



63 Donkin Street
Donkinstraat 63
Private Bag X560
Privaatsak X560
Ingxowa X560
BEAUFORT WES(T)/ BHOBHOFOLO
6970

iFaksi / Fax / Faks: 023 - 415 1253
iFowuni / Tel: 023 - 449 1000
E-mail: manager@skdm.co.za

EXTRACT FROM THE MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON WEDNESDAY, 22 AUGUST 2018, 10H00 AT THE SOLLY ESSOP COUNCIL CHAMBERS, CONSTITUTION STREET, BEAUFORT WEST.

16.11 OVERSIGHT REPORT ON THE ANNUAL REPORT 2016/2017. (10/1/1)

1. INTRODUCTION

In terms of Section 129 of the MFMA, The Municipal Council, in dealing with the tabled Annual Report, is required to 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 addition, in terms of Section 129(3) of the MFMA the accounting officer must in accordance with Section 21 A of the Local Government Municipal Systems Act (MSA), 2000, make public the Oversight Report within seven days (7) of its adoption.

2. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Currently the Municipal Public Accounts Committee (MPAC) is not functional and therefore an MPAC meeting to provide oversight wrt the Annual Report was not possible.

Council is in the process of re-establishing the Committee to ensure adequate oversight is provided in terms of the matters and scope as approved by Council to the MPAC.

A Workshop with Council took place on Thursday, 22 March 2018, where the Annual Report was discussed and Council provided oversight and input w.r.t to the Report for the 2016/17 financial year.

3. 2016/2017 ANNUAL REPORT CONSULTATION PROCESS

The Draft Annual Report was tabled to Council on 28 January 2016.



Publish for Public Comment:

- (a) Municipal Website
- (b) In the Courier, a regional newspaper, on municipal notice boards, available at municipal offices and municipal libraries.

The Annual Report was also submitted to the offices of the Western Cape Auditor-General and the Western Cape Provincial Treasury.

4. SUMMARY OF COMMENTS ON THE 2016/2017 ANNUAL REPORT

Public Comment:

No public comments were received.

Western Cape Provincial Treasury

The Western Cape Provincial Treasury noted that the report does not in all instances provide corrective measures where under or non-performance was reported.

It is also noted that the Report does not provide sufficient clarity on the status of the Central Karoo Economic Development Agency (CKEDA) as an entity of the Municipality.

Auditor- General Report: Central Karoo District Municipality

Central Karoo District Municipality received an unqualified audit for the 2016/2017 Financial Year. Opinion: "The Financial Statements presents fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2017 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

Auditor- General Report: Central Karoo Economic Development Agency.

Opinion: In my opinion except for the effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Central Karoo Economic Development Agency (SOC) Ltd as at 30 June 2017 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008).

The CKEDA received a qualified audit opinion on the basis of Conditional Government Grants and Subsidies (Operating).

The Auditor-General further stated: I was unable to obtain sufficient appropriate audit evidence that the government grants and subsidies (operating) for the year under review had been properly accounted for due to the lack of supporting documentation. The unspent conditional

government grants and receipts recognised in the prior year had been released to the statement of financial performance, as included in note 3 to the financial statements. I was unable to confirm whether all terms and conditions related to the conditional grant were adhered to, for the release to the statement of financial performance. Consequently, I was unable to determine whether any adjustment was necessary to government grants and subsidies (operating) stated at R 3 654 in the financial statements.

5. SUMMARY OF DISCUSSIONS BY THE COUNCIL ON THE 2016/2017 ANNUAL REPORT

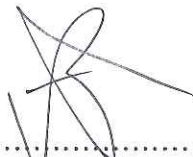
The importance of the following aspects was highlighted at the Council Workshop held on the 22 March 2018:

- (a) The finalization of the organizational restructuring process
- (b) The further extension of the Shared Service Model in Central Karoo District
- (c) The Centralization of the Supply Chain Management
- (d) MSCOA implementation
- (e) Regional Economic Development in collaboration with B-Municipalities in the District
- (f) Effective Public Participation Process
- (g) Integrated Development Planning
- (h) Service Delivery Budget Implementation Plan
- (i) Performance Management Cascading

The Executive Mayor presents the Oversight Report to Council and explains the reason why the Report could not be tabled in conjunction with the Annual Report of 2016/17. She indicates that it was due to the non-functioning of the MPAC which requires Mr. Jonkers (Snr Manager Corporate Services) to compile a report to ensure that the equitable share of the Municipality is secured.

On recommendation of Cllr/Dr. A.L. Rabie, seconded by Cllr. M. Jaffha, Council resolves that:-

- * Having fully considered the Annual Report, adopts the Oversight Report and approves the Annual Report without reservations.



.....
Acting Municipal Manager
U Baartman [Snr Manager Financial Services]