



## MEDIA & COMMUNICATION

### Media statement

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### **Municipal public accounts committees get back in class**

**Potchefstroom** - The Department of Local Government and Human Settlements in Bokone Bophirima is intensifying measures to improve usage of public funds and audit outcomes of municipalities. This after it embarked on an intensive week long programme held in Potchefstroom, to induct the new members of the Municipal Public Accounts Committees (MPAC) on their oversight responsibilities.

MPAC is a council committee established in terms of Section 79 (1) of the Municipal Structures Act. MPACs are intended to strengthen the oversight arrangements in the municipality and to ensure efficient and effective use of municipal resources.

Speaking during the first day of the induction, representative from AGSA-NW, Schalla van Schalkwyk mentioned three main courses of poor audit outcomes.

“Lack of consequences for poor performance and transgression is a serious problem in our municipalities. Other problems include instability, vacancies or key officials lacking appropriate competencies as well as slow response by political leadership to address the root causes of poor audit. If we can deal with these issues we can be able to steer a stable ship towards better municipal audits” said Schalkwyk.

Out of 22 municipalities in the province that have established, only two are yet to establish their have MPACs, i.e. NW405 (formerly Tlokwe and Ventersdorp) and Maquassi-Hills local municipalities. MPACs have similar functions and responsibilities for municipalities as undertaken by Standing Committee on Public Accounts at (national) parliament and (provincial) legislatures. Their primary role in a municipality is to:

- To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
- In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.

MEC for Local Government and Human Settlements Galaletsang Gaolaolwe wished the new members of MPACs strength during their term (2016-2020) but emphasized the need for vibrant MPACs. "We need to detect problems that may lead to poor audit outcomes in time through these essential structures. Let us be one step ahead in providing oversight in usage of state funds. Lets ensure legislations and prescripts are being adhered to and improve our audit outcomes" remarked MEC Gaolaolwe.

**Issued by : Department of Local Government and Human Settlements**

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