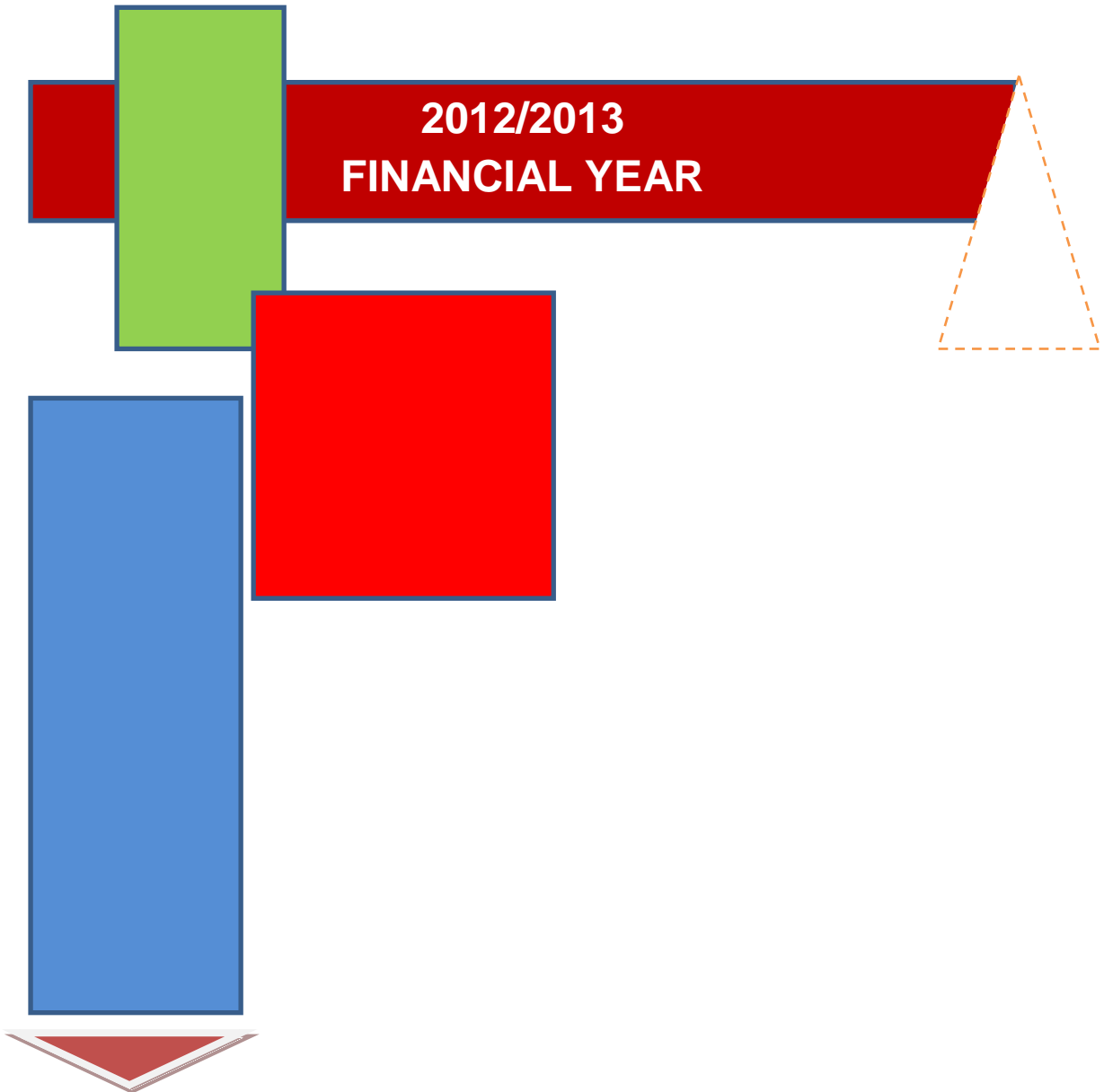




**UMZIMVUBU**  
LOCAL MUNICIPALITY



## **OVERSIGHT COMMITTEE REPORT ON THE ANNUAL REPORT**

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## 1. INTRODUCTION

The Constitution of the Republic of South Africa Act No. 108 of 1996 section 151 (2) stipulates that both Executive and Legislative powers rest within the municipal Council. This results in difficulty to clearly define the separation of powers. The Local Government: Municipal Structures Act No. 117 of 1998 establishes committees of council in terms of section 79 and 80 thereof for effective and efficient performance of any of the Council functions or the exercise of any of its powers. The Municipal Finance Management Act No. 56 of 2003 calls for a committee of council that deals specifically with the annual oversight report of Council and other ad-hoc functions.

The MPAC has been established as a mechanism to enhance municipal performance of the municipality and promote accountability of the Executive Councilors to Council. It has been established as a standing committee of council that is responsible for consideration of the annual report and reporting to Council regarding the Annual Report.

Given the processes required by Council to effectively undertake its oversight role on the annual report, the establishment of the MPAC of council would provide appropriate mechanism in which Council could fulfill its oversight responsibility.

Given the complexity of the oversight responsibility to be played by the council in the area such as good governance which includes oversight accountability and institutional capacity, the establishment of the MPAC as Section 79 committee that discharges its responsibility throughout year, not to play its function at tail-end of the year would provide appropriate mechanism in which Council fulfills its oversight responsibility.

## 2. COMPOSITION OF THE COMMITTEE

The MPAC is composed of the following non- executive councilors, six whom are females:

1. Councillor N. Mpanda : Chairperson
2. Councillor B.T. Ngqasa : Deputy Chairperson
3. Councillor U.G. Makanda : Member
4. Councillor N.M. Mlenzana : Member
5. Councillor N.P. Ndabeni : Member
6. Councillor B. Ripa : Member
7. Councillor K. Mnukwa : Member
8. Councillor N.O. Godlo : Member
9. Councillor Z.B. Mtebele : Member
10. Councillor S. Myingwa : Member
11. Councillor N.N. Gcadinja : Member

## 3. THE OVERSIGHT (MPAC) REPORT PROCESS

Section 121 (1) (2) of the MFMA determines as follows:

- Every municipality must for each financial year prepare an annual report. The council must within nine months after the end of the financial year deal with the annual report of the municipality in accordance with Section 129.
- The Annual Report for 2012/2013 was tabled by the Mayor to the Council on the 24<sup>th</sup> January 2014.
- The Municipal Manager publicized the Annual Report on print media for public comments on the 30<sup>th</sup> January 2014.
- The timeframe for submission of public comments was 27<sup>th</sup> February 2014.

- The Annual Report document was submitted to relevant authorities including the Office of the Auditor General, Treasury and the Department of Local Government and Traditional Affairs for their input and comment.
- The Office of the Auditor General has confirmed in their input that the Annual Report was a true reflection of the Annual Performance Report that they had audited and therefore have no objections on the Annual Report for 2012/2013.
- The Municipal Public Accounts Committee had invited the Municipal Manager to its meeting which sat on the 10<sup>th</sup> February 2014 wherein the Annual Report was considered.

Concerns that were raised on the annual report included the following:

- Incorporation of the Audit Turnaround Strategy into the Annual Report. This was resolved.
- The issue of legal cases that seem to be dragging over time. This was dealt with and resolved.
- The issue of under-expenditure on infrastructure projects. This was dealt with and resolved.

## 4. RECOMMENDATIONS

1. That council should note the oversight committee report on the annual report for 2012/2013.
2. That oversight report on annual report for 2012/2013 must be approved by Council without reservations.
3. That the Annual Report for 2012/2013 FY be adopted by Council.