

***OFFICE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC):
OVERSIGHT REPORT ON THE 2020/21 ANNUAL REPORT***

1. Purpose of the report

To report back to Council on the oversight conducted on the 2020/2021 Annual Report and the recommendations thereof.

2. Introduction

The West Rand District Municipality (WRDM) is established in terms of the provisions of the Local Government Municipal Structures Act. In 2021 post the local government elections held on the 01 November 2021, the municipality was scheduled to constitute its council after all its constituent local municipalities has finalized their processes to constitute their respective councils. It is therefore worth noting that the WRDM could not constitute its council as anticipated during November, the municipality only constituted its council on the 12 January 2022.

The non-timeous constituting of the municipal council of the WRDM led to the late establishment of the Municipal Public Accounts Committee which was only officially established on the 24 February 2022. As a consequence of this late establishment, the committee did not have ample time to engage its legislative responsibilities including providing oversight on the annual report. The WRDM Council resolved to appoint the following councillors as members of the West Rand District Municipal Public Accounts Committee:

- (i) Cllr T Molusi – Chairperson
- (ii) Cllr T Ramaisa
- (iii) Cllr T Schoeman
- (iv) Cllr F Seffers
- (v) Cllr G Khubayi
- (vi) Cllr L Mpupu
- (vii) Cllr B Mahuma
- (viii) Cllr Panall

3. Background

Section 129 of the Municipal Finance Management Act, 56 of 2003, inter alia provides as follows:

(1) the Council of a municipality must consider the annual report of the municipality and of any entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report'.

The West Rand District Municipal Council considered the 2020/21 Annual Report on the 31st August 2021 and referred such to the Municipal Public Accounts Committee for the oversight processes. As indicated in the introduction, the committee did have ample time to conduct its oversight because of the late constitution of council followed by the delayed establishment of the MPAC.

4. Annual Report Processes by the Municipal Public Accounts Committee

- a) As a consequence of the late establishment of the Municipal Public Accounts Committee of the WRDM, the committee delegated the Chairperson to table an

item to council requesting council to grant such committee an extension in order for the latter to properly engage with the annual report. Council only granted time until the 31 March 2022 in order for the municipality to remain compliant with legislation.

- b) A public notice was also placed on the official website of the municipality to afford members of the public an opportunity to make their comments and inputs on the 2020/21 Annual Report, unfortunately no comments or inputs were received from the public.

5. Findings by the committee on the 2020/2021 Annual Report.

With members of the Municipal Public Accounts Committee independently individually having to peruse/browse through the 2020/21 Annual Report, the following issues were identified during the process. The committees' findings and recommendations were based on the following;

- The compilation of the annual report seems to be compliant with the approved template.
- The content of the report has shown improvement as compared to the previous years.
- The municipality is still unable to pay debtors within the 30 days' period as required by the MFMA section 65 (2) (e).
- Regional Outcome 1 – Basic Service Delivery, the municipality regressed in this specific outcome as per the annual performance report. The achievements reported in the annual performance report shows a significant regression as compared to the previous year.

- The municipality is yet established an Anti-corruption committee in the Municipality and has been identified as a concern even though is not obligatory.
- There are several cases the municipality is defending, and some of the cases have been active for a longer period, some are shown to be dormant.

RECOMMENDATION THAT:

1. Having partially considered the 2020/21 Annual Report that was tabled at council meeting on the 31 January 2022, the Municipal Public Accounts Committee recommend that Council adopt the MPAC Oversight Report 2020/21 with reservations as follows:
 - (a) The Municipal Public Accounts Committee did not have enough time to peruse the 2020/21 Annual Report.
 - (b) The regression experienced on the performance of Regional Outcome 1 – Basic Service Delivery be addressed as a matter of urgency to avert any possible recurrence in the next financial year.