

ITEM: COUN 02 03/2014

OFFICE OF THE MUNICIPAL MANAGER: *MPAC AND OVERSIGHT COMMITTEE REPORT ON THE 2012/2013 ANNUAL REPORT*

(10/2/1/1) (GR) (COUNCIL MEETING: 25 MARCH 2014)

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 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 25th February 2014. The MPAC Oversight Report is attached as **Annexure 12. (MR 1 – MR 3)** The minutes of the MPAC meeting are attached as **Page MP 1 – Page MP 6.**

The Oversight Committee appointed by Council to oversee the content of the Annual Report on its behalf also sat on the 25th February 2014 to consider the report. The Oversight Report is attached as **Annexure 13. (OR 1 – OR 2)** and minutes of the Oversight Committee meeting are attached as **Page OV 1 – Page OV 7.”**

The Municipal Manager recommends as follows:

RECOMMENDATIONS TO COUNCIL

- 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 2012/13 Annual Report without reservations**

COUNCIL MEETING:

25 March 2014

RESOLVED

1. Council fully considered the Annual Report of the Frances Baard District Municipality adopted the MPAC Oversight Report.
2. Council fully considered the Annual Report of the Frances Baard District Municipality and adopted the Oversight Committee Report.
3. Council approved the 2012/13 Annual Report without reservations



SIGNED BY MUNICIPAL MANAGER

27 March 2014

DATE

**FRANCES BAARD
DISTRICT MUNICIPALITY**



**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE (MPAC) OVERSIGHT REPORT ON THE
ANNUAL REPORT
2012/2013**

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 2012/2013 Annual Report was tabled to Council on the 22nd of January 2014 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) - <i>Redeployed to serve on Sol Plaatje Municipality Mayoral Committee</i>
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 - <i>Redeployed to serve on Sol Plaatje Municipality Mayoral Committee</i>
Cllr M G Nhlapo	Infrastructure Development Committee - <i>Redeployed to serve on Sol Plaatje Municipality Mayoral Committee</i>
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 Tuesday, 25 February 2014 to consider the annual report. 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 2012/2013 placed in local newspapers on 28 January 2014 and the FBDM website.

3.2 *Diamonds & Dorings Festival*

R 300,000 was allocated to Sol Plaatje municipality for the *Diamonds & Dorings Festival* over a period of three years, subject to the local municipality signing a memorandum of understanding (MOU) with the district municipality to ensure accountability. The contribution has been/will be made for 2012/13 and 2014/15 with Council to decide on the contribution for the third outer year (2015/16).

3.3 Support to emerging farmers

The municipality through projects such as the establishment of a commercial malt plant on the banks of the Modder and Riet rivers is contributing to the development of emerging farmers. FBDM has signed a contract with the Foundation for African Business and Consumer Services (FABCOS) to register emerging farmers in companies and cooperatives. A barley production programme has been rolled out and through the programme emerging farmers will be skilled in barley farming.

3.4 Areas for verification

- Page 15: The calculation of the housing backlog as a proportion of the current demand should be verified for correctness.
- Page 74: The percentage of households with access to basic housing in terms of the breakdown for total households (households (including in formal and informal settlements)”; the figures for 2009/10 – 2012/13) should be verified for correctness.

3.5 Areas for revision

Page No.	Description of errors
Page 75	The word “Other” appears with an asterisk indicating a footnote should appear on the page. The footnote should be moved from page 76 to be on the same page as where the indication of a footnote appears.

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