

ITEM: COUN 01 03/2016

OFFICE OF THE MUNICIPAL MANAGER: *AUDIT PERFORMANCE AND RISK, MPAC AND OVERSIGHT COMMITTEE REPORTS ON THE 2014/2015 ANNUAL REPORT*

(10/2/1/1) (GR) (COUNCIL MEETING: 23 MARCH 2016)

The Municipal Manager reports as follows:

Section 129 of the Municipal Finance Management Act, 56 of 2003 (MFMA) requires the council to consider the annual report and to adopt an oversight report compiled by its oversight committee; the municipal public accounts committee (MPAC) and the audit and risk committee.

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

The Audit Performance and Risk Committee, appointed by Council with the primary purpose of advising Council, political office bearers and the accounting officer on matters relating to Section 166 (2) – (3) of Municipal Finance Management Act and other applicable laws and regulations, sat on 03 February 2016 to consider the report. As part of its functions the committee has to assess the annual report of the municipality and make recommendations to the MPAC and external oversight committees. The Audit Committee oversight report is attached as ***annexure 8 (AR 1 – AR 4)***.

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 15 February 2015. The MPAC oversight report and minutes the meeting are attached as ***annexure 9***.

The oversight committee appointed by Council to oversee the content of the annual report on its behalf also sat on the 11 February 2015 to consider the report. The oversight report and minutes of the meeting are attached as ***annexure 10***.

The Municipal Manager recommends as follows:

RECOMMENDATIONS

- 1. Council having fully considered the annual report of the Frances Baard District Municipality adopts the Audit Performance and Risk Committee oversight report.**
- 2. Council having fully considered the annual report of the Frances Baard District Municipality adopts the MPAC oversight report.**
- 3. Council having fully considered the annual report of the Frances Baard District Municipality adopts the oversight committee report.**
- 4. Council approves the 2014/15 annual report without reservations.**

RESOLVED

- 1. Council having fully considered the annual report of the Frances Baard District Municipality adopted the Audit Performance and Risk Committee oversight report**
- 2. Council having fully considered the annual report of the Frances Baard District Municipality adopted the MPAC oversight report.**
- 3. Council having fully considered the annual report of the Frances Baard District Municipality adopted the oversight committee report.**
- 4. Council approved the 2014/15 annual report without reservations.**



.....
MUNICIPAL MANAGER

31 March 2016

.....
DATE

FRANCES BAARD DISTRICT MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2014/2015

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 to 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 2014/2015 annual report was tabled to Council on 9 December 2015 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 V B Ximba	(Chairperson) Infrastructure Development Committee
Cllr E K Hale	Planning and Development Committee
Cllr A O Moremong	Policy and Institutional Development Committee
Cllr B M Maribe	Speaker
Cllr L Steyn	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 G Koopman	Planning and Development Committee

The MPAC Committee met on Monday, 15 February 2016 to consider the annual report. The committee considered the draft annual report for 2014/2015 according to a checklist provided by National Treasury in MFMA Circular No. 32 and Circular No. 63 for this purpose. This report details the findings of the committee.

3. REVIEW / ANALYSIS OF ANNUAL REPORT

3.1 Review of inputs

No public inputs were received by the municipality in response to the invitation for comments on the draft annual report for 2014/2015 placed in local newspapers on 18 January 2016 and the FBDM website. The draft annual report was reviewed by the audit, performance and risk committee and the oversight committee.

3.2 Commendation

The Committee commended the municipality for a high quality report that was prepared according the guidelines as set out by Sections 11, 32 and 63 of the Municipal Finance Management Act, 56 of 2003.

3.3 Recommendation

The Committee recommends that Council approves the 2014/15 Annual Report without reservations, with the corrections as indicated by the audit, performance and risk and oversight committees respectively.

- End -