

# *Beaufort West Municipality*



## *Oversight Report for 2022/2023: Final Annual Report*



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## 1. PURPOSE

To inform Council about the work of the Municipal Public Accounts Committee [MPAC] and to make recommendations to Council as required in terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 and on the Draft 2022/2023 Annual Report.

## 2. BACKGROUND

In terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003, Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in 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 reservations;
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised

In terms of section 121 (1) of the Local Government: Municipal Finance Management Act 56 of 2003; the council of a municipality must within (9) nine months after the end of 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.

During council meeting of the 30<sup>th</sup> January 2024, the Mayor tabled the Draft 2022/2023 Annual Report as prescribed by Section 127 (2) of the Local Government: Municipal Finance Management Act 56 of 2003. In dealing with the tabled Annual Report, Council resolved inter alia:

- 8.1.1 That Council takes note of the Annual Report for 2022/2023 financial year as attached as **Annexure 698 to 995** of the agenda.
- 8.1.2 That the names of the Municipal Manager and Directors listed on **Annexure 721**, be corrected.
- 8.1.3 That the Annual Report be made public in terms of Section 21 (A) of the Municipal Systems Act to allow local communities opportunity and other relevant state departments to submit representation.

In terms of the Local Government: Municipal Structures Amendment Act, 2021, Section 79A (3)(c) which states that a Municipal Public Accounts Committee [MPAC] should "Initiate and develop the Oversight Report on annual reports contemplated in Section 129 of the Local Government: Municipal Finance Management Act".

## 3. ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

During 2016, Beaufort West Municipal Council resolved to establish a Municipal Public Accounts Committee (MPAC) in terms of the provisions of the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive obligations of Council, in terms of Local Government: Municipal Structures Amendment Act, 2021, Section 79A.

- (1) A municipal council must establish a committee called the Municipal Public Accounts Committee.
- (2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the Municipal Public Accounts Committee.
- (3) The municipal council must determine the functions of the Municipal Public Accounts Committee, which must include the following:
  - a) Review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;
  - b) Review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;
  - c) Initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;
  - d) Attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a Councillor and the municipal manager; and
  - e) On its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.
- (4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

The Municipal Public Accounts Committee constitutes of the following members:

PARTY	SURNAME	FULL NAMES	TITLE
African National Congress [ANC]	Mdudumani	Lesley Boyce Jason	Chairperson
Democratic Alliance [DA]	Meyers	Schaun Michell	Members
Patriotic Alliance [PA]	Botha	Eben Francios	Members
African National Congress [ANC]	Skuzza	Ralph	Members

#### 4. MECHANISM FOR PUBLIC PARTICIPATION PROCESS

Immediately after the Annual Report was tabled in Council, the Accounting Officer in accordance with Section 21A of the Local Government: Municipal Systems Act 32 of 2000 made the Draft Annual Report Public. The following are mechanisms which were followed to ensure that the public viewing of the Draft 2022/2023 Annual Report was extensively published for public comments.

DATE	ACTIVITY
1 <sup>st</sup> February	The Draft Annual Report was uploaded on the Municipal Website and made available in Municipal Offices, Municipal Libraries and Municipal sites

## 5. SUMMARY OF COMMENTS ON THE DRAFT 2022/2023 ANNUAL REPORT

The Municipal Public Accounts Committee [MPAC] believes that the draft 2022/2023 Annual Report reflects a substantial and positive improvement in municipal annual planning, budgeting and reporting processes. It is a significant improvement over the previous years' Annual Report. The Annual Report complies with the requirements of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) and with National Treasury (NT) guidelines for Annual Reports. Municipal Public Accounts Committee [MPAC] has taken note of the Audit opinion that the municipality will improve. The Committee has also noted that there were no comments / presentations received from Sector Departments and the public on the Annual Report.

The Draft Annual Report complies with Circular 63 of the MFMA as it contains the following:

CHAPTERS	DETAILS
01	Mayor's Foreword and Executive Summary
02	Governance
03	Service Delivery
04	Organizational Development Performance
05	Financial Performance
06	Audit General's Findings
07	Appendices and Volume: AFS

## 6. FINANCIAL STATEMENTS

- Municipal Public Accounts Committee [MPAC] notes the improvement of the municipality on Audited General's Audit Opinion. The municipality has moved from a disclaimer to qualified audit opinion.
- Whereas there is an undertaking from the management to turn this around, Municipal Public Accounts Committee [MPAC] will continue to follow this matter up to check to the adequacy and efficiency of the Audit Action Plan.

## 7. CONCLUSION

The Municipal Public Accounts Committee [MPAC] thank all the relevant participants for their support and cooperation during the oversight process. The committee believes that Beaufort West Municipality and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in years to come. The draft annual report was easy for Municipal Public Accounts Committee [MPAC] to play oversight as it is aligned to MFMA Circular 63, unlike in the past. We wish that this standard could be maintained for the credibility of the report.

**8. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: 14<sup>TH</sup> MARCH 2024****Present:****Councillors:**

LBJ Mdudumani [ Chairperson], SM Meyers, EF Botha, R Skuza

**In Service:**

**Municipal Manager [DE Welgemoed], Director: Corporate Services [AC Makendiana], Deputy Director: Financial Services [M Nhlengethwa], Acting Director: Community Services [MC Tshibo], Internal Auditor [R Naidoo] and IDP Coordinator [LP Lakay]**

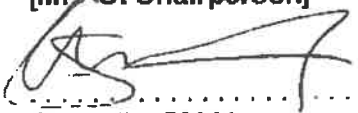
**Audit Committee:**

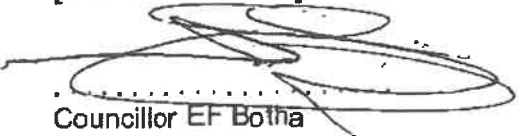
**Chairperson: Audit Committee [SS Nqwevu]**

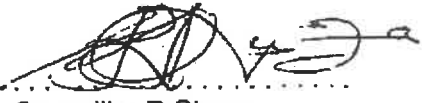
**OVERSIGHT REPORT ON ANNUAL REPORT: 2022/2023 FINANCIAL YEAR:  
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
5/1/B**

- 8.1 That Council approves the draft 2022/2023 Annual Report without reservations.
- 8.2 That the oversight report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act 56 of 2003.
- 8.3 That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132 (2) of the Local Government: Municipal Finance Management Act 56 of 2003.

  
Councillor LBJ Mdudumani  
**[MPAC: Chairperson]**

  
Councillor SM Meyers  
**[Member of MPAC]**

  
Councillor EF Botha  
**[Member of MPAC]**

  
Councillor R Skuza  
**[Member of MPAC]**