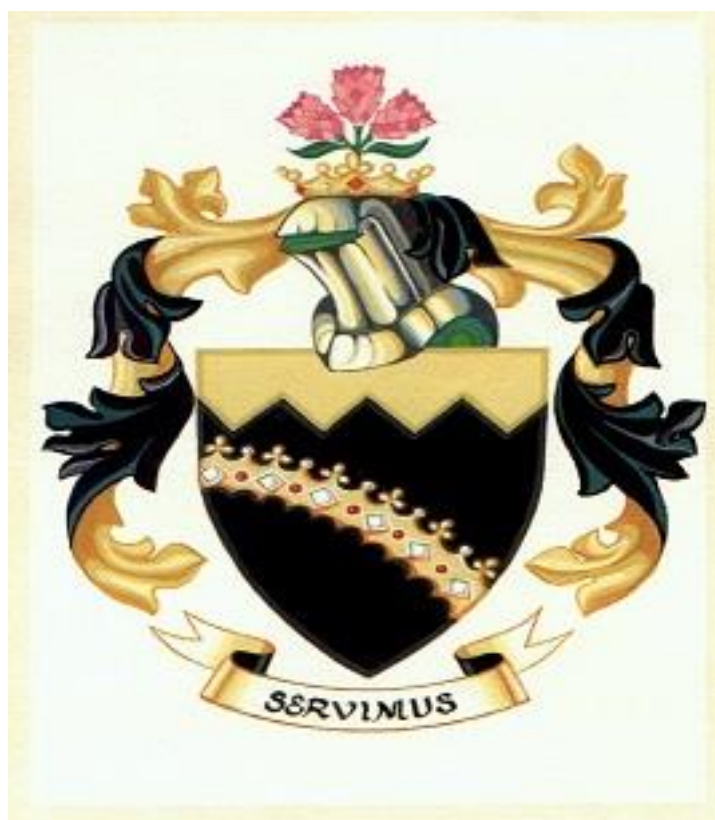


PRINCE ALBERT MUNICIPALITY

2020/21 OVERSIGHT REPORT



MARCH 2022

OVERSIGHT REPORT ON ANNUAL REPORT OF 2020/21

INTRODUCTION

The Annual Report is submitted to Council by the Accounting Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals and objectives set by the municipality for the financial year. The Oversight Report is considered to be a report of the Municipal Council reflecting on the Annual Report.

Council is responsible to oversee the performance of the municipality as required by the Constitution, the Municipal Finance Management Act, Act No 56 of 2003 (MFMA), and the Municipal Systems Act. The oversight responsibility of council is particularly important for the process of considering annual reports. In terms of Section 129 (1) of the MFMA, the Council of a municipality must consider the annual report of the municipality and adopt an oversight report containing the council's comments on the annual report.

BACKGROUND

The 2020/21 Annual Report was tabled in Council on 28 January 2022, reporting on the Municipality's performance for the period 1 July 2020 until 30 June 2021. By doing so, Council complied with Section 133 of the MFMA that stipulates that the Executive Mayor must table the draft Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January.

Council is legally compelled to engage with and finalize the Annual Report within 9 months after the end of the financial year, which is before 31 March.

Tabling the draft Annual Report signifies the start of the public participation period stipulated in Section 127(5) of the MFMA and Section 21 of the Systems Act. Public comments on the 2020/2021 Annual Report were awaited from the public from 28 January 2022 to 28 February 2022.

The draft Annual Report was placed on Council's website and were made available at municipal offices and libraries in Klaarstroom, Prince Albert and Leeu Gamka. Annual Reports were also submitted to the offices of the Auditor-General, Provincial Treasury and the MEC for Local Government.

Three comments were received on the Annual Report and the emails containing these comments are attached for ease of reference.

The MPAC appointed in terms of sections 33 and 79 of the Municipal Structures Act, 1998 to prepare an Oversight Report to Council before 13 February consists of:

- 1) Cllr S Koonthea (Chairperson, representing DA)
- 2) Cllr K Baadjies (representing the KGP)
- 3) Cllr S Botes (representing the DA)

4) Cllr L Jaquet (representing the DA)

The Committee members considered the input provided by the Auditor-General and Messrs S Ngwevu and N van Wyk.

The input of the AG was accepted, whilst the input of Messrs S Ngwevu and N van Wyk were considered and dealt with as indicated in the attached documents.

The Committee found the Annual Report to be a true and accurate statement of the Municipality's affairs for the financial period ending 30 June 2021.

The following matters were raised to be highlighted:

- a) The lack of senior management in the Financial Department
- b) That an audit corrective measure plan be drawn up and all issues raised by the AG be addressed
- c) The need for cash backed depreciation towards asset maintenance must be prioritized.
- d) The tariff structure should be scrutinized to ensure that all tariffs allow for depreciation and future replacement.
- e) Shared Service options to fill capacity gaps should be investigated.

RECOMMENDATION

- i. The MPAC committee found the Annual Report for the period ending 30 June 2021, with comments incorporated as indicated in the attached reports, as a true and accurate reflection of the Prince Albert Municipality's affairs.
- ii. The MPAC committee recommends that the Annual Report for the period ending 30 June 2021 be adopted by Council without any reservations.
- iii. The MPAC recommends that the approval of the Annual Report for the period ending 30 June 2021 be reported to all relevant authorities and that the role players that provided input towards said report be informed accordingly.
- iv. That Council instruct the Municipal Manager to take note of the highlighted matters and develop action plans to address said concerns.