

JOE MOROLONG MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT: 16/02/2015

1. Background

- The MPAC is a committee of the municipal council, appointed in accordance with section 79 of Structures Act. One oversight committee is appointed and tasked with the complete oversight role, but focusing mainly on compliance with the provision of the Local Government: Municipal Finance Management Act.
- The Joe Morolong Municipal Public Accounts Committee met on 16th February 2015 to discuss items and prepare the report for the Council of Joe Morolong Municipality.
- It was noted that an improvement was made regarding review of policies and development of new policies and other systems.
- The progress has been made in most audit opinions cited by the office of the Auditor – General.

2. Deliberations

i. The Annual Report : 2013/14

- ✓ The committee noted the fact of incapacity of personnel of several of section that resulted in the Annual targets not being achieved.
- ✓ Therefore it raises the question of the realistic setting of targets, and also indicates that the targets need thorough review.
- ✓ The Valuation Roll has conflicting information, resulting from properties that are incorrectly excluded. Thus these properties are not billed by the municipality as a result of their exclusion in the valuation roll which leads to audit queries. The matter needs urgent attention.
- ✓ The Traffic Unit is still not operational due to processes that unfold slowly. Clarity is to be sought

on what efforts have been made to address the situation.

- ✓ The Corporate Services Department accounted for the work that is over-achieved on the annual report which caused confusion, therefore the information's validity and reliability becomes questionable.
- ✓ The budgetary constraints affected projects implementation. The realistic budgeting for projects is a cause of concern because the challenge could only be identified at the end of the financial year.
- ✓ Payment of creditors on time is crucial because it will enhance the business reputation of municipality. The same has not happened and the area needs to be improved to avoid fruitless and wasteful expenditures that may be experienced (law suits, interests charges etc).
- ✓ The relevance of information the Supply Chain Management processes in connection with the circulation of minutes to Bid Committee members needs to be clarified. The non-adherence to Supply Chain Management Policy informed by the Regulations on Supply Chain Management implies the non-compliance. This was noted as one of the Finance section target and the committee needs more clarity on this matter.
- ✓ All Departments failed to hold all departmental meetings as planned. Meetings were thus not postponed but cancelled. The remedial action is needed to address the same.
- ✓ Individual Assessment of Directors was not done, that stifles the municipal performance and the achievement of targets because it does not allow for continuous monitoring.

ii. Mid-Year Performance Assessment : 1st July 2014 to 31st December 2014


- Improvement in the Mid-Year Performance has been noted.
- The monitoring of projects implementation should be regular (Monthly)
- iii. The Auditor-General's report to the Northern Cape Provincial Legislature and the Council of Joe Morolong Local Municipality.
 - The absence of a Municipal Commitment Register is concern because it is an important tool and affects the municipal budgeting system.
- iv. Performance Contracts for the Section 57 Managers
 - The Senior Managers should be assessed to evaluate their performance; the evaluation needs to be done based on their Key Performance Areas.
- v. Joe Morolong Adjustment Budget : 2014/15 Financial Year
- vi. The Joe Morolong Draft Audit Action Plan.
 - That the Audit Action Plan should be implemented and continuously monitored.

2. Recommendations

- That there should be individual performance assessment of Directors to enable continuous monitoring and compliance with relevant laws and regulations.
- The committee noted that although departmental meetings were an annual target for some of the sections, they were not held monthly. This is a concern because departmental meetings assist in tracking performance and sharing of information, therefore it is our recommendation that these meetings should be postponed, not cancelled.
- Payments to creditors should be done on time to enhance a healthy-working relationship and to avoid fruitless and wasteful expenditures.
- The committee became aware of the personnel capacity problem in the finance section, and the capacitating of the section was one of their annual targets. Furthermore the capacity problem and prevented the section from achieving some their targets. It is

imperative that this matter be addressed because the finance section is the backbone of the municipality.

- The Valuation Roll should be reviewed and changes noted for implementation in the Supplementary Valuation Roll.
- The Committee recommends that there should be continuous monitoring of projects implementation against the set budget and the monitoring committee should consist of the Performance Assessment Committee.
- That the Commitment Register should be compiled and reviewed by the CFO and the Technical Director.
- The Adopted Audit Action Plan should be implemented and continuously monitored by all directors on a monthly basis and this process should involve the Internal Audit Unit.

Signed by chairperson:..........