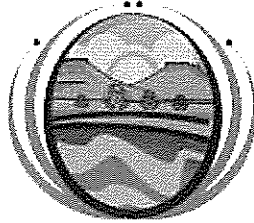


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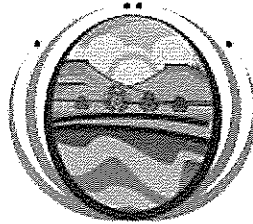
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PORT ST JOHNS LOCAL MUNICIPALITY OVERSIGHT REPORT ON THE 2020/2021 ANNUAL REPORT



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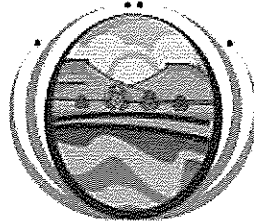
Table of contents

1. Background
2. Purpose
3. Draft annual report 2020/2021
4. Oversight report
5. Key focal area that require intervention
6. Recommendation
7. Annexures.



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Foreword by the Chairperson:

CLLR Sivuyile Vincent MAVIMBELA

The financial year 2020/2021 was the most challenging year for Port St Johns Local Municipality, apart from having been able to deal with the pandemic of Covid-19 the institution had to deal with the tragically blows of losing members of the council through death 3 members Hon. Totwana, Hon Maqhina and Hon Mfiki, all who passed away during the financial year under review. Also ONE councillor Hon. M.K Fono resigned and was a key member of the executive committee with key responsibility of heading BTO portfolio and that challenged the institution, by-election took place and other members joined and business went on. It was traumatic and emotional to the members but they soldiered ON and I take my hat off to the council led by Hon. Mlombile Cingo as the mayor and Hon. Gantsho the speaker with Hon. Mazuza the council whip, their troika will go down in history as having led the turnaround path that yielded Unqualified Audit Opinion, a sign of hard work indeed. The administration led by Municipal Manager Mr Hlazo and all the HOD"s they proved that fruits of dedication is indeed good results. Congratulations to all involved in driving the institution to greater heights.

All the MPAC members who trusted the chairperson with so much support and for going beyond political affiliation and invested in fighting the misuse of state resources, fighting corruption, advocating for good governance with oversight over the executive. Let us not drop the ball even in this council term. The future of Port st Johns as the destination of choice, soon to be the smart city is indeed attainable.

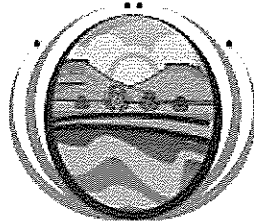
1. BACKGROUND

The draft annual report was tabled by the mayor to the council and was then resolved by the council to be referred to MPAC for oversight. The draft annual report consisted of the Auditor General report which was very favourable after a long string of Qualified Audit opinion for the municipality of Port St Johns and that is very commendable. Also included into the draft annual report was the consolidated financial statements of both the Port St Johns local municipality and those of the entity, which therefore meant it is a draft worth working on and is packaged correctly.



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The audit outcome of unqualified opinion with material findings is indeed a welcome change.

The council unanimously resolved that

- a) That the tabling of the available components of the 2020/2021 draft annual report as tabled by the Mayor in terms of section 127(3) of the MFMA was noted.
- b) That the components of the 2020/2021 draft annual report be made public and submitted to the relevant organs of the state in terms of Section 127 of the MFMA.
- c) That the 2020/2021 draft annual report be referred to MPAC to perform the oversight process and compile the Oversight Report

The draft Annual report was advertised on local newspaper, on PSJ LM Facebook, website, PSJ LM notice boards. The document was distributed to National Treasury, Provincial Treasury, Department of Local Government. Due to treat of Covid-19 pandemic, hard copies could unfortunately not be made available to the public at traditional strategic points across the municipality. A copy was however accessible at the port st john's municipality website. The public was invited to comment and the comment box at the municipality reception was placed.

The Audit Outcome of Unqualified Audit opinion with material findings is only a first step to the right direction for the municipality.

2. PURPOSE

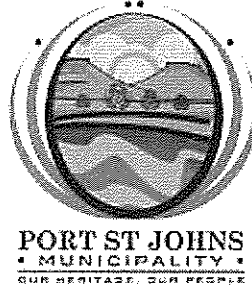
To review, analyse the annual report and to discuss the Audit Outcome as well as to receive public comments if any. To table clear recommendations to council as to what to do with the annual report 2020/2021.

From the 1st of July 2021 the appointment of service providers on MIG projects was commendable and the council resolution to expand the normal 4 roads to double has turned the shaded red performance colour to green and that is the highlight of this annual report.



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3. DRAFT ANNUAL REPORT

Port st John's Municipality MPAC in due time as prescribed by legislation did hold a meeting to consider Annual Report and meeting was held on the 11 May 2022 @ 10:00.

4. OVERSIGHT REPORT

The MPAC visited the MIG capital projects that were on initial stage and also were handed over in the beginning of 2021/22 financial year as part of playing its oversight role whereas that also assisted the committee to its responsibility to evaluate the quality of work done to each and every projects. The purpose of these visits was to do a quality check in terms of ensuring that services that are rendered to the community are equal to the value of the money that is spent on capital projects and that community receives best quality services.

Below is the list of MIG projects for 2021/22 financial year.

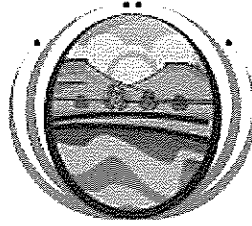
PROJECT NAME	WARD NO.
Lujazo Access Road	11
Ntongwana Access Road	14
Mboziseni Access Road	18
Tyityane Access Road	16
Mkhanzini Acces Road	09
Mbanjana Access Road	08

The MPAC Engagement session over executive and the constant engagements with other state organisations e.g. Auditor General and treasury yielded fruits and the ability to reach a point of recommendations by MPAC to council for recovering monies to affected individuals and to write-off where goods or services were proven to have been rendered responded to the repeated finding of not dealing with irregular, fruitless and wasteful expenditure.



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5. KEY FOCAL AREAS THAT REQUIRE INTERVENTION

- *Fast tracking of DC cases on case pending by administrative
- *The conclusions to investigations of fruitless wasteful and irregular expenditure
- *Conclusion of investigations regulations 32 awarded tenders (Previous years)
- *Monitored implementation of council resolutions
- * Zero tolerance to corruption in the institution
- * lack of alignment of the organizational structure with strategic objectives and goals of the municipality

6. RESOLVE TO RECOMMEND TO COUNCIL BY PSJ LM MPAC

1. That the council takes note of the oversight report of the MPAC on the Annual Report for the period 2020/2021 as submitted to council
2. That the council having fully considered the 2020/2021 Annual report of the municipality and representations made thereon, adopts the 2020/2021 MPAC Oversight Report and;
3. That the council approves the 2020/2021 Annual Report with reservations based on the MPAC and council recommendations not yet implemented, as well as the material findings by Auditor General on the Unqualified Audit Opinion with material findings.
4. The MPAC Oversight Report be made Public in accordance with the prescribed prescripts of the MFMA and be submitted to the relevant stakeholders.

Duly signed: **CLLR SV MAVIMBELA (MPAC CHAIRPERSON)**

