

ITEM: MAY 01 03/2013

**OFFICE OF THE MUNICIPAL MANAGER: MPAC COMMITTEE AND
OVERSIGHT COMMITTEE REPORT ON THE 2011/2012 ANNUAL REPORT**

(10/2/1/1) (GR) (MAYORAL COMMITTEE MEETING: 19 MARCH 2013)

The Municipal Manager reports as follows:

“The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Finance Management Act, 56 of 2003 (MFMA) requires the council to consider the annual report of its municipality and to adopt an oversight report containing the council’s comments on the annual report.

Thus the two committees as appointed by Council sat as follows:

The Municipal Public Accounts Committee (MPAC) appointed by Council to amongst others oversee the content of the Annual Report on its behalf sat on the 07th February 2013.

The MPAC Oversight Report is attached as **Annexure 1. (Pg.MP OVR 1 – Pg. MP OVR 3).**

The minutes of the MPAC meeting is also attached as **Annexure 2. (Pg. MPAC 1 – Pg. MPAC 3)**

The Oversight Committee appointed by Council to oversee the content of the Annual Report on its behalf also sat on the 06th March 2013 to consider the report.

The Oversight Report is attached as **Annexure 3. (Pg. OVR 1- Pg. OVR 5)** and minutes of the Oversight Committee meeting is attached as **Annexure 4 (Pg. OC 1 – Pg. OC 7).”**

The Municipal Manager recommends as follows:

RECOMMENDATIONS

- 1. Council having fully considered the Annual Report of the Frances Baard District Municipality adopts the MPAC Oversight Report.**
- 2. Council having fully considered the Annual Report of the Frances Baard District Municipality adopts the Oversight Committee Report.**
- 3. Council approves the Annual Report without reservations.**

Issues raised

MPAC report

- *The Municipal Manager explained that after tabling the draft Annual report to Council the same report has to be tabled to the MPAC.*
- *The MPAC corrected misprints from the report and no content issues were raised.*

Oversight Committee report

- *The Municipal Manager reported that the Councillors from the Finance committee failed to attend the oversight committee meeting in February 2013 and due to their absence the meeting could not take place and was postponed to the 06th of March 2013.*
- *On 06 March 2013 the Councillors did not again pitch up and the meeting continued without them.*
- *The Oversight committee raised the following:*
 - *In future the Audit report should form part of the Annual report.*
 - *The Auditor-General should be invited to attend the next Oversight committee report.*
 - *The salary bill of Councilors and Officials' should be separated.*
 - *The decrease of property, plant and equipment from R51m to R46m was explained to the committee*
- *Non- attendance of the Councillors*
 - *The Executive Mayor reported that she will take the matter up with the Councillors.*

RECOMMENDATIONS TO COUNCIL

- 1. Council having fully noted the Annual Report of the Frances Baard District Municipality adopts the MPAC Oversight Report.**
- 2. Council having fully noted the Annual Report of the Frances Baard District Municipality adopts the Oversight Committee Report.**
- 3. Council approves the Annual Report without reservations.**

RESOLVED

- 1. Council having fully noted the Annual Report of the Frances Baard District Municipality adopts the MPAC Oversight Report.**
- 2. Council having fully noted the Annual Report of the Frances Baard District Municipality adopts the Oversight Committee Report.**
- 3. Council approves the Annual Report without reservations.**

APPROVED AT COUNCIL MEETING:

27 MARCH 2013

**FRANCES BAARD
DISTRICT MUNICIPALITY**



**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE (MPAC) OVERSIGHT REPORT ON THE
ANNUAL REPORT
2011/2012**

1. INTRODUCTION

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members. Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate.

During the 2009 Association of Public Accounts Committee (APAC) Conference a resolution was taken stating that the Conference supports the establishment of Municipal Public Accounts Committees (MPACs) in each municipality in the country as part of improving financial management and accountability at local level.

Thus in order to enhance, promote and consolidate the oversight role of the Council over the executive, the Department of Cooperative Governance and Traditional Affairs having consulted the National Treasury and SALGA, has instructed that all municipalities establish MPACs. The focus of the MPAC will be to assist Council to hold the executive to account and to ensure the effective and efficient use of municipal resources.

The 2011/2012 Annual Report was tabled to Council on the 12th of December 2012 in compliance with Section 127 (2) of the Municipal Finance Management Act, 56 of 2003.

2. MPAC COMMITTEE

An MPAC Committee was established by Council resolution COUN 01 11/11 in terms of section 79 of the Municipal Structures Act, 117 of 1998. The Committee consists of:

Cllr E M Mathe	Chairperson (Social Development Committee)
Cllr E K Hale	Planning and Development Committee
Cllr A O Moremong	Policy and Institutional Development Committee
Cllr T C Ngoma	Planning and Development Committee
Cllr M G Nhlapo	Infrastructure Development Committee
Cllr M I Pholoholo	Infrastructure Development Committee
Cllr J Smit	Finance Committee
Cllr D J P van der Merwe	Finance Committee
Cllr V B Ximba	Infrastructure Development Committee

The MPAC Committee met on Thursday, 07 February 2013 to consider the annual report. This report details the findings of the Committee.

3. REVIEW / ANALYSIS OF ANNUAL REPORT

3.1 Discussion of aspects of Annual Report

- The information required to be included in the annual report as per the MFMA Circular No. 32 has been adhered to.
- The prescribed new template for the annual report has been implemented in full.

3.2 Typographical and grammatical errors identified

Page No.	Description of errors
Page 12	The word “acquiring” in the sentence below the heading: <i>Opportunities</i> has been spelt wrong.
Page 14	The word “capacity” in the bullet that starts with: “Identify environmental capacity gaps within the local municipalities...”; has been spelt wrong.

- End -