

FOREWORD BY THE CHAIRPERSON OF MPAC SHARED SERVICE, COUNCILOR ESTELLA CLOETE

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to 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 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, Kamiesberg as well as Namakwa District Municipality for their administrative support in developing the Oversight Report.

1. INTRODUCTION

The Kamiesberg Municipality has been guided by the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA) and National Treasury Circulars in the process of drafting the Annual Report. In adhering to these, the Municipal Administration has submitted the 2017/18 Annual Report to the Council. This process was followed by the preparation of the Oversight Report that was done by the Namakwa District MPAC Committee Shared Service.

The Council of Kamiesberg Municipality has resolved that the Municipal Public Accounts Committee is the relevant committee within the Municipality to carry out the activities of the Oversight Report, but must also note that Kamiesberg doesn't have an active Committee. The main components of the Annual Report submitted to Council were the following:

- The annual performance report, as required in terms of Section 46 of the Municipal Systems Act (MSA).
- The Annual Financial Statements submitted to the Auditor-General.
- The Auditor-General's audit report on the financial statements in terms of Section 126 (3) of the MFMA.
- The Auditor-General's audit report on programme performance in terms of Section 45 (b) of the MSA.

In the Kamiesberg Municipality, the oversight role on the Annual Report is referred to the Municipal Public Accounts Committee. One of the key responsibilities of the Municipal Public Accounts Committee in fulfilling its oversight role is to prepare the Oversight Report on the Annual Report, considering the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

2. PURPOSE

Municipalities and their entities 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 report of Council on the 2016/17 Annual Report of the Municipality and its municipal entity.

In the Kamiesberg Municipality, the process of oversight is referred to the Municipal Public Accounts Committee of Namakwa District Municipality, which acts as the Oversight Committee of Council. This Oversight Report is a product of the Municipal Public Accounts Committee's deliberations on the 2016/17 Annual Report.

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. FORMING OF OVERSIGHT COMMITTEE

The MFMA Circular No.32 (Municipal Finance Management Act No.56 of 2003) states that the Oversight Committee should be made up of only non-executive Councillors. It further provides that municipal officials cannot serve as members of an Oversight Committee. All meetings of the Oversight Committee must be open to the public and timely notice of meetings should be given to enable representations.

In Kamiesberg Municipality, the MPAC Committee Chairperson has been changed two times and is still not active. The Kamiesberg Municipality took it upon itself to ask the MPAC Committee of Namakwa District Municipality to assist with the compiling of their Oversight Report as Kamiesberg is part of their Shared Service.

4. 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. The Council must at the adoption stage of the Oversight report state as 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 should consider the establishment of 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 full Council for discussion. Such committee, according to this Circular, may receive and review comments made by the public and also seek inputs from other Councillors and Council Portfolio Committees.

5. PUBLIC PARTICIPATION IN OVERSIGHT PROCESS

Section 130 of the MFMA stipulates that public participation must be a central element of all processes relating to an Annual Report. In so doing, the aforementioned Section instructs that the meetings of a municipal council or committee established by 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 to speak at any meeting that deals with the Annual Report.
- Engage in a process of public participation on the Annual Report.

6. OVERSIGHT COMMITTEE RECOMMENDATIONS

- MPAC recommends that reasonable steps be taken to prevent UIF & W expenditure at the Municipality.
- MPAC recommends that the Municipality ensures that the Supply Chain Unit is strengthened to overcome findings raised by the Auditor General.
- That an Information system should be in place for the 2018/19 year.
- That the MPAC Committee of Kamiesberg Municipality should be addressed as a urgent matter to Council.
- The Committee recommends that the Council approve the Annual Report 2017/2018 as been presented to Council and that the above mentioned recommendations should be adhered to.

FOR CONSIDERATION BY COUNCIL