

\* ITEM: 4-6

## INFORMATION RELATING TO MPAC

### MUNICIPAL PUBLIC ACCOUNT COMMITTEE

Section 79 of the Municipal Structures Act provides for committees of the Council reporting directly to the council, in accordance with the terms of reference of such committees are developed by the councils. Such committees, because of its direct reporting lines to the full council, are best suited to do oversight in the municipality, not only in terms of the oversight report referred to above, but general oversight over both the administrative and executive arms of the municipality.

### MPAC FUNCTIONS

The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality.

This will include oversight over municipal entities. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

### TERMS OF REFERENCE FOR MPAC

The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- Unforeseen and <sup>un</sup>unavoidable expenditure (Section 29)
- Unauthorized, irregular or fruitless and wasteful expenditure (Section 32)
- Monthly budget statements (Section 71)
- Mid-year budget and performance assessment (Section 72)
- Mid-year budget and performance assessment of municipal entities (Section 88)
- Submission and auditing of annual financial statements (Section 126)
- Submission of the annual report (Section 127)
- Oversight report on the annual report (Section 129)
- Issues raised by the Auditor-General in audit reports (Section 131)

The new Chairperson of MPAC was appointed in February 2022, after the death of the previous appointed Chairperson. The committee is made up of 10 members, the members attended training sessions, training and capacity building will be carried out on an ongoing basis.

An updated Terms of Reference has been drafted and will be submitted to a Special MPAC meeting for workshopping and adoption and approval by Council.

The Committee will have to develop a "Work Plan" for the financial year and approved by Council. The Committee will also be assisted by a dedicated resource to work closely with the Chair in executing of the functions of MPAC.