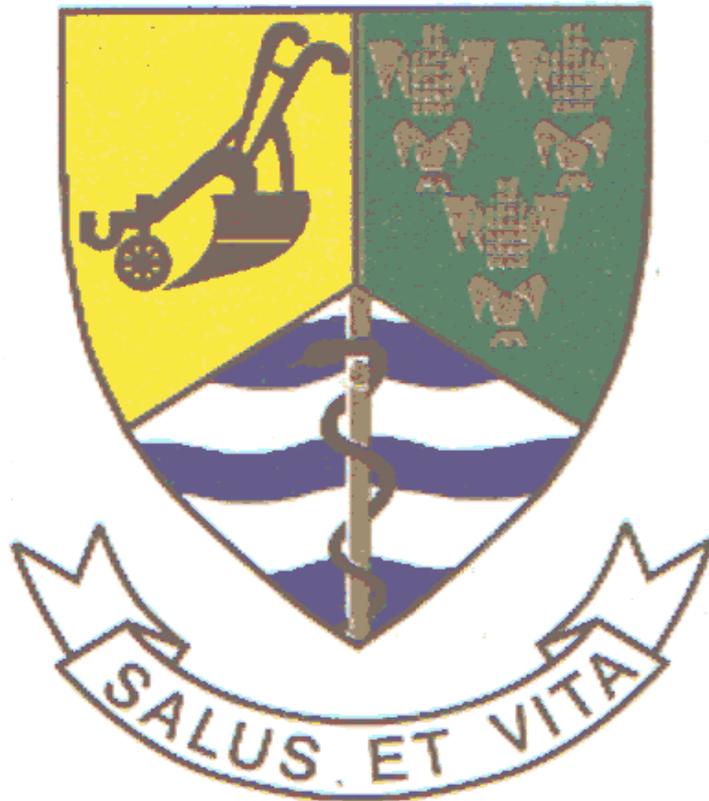


**BELA-BELA LOCAL MUNICIPALITY  
OVERSIGHT REPORT**

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**2021/2022 FINANCIAL YEAR**

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## 1. BACKGROUND

Bela-Bela Local Municipal Council is vested with responsibility to oversee the performance of the municipality as required by the Constitution of the Republic of South Africa, 1996, the Local Government Finance Management Act (MFMA) and Local Government Municipal Systems Act (MSA) NO.32 of 2000 and Regulations. To fulfil the above-mentioned responsibility, Council established number of section 79 committees with Municipal Public Accounts Committee (MPAC) being one of them as guided by section 29,33 and 79 of the Local Government Amended Municipal Structures Act No.03 of 2021. Furthermore, the Municipality developed and approved the Terms of Reference for the MPAC as guided by South African Local Government Association Practical Guide for MPAC's of March 2012 and incorporated the Terms of Reference in the Municipal approved delegation register. The guide by SALGA advocates for the establishment of MPAC 's in order to enhance oversight within municipalities.

Council has an imperative role of considering the Annual Report as stipulated in Section 129 of the MFMA, Act no.56 of 2003. While the MSA, Act No.32 of 2000 reflect the responsibility of Council on ensuring better performance of the Municipality in providing the services to communities thereby improving quality of livelihoods thereto. The performance of the Municipality is therefore evaluated through the implementation of the objectives as outlined in the Municipal approved Integrated Development Plan (IDP) and the approved Budget for the financial year under review whereby the progress in execution of such objectives is reflected in the Annual Report.

The MFMA gives effect to the financial management reforms that places greater service delivery responsibilities on managers and makes them more accountable for performance. At the same time as, the Honorable Mayor has the responsibility to resolve any performance failures of the Municipal Manager, whilst Council is vested with power and responsibility to oversee both executive and administration.

Committee has developed the 2021/2022 Oversight Report as per provisions of Section 129(1) of the MFMA.

## 2. INTRODUCTIONS

The Municipal Public Accounts Committee (MPAC) has been established in terms of Section 79(a) of the Amended Municipal Structures Act No, 03 of 2021. The core role functions of the Committee amongst others is to play an oversight role by ensuring accountability and proper governance by means of evaluating the performance of the municipality through using the Integrated Development Plan (IDP) as a tool of analysis against the approved Budget relating to a particular financial year. The Committee is also vested with the responsibility of interrogating amongst others the Annual Report, the Municipality 's Annual Financial Statements (AFS) ,Annual Performance Report (APR) and Audit Report (AR) as issued by Auditor General as well as others matters that may be referred to it by Council.

It is in this regard that the Committee had interrogated the 2021/2022 Annual Report and compiled the Oversight Report thereof. The Oversight Report compiled is as prescribed by Section 127(5)(a) of the local Government Municipal Finance Management Act No.56 of 2003. Furthermore, the Committee followed processes to solicit inputs on the 2021/2022 Annual Report by means of affording the opportunity to any member of Public who may wish to make representation before the committee. All processes followed in the compilation of Oversight Report were guided by the provisions of the Local Government Municipal Finance Management Act, no.56 of 2003, the Local Government Municipal Systems Act no.32 of 2000, the Local Government Municipal Structures Act no.03 of 2021 and National Treasury Circular 11, 32 and 63 respectively.

## 3. COMPOSITION OF MPAC MEMBERS

Below is the composition of the Committee: -

No	MPAC Member Name	Designations
3.1	Cllr MJ Mabua	Chairperson
3.2	Cllr SD Seale	Member
3.3	Cllr MJ Makhubele	Member
3.4	Cllr HJL Kruger	Member

## 5. PROCESS FOLLOWED IN PROBING THE 2021/2022 DRAFT ANNUAL REPORT

Below are the meetings to probe the Draft Annual Report: -

Date of meetings	Activities of the meeting	Responsible Person
09 February 2023	Approved the MPAC scheduled meetings to probe the Annual Report	MPAC
14 February 2023	Consideration and probing of Chapter 1, 2 and 3 <ul style="list-style-type: none"> <li>• Issue MPAC questionnaire for management response</li> </ul>	MPAC
23 February 2023	Management presentation the Auditor General 's report to MPAC	MPAC and Management
02 March 2023	Consideration and probing Chapter 4, 5, and 6 -Audited AFS and AR -UIFW Expenditures -AG's report	MPAC
06 March 2023	Consolidation and signing of the questionnaire and submitting the questionnaire to Management for response	MPAC
06 March 2023	Consolidation of Public comments on annual report	Manager Strategic Support
29 March 2023	Consideration of Management response Approval of oversight report by Chairperson	MPAC
30 March 2022	Tabling of the oversight report to Council for adoption	MPAC

## 5.1 PUBLIC PARTICIPATION PROCESS FOLLOWED

The Municipal Council adopted the draft annual report on 30 of January 2023 and recommended that the annual report be advertised for public comments and subsequently Municipality have advertised on **31 January 2022** on **public notice (Die Pos newspaper) and Municipal website for public comments**. The Stakeholders were given period of 31 January 2023 to 03 March 2023 to make inputs and comments on the report. **Municipality did not receive any public comments on draft Annual Report.**

## 6. CONCLUSION

6.1 Municipal Public Accounts Committee has performed its duties as legislated by Section 79(a) and satisfied with all the processes followed in probing the 2021/2022 Annual Report which led to the development of an Oversight Report.

6.2 The Annual Report does comply with the requirements of the *Local Government: Municipal Finance Management Act* No. 56 of 2003 and with National Treasury (NT) guidelines for annual reports as it contain all legislated documents, namely, Audited Annual Financial Statements, Audited Annual Performance Report and Auditor General Report for 2021/2022 financial year.

6.3 This oversight report was compiled accordingly in terms of Circular 32 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 together with section 129 of MFMA.

Annual Report is attached hereto as **Annexure**.

## 7. RECOMMENDATIONS

**Municipal Public Accounts Committee hereby recommend: -**

**7.1 THAT Unauthorized expenditure** which comes as result of overspending of budget amounting to **R168 310 673** be written-off in line with prescript of MFMA.

**7.2 THAT Fruitless and Wasteful expenditure** which comes as result of interest charged on late payment **R12 142 231** be written-off in line with prescript of MFMA.

**7.3 THAT** measures be implemented to ensure that Municipality maximize its revenue collection.

**7.4 THAT** the amount owed by the Councilors be debited in their respective municipal accounts and be regarded as debtors (trade receivable)

**7.5 THAT** the Annual Report be approved **with the following Reservation: -**

- **THAT the Committee be given further time to investigate Irregular expenditure amounting to R138 569 710 for 2017/2018 to 2021/2022** and report back to Council before end of 2022/23 financial year.

**THAT** the report be approved by Council.

## 8. APPROVAL OF THE REPORT

  
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Date: 29/03/2023

**Cllr MJ Mabua**

**Chairperson of MPAC**