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# MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT

FOR THE PERIOD

1 JULY 2011-30 JUNE 2012

ITEM NO:

FILE REF NO: 4/6/1/1

**REPORT DATED 25 APRIL 2013 FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE TO COUNCIL**

**REVIEW OF MAKANA MUNICIPALITY ANNUAL REPORT FOR THE 2011 / 2012 FINANCIAL YEAR**

**PURPOSE:**

To submit the Oversight Report on the Annual Report of 2011-2012 in terms of Section 129 of the Municipal Finance Management Act (MFMA).

**INTRODUCTION:**

The purpose of this item is for Council to consider the oversight report of Annual report for the year ended June 2012. The Municipal Public Accounts Committee is tasked with the review of the annual report and all inputs received in response to the advertising process, and the preparation of an Oversight Report for consideration by the Council at its meeting.

The Ordinary Council meeting of the 22 September 2011 dissolved the Oversight Committee and appointed Clr J C Wells as Chairperson of a Municipal Public Accounts Committee (in short MPAC) along with Clrs L Reynolds, Clr M Booysen, Clr T Ngeleza, Clr M Tame, Clr R Plaatjie, Clr B Bonani, Clr N Tyantsula and Clr D Waldick.

An induction workshop was held with the MPAC members on 12 March 2012.

The MPAC committee must prepare a report to Council after review with recommendations as follows;

- *Council to approved the annual report, with or without reservations;*
- *Council to rejected the annual report; or*
- *Council to referred the annual report back for revision of those components that can be revised.*

*This is in terms of Section 129 of the MFMA.*

Attached as Annexure A, the members will find a copy of National Treasury MFMA Circular 32 which deals with the oversight process that the Councils must follow when considering the Annual Report and how to deal with the Oversight Report.

**Functions of Municipal Public Accounts Committee**

The functions of the MPAC Committee are the following:

1. To undertake a review and analysis of the Annual Report.
2. To invite receive and consider inputs from Councillors and Portfolio Committees on the Annual Report.
3. To consider written comments received on the Annual Report from the public consultation process.

4. Conduct Public Hearing(s) to allow the local community or organs of state to make presentations on the Annual Report.
5. Receive and consider Council's Performance Audit Committee's views and comments on the annual financial statements and the performance report.
6. Prepare the Oversight Report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organs of state Council's Performance Audit Committee and Councillors.

## **1. PUBLIC PARTICIPATION PROCESSES**

After the Council meeting of 25 January 2013, and in response to the Council resolution taken at that meeting, the Makana Municipality's Draft Annual Report for 2011/2012 was made public in terms of section 127 (2) of the MFMA and the local community was invited to submit representations and comments.

An Official notice advising where the annual reports could be viewed and inviting representation from the public was placed in the local newspapers on 8 February 2013. Copies of the annual report were placed at the Municipal administration buildings including Riebeeck East, Alicedale office, all the libraries as well as the Municipal Website.

Copies of the report were forwarded to the following stakeholders as required by the MFMA:

- Provincial Treasury(No comment received),
- Provincial Department of Local Government and Traditional Affairs,(No comment received) and
- To the Auditor –General (No comment received)

## **2. RESPONSE RECEIVED:**

Several consultative meetings for the general public were held in various venues in Makana as shown in the Municipal Notice 20 of 2013 attached hereto as Annexure B. The further input received through this process, has been incorporated in the recommendations.

## **3. RESPONSE PROVIDED BY ACCOUNTING OFFICER**

The input of MPAC was incorporated in the Annual Report.

## **4. SUMMARY OF RESERVATIONS AND RECOMMENDATIONS OF MPAC COMMITTEE.**

The Municipal Public Accounts Committee made the following::

### **Recommendations:**

- 1) That the 2011-12 Annual Report be accepted with reservations, subject to requested corrections being made.
- 2) That the outcomes of the Auditor General's report should be disputed and subjected to rigorous review of the methods used for gathering information.

- 3) That the municipality should consider the establishment of a Performance Audit Committee to work in conjunction with Portfolio Chairpersons to more effectively monitor how performance targets are being met.
- 4) That the overall impact of the task-grading exercise on the Municipality should be reviewed, in conjunction with SALGA and the Provincial Department of Local Government and Traditional Affairs.
- 5) That the Director of Corporate Services, in conjunction with the Special Programmes Officer, should review the target for hiring of people living with disabilities with a view to revising it upwards.
- 6) That quarterly reports on exit interviews, as well as regular reporting on 'lost' equipment and damaged vehicles should be provided to the FAME Portfolio Committee.
- 7) That a further elaboration on efforts made to improve the quality of water needs to be provided, including an explanation of Blue Drop status.
- 8) That an explanation of the varieties of sanitation services should be provided for the sake of clarity.
- 9) That the Annual Report should include reporting on efforts made to offset damage from natural disasters and housing rectification projects.
- 10) That a description of the targets of meeting low and middle-income housing needs through the Breaking New Ground project at Mayfield be provided, including its status as a pilot housing project of the Province.
- 11) That information about the establishment of a Disaster Management office in January 2012 should be added.
- 12) That the N2 Ranger project should be added to the list of Funded Projects.
- 13) That the Municipality's participation in the Transport Forum at local level needs to be included.
- 14) That all small and historic cemeteries should have on-going maintenance done.
- 15) That challenges faced in controlling urban livestock and operating the commonages should be included.
- 16) That urgent priority attention should be given to ensuring there are communication systems which give a quick response to reports of breakdowns of municipal services.
- 17) That thorough monitoring of engagement with the public by ward councillors and ward committees is needed to secure quarterly public meetings in each ward.
- 18) That a tracking system for issues arising from ward committees should be developed by the Speaker, and it should be effective and visible.

19. That the 2008 disaster relief measures in Makana should be investigated and fully explained to the community, including any further actions which might be appropriate.

## **5. RESOLUTION**

That Council approve the 2011/2012 Annual report with Reservations, subject to all of the above-mentioned corrections recommended by MPAC .

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**DR P NAIDOO**  
**MUNICIPAL MANAGER**

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**DATE**