

**MPAC COMMITTEE**

**: 2023-03-23**

**COUNCIL**

**: 2023-03-31**

**3. OVERSIGHT REPORT BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)  
ON THE ANNUAL REPORT FOR THE 2021/2022 FINANCIAL YEAR**

(6.1.1) (21/22) (Municipal Manager)

**ATTACHED**

- Attached a copy of the Annual Report for 2021/2022 Financial Year
- Template for oversight report

**1. PURPOSE**

The purpose of the report is for MPAC to consider the 2021/2022 Annual Report and to do an analysis and evaluation on the Annual Report to collate an Oversight Report that must be presented to council.

**1. BACKGROUND**

The 2021/2022 Draft Annual Report was tabled to council on the 31<sup>st</sup> of January 2023. This was done in compliance with section 127(2) of the Municipal Finance Management Act No 56 of 2003 which states that the mayor of the municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control

The Municipal Public Accounts Committee of Ga-Segonyana Local Municipality fulfils the oversight role of council. The mandate of the MPAC includes and analysis of the institution's Annual Report and the development of appropriate recommendations to council.

The Municipal Public Accounts Committee (MPAC) was appointed by Council to amongst other things oversee the content of the Annual Report on its behalf. The oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the Council to consider the annual report and to adopt an oversight report containing council comments on the annual report

The Annual Report 2021/2022 was subjected to a public participation process in January/February 2023, the advert was placed on the local newspaper's municipal libraries and website.

The final step of reporting is for the municipality to consider and adopt the annual report in light of the findings contained in the Oversight Report. In terms of the new guidelines, the oversight report must be compiled by MPAC in accordance in consultation with members of the community and other stakeholders.

## 2. LEGAL AUTHORITY

In accordance with Section 129 of the Municipal Finance Management Act (MFMA) Act No 56 of 2003, read together with Circular 11 council must consider the annual report of the municipality and that of any municipal entity under the municipality's sole or shared control, and by not later than two months from the date on which the annual report was tabled to council in-terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council;

- a) Has approved the annual report with or without reservation
- b) Has rejected the annual report
- c) Has referred the annual report back for revisions of those components that can be revised.

### **A municipal Annual Report include the following components**

- **Annual performance report (as required by section 46 of the Municipal System Act**
- **Annual Financial Statements**
- **AGs audit report on the AFS and management responses to address AGs findings**
- **AGs audit report on performance in terms of section 45(b)of the Municipal Systems Act**

### **Council RESOLVED:**

1. That Council **APPROVES** 2021/2022 Annual Report without reservations.
2. That Audit action plan be presented on a quarterly basis to reflect and track the implementations done with regard to the findings raised by the Auditor General.
3. That appointment of the vacant position of senior managers be completed ASAP that will ensure that the composition of the bid committees is accurate and line in laws and regulations.
4. That the appointment of the researcher **(with financial background)** for the MPAC committee be done **as a matter of urgency** to ensure that the committee's functions are executed effectively and accurately.