



NAMAKWA DISTRICT MUNICIPALITY

MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE "MPAC"

OVERSIGHT REPORT ON THE ANNUAL REPORT

2020/21

Tabled to Council on 31 March 2023

**FOREWORD BY THE CHAIRPERSON OF MPAC,
COUNCILOR RJ CLOETE**

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to the Council with regard to the Annual Report and the preparation of an Oversight Report. Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of the Council provides the appropriate mechanism through which Council can fulfil its oversight responsibilities. MPAC's primary role is to consider the Annual Report, receive input from the various role-players and prepare a draft Oversight Report for consideration by Council.

Finally, I would like to extend special appreciation to the members of MPAC for their contribution, dedication, and hard work in ensuring that this report was compiled and tabled in Council on time. I would also like to thank the administration of the Namakwa District Municipality for their administrative support in developing the Oversight Report.

1. INTRODUCTION

The Namakwa District Municipality has been guided by the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA), and National Treasury Circulars in drafting the Annual Report. In adhering to these, the Municipal Administration has submitted the 2021/2022 Annual Report to the Council. This process was followed by preparing the Oversight Report done by the Municipal Public Accounts Committee.

Council mandated the Municipal Public Accounts Committee (MPAC) to serve as an Oversight Committee to exercise oversight over the executive obligations of the Council and to consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard.

The 2021/2022 Annual Report and related correspondence were perused by the following members of MPAC:

- Cllr Riaan Cloete (ANC)
- Cllr Gerrie Coetzee (DA)

2. PURPOSE

Municipalities are required by the Municipal Finance Management Act (MFMA) of 2003 and the Municipal Systems Act (MSA) of 2000 to prepare Annual Reports based on their annual service delivery processes and overall municipal performance. The annual reporting process is followed by an Oversight Report, which is the Council's report on the 2020/2021 Annual Report of the Municipality.

The Oversight Report is adopted after the Oversight Committee has fulfilled its tasks pertaining to:

- Undertaking a review and analysis of the Annual Report
- Inviting, receiving, and considering inputs from Councillors and Support Committees
- Conducting Public Participation to allow the local community or any organs of state to make representations on the Annual Report

- Preparing the Oversight Report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organs of state, Council's Audit Committee, and Councillors

3. LEGAL FRAMEWORK

The preparation of this Oversight Report is in accordance with Section 129 (1) of the Municipal Financial Management Act (2003), which stipulates that a municipal council must consider the Annual Report and refer the Annual Report to an Oversight Committee and that the Oversight Committee must prepare an Oversight Report containing comments and recommendations. At the adoption stage of the Oversight report, the Council must state whether it (the Council) has approved the Annual Report with or without reservations, has rejected the Annual Report or has referred the Annual Report back for revision of those components that can be revised.

The establishment of the MPAC was undertaken in terms of Section 79 of the Municipal Structures Act, which allows for the co-option of advisory members of the Council.

Circular No. 32 of the Municipal Finance Management Act, Act 56 of 2003 recommends that Council consider establishing an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act 1998. The Circular states that this Committee and, if needed, sub-committees could be responsible for the detailed analysis and review of the Annual Report and then drafting an Oversight Report that may be taken to the full Council for discussion. According to this Circular, such a committee may receive and review comments made by the public and seek inputs from other Councillors and Council Portfolio Committees.

4. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS

Section 130 of the MFMA stipulates that public participation must be a central element of all processes relating to an Annual Report. The aforementioned Section instructs that the meetings of a municipal council or committee established by the Council at which an Annual Report is to be discussed or at which decisions concerning an Annual Report are to be taken must be open to the public and any organs of state.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- Invite written submissions from the local community or organs of state on the Annual Report. Make public all meetings at which the Annual Report will be discussed.
- Representatives of the Auditor-General are entitled to attend and speak at any meeting that deals with the Annual Report.
- Engage in the process of public participation on the Annual Report.

5. OVERSIGHT COMMITTEE RECOMMENDATIONS

The Oversight Committee confirms that the following documentation, as set out in the MFMA Section 121(3) are included in the Annual Report of the Kamiesberg Municipality:

- The Annual Financial Statements of the municipality;
- The Audit Report issued by the Auditor-General;
- The Annual Performance Report of the Municipality;
- The Audit Report issued by the Auditor-General on the audit of the Annual Performance Report;
- An assessment of the Municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget; and
- Corrective actions to be taken in response to issues raised in the audit reports;

The Oversight Committee recommends that:

- The Council, after having considered the 2020/2021 Annual Report of the Municipality, adopts the Oversight Report in terms of section 129(1) of the Municipal Finance Management Act, Act 56 of 2003;
- The 2020/2021 Annual Report be approved in terms of section 127 of the Municipal Finance Management Act, Act 56 of 2003;
- The 2020/2021 Oversight Report of the Kamiesberg Municipality be made public in terms of section 129(3) of the Municipal Finance Management Act, Act 56 of 2003; and
- The 2020/2021 Oversight Report and 2020/2021 Annual Report be submitted to the Provincial Legislature in terms of section 132(2) of the Municipal Finance Management Act, Act 56 of 2003.

FOR CONSIDERATION BY THE COUNCIL

Cllr Riaan Cloete

Cllr Gerrie Coetzee



The image shows two handwritten signatures in black ink. The top signature is written over a horizontal dotted line and appears to be 'Riaan Cloete'. The bottom signature is also written over a horizontal dotted line and appears to be 'Gerrie Coetzee'. The signatures are somewhat stylized and overlapping.

