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# MUNICIPAL PUBLIC ACCOUNTS COMMITTEE POLICY

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## **1. Introduction**

In accordance with the provisions of Section 79 (1) (a) and (b) of the Municipal Structures Act 1998, a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members.

Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate.

## **2. Purpose of the MPAC policy**

2.1 In accordance with Section 79(2)(a), a municipal council must determine the functions of a committee.

2.2 This Policy sets out the specific responsibilities delegated by the Council to the Municipal Public Accounts Committee and spells out the manner in which the Committee will operate as the Municipal Public Accounts Committee (MPAC).

## **3. Expectations of Council pertaining to MPAC**

3.1 To exercise oversight as delegated by Council, promote transparency, public accountability and ensure good governance in the municipality as in terms of Section 53 and 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.

## **4. Authority and powers of MPAC**

4.1 In terms of section 79 of the Municipal Structure Act No117 of 1998, the MPAC will assist Council to effectively and efficiently exercise its functions and powers;

4.2 MPAC shall function as a sub-committee of Council, and therefor adhere to the Council's Rules of Order;

4.3 MPAC will not perform any management functions or assume any management responsibilities;

4.4 MPAC will make recommendations to management via Council, resulting from activities carried out by the Committee in terms of its delegated authority; and

4.5 MPAC will function as in the Systems of Delegations approved by Council.

## **5. Composition and Term**

5.1 The chairperson of the MPAC must be appointed by council in terms of Section 79 (2)(c)

5.2 The MPAC will comprise solely of councillors appointed by resolution of a council meeting.

- 5.3 The MPAC shall comprise of councillors excluding any councillor who is serving as Executive Mayor or Deputy Executive Mayor, Mayor or Deputy Mayor, Speaker, Chief Whip, a member of Mayoral Committee or member of the Executive Committee.
- 5.4 The chairperson of MPAC shall be elected by Council.
- 5.5 The MPAC will consist of eleven councillors including the chairperson represented by each political party.
- 5.6 Councillors serving on MPAC will be appointed for a term which corresponds to the term of sitting Council.
- 5.7 If the chairperson of the MPAC is absent from a specific meeting of MPAC, the members present must elect a chairperson from the members present to act as chairperson for that meeting.
- 5.8 The Council may consider making the position of Chairperson of MPAC a full-time position.
- 5.9 In accordance with section 79(1) (c) council may dissolve a committee at any time.
- 5.10 In accordance with section 79(2) (e) council may remove a member of a committee at any time.
- 5.11 The names of councillors serving on MPAC will be published in the annual report.

## **6. Roles and Responsibilities of the MPAC**

- 6.1 MPAC has no executive powers.
- 6.2 The oversight role of MPAC is to review the Breede Valley Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report on the Annual Financial Statements of the Municipality and also when instructed by Council to advise Council in respect of unauthorised, irregular or fruitless and wasteful expenditure.
- 6.3 The Municipality's oversight report as envisaged in Section 129 of the MFMA is prepared for adoption by Council by following due process. MPAC's due process entails -
  - 6.3.1 consider and make recommendations on the Report to Council regarding specific reports of the Auditor-General; and queries, comments and responses in respect thereof;
  - 6.3.2 investigate the alleged misappropriation of municipal funds by Councillors and/or officials and report thereon to Council as the case may be;
  - 6.3.3 recommend on any proposals in respect of the oversight process for improving efficiency, effectiveness and economy in the financial sphere of the Municipality; and
  - 6.3.4. Liaise with the Audit Committee and any other relevant combined assurance committees and role-players.

6.4. Investigate unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32 and 102 of the MFMA, as instructed by Council, and as guided by the National Treasury Circular 68: Unauthorised, Irregular and Fruitless and Wasteful Expenditure.

The purpose being to recommend to Council whether such expenditure -

6.4.1. resulted in the Municipality receiving “value-for-money” (i.e. services received within a reasonable price);

6.4.2 is irrecoverable or not (financial implications);

6.4.3 resulted from non-compliance in following due process and subsequent disciplinary action is necessary, including whether legal action (common law) is appropriate; and / or

6.4.4 was a result of control failures or gaps and what remedial and disciplinary actions are proposed.

6.5. To ensure that corrective action has been taken in respect of the comments and resolutions of MPAC during the oversight reporting process.

6.6. To promote good governance, transparency and accountability on the use of municipal resources.

## **7. MPAC Work Programme**

7.1 MPAC must develop its work programme annually before the start of a financial year.

7.2 Such programmes must be linked to the overall planning cycle of council and conclude with the evaluation of the annual report and the recommendations to Council when adopting the Oversight Report on the Annual Report.

7.3 The annual work programme must be approved by Council.

## **8. Attendance of meetings**

8.1 Council's Rules of Order will apply in terms of the functionality of the MPAC.

8.2 A minimum of four (4) meetings in a financial year must be held or as may be necessary in accordance with the approved work programme.

8.3 Special meetings can be called by the MPAC when circumstances warrant it.

8.4 The applicable Directors (or delegated nominee) must attend as and when necessary, depending on the content and detail of the agenda.

8.5 Standing invites must be given to the Auditor-General or his/her representative to attend all MPAC meetings.

8.6 Finance is expected to attend all meetings to answer questions at the department with overall responsibility for regulating financial control and monitoring financial management.

8.7 A quorum shall be the majority of the members.

8.8 The meetings of MPAC will be included in the annual calendar of Council and the notice requirements should be similar to those of other committees of Council taking into consideration the timeframes in the Municipal Finance Management Act for preparation and adoption of the Oversight Report on the Annual Report.

8.9 If otherwise, the notice of meetings shall be given at least 14 days prior to the meeting.

8.10 Agendas of the meeting shall be given at least 7 days prior to the meeting.

8.11 Relevant documents shall be received at least 4 days prior to meeting for preparation purposes.

## **9. Reporting and Accountability**

9.1 The MPAC will report to council on the activities of the committee; which will include a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.

9.2 The committee must discuss and adopt its report for Council in accordance with the procedures for tabling matters in council defined in the standing rules of council.

9.3 The MPAC should report to full council at least quarterly and may bring items before Council as and when necessary.

9.4 The names of individuals are not included in its reports, except in exceptional circumstances, and only in all MPAC members agree. These reports would then be considered at in-committee meetings.

9.5 The full Council should deliberate on the recommendations from the MPAC, at a meeting open to the public, and must reach finality in the shortest possible time.

9.6 The MPAC may be able to communicate freely with the Audit Committee, the Executive Mayor, the Mayoral Committee and the Speaker.

## **10. Monitoring of MPAC**

10.1 The committee shall develop a monitoring mechanism in line with the approved work programme to determine if actions have been taken to implement its recommendations.

10.2 The responses to reports are to be provided to the MPAC as soon as possible after the date of the resolution together with the recommendations to which they relate.

## **11. MPAC evaluation**

- 11.1 Council must evaluate the performance of MPAC on an annual basis, through a process of self-evaluation and evaluation by Council.
- 11.2 The performance of the MPAC must be evaluated by representatives of the Council, through the Office of the Speaker, on an annual basis.

## **12. Administrative support**

- 12.1 In order for the MPAC to be effective in executing its functions, the Council must ensure that the MPAC is supported by officials to coordinate and undertake research activities as required by the committee work programme.

## **13. Annual Review**

- 13.1 The MPAC policy must be annually reviewed.