

**ANNUAL
REPORT
2022
2023**

**MUNCIPAL PUBLIC
ACCOUNTS COMMITTEE**

**OVERSIGHT
REPORT**



BLUE CRANE ROUTE MUNICIPALITY



OVERSIGHT REPORT ON ANNUAL REPORT: 2022/23 FINANCIAL YEAR



CHAIRPERSON'S FOREWORD

The Council of Blue Crane Route is legally assigned with the responsibility to perform an oversight over the executive and administration of the municipality. The oversight role remains the function of the Council which is supported by legislative prescripts including but not limited to the Constitution of Republic of South Africa. Local Government: Municipal Finance Management Act no 56 of 2003 and Municipal Systems Act No 32 of 2000.

In terms of the Municipal Finance Management Act no 56 of 2003 – Circular no 11, 32 and 63, the Municipal Public Accounts Committee (MPAC) is required to also oversee the Annual Report of the municipalities. As well as mandated by Ordinary Council Meeting of the 30th of January 2024, to review and scrutinize the 2022/23 Draft Annual report. As an oversight committee we have fulfilled the obligation.

The Annual Report is one of the key instruments of transparent governance and accountability. It is a post financial and non-financial performance in respect of the previous financial year. The adoption of an Annual Report is a legislative requirement in terms of Local Government: Municipal Finance Management Act (MFMA) ,2003 (Act 56 of 2003).

CLLR Z.S BASKITI





COMPOSITIONS OF THE COMMITTEE

The Municipal Public Accounts Committee comprise of non-executive councillors as indicated in the table below :

NAME OF COMMITTEE MEMBER	DESIGNATION
Councillor. Z.S. Baskiti	Chairperson
Councillor P. Sonkwala	Member
Councillor A Dyantyi	Member
Councillor F. Brown	Member

PURPOSE OF THE OVERSIGHT REPORT

The purpose of this report is to submit to the Council an Oversight Report on the Annual Report for 2022/23. This oversight report is a milestone that enables the MPAC to discharge its oversight responsibility in considering the Blue Crane Route Municipality's Performance Information for 2022/23. This report also presents the findings and recommendations of the MPAC to Council for adoption of the Oversight Report and the Annual Report for 2022/23.

THE MPAC OVERSIGHT REPORT PROCESS

The Draft Annual Report for 2022/23 was tabled by the Mayor to Council on the 30th of January 2024 when it was resolved that :

- (a) The Annual Report be made public and that communities be invited for public comments.
- (b) The Draft Annual Report to be submitted to the Municipal Public Accounts Committee for analysis and review.



THE ROLES IDENTIFIED IN THE ANNUAL REPORTING PROCESS

1. THE ROLE OF MANAGEMENT

The Management is responsible for the preparation of the Annual Report and to submit the report to Council. The Council will refer the Annual report to the Municipal Public Accounts Committee for consideration.

2. THE ROLE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The role of MPAC is to consider the structure and content of the Annual Report to determine whether it complies with standards set by the National Treasury, contains information required in terms of circular 63 and if such content fairly represent the achievements of

the municipality over the relevant financial year. After consideration of the Annual report, MPAC must prepare an Oversight report in terms of the circulars.

3. THE ROLE OF COUNCIL

The Council's role is to receive and consider the recommendations of the MPAC with a view of taking final decision on the matter.



ADVERTISING PROCESS

On the 15th of February 2024 members of the community and other stakeholders were invited to submit written comments/ inputs into the Draft Annual Report.

The members of the community responded to the advert by enquiring more information needed from the office of the Chief Financial Office. It was only published on the Municipality's website on the 1st March 2024. The closing date for public comments was the 14th of March 2024.

The Draft Annual Report was furthermore submitted in terms of Section 127 (5) of the MFMA to the Office of the Auditor General, COGTA and the Internal Auditors. No submissions of comments from the public or other institutions were received.



The MPAC meeting was held on the 26th of March 2024 where the Municipal Manager presented the Draft Annual Report for 2022/23 financial year to MPAC to undertake an oversight.

After perusal of the Draft Annual Report by MPAC the following amendments, additions, and changes were proposed as informed by MFMA Circular 63: -

COMPONENT	ISSUES	RECOMMENDATION	UPDATE
CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE	COMPONENT A – Introduction to the municipal workforce	INFORMATION TO BE INCLUDED:	
		Vacancy Rate	Not Resolved
		Staff turnover	Resolved
	COMPONENT B – Managing the municipal workforce	Skills Development and Training	Not Resolved
		Levels on reporting should be broken down to MM and section 56, managers and supervisors.	Not Resolved
	COMPONENT D – Managing the workforce expenditure	Municipal workforce expenditure	Not Resolved
		Skills development expenditure	Not Resolved
CHAPTER 6 - AUDITOR GENERAL FINDINGS	Audit Report not attached	Attach Audit Report from the Office of the Auditor General	Resolved
APPENDICES	APPENDIX A – Councillors, Committee Allocation and Council Attendance	Not part of the Annual Report	Resolved
	APPENDIX F – Ward Information	Update the Appendix with Projects per ward, start and end dates, total value and progress.	Resolved
	APPENDIX I – Service Provider Performance Schedule	Top four priority indicators as articulated in the IDP	Resolved
	Appendix J – Disclosure of financial Interest	Financial disclosure of senior managers	Resolved
	APPENDIX K – Revenue Collection Performance	Update the Appendix with information on revenue collected by votes and source based on prior year and current year actual collections. (as per the AFS Statement of Financial Position)	Rewolved
	Appendix L – Conditional Grants Received (excluding MIG)	All conditional grants received in the current year	Resolved
	Appendix M – Capital Expenditure	Update the Appendix with all capital expenditure relating to new asset programme and to upgrade/renewal programme.	Resolved
	Appendix N – Capital Programme by Project	Capital Projects indicating adjusted budget and actual	Resolved
	Appendix O – Capital Programme by project by Ward	Capital Projects per ward, indicating progress	Resolved
	Appendix Q – Service Backlogs Experienced by the community where another sphere of Govt is responsible for the service	Update with the information as informed by the Housing/ Ward Based Plan in the IDP.	Resolved



The Municipal Public Accounts Committee had considered the 2022/23 Annual Report and raised the following key achievements as reflected in the Annual Report:

1. The oversight committee acknowledged that they were reviewing the Annual Report in respect of 2022/23 financial year.
2. An Unqualified Audit Opinion was expressed by the Auditor General in respect of the year under review.

RECOMMENDATION

It is therefore recommended:

1. That the Council having fully considered the 2022/23 Annual Report of the municipality and comments thereon, adopts the 2022/23 Oversight Report in terms of section 129 (1) of the Municipal Finance Management Act

2. That the Council adopts the 2022/23 Annual Report with no reservations in terms of Section 129 (1) (a) of the Municipal Finance Management Act.

3. That the Oversight Report on the Annual Report of 2022/23 must be made public on the municipal website in terms of section 129 (3) of the Municipal Finance Management Act.

4. That both the Oversight and Annual Reports of 2022/23 be submitted to the Provincial Legislature in terms of section 132 (2) of the Municipal Finance Management Act.

5. Management to effectively implement the audit action plan and report on a quarterly basis to Committees of Council on progress.



JE CRANE ROUTE MUNICIPALITY

BLUE CRANE ROUTE LOCAL MUNICIPALITY

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