

8.1. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT REPORT ON THE ANNUAL REPORT FOR 2022/23 FINANCIAL YEAR.

(3/P)

Office of the Speaker

1. PURPOSE

To present before Council, MPAC oversight report on the Annual Report for 2022/23 Financial Year for approval.

2. INTRODUCTION

The Council's oversight function is one of the cornerstones of democracy and an indicator of good governance. Oversight is a key function of governance that is aimed at ensuring that activities are implemented as planned by providing strategic direction to principal recipients, ensuring policies and procedures are met, instituting financial controls (including independent audits), and following through with key recommendations. The oversight concept encompasses many aspects which include political, administrative, financial, ethical, legal and strategic elements. Therefore, the core function of oversight is to ensure that resources are used efficiently and effectively for the benefit of the society at large.

Legislatures exercise their oversight prerogative based upon the existence of a legal framework that guarantees their powers and independence within the political system. Oversight detects and prevents abuse, illegal and unconstitutional conduct by the executive authority and public agencies. At its core, the oversight function aims to protect the rights and liberty of citizens.

3. BACKGROUND

According to the Municipal Finance Management Act (MFMA) Act No. 56 of 2003 as well as Circular No. 63 of the National Treasury the committee has been mandated to perform oversight on public accounts of the municipality. The preparation of the draft oversight report was guided by the Treasury framework and the committee's Terms of Reference as approved by Council. These documents serve as guidelines in outlining the work of the committee. And also in the process of concluding this exercise a new reporting template issued by the National Treasury has been of great assistant.

4. DISCUSSIONS

The Annual Report was tabled before Council on 24th January 2024 and after that process it was the Annual report was referred to MPAC for the Committee conduct an oversight and submit the report after 60 days in terms of section 127/129 of the municipal finance management act. The committee will be expected to table the oversight report on the 27th of March 2024 as part of compliance.

Attached hereto find the list of the following Annexures in the separate package for 2022/23 financial year.

Annexure A- Oversight Report

Annexure B- Minutes of the meetings of the Municipal Public Accounts Committee

Annexure C - Questions compiled for the Senior Management

Annexure D- Sedibeng Senior Management Responses

Annexure E- Auditor General Report

5. **FINANCIAL IMPLICATIONS**

None

LEGAL AND CONSTITUTIONAL IMPLICATIONS

- Constitution of the Republic of South Africa, 1996
- Local Government: Municipal Structures Act No. 117 of 1998
- Local Government: Municipal Systems Act No. 32 of 2000
- Local Government: Municipal Finance Management Act No. 56 of 2003
- Local Government: Municipal Finance Management Act No. 56 of 2003, and Circular 63.

6. **ALIGNMENT TO COUNCIL STRATEGIES**

This report is aligned to the following strategies of the municipality:

- Effective management of Council Business
- Strengthening oversight and accountability

7. **CONCLUSION**

When conducting oversight, oversight bodies should uphold the principles of cooperative governance and intergovernmental relations. Organs of state must perform their functions in a manner that does not encroach on the terrain and functional integrity of governance in another organ of state. The Local Government government have evolved and grown tremendously since the inception of democracy. Oversight structures are continuously monitored and revised as we learn from best practice, including our own experience over the years of democracy. Public accountability and transparency are indispensable pillars of good governance which build public confidence.

8. **RECOMMENDATIONS**

It is therefore recommended:

- 8.1. THAT the draft oversight report on 2023/2024 be hereby approved with the following reservations;

- 8.2. THAT Municipal Public Accounts Committees (MPAC) recommend to Council to adopt the Annual Report with the following reservations;
- 8.3. THAT MPAC committee investigate and conclude on the historic UIFWs and present a comprehensive detailed report to Council on the committee's findings before the end of June 2024.
- 8.4. THAT Supply Chain processes are adhered to when awarding a tender to the suppliers and failure to do so, the officials implicated be subjected to DC and consequence management be followed.
- 8.5. THAT the Municipal Manager must write to the HOD Transport and request a full report on the cases in Meyerton license centers officials relating to the investigation.
- 8.6. THAT volunteers must leave in all licensing centers and EPWP's be obstructed from being exposed into licensing centers operations with immediate effect.
- 8.7. THAT contracts on the attorney's appointment of panel to be reviewed through performance assessment before being appointed.
- 8.8. THAT all Municipal contracts be monitored monthly in-order to ensure value for money.
- 8.9. THAT the key performance indicators be refined in line with SMART principles.
- 8.10. THAT Service Delivery Budget Implementation Plan (SDBIP) be revised and presented to Council for approval.
- 8.11. THAT all contracts be awarded to suppliers who qualifies in accordance with section 18(1) of the Contractors Industry Development Board (CIDB) act and CIDB regulation 17.
- 8.12. THAT the appointed Security company (JMP) submit to Council a detailed comprehensive report on the mitigation against the historic and future incidents in the municipality.
- 8.13. THAT the municipality conclude on the appointment of the remaining Senior Managers before the end of the financial year for the institutional stability.
- 8.14. THAT implicated officials who failed to honor Council resolution be subjected to disciplinary processes of the institution and a report be presented on the steps taken against the officials in question.
- 8.15. THAT employees working from home due to non-availability of the space be placed in Boipatong and Sharpeville monument.
- 8.16. THAT the Municipal Manager, Executive Mayor, Speaker and MPAC performs quality assurance on the implementation of Council resolutions.