owed by individual councilors or shared control to the municipality for rates and Taxes during the financial year? That are outstanding more than 90 days? Has an assessment done on current councilors and what monies has be recovered? Are we also following up on arrears of staff and do we have signed agreements for monthly payments or Are we deducting from their	AFS>>>>	MPAC-	Part of the MPAC qu[illegible]ons and Responses

	salaries? Furthermore are staff that are renting municipal houses paying their rental on time			
6.	There is a lot being done in terms of development and basic service delivery however we are concerned with the planning and monitoring of the projects and there seems to be a lot that is not going right. Through physical inspections conducted by councilors and by MPAC members we have noted the following: ➢ Mashemong/Mooihoek Internal Road ➢ Mogalatsane/Phetwane Bus Route ➢ Mmakgatle Bus Route Phase 3 ➢ Malebitsa Internal Street Phase 2 ➢ Marble Hall Extension 6 Stormwater ➢ Phase 4 This projects were there on the previous financial year verifications, MPAC revisited the project.	Site visit	MPAC	Done through the physical in reported completed, the deta MPAC quarterly reports as th questions and clarifications n

6. ANNUAL REPORT CHECKLIST

Annual Financial Statements – Section 121 (3)	**For Consideration**	**Questions**	**Response**	**Re Co**
Section 121 (3) (a) of the Municipal Finance Management Act. .. The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial statements are Required. The AFS are to be in a form as required by the applicable accounting Standards. MFMA Circular 18 with annexure, 23 June 2005, provides guidelines on the new accounting standards for Municipalities.	1. Have the financial statements been Included? 2. Are the financial statements Audited? 3. Have the financial statements been prepared in compliance with applicable accounting standards	1.The Audited Financial Statements have been included in the Annual Report subject to the following mistakes: • The Table of content state the all the attached documents but not the AFS • The attached financial statements were not the actual signed by the Audit Committee and The municipal Manager. The financial statements have been audited as the AGSA report has been attached 3. The Financial Statements have been prepared in terms of GRAP compliance	No No

121 (3) (e) An assessment by the accounting officer on any arrears on municipal taxes and service charged, including municipal entities		1. Has an adequate assessment been Included? 2. Is there sufficient explanation of the causes of arrears and of actions to be taken to Remedy?	1.The report is included in the Annual Report, This report is included in the Annual Financial Statements None	No No
121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	The conclusions of the annual audit may be either – - An unqualified opinion with or without management issues, which means the financial statements are	1. Taking into account the audit report, audit opinion and the views of the audit committee, council should consider: • .To what extent does the report indicate serious or	Part of the MPAC questions ,Attached annexure of questions and Responses,	

	acceptable; - A qualified audit opinion setting out reasons for qualification	minor financial Issues? • To what extent are the same issues repeated from previous Audit • Is the action proposed considered to be adequate to efficiently address the issues raised in the audit Report? 2.Has a schedule of action to be taken been included in the annual report with appropriate Dates? 3. Has the municipality taken		

		steps to address the issues raised in the Audit Report? 4. Has the Audit the Audit Report been forwarded to the MEC?	 Yes	
121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit report of the municipality and its entities	Conclusions in these recommendations and the actions required should be incorporated In the oversight report.	1. Have the recommendations of the audit committee in regards to the Draft Annual report been adequately addressed by the municipality And/or the entity? 2. What actions need to be taken in terms of these recommendations	Audit Committee had the following inputs of comments towards the draft Annual report : Grammar, spelling mistakes and change of the Mayor pages to put Cllr G Moimana and have at length what transpired	Cor whe
123 (1)(a) Allocations received by the municipality from an organ of state, a municipal entity or Another municipality.	The annual financial statements must disclose: 1. Details of allocations received from another organ of state in the	1. Have allocations received by an organ of state, a municipal entity or another municipality Been disclosed?	1. The disclosure of grants and subsidies in terms of section 123 of MFMA, 56 of 2003, the report is captured in the Financial Statements	No

	national or provincial sphere, municipal entity or another Municipality.	2. Does the audit report confirm the correctness of the allocations received in terms of DORA and Provincial budgets?	2. The audit report confirms that they are correct as there are no matters of emphasis raised. There is no mention of this in the audit committee inputs or corrections and the matter does not appear in any minutes of the held Audit Committee meetings. The Audit report by the AG does not mention any recommendation on this regard.	
124 (1) & (2) Information relating to benefits paid by municipality and entity to councilors, directors and officials	Information on the following items is to be included in the notes to the annual report and AFS: 1. Salaries, allowances and benefits of political office bearers, councilors and boards of directors,	1. Have the salaries, allowances and benefits paid to Councilors and the Municipal Manager, CFO and Senior Managers been Disclosed? The Committee is of the View that that during the	1. Council Salaries and Allowances are disclosed on Annual financial Statement and Salaries and Allowances for section 56 Managers and where Acting was allocated it was also disclosed and no Audit finding from the Auditor general in this regards.	No

	whether financial or in kind;	financial year Mr Uwane and Madisha acted on the position of Chief Financial Officer. 2. Is there a statement by the Accounting Officer, stating that salaries, allowances and benefits Paid to Councilors are within the upper limits of the framework envisaged in section 219 of the Constitution.	 2. All Salaries and allowances of Councilors are within the upper limit as per council resolution. This stated on page 65 of the AFS	
The annual performance reports of the municipality and entities	Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the	1. Has the performance report been included in The annual report?	1. The Annual Performance Report has been included in the Annual Report	No

	municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to Improve performance. The report must form part of the annual report. In terms of key functions or services, how has each performed? -Refuse Collection. customer satisfaction survey been undertaken and, if so, how do the results align with the Annual report contents? What were the outcomes of public consultation and public Hearings? To what extent have actions planned for the	2. Have all the performance targets set in the budgets, SDBIP, service agreements etc., been included in the Report?	2. Performance Targets has been set in the SDBIP and Section 57 Performance Agreements and are included in the report	Fur nun agr
		3. Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for The financial year? What actions have been taken and planned to Improve performance?	3. The SDBIP is directly linked to the Performance Agreements of Section 57 and evaluated against targets and the budget.	No

	previous year been carried over to the financial year reported Upon? Have any actions planned in the reported Year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and Are these satisfactory?	4. Is the council satisfied with actions to improve? 5.Did the Target set in the budget, SDBIP agree in the performance contracts of the municipal manager and each senior Manager? 6. Taking into account the audit Report and opinion and the views of the audit committee, is performance considered to be efficient and effective	4.The actions and plans are set out in the action plan located of the annual report Internal Audit report on alignment of the SDBIP, Budget and performance contract and its updated action plan suggest that this is correctly aligned.	Fur nur No con rep
Audit reports on performance	Section 45, MSA requires that the Auditor-General must	1. Have the recommendations of internal audit	1. Yes. The recommendations of internal audit were acted upon by management	No

	audit the results of performance measurements, as part of the internal auditing Processes and annually.	been acted on during the financial Year? 2. Have recommendations by the auditor-general been included in action plans to improve performance in The following year?	2. Yes auditor-general's recommendations have been included in the action plan and have been tabled at Audit Committee.	Auc tog

Performance of municipal entities and municipal service providers	The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted Service providers. This is in addition to the separate annual reports Of the entities. The report should evaluate the evaluate the effectiveness of these services and whether alternative mechanisms Should be considered.	1. Has an assessment been included in the Annual Report on the performance of the Municipal entities? 2. Has an assessment been included in the Annual Report on the Performance of all contracted service providers?	N/A Not a municipal entity Yes	N/A
Service delivery performance on key services provided	This may be a high level summary, in addition to detailed information on performance, which sets	1. Is there a high level summary detailing the overall performance of the municipality against		

	out the overall performance under the strategic objectives of the Municipality. Overall results on the strategic functions and services Should be summarized. This should cover all services whether provided by the municipality, entities or External mechanisms. Council may draw conclusions on the overall performance of The municipality. This information may be found in an executive summary section of the Annual report or in statistical tables.	Its strategic objectives?		

Information on long-term contracts	Details of all long-term contracts including levels of liability to the municipality should be ensue all information is correctly supplied	1. Have all long-term Contracts been disclosed? On Analysis of the Annual report and AFS MPAC could not find this nor could find appendix which discloses long term contracts		
Information technology and systems purchases and the effectiveness of these systems in the ivery of services and	Details of significant IT activities should be outlined indicating the Effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money Has been	1. Have significant IT Activities been disclosed?		

	obtained. Details of any future IT proposals should be Summarized. Council should comment and draw conclusions on the Information provided.			
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	A summary of the long- term capital plans and how these address the backlogs of services in the municipality should Be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed And/or approved. The summary here	1. Has a summary of the long-term capital plans Been disclosed?		

	should cross reference to the performance reports in the annual report and also will be highlighted In the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and Needs of the community.			
Supply Chain Management Regulations and Policy	Certain disclosures on Supply Chain matters are required to be in included in the Annual Report.	1. Have the Supply Chain matters been disclosed in The AFS?		

Timing of reports		1. Was the Annual Report tabled by 31 January, as per legislative Requirements? 2. Has a schedule for consideration of the Report been adopted?	Yes Schedule will be confirmed	
Oversight committee or other mechanism		1. What mechanisms have been put in place to prepare the oversight Report? 2. Has a schedule for its completion and tabling Been adopted?		
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly	1. Have bonuses been paid based on achievements of agreed outputs and after consideration of the Annual report by council?	There was no performance bonus	

	accountable to the municipal manager after the end of the Financial year and only after an evaluation of performance and approval of such evaluation by the Municipal council. Preferably such evaluation should be considered along with The annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance Reported in the in the annual report. Conclusions and comments on the evaluation and	2. If so has a proper evaluation of performance been Undertaken? 3. Was the evaluation Approved by council? 4. Does the performance evaluation align and reconcile with the Performance reported in the annual report? If not, what reasons have been Given for non-reporting of the basis of evaluation in the annual report? 5. Are the payments justified in terms of performance reported in		

	payment of performance bonuses of council should be included in the oversight report.	The annual report?		

8. FOLLOW UP ON RESOLUTION OF PREVIOUS MPAC ANNUAL REPORT OVERSIGHT REPORT.

8.1. Project Management to be centralized and be given priority amongst other vacant positions as the lack of planning and accountability emanate from the fact that the post is vacant.

-Implemented

8.2. That the steering committee made of directors and chaired by the Accounting officer will holds meetings on a monthly basis to report on the progress made in the implementation of the action plan and Internal audit unit assign one internal auditor to conduct follow-up audits on a monthly basis to verify and corroborate with evidence the progress reported in the steering committee meetings. Such internal audit reports will be presented and discussed in the steering committee meetings.

-Implemented and progress was made hence the Unqualified Audit opinion

8.3. **That the municipality request the transfer of Water Service Authority and Provision from Sekhukhune Municipality.**

-Not Implemented

8.4. **That council approves the 2019/20 draft annual report in all its material aspect.**

-Implemented, the Draft was approved.

8.5. That Council implements the resolution to allocate budget vote for MPAC in the next financial year.

-Not implemented

8.6. The bursary policy should be reviewed to ensure that it provides ways in which the beneficiaries may repay the municipality in kind. I.e. the beneficiaries may participate in various council activities such as back to school programme

-Not Implemented

8.6. MPAC be furnished with all current spending monitoring reports in relation to the project with Penalties, Reasons for overspending and underspending of Budgeted amount per financial year, internal report on monitoring of projects and reports on implementation of the recommendation by MPAC on this report in Monthly basis.

-Not implemented

9. COMMENTS BY THE PUBLIC

The public/stakeholder consultative meeting was held through Radio and Facebook live streaming due to COVID 19 regulations that restrict the public gatherings, it was held on the 11 February 2022 at 10 am joint program with Sekhukhune District Municipality through Moutse, SK FM, Thabantso FM and ZB Radio Station .This meeting was physically attended by the Acting Honorable Mayor of the day Cllr FS Sedibane, Acting Speaker of the day Cllr TC Kutu.

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2020/21 financial year and thereafter a detailed presentation by the Acting Honorable Mayor on the Annual Report (link attached for Ephraim Mogale Facebook for viewing)

Lastly there was a question and answer session as well as time for commentary. However it was noted that comments received from the public via the Public Consultation Process did not yield any comments on the Annual Report or its presentation and formulation but rather focused on service delivery. Comments made during the consultation of the Annual report are highlighted below:

	Question/Comments/Requests (including legislation if necessary)	**Question asked by:**
1.	Moeding bus route(Request)	Anonymous
2.	Morarela masts lights(Request)	Anonymous
3.	Internal road in Morarela (Request)	Anonymous

10. RECOMMENDATIONS OF MPAC

The onerous requirements of so many legislative mandates, makes it difficult to achieve an unqualified Audit Opinion, a feat that very few municipalities achieve in South Africa. This achievement of an unqualified audit opinion in the 2020/2021 financial year highlights the progress that the municipality has made in terms of instilling and maintaining adequate internal controls but also over the hard work and dedication shown by all committees. We have noted great improvements in the manner in which the Annual Financial Statements were prepared and we were also satisfied with the Annual Performance Report. In line with our oversight function we undertook a thorough assessment on the Annual Report supported by the MPAC Researcher and internal audit unit. We have met with stakeholders to discuss areas of concern and we have noted that recommendations and changes requested by the MPAC have been adhered and corrected in good faith.

The Oversight Committee commends Council, Management and all staff at Ephraim Mogale Local Municipality on the strides made towards good governance. However, we believe that to achieve target set for clean audit status we need to continuously improve.

Having performed the following tasks:

- ➢ Reviewed and analyzed of the Annual Report;
- ➢ Invited, received, and considered inputs from Councilors and community members on the Annual Report; Considered that 3 request and all the requests where not comments in relation to the Annual Report from the public consultation process;
- ➢ Conducted Public Hearings to allow the local community, stakeholders or any organs of state to view and listen to the Mayor responding to MPAC in relation to the previously made comments on Annual Report;
- ➢ Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- ➢ Prepared the draft Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councilors;

The Oversight Committee has the pleasure in presenting the Oversight Report to Council to consider and approve the following resolution.

RESOLVED TO RECOMMEND

1. That Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the *2020/2021* Financial Year, adopts the Oversight Report for the 2021/22 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management(as set out under chapter 5 oversight report)

And

2. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.

And

3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

As well as

4. That the oversight report together with the signed resolution of adoption be submitted to Auditor General and CoGHSTA

30 March 2022

CLLR TL MABASO **DATE**

CHAIRPERSON

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE