

UMZIMVUBU LOCAL MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT ON THE ANNUAL REPORT FOR 2010/2011

Adopted by Council on the 28th March 2012

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1. INTRODUCTION

The Constitution of the Republic of South Africa Act No. 108 of 1996 section 151 (2) stipulates that both Executive and Legislative powers rest within the municipal Council. This results in difficulty to clearly define the separation of powers. The Local Government: Municipal Structures Act No. 117 of 1998 establishes committees of council in terms of section 79 and 80 thereof for effective and efficient performance of any of the Council functions or the exercise of any of its powers. The Municipal Finance Management Act No. 56 of 2003 calls for a committee of council that deals specifically with the annual oversight report of Council and other ad-hoc functions.

The MPAC has been established as a mechanism to enhance municipal performance of the municipality and promote accountability of the Executive Councilors to Council. It has been established as a standing committee of council that is responsible for consideration of the annual report and reporting to Council regarding the Annual Report.

Given the processes required by Council to effectively undertake its oversight role on the annual report, the establishment of the MPAC of council would provide appropriate mechanism in which Council could fulfill its oversight responsibility.

Given the complexity of the oversight responsibility to be played by the council in the area such as good governance which includes oversight accountability and institutional capacity, the establishment of the MPAC as Section 79 committee that discharges its responsibility throughout year, not to play its function at tail-end of the year would provide appropriate mechanism in which Council fulfills its oversight responsibility.

2. COMPOSITION OF THE COMMITTEE

The MPAC is composed of the following non- executive councilors:

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|----------------------------|----------------------|
| 1. Councillor N. Mpanda | : Chairperson |
| 2. Councillor Nqasa | : Deputy Chairperson |
| 3. Councillor U.G. Makanda | : Member |
| 4. Councillor N. Mlenzana | : Member |
| 5. Councillor P.N. Ndabeni | : Member |
| 6. Councillor Ripa | : Member |
| 7. Councillor Mnukwa | : Member |
| 8. Councillor N. Godlo | : Member |
| 9. Councillor Mtebele | : Member |
| 10. Councillor Myingwa | : Member |
| 11. Councillor Gcadinja | : Member |

3. THE OVERSIGHT (MPAC) REPORT PROCESS

Section 121 (1) (2) of the MFMA determines as follows:

- Every municipality must for each financial year prepare an annual report. The council must within nine months after the end of the financial year deal with the annual report of the municipality in accordance with Section 129.

The draft annual report for 2010/2011 was tabled by the Mayor to the council on the 30 November 2011. The Municipal Manager publicized the draft annual report on media for public comment and input. The MPAC raised its concerns on the annual report and they were deal with. There were comments received from the Office of the Auditor General and were considered.

The MPAC has later sat on the 19th January 2012 to consider final draft of the annual report for 2010/2011. The final draft reflected areas of concern that were highlighted by the MPAC having been addressed.

On the 27th January 2012 the final draft of the annual report for 2010/2011 was tabled to Council by the Mayor for consideration.

The MPAC prepared a report that was table by the Chairperson of the committee to Council on the 28th March 2012 for consideration.

4. RECOMMENDATIONS

1. That the Council should note the report.
2. That the Council should adopt the Oversight Report (MPAC Report) on the Annual Report for 2010/2011 without reservations.

5. RESOLUTIONS

1. The Council resolved to approve the report of the Municipal Public Accounts Committee (Oversight Committee) on the Annual Report for 2010/2011.