



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT - 2018/2019

March 2020

Contents

1. Purpose.....	3
2. Legal requirements	3
3. Adoption.....	4
4. MPAC mandate.....	4
5. Consideration of annual report and comments received	4
6. MPAC resolution on Annual Report	4
7. Corrective measures for Council consideration.....	5
8. Recommendation.....	5

3 March 2020

Witzenberg Municipal Council
Voortrekker Street
Ceres
6385

Dear Alderman Speaker Godden

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 2018/2019 and to enable Council to discharge its oversight responsibility in considering the Witzenberg Municipality's Annual report for 2018/2019 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 2018/2019 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 2018/2019;
- 2018/2019 Audit Report of the Auditor General South Africa;
- The 2018/2019 Performance, Risk and Audit Committee Report; and
- Provincial Treasury comments on the tabled 2018/2019 Annual 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 following corrective measures.

7. Corrective measures for Council consideration

It is recommended that Council:

- That administration tables a full report on the Supply Chain Regulation, section 32 matter to Council to further referral to the MEC and National Treasury;
- Re-established the task team, to address the concern of the AGSA on debt impairment and to report on progress regarding the implementation of credit control;
- That administration continue to execute the Credit Control Policy with due diligence and adherence;
- That the public office bears in conjunction with administration should make a collective drive to the public to campaign the importance of paying for municipal services; and
- Take note of the reliance on government grants and Council investigates other means of revenue streams over medium to longer term.

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

- That the Performance, Risk and Audit Committee has recommended to Council to improve the functionality of the performance management system, timeous monitoring and reviewing of the portfolios of evidence should be implemented and management should embrace the recommendations by Internal Audit and ensure continuous monitoring to address the control deficiencies;
- Where Management has agreed to specific action plans these should be implemented timeously to improve the control environment and performance; and
- Improve management of ICT risks.

8. Recommendation

Having fully considered the 2018/2019 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2018/2019 Oversight Report and approves the 2018/2019 Annual Report without reservations.

Yours faithfully,



COUNCILLOR M JACOBS

CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE




ALDERMAN JW SCHUURMAN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Absent

COUNCILLOR P HERADIEN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



COUNCILLOR G LABAN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



COUNCILLOR C LOTTERING

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE