



## **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

### **OVERSIGHT REPORT - 2016/2017**

**January 2018**

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16 January 2018

Witzenberg Municipal Council  
Voortrekker Street  
Ceres  
6385

## **1. Purpose**

The purpose of this communication is to report to Council the result on the Witzenberg Municipal Public Accounts Committee (MPAC) oversight review of the Witzenberg Annual Report for 2016/2017 and to enable Council to discharge its oversight responsibility in considering the Witzenberg Municipality's Annual report for 2016/2017 in terms of Section 129 of the Municipal Finance Management Act, no 56 of 2003 (MFMA).

## **2. Legal requirements**

In terms of Section 129 of the MFMA, the Council must adopt an Oversight Report containing the Council's comments on the annual report which must include a statement whether the Council –

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.

In terms of the MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon.

Approval means that the executive and administration have discharged in full, their accountability for the decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

### **3. Adoption**

The statutory authority to adopt an oversight report in respect of the Annual Report 2016/2017 rest with the Municipal Council.

### **4. MPAC mandate**

MFMA Circular Number 32 recommends the establishment of an MPAC for the detailed analysis and review of the annual report, following its tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and stakeholders and then drafting an oversight report that may be taken to the full Council for discussion and approval.

MPAC is required to perform the responsibilities as envisaged in the MFMA Circular Number 32 and Section 129 of the MFMA.

### **5. Consideration of annual report and comments received**

MPAC has considered the following reports and comments:

- Draft Witzenberg Annual Report 2016/2017
- 2016/2017 Audit Report of the Auditor General South Africa, and
- The 2016/2017 Performance, Risk and Audit Committee Report

### **6. MPAC resolution on Annual Report**

Members of MPAC unanimously agreed to recommend that Council approve the Annual Report without any reservations.

Members of MPAC unanimously agreed to recommend to Council to consider the recommendations as per paragraph 7.

## **7. Corrective measures for Council consideration**

It is recommended that Council:

- establish a task team consisting of each political party to compile and submit a report on the debt impairment issues emphasised by the AGSA;
- includes 14/15 financial year comparative information and detailed breakdown of MIG and housing projects for the last 3 years in the annual report;
- consider the expansion of the ICT Department to ensure an effective and efficient support of IT services within the municipality;
- review its infrastructure back log to assess relevance with emphasis on Tulbagh roads and Council assets such as Pine Forrest, Eiland and Klipriver park, and
- that the Capital Plan be reviewed during the IDP review process to ensure that back logs are addressed.

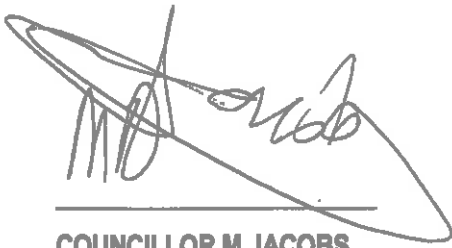
To note the following concerns of the Performance, Risk and Audit Committee inter alia:

- The collection of long outstanding debt remains a concern and has a serious negative impact on the cash flow and sustainability of the municipality;
- Water losses;
- The process of traffic fine collections; and
- The effective usage of the Performance Management System to ensure reliability of information.

## **8. Recommendation**

Having fully considered the 2016/2017 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2016/2017 Oversight Report and approves the 2016/2017 Annual Report without reservations.

Yours faithfully,



**COUNCILLOR M JACOBS**

**CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR G LABAN**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR C KOTTERING**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**