



## **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

### **OVERSIGHT REPORT - 2017/2018**

**January 2019**

# Contents

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

16 January 2019

Witzenberg Municipal Council  
Voortrekker Street  
Ceres  
6385

Dear Speaker Alderman T. 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 2017/2018 and to enable Council to discharge its oversight responsibility in considering the Witzenberg Municipality's Annual report for 2017/2018 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 2017/2018 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 2017/2018
- 2017/2018 Audit Report of the Auditor General South Africa, and
- The 2017/2018 Performance, Risk and Audit Committee Report
- Provincial Treasury comments on the tabled 2017/2018 Draft Witzenberg Annual Report
- No public comments were received

### **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 recommendations.

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

It is recommended that:

- The Council established task team, develop a public participation incentive program and report on progress regarding the debt impairment issues emphasised by the AGSA.
- Council develop a public participation program for rental stock transfers.
- Debt collection strategies be improved and the responsibilities given to the task team be transferred to a section 79 committee of Council.
- Council take note of the reliance on government grants, develop revenue enhancement strategies and strengthening the LED committee with the goal of decreasing dependence on government grants.
- Council should revisit donor relationships.
- The review and monitoring of performance information be improved.
- The performance of the municipality be improved in terms of the following:
  - Fast tracking housing development service delivery backlogs at Vredebes;
  - Transfer of rental stock; and
  - Debt impairment
- Long term capital plans must appropriately address the backlogs and should be consistent with the strategic policy directions of Council and the needs of the community.
- The MPAC is in agreement with the recommendations made by PRAC to improve the management of IT risks.

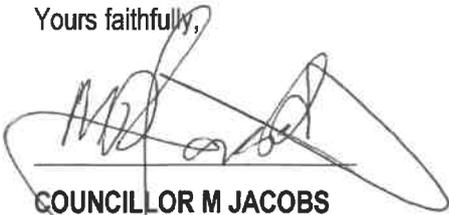
To note the following concerns of the Performance, Risk and Audit Committee inter alia:

- PRAC is of the view that the management of ICT risks can be improved.
- PRAC 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.

## **8. Recommendation**

Having fully considered the 2017/2018 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2017/2018 Oversight Report and approves the 2017/2018 Annual Report without reservations.

Yours faithfully,



**COUNCILLOR M JACOBS**

**CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

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**ALDERMAN JW SCHURMAN**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

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**COUNCILLOR P HERADIEN**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR G LABAN**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**



**COUNCILLOR C LOTTERING**

**MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**