

ITEM 06

**OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC): OVERSIGHT REPORT ON THE 2023/24 AUDITED ANNUAL
REPORT OF THE WEST RAND DISTRICT MUNICIPALITY**

5/11/2/R

1. PURPOSE

The purpose of the oversight report is to table to Council, the MPAC Oversight report on the WRDM 2023/2024 Annual Report.

2. INTRODUCTION

The 2023/2024 Annual Report was tabled in Council on 30 January 2024 in compliance with Section 127(2) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), which requires that:

- The mayor of a municipality must within seven months after the end of a financial year, table in the municipal council the annual report of the municipality

Every municipality must prepare an annual report for each financial year in accordance with the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA) and Municipal System Act, 2000 (NO. 32 of 2000) (MSA). The oversight report is the final major step in the annual reporting process of the Municipality and must include in terms of Section 129 (1) of the Municipal Finance Management Act (MFMA) Act, 2003 (No. 56 of 2003) a statement as to 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.

It is required in terms of Section 129 (3) of the Municipal Finance Management Act, 2003 (No. 56 of 2003); the Municipal Manager must be in accordance with Section 21A of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000) make public the Oversight report within seven days of this adoption.

3. MPAC ROLE IN ASSESSING ANNUAL REPORT

MPAC is to provide an analysis of the veracity of the report as compiled by administration. This verification process was done following the under mentioned process:

- Review of past recommendations on similar audit issues and the extent on which progress has been achieved.
- Departmental inputs on the compilation of the Annual Report (AR)
- Public Participation as per the legislative requirements through the IDP Review process and other platforms.
- To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
- The processes as undertaken by MPAC in dealing with Annual Report.

Council mandated the Municipal Public Account Committee (MPAC) to serve as an oversight committee to exercise oversight over the executive obligations of council to consider the Audited Annual Report as resolution an in terms of Section 79(A)(1)(c) of the local government: Municipal Structures Amended Act, 2021.

4. LEGISLATIVE FRAMEWORK

National Treasury developed MFMA circular 63 which is aimed at providing clear guidance to Municipalities and Municipal entities on the new Annual report format and contents. Furthermore, the circular is also aimed at improving processes taking place prior to the preparation of the Annual report so as to improve quality and alignment of all strategic documents. It is important to note that circular 63 should be read with circular 11: Annual Report Guidelines.

Municipalities are required to prepare an Annual Report for each financial year in with the principles of the act and MFMA circular 11 and 63 to provide a record of activities of the Municipality, performance on service delivery budget implementation and promote accountability to the Local community.

Municipalities welcomed the format and envisaged that, it will enhance the transparent reporting and accountability. For the year under review, Municipalities were encouraged to develop its draft Annual Report in the new reporting template.

The Annual Report Template (ART) and the guidelines was developed with the aim of standardizing reporting to enable Municipalities to submit Annual Reports.

- Align financial and non- financial reporting in the Annual Reporting
- Create Standardized reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output
- Ensure the standardization of the terminology used in the Annual Reports; and
- To promote accountability to the local community and other stakeholders

The Municipal Public Accounts Committee (MPAC) is a forum through which the Council exercises an Oversight over the management and expenditure of Public funds.

Council had to able to provide assurance to the Public that indeed monies and assets are being managed and utilized properly and the value for money is being rendered by the Public Sector Institutions in their spending of Public Funds. Section 41(1)(c) of the Constitution States: All spheres of government and all organs of state within each sphere must provide effective, transparent, accountable and coherent government for the Republic as a whole. If Council through MPAC Committee can provide this assurance, the confidence of the general public in the Municipality will be strengthened.

The Municipal Public Accounts Committee enables Council, in respect of Financial Management, to fulfil its constitutional obligation to scrutinize and oversee executive action. In a non-partisan fashion, the committee conducts searching and ratepayers money and their stewardship over public assets in order to ensure regular, economical, efficient and effective local government spending.

5. COMPOSITION OF COMMITTEE

(i)	Cllr Heather Butler	Chairperson
(ii)	Cllr Victor Molefe	Member
(iii)	Cllr Lungile Mpupu	Member
(iv)	Cllr Tsitsana Tlholoe	Member
(v)	Cllr Gerhard Kruger	Member
(vi)	Cllr ALME Rowles-Zwart	Member
(vii)	Cllr Theuns Schoeman	Member
(viii)	Cllr Nozibele Mrwetyana	Member
(ix)	Cllr Kelebogile Ntshangase	Member

6. MEETINGS HELD

The MPAC held scheduled meetings for the current financial year 2024/2025, some of the meetings were scheduled to discuss the oversight on the annual report.

7. CONSULTATIVE PROCESS

The MPAC committee raised out relevant questions and recommendations, in writing, to the Accounting Officer after concluding an oversight on each chapter. The Accounting Officer responded to the committee in writing and updating the annual report as per the committee's recommendations..

8. MPAC COMMENTS AND RECOMMENDATIONS

MPAC Question/ Comment	Department Responsible	Response from the Responsible Department	Comments from MPAC
Climate change and resilience programs in WRDM items were not presented in Council by the MMC responsible in the FY2023/2024, however were included in the Annual Report	Health and Social Development	Items were presented in Council in December 2024	Confirms that the items were presented in December 2024

9. MPAC COORDINATION ROLE ON LOCALS

9.1 FUNCTIONALITY: WEST RAND DISTRICT MUNICIPALITY

- ❖ An MPAC committee is functional with chairperson, 09 members and 02 support staff.
- ❖ The District has established the Chairperson's forum to co-ordinate and share experiences.

9.2 FUNCTIONALITY: WEST RAND LOCAL MUNICIPALITIES

All the local municipalities in the district have established MPAC committees with dedicated support staff.

RECOMMENDATIONS:

- a) That cognisance be taken of the Municipal Public Accounts Committee Oversight report on the 2023/2024 Annual Report;
- b) That the 2023/2024 WRDM Annual Report for be approved;