

## **OVERSIGHT REPORT**

### **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) for the 2020/21 FINANCIAL YEAR**

#### **1. Purpose**

To submit the Oversight Report on the Annual Report for the 2020/21 financial year, to the Council of the Richtersveld Municipality in terms of Section 129 of the Municipal Finance Management Act (Act no.56 of 2003) the (MFMA), and Sec 21 A&B of the Municipal Systems Act (Act no. 32 of 2000).

#### **2. Legal Background**

The Municipal Public Accounts Committee (MPAC) is expected to discharge its oversight responsibilities in terms of the guidelines for the establishment of Municipal Public Accounts Committees, and the Terms of Reference of this committee, as approved by Council.

Sec 129 of the MFMA requires that an Oversight Report on the Annual Report be tabled to Council within 2 months from the date of the tabling of the Annual Report, being no later than 31 March.

MFMA Circulars 11 and 32 prescribes the format of the Annual Report and that of the oversight report, the timelines for tabling and adoption of the Annual Report and the Oversight Report.

It is therefore against this backdrop that the Oversight Report on the tabled Annual Report for the financial year 2020/21 is submitted for adoption by Council.

#### **3. Decision by Council**

Council needs to approve an Oversight Report in respect of the 2020/21 Annual report.

#### **4. Executive Summary**

4.1 MFMA circular no. 32 recommends the establishment of an Oversight Committee 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 then drafting an oversight report that must be taken to full council for discussion.

4.2 MPAC is required to perform the responsibilities of the Oversight Committee as envisaged in MFMA circular 32 and section 129 of the MFMA. All Council committees and the public were requested to consider the Richtersveld Municipality's Annual Report with a view to providing comments to MPAC for inclusion in the Oversight Report to be presented to Council for adoption on 31 May 2022.

#### 4.3 Section 121 of the MFMA stipulates that:

Every municipality and every municipal entity must for each financial year, prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129. It is therefore against this background that the draft annual report for the financial year 2020/21 was tabled in council on 11 February 2022.

#### 4.4 In terms of section 129 of the MFMA, the council must adopt the oversight report containing council's comments on the Annual Report, which must include a statement whether council:

- Has approved the Annual Report with or without reservations
- Has rejected the Annual Report
- Has referred the Annual Report back for revision of those components that can be revised.

4.5 In reviewing and analysing the Annual Report, the unanimous view of MPAC was that the compilation of the report complies mostly with section 121 of the MFMA in terms of content and structure. MPAC is concerned that the Richtersveld Municipality once again received a qualified audit opinion from the AG. The narrative presented by the municipality is that of continuous improvement towards a clean audit opinion, which is the ultimate achievement in prudent financial management.

### **5. The process followed in analysing the Annual Report**

5.1 The Annual Report was tabled in council on 11 February 2022 by the Mayor as per section 127 (2) of the MFMA.

5.2 Immediately after tabling in Council, the Annual Report was made public, local stakeholders and the community were invited to make representations as per sec 127 (5) of the MFMA and section 21 A of the Municipal Systems Act.

### **6. Summary of the Public Participation Process**

6.1 The Annual Report was published on the website of the municipality. Copies of the Annual Report were made available at all Municipal Offices. Notice was given that the Annual Report is available at all municipal offices and that any comments or suggestions should be handed in. No community meetings were advertised or held for the community to give inputs on the Annual Report. No inputs were received from the community as requested in the notice that the Annual Report is available at all the municipal offices and on the website.

## **7. Consultation**

Compliance with MFMA sec 130 was adhered to. It is the responsibility of the Accounting Officer to ensure that the office of the AG, Provincial Treasury and COGHSTA receive copies of all minutes as per MFMA sec 129 (2).

## **8. Comments on the Annual Report that was presented to council, placed on the municipality's website and made available to the public:**

### Chapter 1

Page 12 Still indicates a lack of an Infrastructure Master Plan.

### Chapter 2

Page 40 The positions of the Municipal Manager and CFO were filled during the financial year.

Page 47 Information on ward committees should be part of Appendix E

### Chapter 3

Page 58 There is no information on Supply Chain Management issues i.e. the types of transgressions and the remedial action taken.

There is no information on public satisfaction with municipal services.

There is no comparison between service delivery issues identified in the IDP and the budget and SDBIP.

### Chapter 4

There is no Annual Performance report for 2021 as required.

There is no information on planning, service delivery, organisation, job evaluation etc.

There is no information to identify skills gaps and plans for the development of such skills

### Chapter 6

There is no information on remedial action taken to address issues raised in the previous year's report from the AG

Appendices

Appendices A – T are not included.

**General points:**

9.1 Council took a decision on 11 February 2022 to have a local MPAC committee for a period of 6 months. Thereafter council will consider whether to continue on this basis, or to make use of the shared service from the Namaqua District Municipality.

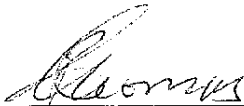
9.2 Certain information is still lacking and none of the required Appendices were attached.

**Recommendation:**

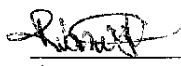
That council resolves as follows:

1. That having fully considered the 2020/21 Annual Report of the Richtersveld Municipality and representations there on, adopts the Oversight Report.
2. Approves the Annual Report of the Richtersveld Municipality with reservations. That all the inputs made by the committee and council be incorporated and presented to council, prior to final print.
3. That having considered the Oversight Report, adopts the recommendations as presented in the report.
4. That a working strategy be put in place to ensure input from community members.

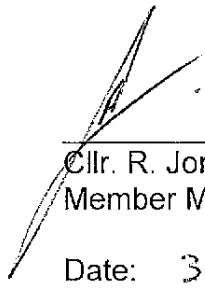
Yours in development

  
Cllr. R. Thomas  
Chairperson MPAC

Date: 30.05.22

  
Cllr. R. van Wyk  
Member MPAC

Date: 30/05/22

  
Cllr. R. Jonker  
Member MPAC  
Date: 30/5/22