



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT - 2019/2020

April 2021

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..... | 3 |
| 8. Recommendation..... | 4 |

28 April 2021

Witzenberg Municipal Council
Voortrekker Street
Ceres
6385

Dear Speaker Alderman 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 2019/2020 and to enable Council to discharge its oversight responsibility in considering the Witzenberg Municipality's Annual report for 2019/2020 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 2019/2021 rests 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 2019/2020
- 2019/2020 Audit Report of the Auditor-General South Africa, and
- The 2019/2020 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 following corrective measures.

7. Corrective measures for Council consideration

It is recommended that Council:

- Management confirmation is noted that there are no further usage of Section 32 with regards to procurement including year under review.
- The report of PRAC on the Section 32 issue to the amount of R 27,674,357 is noted.
- That Council take note of the debt impairment issues emphasised by the AGSA.
- That the Council re-established the task team, report on progress regarding the debt impairment and the implementation of credit control devices (Water management devices, sale in execution of

movable and immovable property by means of public auction). The current steadily increase in payment is noted.

- That administration be allowed to fully implement Council's debt collection policy
- Improve management of ICT risks
- That the matter of resorts be referred to Council for the re-look of management there-of.
- That Council take note of the reliance on government grants.
- The non-expenditure on RBIG and MIG is noted with reasons provided. Roll-over was applied for but not approved.
- The detail on performance as included in the Performance Scorecard to be discussed by Council. Chapter 3.1.7.
- That the review and monitoring of performance information by Senior Management be improved.
- Internal Audit Reports and AGSA report submitted to the Performance, Risk and Audit Committee and that same be discussed thoroughly at Mayco Committee.
- That performance management action plans be implemented timeously.
- That management should look at IT function as proposed by PRAC report.
- MPAC conclude that long term capital plans must appropriately address the backlogs within available budget and should be consistent with the strategic policy directions of council and the needs of the community.
- 5 Yr Infrastructure plan be referred to Technical and Corporate Committees for possible inputs.

8. Recommendation

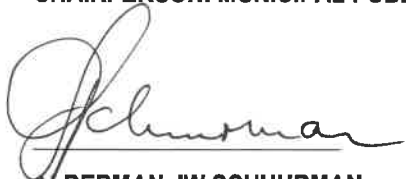
Having fully considered the 2019/20 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2019/2020 Oversight Report and approves the 2019/2020 Annual Report without reservations.

Yours faithfully,



COUNCILLOR M JACOBS

CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



ALDERMAN JW SCHUURMAN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

COUNCILLOR P HERADIEN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



COUNCILLOR G LABAN

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



COUNCILLOR C LOTTERING

MEMBER: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE