



THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT REPORT ON THE 2023/2024 ANNUAL REPORT OF THE DIPALESENG LOCAL MUNICIPALITY.

1. PURPOSE

The purpose of the oversight report is to table to Council, the MPAC Oversight report on the DLM 2023/2024 Annual Report.

2. BACKGROUND/INTRODUCTION

The 2023/2024 Annual Report was tabled in Council meeting on 31 January 2025 in compliance with Section 127(2) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), which requires that:

The Mayor of municipality within seven months after the end of a financial year, table in the municipal council the annual report of the municipality

Every municipality must prepare an annual report for each financial year in accordance with the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA) and Municipal Systems Act, 2000 (NO. 32 of 2000) (MSA)

The oversight report is the final major step in the annual reporting process of the Municipality and must include in terms of Section 129 (1) of the Municipal Finance Management Act (MFMA) Act, 2003 (No. 56 of 2003) a statement as to 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.

It is required in terms of Section 129 (3) of the Municipal Finance Management Act, 2003 (No. 56 of 2003); the Municipal Manager must be in accordance with Section 21A of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000) make public the Oversight report within seven days of this adoption.

3. MPAC ROLE IN ASSESSING ANNUAL REPORT

MPAC is to provide an analysis of the veracity of the report as compiled by administration. This verification process should follow the under mentioned process:

- Review of past recommendations on similar audit issues and the extent on which progress has been achieved.
- Departmental inputs on the compilation of the Annual Report (AR)

Public Participation as per the legislative requirements through the IDP Review process and other platforms.

- To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
- The processes as undertaken by MPAC in dealing with Annual Report.

Council mandated the Municipal Public Account Committee (MPAC) to serve as an oversight committee to exercise oversight over the executive obligations of council to consider the draft Annual Report as resolution an in terms of Section 79(A) (1) (c) of the local government: Municipal Structures Amended Act, 2021. Audited Annual Report was referred to MPAC for oversight on the 31 January 2025.

4. LEGISLATIVE FRAMEWORK

National Treasury developed MFMA circular 63 which is aimed at providing clear guidance to Municipalities and Municipal entities on the new Annual report format and contents. Furthermore, the circular is also aimed at improving processes taking place prior to the preparation of the Annual report so as to improve quality and alignment of all strategic documents.

It is important to note that circular 63 should be read with circular 11: Annual Report Guidelines. Municipalities are required to prepare an Annual Report for each financial year in within the principles of the act and MFMA circular 11 and 63 to provide a record of activities of the Municipality, performance on service delivery budget implementation and promote accountability to the Local community.

The Annual Report Template (ART) and the guidelines was developed with the aim of standardizing reporting to enable Municipalities to submit Annual Reports.

- Align financial and non- financial reporting in the Annual Reporting.
- Create Standardized reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output.
- Ensure the standardization of the terminology used in the Annual Reports.
- To promote accountability to the local community and other stakeholders.

The Municipal Public Accounts Committee (MPAC) is a forum through which the Council exercises an Oversight over the management and expenditure of Public funds. Council had to able to provide assurance to the Public that indeed monies and assets are being managed and utilized properly and the value for money is being rendered by the Public Sector Institutions in their spending of Public Funds. Section 41(1)(c) of the Constitution States: All spheres of government and all organs of state within each sphere must provide effective, transparent, accountable and coherent government for the Republic as a whole. If Council through MPAC Committee can provide this assurance, the confidence of the general public in the Municipality will be strengthened.

The Municipal Public Accounts Committee enables Council, in respect of Financial Management, to fulfil its constitutional obligation to scrutinize and oversee executive action. In a non-partisan fashion, the committee conducts searching and ratepayers money and their stewardship over public assets in order to ensure regular, economical, efficient and effective local government spending.

5. COMPOSITION OF COMMITTEE

- (i) Cllr MD Makhoba - Chairperson
- (ii) Cllr R Motakane - Member

6. MEETINGS HELD

The MPAC held four scheduled meetings for financial year 2023/2024. In addition held one meeting on the 07 March 2025 for consultative process on the Annual Report for the financial year 2023/2024.

7. CONSULTATIVE PROCESS

The relevant department was invited to MPAC to provide clarity on findings made on the by the committee and the correctness and information contained in the Annual Report.

The particular stakeholders were invited to the Committee's meeting.

- Audit Committee
- AGSA

8. MPAC COMMENTS AND RECOMMENDATIONS

| NO. | COMMENTS BY MPAC |
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| Summary of Comments on the 2023/2024 Report | |
| 8.1 | Chapter 1 Executive Mayor's Foreword <ul style="list-style-type: none">▪ In line with the Annual Report Template (ART)▪ pages: 12 & 13 Municipal Manager Foreword <ul style="list-style-type: none">▪ Information given as per the ART▪ Pages: 14, 15,16,17▪ Situational Analysis▪ Page: 18,19,20,21,22,23,24,25,26 & 27 |
| 8.2 | Chapter 2 – Governance <ul style="list-style-type: none">▪ Information is given per ART▪ Pages:28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,44,45,46, 47&48. Chapter 3 – Service Delivery Performance <ul style="list-style-type: none">▪ Information is given per ART▪ Pages:49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,88,89,90,91,92,93,94,95,96,97,98,99,100,101,102,103,104,105,106,107,108,109,110,111,112,113,115,116,117,118,119,120,121,122,123,124,125,126,127,128,129,130,131,132,133,134,135,136,137,138,139,140,142,143, 144 Chapter 4 – Organizational Development Performance. <ul style="list-style-type: none">▪ Information is given as per ART▪ Pages:145,146,147,148,149,150,151,152,153,154,155,156,157,158,159,160,161,163,164,165,166,167,168,169,170,171,172,173, &174, |

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| | Chapter 5 – Financial Performance <ul style="list-style-type: none"> Information is given as per ART |
| | <ul style="list-style-type: none"> Pages: 175,176,177,178,179,180,181,182,183,184,185,186,187,188,189,190,191,192,193,194,195 |
| | <ul style="list-style-type: none"> Appendices Pages: 196 to 300 |
| 8.3 | Auditor General Reports Note is taken of the report of the Auditor General for 2023/20234 Financial year. The Municipality maintained a Qualified Audit report . Pages: 301 to 320 |
| 8.4 | Financial Management Controls The committee notes the “review and monitoring compliance” control deficiencies raised by the office of the AGSA for the Municipality. |
| 8.5 | Annual Performance Reports The committee takes note that AGSA could not fully audit annual performance report. |

9. RECOMMENDATIONS:

- 9.1** THAT Council having fully considered the 2023/2024 Annual Report of the Municipality and comments thereon, **ADOPTS** the 2023/2024 oversight Report in terms of section 129(1) of the Local Government Management Act, No.56 of 2003.
- 9.2** THAT Council **APPROVES** the 2023/2024 **Annual Report** in terms of section 129(1) (a) of the local Government Municipal Finance Management Act, No.56 of 2003 without reservation.
- 9.3** THAT the MPAC Oversight Report on the Annual Report of 2023/2024 financial year for the Dipaleseng Local Municipality must be made public on the municipal website in terms of section 129(3) of the local Government Municipal Finance Act, No.56 of 2003.
- 9.4** THAT both the MPAC Oversight Report and Annual reports of 2023/2024 of the Dipaleseng Local Municipality must be submitted to the Provincial Legislature in terms of section 132(2) of the Local Government finance Management Act, No.56 of 2003.


CLLR. MD. MAKHOBA
MPAC CHAIRPERSON

17 April 2025
DATE