

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



OVERSIGHT REPORT ON 2021/22 ANNUAL REPORT
2022/2023 FINANCIAL YEAR

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**EPHRAIM MOGALE LOCAL MUNICIPALITY
OVERSIGHT REPORT**

Officials:

M R Rampedi	Acting Municipal Manager
MSJ Madisha	Acting Chief Financial Officer
M R Rampedi	Director: Corporate Services
P Tjebane	Acting Director: PED
T Ramatselela	Acting Director: Technical Services
Y Maphutha Mashaba	Director: Community Services
R Maepa	Manager: IDP and PMS
ML Masombuka	Chief Audit Executive

MPAC Support staff

S Makua	Manager Council Support
ML Mbonani	MPAC Researcher
P Nkadameng	MPAC Coordinator

MPAC members: Current

Cllr T Mabaso	Chairperson
Cllr NS Letsela	Member
Cllr KM Aphané	Member
Cllr SE Mahubane	Member
Cllr KW Sebothoma	Member

Cllr JP Thobejane	Member
Cllr T Manaso	Member

Audit and Performance Audit Committee Members:

ML Malapela	Chairperson
MA Mmapheto	Member
LM Mokwena	Member
Adv. GT Moeeng	Member
VK Chuene	Member

Other: Stakeholders

Auditor-General's Office
Provincial COGTA
Limpopo Provincial Treasury

2. INTRODUCTION

The Municipal Finance Management Act No.56 of 2003 (MFMA) assigns specific oversight responsibilities to Council with regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role will be to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

3. BACKGROUND

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councilors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive (Mayor/Executive Committee). In other words, in exchange for the powers in which Council have delegated to the *Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight

- Approval of budgets;
- Approval of Budget related Policies; and
- **Review of the Annual Report and adoption of the Oversight Report**

APPENDIX A

4. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

ANC, EFF, Independent and DA parties are represented on the Municipal Public Accounts Committee (MPAC/Oversight Committee), and the Performance and Audit Committees members act as advisory to the committee.

The following Seven non-executive council members were elected to serve on the MPAC/Oversight Committee to develop a program to address queries raised in the Auditor- General's report and exercise oversight on Municipal Affairs:

1. ANC: Cllr T Mabaso
Cllr KM Aphane
Cllr JP Thobejane
2. EFF : Cllr T Manaso
3. DA: Cllr NS Letsela
4. Independent: Cllr SE Mahubane
Cllr KW Sebothoma
5. That the elected MPAC/Oversight Committee will submit a report addressing the queries raised by the Auditor General, Public and stakeholders to Council for deliberations.
6. That the Committee will take the Oversight report to Council as per the following programme:

The functions of the MPAC/Oversight Committee are to:

- Undertake a review and analysis of the Draft Annual Report going forward
- Interrogate the Draft Annual Report
- Invite, receive and consider inputs from Councilors and Portfolio Committee, on the Annual Report
- Conduct Public Hearing(s) to allow the local community or any organs of the state to make representations on the Draft Annual Report
- Receive and consider Councils' Audit Committee views and comments on the annual financial statements and performance report.
- Prepare the Oversight Report taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, Organs of State, Councils audit committee and Councilors

The Oversight report is the final major step in the annual reporting process of the municipality. Section 129 of the MFMA requires the council to consider the annual report of its municipality and municipal entities and to adopt an oversight report containing the council's comments on annual report, which must include a statement whether the council-

- (a) **Has approved the annual report** with or without **reservations**;
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised

The MPAC/Oversight Committee may use the attached checklist to organize its Report and to manage request for additional information. The questions suggested may be used by all councilors to gain clarification on contents of reports and also verify compliance with MFMA and MSA. Responses of many of these questions should be provided by the Accounting Officer of the municipality.

APPENDIX B

5. PROCESS PLAN AND TIMEFRAME FOR THE ADOPTION OF THE OVERSIGHT REPORT AND THE ANNUAL REPORT.

Date	Reason	Responsible People	Structure
<p>Done Previous 202122 Date: 24 November 2021(SC4/01/2021) Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022</p>	<p>Council establishes the MPAC/Oversight Committee</p>	<p>Council</p>	<p>Council</p>
<p>27 January 2023 Resolution Number: OC5/03/2023</p>	<p>Council resolution to adopt Draft Annual Report</p>	<p>P Tjebane and Manager Mayor's office</p>	<p>Council</p>
<p>27 January 2022</p>	<p>Handover of Annual Report to MPAC and internal audit</p>	<p>P Tjebane handover to ML Masombuka and Cllr TL Mabaso</p>	<p>None</p>
<p>27 January 2023 Resolution Number: OC5/03/2023</p>	<p>Draft Annual report copies given to AG and COGTA after consideration of comments from council</p>	<p>P Tjebane and ML Masombuka to ensure delivery</p>	<p>None</p>
<p>13 March 2023</p>	<p>Draft advert prepared for submission to MM for public and stakeholder hearings</p>	<p>P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support</p>	<p>None</p>
<p>14 March 2023</p>	<p>Actual advertisement in Local Notice Board, Social Media and Municipal Website</p>	<p>P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support MPAC Chairperson for Overseeing</p>	<p>None</p>

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2 February 2023	First meeting of MPAC on annual Report to recognize the report	MPAC Committee, P Nkadimeng _MPAC Coordinator, MPAC Researcher and Chief Audit Executive	3 rd Ordinary MPAC meeting
20 - 22 February 2023	Interrogation of Annual Report and drafting of questions	MPAC Committee ,SALGA, Treasury and CoGHSTA(Invited AGSA for presentation)	Special MPAC meeting
06 -13 February 2023	Meeting(Cluster meetings)	Manager Mayor and Speakers office	Public meeting for Draft Annual report
Upon receipt	Incorporation of AG and CoGHTA comments of Annual Report into Oversight report	N/A	None
28 March 2023	Meeting with MPAC 2pm	MPAC members, Researcher, Coordinator, Manager Council Support , Chief Audit Executive	Special MPAC to finalize oversight Report
Special meeting to be requested not later than 31 March 2022	Tabling of oversight report to Council	Manager Council Support	Council Meeting
Not letter than 31 March 2022	Submit Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to package the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None
After Adoption of the minutes in a Council formal Meeting	Submit Minutes of Council Meeting Adopting Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to Amend the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None

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6. COMPLIANCE WITH SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The following checklist was compiled and utilized to test the compliance with section 121 of the MFMA against the 2021 /22 Draft Annual report as adopted, findings were communicated with the municipal manager to fix before the 28th of March 2023(special meeting to finalize the oversight report on Annual Report).

APPENDIX C

SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT					
PREPARATION AND ADOPTION OF ANNUAL REPORTS					
Legislative Requirements	Question emanating from the legislation(column A)	Compliance Status ✓ / X	Portfolio evidence reference to annual report	Recommendation /Action/To be included in the MPAC public hearing questions)	
121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter (121 of the MFMA). The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared Control in accordance with section 129.	Timing 1. Was the Annual Report tabled by 31 January, as per legislative Requirements?	✓	Council Resolution (OC5/03/2023) Considered on the 27 th of January 2023	None	
Compulsory inclusions as per the section 121 (3) The annual report of a municipality must include—					
(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);	(a) Does the Draft annual report include the audited financial statements?	X	Attached page 130	Attach correct financial statements(attached is 2020/2021 financial statements without signature of the AO)	
(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;	(b) Does the Draft annual report include the Auditor-General's audit report?	✓	Page 128	None	
(c) the annual performance report of the municipality prepared by the municipality in terms	(c) Does the Draft annual report include the annual performance report?	X	Page 68-108	Corrections be made to include information of	

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SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

PREPARATION AND ADOPTION OF ANNUAL REPORTS

Legislative Requirements	Question emanating from the legislation(column A)	Compliance Status ✓ / X	Portfolio evidence reference to annual report	Recommendation /Action(To be included in the MPAC public hearing questions)
of section 46 of the Municipal Systems Act;				performance as per the section 46 of the MFMA (See findings section)
(d) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;	(d) Does the draft annual report include the Auditor General's report?	✓	Page 3 of the Auditor general's report	None
(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;	(e) Does the draft annual report include an assessment?	✓	Page 119	None
(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;	(f) Does the draft annual report include an assessment by the municipality's accounting officer?	✓	Page 115	None
(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)	(g) Does the draft annual report include particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)(Audit Action plan)	x	Draft Annual report(Audit Action Plan)	Attach Audit Plan
(h) any explanations that may be necessary to clarify issues in connection with the financial statements;	(h) Does the draft annual report include any explanations that may be necessary to clarify issues in connection with the financial statements;	✓	Draft Annual report 114-128	None
(i) any information as determined by the municipality;	(i) Does the draft annual report include any information as determined by the municipality;	✓	Draft Annual report	None

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SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

PREPARATION AND ADOPTION OF ANNUAL REPORTS

Legislative Requirements	Question emanating from the legislation (column A)	Compliance Status ✓ / X	Portfolio evidence reference to annual report	Recommendation /Action (To be included in the MPAC public hearing questions)
(j) any recommendations of the municipality's audit committee; and	(j) Does the draft annual report include any recommendations of the municipality's audit committee; and	X	Draft Annual report (Audit Committee report)	Attach the updated audit committee report with comments on the Annual report.
(k) Any other information as may be prescribed.	(k) Does the draft annual report include Any other information as may be prescribed?	X	Incorrect AFS	Attach the correct AFS

DETAILED MPAC FINDINGS & RECOMMENDATIONS

121. (2) the purpose of an annual report is—

(a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates; Contrary to section 121(2) (a) of the Municipal Finance Management Act on preparation of the Annual report that state that the annual report must provide the record of the activities of the municipality for the financial year to which the annual report relates, the draft annual report had the following incorrect information:

1. The attached Annual Financial statement relates to 2020/2021 financial year while the year under review is 2021/22 financial year.
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

121. Compulsory inclusions as per the section 121 (3) the annual report of a municipality must include—

(a) The annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

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1. The attached Annual Financial statement relates to 2020/2021 financial year while the year under review is 2021/22 financial year.

(c) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

Section 46 of the Municipal systems Act dictates that a municipality must prepare for each financial year an annual report consisting of—

(a) A performance report reflecting—

(i) the municipality's, and any service providers, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

1. The municipality's draft annual report does not include the performance of service providers.

(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)

1. The municipality's draft annual report does not include Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports(Audit Action Plan)

(i) Any recommendations of the municipality's audit committee; and

1. Recommendations of the audit committee does not relate to the current draft 2021/22 annual report.

(i) Any information as determined by the municipality; /Matters relating to the Draft Annual report.

The following are the matters that need corrections from the draft annual report:

1. Table of content:

1.1. Page 2: CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY, spelling and grammar (capital letters on the foreword however the word has a small letter o).

1.2. Component B: the numbering starts on 1.2 instead 1.1

1.3. Component B:1.6 Audit General of South Africa ("Audit general instate of Auditor general")

1.4. Component B:1.7 Statutory Annual Report Process(spelling of Statutory)

- 1.5. Component C: 2.6. IDP PARTICIPATION and alignment (spelling and grammar Capital letters on the Participation, the 'tion' is small letters while other letters are Capital letters).
- 1.6. Page 3- 2.9. Risk Management is page 36 not 34. , 2.11. Supply Chain Management is on the table of content is page 34 while on the actual report is on page 39 and Property ,Legal ,Risk Management and procurement is on page 68 not 67.
- 1.7. Chapter 3: Component G: Security(spelling for security is wrong)
- 1.8. Component J: Organisational performance scorecard: Error! Bookmark not defined.
2. Acronyms
 - 1.1. AGSA- Auditor General of South Africa not Audit
 - 1.2. SOMA- State of the Municipal Address not Municipality
 - 1.3. COVID19- Coronavirus diseases 2019
3. Component
 - 1.3. Municipal Functions, Population and Environmental Overview (page 14)
 - 1.3.1. Replace Ephraim Mogale (Name of a person) with Ephraim Mogale local Municipality, Black African with Blacks.

Table 5(page 15)

 1. Air pollution is written as powers and function of the municipality (Yes) while on page 63 on Component E: Environmental protection, the Air pollution is registered as a responsibility of Sekhukhune District Municipality.
 2. On Municipal health services, water (potable) and sanitation fill the blank spaces with a Yes or No for consistency.

1.4 Basic service Delivery & Infrastructure Development Overview (Page 16)

 - 1.4.1. The electrification backlog was maintained at 3% (the statement is incorrect),read together with page 42,according to page 44,48 and 42, the backlog on electricity is 5.72%.
 - 1.16. Auditor General of South Africa not (Audit) (page 21)
 - 1.17. Statutory not Statuory (page 21)

Overview (page 22)

Sentence number 2: The municipality has 6 Full time councillors, namely the Mayor who heads the Executive committee, the

Speaker who is head of council, Chief Whip and five executive committee member.

The statement is incorrect as the municipality's whip of council is not a full time councillor and counting the mentioned councillors tallies to five Executive, Three PMT which makes eight.

Last paragraph: The municipality have an Audit and Performance Committee that provides opinions and recommendation on financial processes and performance and provide comments on annual report to MPAC a committee established to provide with an oversight report on annual report. - The statement is incorrect.

2.1. Political Governance

Table 20: Executive Committee

Cllr Jacobs PR: EXCO Member: Community Services (Correct Designation is EXCO Member: Planning and Economic Development Service)

Cllr Tiaka ME: EXCO Member: Planning and Economic Development Service (correct Designation Is EXCO Member: Community Service)

2.2. Administrative Governance (Page 25)

2.2.1. Statement on Supply Chain Management on bid Committees is missing the Bid specification committee.

2.2.2. Table 23: Ephraim Mogale Local Municipality Top Management

- 2022/2023, MR Rampedi is appearing as an Acting Municipal Manager and Acting Director Cooperate services(Fix Acting on director corporate services)

Table 24: Section 80 Committees (Page 26)

Definition of section 80 committees as per the Municipal structures Act:

"Committees to assist executive committee or executive mayor 80.

(1) If a municipal council has an executive committee or executive mayor, it may appoint in terms of section 79, committees of councillors to assist the executive committee or executive mayor.

(2) Such Committees may not in number exceed the number of members of the executive committee or mayoral committee.

[3] The executive committee or executive mayor-

- (A) Appoints a chairperson for each committee from the executive committee or mayoral committee;
 - (b) May delegate any powers and duties of the executive committee or executive mayor to the committee
 - (c) Is not divested of the responsibility concerning the exercise of the power or the performance of the duty: and
 - (d) May vary or revoke any decision taken by a committee. Subject to any vested rights.
- (4) Such a committee must report to the executive committee or executive mayor in accordance with the directions of the executive committee or executive mayor.”

Actual Activities in the municipality (All the committees listed under the table section 80 are appointed and remunerated as per the section 79)

- “committees to assist the executive committee or executive mayor” – **the committees were appointed to assist Council**
- “Such Committees may not in number exceed the number of members of the executive committee or mayoral committee” - **the municipality has 6 executive committee members including the mayor and the committee listed under Table 24 exceeds the number of members of the executive committee (6:13)**
- “The executive committee or executive mayor: Appoints a chairperson for each committee from the executive committee or mayoral committee;” - **The chairpersons of all the committees listed on table 24 are appointed by council and they are not members of executive committee.**
- Municipal Public Accounts Committee is a Section 79A committee of council not 80
- Chair of Chairs is councillor Nkoane T not Councillor Kutu T (On programming committee)
- On MPAC , Cllr Mahubane (Correction to Cllr Mahubane)
- Chair of Chairs committee, T Mabaso appears twice and Cllr Seloma is not appearing.

Table 24: District and Provincial intergovernmental structure (Page 30)

- The forums numbering incorrect (Provincial Forums don't start from 1)
- Risk and internal Audit forums are missing (SMARF) and Whip of council forums (Ensure inclusion of all forums that have financial obligation e.g. Travel Allowance and Accommodation

2.5. Communication, Public Participation and Forums (Page 31)

- During the 2021/22 financial year, the office of the speaker facilitated the capacitating of ward committees in all 16 wards in Ephraim Mogale. (The information does not correspond with page 98 KPA 6 on Ward Committee Support the KPI is not achieved)

Table 30: Reports Audit Committee accounted for during 2021/22(Page 35)

- Accounting for period ending 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021 (incorrect reporting period for the 2021/22) - correct the reporting period to be relevant to the reporting period.

2.8. Internal Audit Unit (page 36)

- Only legislation is quoted (the draft annual report does not talk of the activities performed by the internal audit unit during the year, its capacity and policies adopted by the municipality therefore the internal audit unit part of the annual report does not comply with MFMA section 121 (2) the purpose of an annual report is—(a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;... provide trail of activities on internal audit for the year under review.

2.13. Websites (Page 40-41)

- Table 33: Documents published on the Municipal's /Entity's Website - verification on the website is contrary and the dates format in terms of the day and month remained the same from the previous financial year's draft annual report (2020/21) only the year changed. (Put correct information as other documents are not appearing on the website, they were last uploaded during 2020/21 also include dates on the blank spaces)

Chapter 5: Financial Performance (Page 114)

The municipality has handed over the annual financial statements for Audit purposes on the 31st October 2021- the date is incorrect. The annual financial statements for the year under review were submitted on the 31 August 2022 to the Auditor general of South Africa.

Component D: Other Financial Matters (Page 128)

5.12. Supply Chain Management

- The financial statement for 2021/2022 present an irregular expenditure of 14 Million as a closing balance – the actual closing balance is R 19 693 709.00(which is made of previous year's opening balance of R 16 838 663.00, with 2022 additional of R 14 521 290, less R999 284 which is recorded as recoverable and less R 10 666 960 recognized as irrecoverable therefore the closing

balance is R 19 693 709.00)

5.13. GRAP Compliance (Page 128)

- Only the definition of GRAP is issues /quoted therefore the annual report does not comply with MFMA section 121 (2) the purpose of an annual report is—(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates. (Mention if the Audited AFS of the municipality are GRAP compliant or not and challenges -can also include continues plan to resolve the challenges)

7. MPAC Public Hearing

This were the set of questions developed and asked by MPAC in preparation of the Oversight Report in an open platform where the Honorable Mayor and Executive members answered the questions, the questions prepared in accordance to the MFMA section 124 on Annual Report and the questions emanate from the Annual Report received on the 27 January 2023 and subsequently posted on the municipal website,MPAC Had two meetings/engagements and a pre interrogation session to understand and make reference to legislation in considering the annual report for the financial year ended 30 June 2022.

Upon interrogation of the Draft Annual Report on 20th February 2023 to 22nd February 2023 the following matters were raised and noted.

APPENDIX D

PUBLIC HEARING QUESTIONS							
DRAFT ANNUAL REPORT 2021/22 FINANCIAL YEAR							
No	SOURCE DOCUMENT	PAGE	DETAILS AS PER THE DOCUMENT	SOURCE	MPAC QUESTION /COMMENT	RESPONSIBLE DEPARTMENT	RESPONSE
1.	Draft Annual report 2021/22	10	COMPONENT A: MAYOR 'S FOREWORD AND EXECUTIVE SUMMARY (a) Vision 'A world class agricultural hub of choice'	AND	1. How is the municipality contributing towards making the municipality boudners the world class agricultural hub of choice? 2. Does the municipality have	Corporate Services : Mayor's office	To achieve the vision as agricultural hub of choice , - the first principle is to ensure that agricultural areas of high potential are protected against unwanted development and urban sprawl through monitoring of development. -2. Promote down-stream agricultural production, Agro-processing and manufacturing

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	Draft Annual report 2021/22	10	<p>(b) Key Policy development</p> <p>'On the Mayors foreword on key policy development, there is nothing that talks to the policy development'</p>	<p>any process or anything that will assist in seeing the vision in action?</p> <p>3. What are we doing to support the vision?</p> <p>4. How does the vision resonate with the community or surroundings of Ephraim Mogale Local Municipality?</p>	Corporate Services : Mayor's office	<p>in suitable areas in support of rural-urban interdependency.</p> <p>Yes. The municipality is initiating for the Sale of Industrial Erven to support Agro-processing to add value to agricultural activities through establishing local manufacturing and processing plants, which will utilise local raw materials and resources as primary inputs.</p> <p>The vision resonate with the community through Agri Skills development and Entrepreneurship/Cooperatives.</p>
2.	Draft Annual report 2021/22	11	<p>(c) Key Service delivery improvements</p>	<p>1. What is the meaning of the word successfully implemented? Does this mean all the projects mentioned are completed?(Current status of the roads)</p>	Project Management Unit/ Infrastructure Development	<p>Key performance polies referred to in Mayors overview are those policies and strategies aimed at developing our communities. Policy developed should not be interpreted to mean policies only.</p> <p>It should be interpreted to broadly include the vision and strategies of the municipality including capital projects.</p> <p>It means we have successfully appointed the Service providers and construction was able to commence however current status of those are</p> <p>1.Regae Internal street - complete 2. Mogalatsane - Phetwane internal - complete although there are defects identified. 3. Mabitsi internal street is currently on construction</p>

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4.	Draft Annual Report 2021/22	11	(e) Future Plans The speaker's office facilitated constant interaction with the communities by quarterly ward committee meetings with their constituencies, to get the problems encountered in their wards. The mayor's office also embarks on the mayoral outreach programs focusing on focal groups, i.e. women, children, disabilities, etc.	1. Why is the statement heading "future plans" while the paragraph talks of past events?	Corporate service :Office of the speaker	It's an error need to be corrected, the correct statement says the Speakers office will continue facilitating the community interactions
5.	Draft Annual Report 2021/22	12	(g) Conclusion The Municipality acknowledge the progress made and very conscious about the fact that some segments of communities are still living in depressing poverty, we remain committed and determined to persevere in Realising the key focus areas that Council adopted in the IDP 2021- 2022.	1. The Mayors conclusion statement is the same as the 2020/21 annual report, maybe define the depressing poverty referred to and give an update on what was done on the last year's commitment to improve the poverty referred to. 2. What policies did the municipality introduce to open the market for public sector and stakeholders to assist the poverty referred to in the concluding statement?	Corporate Services : Mayor's office	1. IDP is developed for Five years and renewed annually and it is a continues process that cannot be achieved at once, through the IDP the developments are mentioned in the Draft annual report. 2.amongst other development there is a continues development and maintenance of LED policies were introduced and SCM also assist with SMME
6.	Draft Annual Report 2021/22	13	COMPONENT B: EXECUTIVE SUMMARY 1.2. Municipal Managers overview "The municipality has regressed from 2020/2021 unqualified Audit Opinion by obtaining qualified audit opinion the 2021/2022 financial year"	1. What is the cause of the regress? Is the any remedial action employed to resolve the cause of regress?	Municipal Manager	1.The cause of regression was that management did not account for impairment in the annual financial statement resulting in material misstatement of Impairment of assets, Work-in-Progress and Property, Plant and Equipment in the Note 47 & 13 of the Annual Financial Statements Appointment of service provider to do an assessment of impairment on all categories of assets then properly disclosed on the AFS
7.	Draft Annual Report 2021/22	14	COMPONENT B: EXECUTIVE SUMMARY 1.3. Municipal Functions, Population and Environmental review	1. Which Mechanism did the municipality use to calculate the 42% youth and the population?	Municipal Manager	1. results from the last STATS SA were used to determine the 42% Youth
8.	Draft Annual Report	15	COMPONENT B: EXECUTIVE SUMMARY	1. Air Pollution, building regulations,	Municipal Manager	1.Air pollution is the competency of the

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2021/22		1.3. Municipal Functions, Population and Environmental review Table 5: The powers and function of the municipality	Local tourism and Child Care facility -Do we have any bylaw for this? And it falls under which department? 7. Municipal Airport -are we generating any revenue from this? Who owns the space? 11. Pontoon & ferries -What is this? Do we have this in the municipality?	District Municipality						
9.	Draft Annual Report 2021/22	16 COMPONENT B: EXECUTIVE SUMMARY 1.4. Basic Service delivery & Infrastructure development The municipality's core business is to provide safe and sound road infrastructure network and uninterrupted electricity network to its community. Water and Sanitation are provided by Sekukhune District Municipality and electricity is provided by Eskom in the rural parts of the municipality. The electrification backlog was maintained at less than 3%. Supply in the license area was maintained with interruptions within the NERSA specification.	1. Why is this statement reflecting a backlog of 3% while of page 48 and 44 the backlog is mentioned as 5.72%?	Electrical Services / Infrastructure It was an oversight as the table just below also reflect the data of a 5.72% backlog. It was corrected on the management portal but it appears it was too late.						
10.	Draft Annual Report 2021/22	18 Table 12: Public lighting backlog <table border="1" data-bbox="874 1288 938 1713"> <thead> <tr> <th>EPMLM</th> <th>Villages</th> <th>Backlog</th> </tr> </thead> <tbody> <tr> <td>56</td> <td></td> <td>58.93%</td> </tr> </tbody> </table> This is just areas with some form of public lighting and not 100% coverage. The purpose of public lighting is to improve road and general safety of the public. Two new projects started for Matseding, Greenside and Manapyane.	EPMLM	Villages	Backlog	56		58.93%	1. Why is Manapyane always on the list? (Compare to previous financial year Annual report) 2. Are we planning to collect revenue in areas where we install public lighting?	Electrical Services / Infrastructure 1. Manapyane remains on the list because at the end of the 8 financial year only 2 of the 8 masts were energized. ESKOM is still trying to complete the installation of the last 2 new supply points. 2. Currently there is no Council approved process to collect revenue in the areas outside Marble Hall for any services although some flat rate proposals was submitted at the Strategic Workshop. To collect revenue requires a process, staff, systems and political and community buy-in. A test was done in Leeufontein many years ago and the cost to collect the money was higher than the actual amount collected. This
EPMLM	Villages	Backlog								
56		58.93%								

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11.	Draft Annual Report 2021/22	18	<p>Table 13: Refuse collection service Backlog</p> <table border="1"> <thead> <tr> <th>EPMLM</th> <th>Households</th> <th>Backlog</th> </tr> </thead> <tbody> <tr> <td></td> <td>33 936</td> <td>81.2%</td> </tr> </tbody> </table> <p>Households with access to refuse collections services at least once a week (6369).</p>	EPMLM	Households	Backlog		33 936	81.2%	<p>1. How was this number of households calculated? 2. Is this 33 936 billed for refuse collection? 3. Why are we having a backlog of 81.2%? Is this part of the KPI for waste collection?</p>	Community services	<p>will require that the Municipality decide on a practical and economical process that will be reasonable and acceptable.</p> <p>1.The number of households are the total number of households in the Municipality as reflected in the IDP(from 2016 Community Survey by STATISTICS SA) 2.No , refuse collection are only done to 6369 households of which not all is paying 3.Due to the non-payment the services cannot be extended because it will result in more expenditure without any income, Yes it is part of the KPI but in the form of households in Marble Hall and 3 villages refuse collection</p>																					
EPMLM	Households	Backlog																															
	33 936	81.2%																															
12.	Draft Annual Report 2021/22	18-19	<p>1.4 FINANCIAL HEALTH OVERVIEW</p> <p>The below financial overview tables illustrate that the municipality is grant dependent. The 2020/2021 financial year was 66% grant dependent and 34% own revenue. The MIG grant was spent 100% in the 2020/2021 financial year. The net total reflects a favourable balance which clearly indicate that the municipality budget is funded'</p> <table border="1"> <thead> <tr> <th colspan="3">Financial Overview - 2021/2022</th> </tr> <tr> <th>Description</th> <th>Original Budget</th> <th>Adjusted Budget</th> <th>Actuals</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>142,146,000</td> <td>144,518,013</td> <td>144,518,013</td> </tr> <tr> <td>Grants</td> <td>205,970,000</td> <td>205,970,000</td> <td>200,969,998</td> </tr> <tr> <td>Sub- Total</td> <td>348 116 000</td> <td>346,759,000</td> <td>345,488,011</td> </tr> <tr> <td>Less Expenditure</td> <td>342,064,000</td> <td>346,372,000</td> <td>299,597,806</td> </tr> <tr> <td>Net Total</td> <td>6 052 000</td> <td>387,000.00</td> <td>45,890,205</td> </tr> </tbody> </table>	Financial Overview - 2021/2022			Description	Original Budget	Adjusted Budget	Actuals	Income	142,146,000	144,518,013	144,518,013	Grants	205,970,000	205,970,000	200,969,998	Sub- Total	348 116 000	346,759,000	345,488,011	Less Expenditure	342,064,000	346,372,000	299,597,806	Net Total	6 052 000	387,000.00	45,890,205	<p>1. Is there any strategy to increase the 34% own revenue collection? 2. How was the 34% own revenue calculated? As when taking 144,518,013.00/345,488,011.00= 41.83%</p>	Budget and treasury	<p>1. Yes. We have established a revenue enhancement committee to improve from currently status of being grant dependent. 2. The 34% written in the Draft annual report was a miscalculation ,the correct percentage is 41.83%</p>
Financial Overview - 2021/2022																																	
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13.	Draft Annual Report 2021/22	20	<p>1.5. Organisational Development Overview</p> <p>Committee established to strengthen Human Resource Management -Editorial Committee</p>	<p>1. Who are the committee members and their academic level? 2. How is this committee assisting the municipality? 3. Is the annual report subjected to this committee?</p>	Corporate services/ Human Resource Management	<p>The municipality does not have such a committee under Human Resources Management</p>																											
14.	Draft Annual Report 2021/22	20	<p>Table 18: Employee bursaries awarded to continuing and new students in 2021/22 Academic year</p>	<p>1. What is the meaning of progress? The financial year ended 2021/22 was concluded in</p>	Corporate services /Human Resource Management	<p>1. In progress means the student is still studying, its either one has completed the course or is still</p>																											

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<p>continuing with the studies. 2. R330 can be paid if the employee was sick during the examination and an extra amount will be charged for a supplementary exam.</p>				<p>June 2022, does this mean since then until the compilation of the Annual report the results are still pending? 2. How is it possible to pay R330.00 for a financial year?</p>	<p>Corporate services /Council support</p>	<p>No, she is Part-Time Whip of Council is Part-time and in terms of section 12 notice as informed by the grading and salary determination of the full-time and part-time councillor, the council deemed it imperative to offer her the office and the dedicated secretary to enable her duties and update her dairy in terms of the nature of her job.</p>														
<p>15.</p>	<p>Draft Annual Report 2021/22</p>	<p>22</p>	<p>Component A: Politics and Administrative Governance</p>	<p>1. Is the whip of council permanent in office? 2. Narrate the difference between full time and part time councillors include packages?</p>	<p>Corporate services /Communication</p>	<p>Awaiting the policy workshop which was suggested by councillors. (There must be a policy workshop before policies serve in council)</p>														
<p>16.</p>	<p>Draft Annual Report 2021/22</p>	<p>32</p>	<p>Table 27: Below is a communication checklist of the compliance to the communication requirements.</p> <table border="1" data-bbox="686 1120 893 1344"> <thead> <tr> <th>Communication Activity</th> <th>Functionality</th> </tr> </thead> <tbody> <tr> <td>Communication Unit</td> <td>Yes</td> </tr> <tr> <td>Communication Strategy</td> <td>Draft in Place</td> </tr> <tr> <td>Communication Policy</td> <td>Draft in Place</td> </tr> <tr> <td>Customer satisfaction survey</td> <td>Yes</td> </tr> <tr> <td>Functional complaint management systems</td> <td>Yes</td> </tr> <tr> <td>Newsletters distributed at least quarterly</td> <td>4 Quarters</td> </tr> </tbody> </table>	Communication Activity	Functionality	Communication Unit	Yes	Communication Strategy	Draft in Place	Communication Policy	Draft in Place	Customer satisfaction survey	Yes	Functional complaint management systems	Yes	Newsletters distributed at least quarterly	4 Quarters	<p>1. The communication strategy and communication policy has been draft since 2020/2021 and they are still draft 2021/2022 draft annual report, what are the challenges?</p>	<p>Corporate services /Communication</p>	<p>1. The initial process used for the year under review was to assist the municipal manager in terms of section 71 of the MFMA which can be revoked by the municipal manager in writing and that process to revoke was performed. 2. Yes 3. No</p>
Communication Activity	Functionality																			
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Newsletters distributed at least quarterly	4 Quarters																			
<p>17.</p>	<p>Public participation & Annual Report 2021/22</p>	<p>39</p>	<p>2.11. Supply Chain Management-SCM Processes and procedures "The user department will raise a requisition on the financial System (Munsoft). The requisition gets approved by the Head of Department (HOD). The requisition gets approved by the Head of Department (HOD), the budget section verifies the correctness of the vote and the availability of the budget and subsequently the Supply Chain Manager approves the manual requisition both on the manual form and the financial system."</p> <p>On the 08th of February 2023 at a Draft Annual report public participation held at Spitzpunt community hall, his Worship Hon Mayor Given Moimana said that he had instructed the Acting municipal Manager to approve all request for goods starting from Zero Rands in order to cap the spending on operational matters "</p>	<p>1. Is this in line with the approved delegation of responsibilities, supply chain management policy and regulations? 2. Was this thoroughly tested against the risk management processes? 3. Is this instruction not going to cause the municipality to regress in terms of the Current Audit opinion?</p>	<p>Municipal Manager /Corporate services</p>	<p>1. The initial process used for the year under review was to assist the municipal manager in terms of section 71 of the MFMA which can be revoked by the municipal manager in writing and that process to revoke was performed. 2. Yes 3. No</p>														

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18.	Draft Annual Report 2021/22		<p>2.12. By-Laws available within the municipality</p> <table border="1" data-bbox="183 1108 359 1736"> <thead> <tr> <th>No</th> <th>By-law</th> <th>file</th> <th>S/room</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ephraim Mogale Local Municipality Land Invasion By-Law,2017</td> <td>1/3/1/10</td> <td>No. 2983 Gazetted 30/03/2018</td> </tr> <tr> <td>2</td> <td>Ephraim Mogale Local Municipality Property Encroachment By-Law,2017</td> <td>1/3/1/9</td> <td>No. 2983 Gazetted 30/03/2018</td> </tr> <tr> <td>3</td> <td>By-law on the regulation of small, Micro and Medium business Enterprises on residential 1 stands</td> <td>1/3/1/11</td> <td>No. 2915 Gazetted 22/06/2018</td> </tr> <tr> <td>4</td> <td>Telecommunication Mast Infrastructure By-Law,2017</td> <td>1/3/1/12</td> <td>No. 2915 Vol.25 Gazetted 22/06/2018</td> </tr> <tr> <td>5</td> <td>Ephraim Mogale Local Municipality Conflicting building /properties By-Law,2017</td> <td>1/3/1/8</td> <td>No. 2893 Vol.25 Gazetted 30/03/2018</td> </tr> <tr> <td>6</td> <td>Ephraim Mogale Local Electricity Supply By-Law,2010</td> <td></td> <td>No. 1879 Vol. 17 Gazetted 15/12/2010</td> </tr> </tbody> </table>	No	By-law	file	S/room	1	Ephraim Mogale Local Municipality Land Invasion By-Law,2017	1/3/1/10	No. 2983 Gazetted 30/03/2018	2	Ephraim Mogale Local Municipality Property Encroachment By-Law,2017	1/3/1/9	No. 2983 Gazetted 30/03/2018	3	By-law on the regulation of small, Micro and Medium business Enterprises on residential 1 stands	1/3/1/11	No. 2915 Gazetted 22/06/2018	4	Telecommunication Mast Infrastructure By-Law,2017	1/3/1/12	No. 2915 Vol.25 Gazetted 22/06/2018	5	Ephraim Mogale Local Municipality Conflicting building /properties By-Law,2017	1/3/1/8	No. 2893 Vol.25 Gazetted 30/03/2018	6	Ephraim Mogale Local Electricity Supply By-Law,2010		No. 1879 Vol. 17 Gazetted 15/12/2010	Municipal Manager	<p>1. by-laws are relevant unless the is new regulation that supersedes the bylaws, in the current state the by-laws are still relevant however an analysis will be performed to test the relevancy.</p> <p>2. Yes</p>
No	By-law	file	S/room																														
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19.	Draft Annual report 2021/22		<p>2.14. Public Satisfaction on Municipal Services</p> <p>"Community satisfaction survey conducted has highlighted important challenges facing the municipality. Among the challenges facing the municipality is to confront the issues in certain villages which made it impossible for survey to take place. Many of the residents' have indicated their displeasure about service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries. These issues could result with negative image and untenable consequences to the municipality. They however credit the municipality, and they are happy with the overall performance of the municipality as a reflection of the current government."</p>	Corporate services	<p>The community satisfaction was last done in 2012 that is the document that informs the planning of the municipality so far</p>																												
20.	Draft Annual report 2021/22	42	<p>Chapter 3: Service Delivery</p> <p>3.2. Waste Water (Sanitation Provision)</p>	Infrastructure development	<p>At this moment there is nothing that the Municipality can do to with assist with sewer fumes however this issues will be escalated to WSA Sekhukhune District Municipality.</p>																												

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21.	Draft Annual report 2021/22	26	Table 37: Capital Expenditure Year 0: Electricity Services	<p>1. What is the reason for all variance above 50%, what happened to the budget?</p>	Infrastructure /Electrical services	<p>1. Replace old 35mm PLC cable from Erf181 to 830 – The site was handed over very late in the year and the full budget could not be utilised before year end. The project was completed in the beginning of the new financial year.</p> <p>2. Quality of supply recorders – Closed on 25/02/2022 and only 3 bids received. One was a "no offer" and the other two was around R 1 000 000 which was way above the budget. There is a very limited number of suppliers in South Africa and the MISA Consultant could only identify one which makes it difficult to get competitive, compliant bids.</p> <p>3. Radio Repeater – There was a poor response and no acceptable bid and SCM did not re-advertise.</p>
22.	Draft Annual report 2021/22	49	3.4. Waste Management "Contract EPWP are assisting to keep the service operational, but administratively serious backlogs and operational procedures are not in line with the waste guidelines."	<p>1. Why are the operational procedures not in line with waste guideline taking into consideration that in the previous financial year's draft annual report the same statement was presented? 2. Who is supposed to insure that the operational procedures are in line with the waste guideline?</p>	Community services	<p>1. This mainly refer to the landfill site compliance guidelines, due to the vacancy of the Superintendent Waste for 2 years and 2 months some procedures were not administratively captured</p> <p>2. The Manager social services at that time did the work of the Superintendent waste and parks and acted as director for a period and his own managerial work it is administrative work that needs to be captured and reflected on .</p> <p>Regae, Mokganyka, Manapjane, Mamphogo, Ieufontein corner Manapjane recently withdrawn. The last Legotla decision will result in Matlerekeng and Magatle will also be included during April 2023</p>
23.	Draft Annual report 2021/22		"Several communal containers are strategically placed to give communities further access to weekly refuse collection."	1. This strategically placed refer to which villages?	Community services	<p>1. The involvement of the provincial department with designs for a new site adjacent to the old site is underway. No expanding will be allowed</p> <p>1. The weighbridge controller was</p>
24.	Draft Annual report 2021/22		"The only permitted and licensed landfill site currently is situated in Marble Hall. The landfill site has a potential airspace of 2 and more years available."	1. Is there any plan or process of expanding the current landfill site or getting a new space?	Community services	
25.	Draft Annual report	50	"A weighbridge was installed at the Landfill site however we are	1. What does the many	Community services	

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2021/22		still establishing the correct manner to operate the weighbridge to its full capacity. The control of the entrance was not effective due to many operational challenges and waste being disposed are still estimated. A strategic approach on the weighbridge operations and training and license update will be done in the next financial year."	operational challenges refer to? 2. What are the risks of estimating the waste disposed at the landfill site as opposed actually weighing the waste?	not trained and later received training but resigned in the meantime. The license update are done annually and we are currently using EPWP to assist with capturing of data but it is still a challenge because the position is vacant 2. The landfill disposal guidelines and regulation now required each landfill to use a weighbridge. The purpose is for data and information to establish airspace of the site available, establish data from the refuse collection per municipality and for recording at the national waste information site. It gives much better correct data for planning purposes. Than the estimation process which will not be accurate. It can also assist if disposal tariffs are linked to the weight of the disposed waste
26.	Draft Annual report 2021/22	"The review of the outdated Integrated Waste Management Plan (2007) is still not finalized. A first draft was developed with assistance from a deployed employee allocated to assist with environmental services and awareness under the green deeds programme from the national department.	1. What are the challenges in getting the review done? 2. Who is the responsible person?	Community services
27.	Draft Annual report 2021/22	Re allocation of hawkers to the hawkker stall away from the N11 is still a huge challenge, the process is stuck due to resistance from the hawkkers to move to the hawkker stall and the deliberately stay away from the meetings. A new strategy needs to be formulated for implementation and Participation"	1. What is the progress with the formulation of the strategy?	Planning and Economic development
28	Draft Annual Report 2021/22	Component A: Auditor General of South Africa's Report 2021/2022	1. The municipality obtained two consecutive unqualified audit opinions, then regressed instead of getting a clean audit, what really happened? 3. We understand the basis of the Audit opinion is impairment of Assets but what led to this finding or the municipality not to recognise impairment as expected? 2. Who was supposed to review the AFS, were they reviewed internally or externally?	1. The IWMP is a rough draft but not fully completed. The provincial department also will appoint a service department to assist us with the Finalisation of the IWMP. 2. Initially assistance was requested from MIG and LEDET. LEDET now responded and are in process of appointment of a service provider. Review of the LED strategy on initiation stage. The plan to Formalise informal trading structures will be included in the LED strategy.
				1. Lack of accountability on the acting positions which emanates from the high vacancy rates at level of section 57 positions. 2. Inadequate review of each components on the AFS by BTO affected managers. 3. AFS were reviewed internal by internal audit and also external stakeholders which is

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				<p>3. Was anyone paid to review the AFS? And what happened after the audit opinion?</p> <p>4. In terms of the Service level agreement entered into with the preparers of the AFS are they not supposed to prepare AFS that are free from material misstatements?</p> <p>5. What caused the non-compliance and any consequences there of?</p> <p>6. Poor Project management is a concern what was done to address such what's the plan?</p> <p>7. What is the Progress on the Audit Action Plan (How many issues resolved)?</p>	<p>Treasury, Coghsta and audit committee.</p> <p>4. Yes, and nothing has been done since the reviewer only review the information that is been provided with.</p> <p>5. Yes, supposed to prepare AFS that are free from material misstatements.</p> <p>6. Inadequate review by management on the work done by the preparer and nothing is been done.</p> <p>7. The unit be trained on contract management.</p> <p>8. Only 2% of findings resolved.</p>
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ANNUAL CAPITAL PROJECTS / INSTITUTIONAL PERFORMANCE MANAGEMENT 2021/22 FINANCIAL YEAR VS WORK PERFORMED BY MPAC

NO	SOURCE DOCUMENT	PAGE	DETAILS AS PER THE SOURCE DOCUMENT	MPAC QUESTION /COMMENT	EXCO RESPONSE
1.	MPAC project oversight	N/A	On the 16 March 2023 MPAC Committee performed an oversight visit to Projects on the Draft Annual report 2021/22 ,amongst the project there was , Regae Bus Route,Mogalatsane Phetwane Bus road and Mabitsi Internal road	1. What is the current status on this projects? (On completed projects ,state the date of completion)	<ul style="list-style-type: none"> •Regae Internal street – complete •Mogalatsane - Phetwane internal – complete although there are defects identified. •Mabitsi internal street is currently on construction

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MPAC Committee has embarked on a project visit on projects appearing on the annual report and the following are pictures of the defects identified

- **Regae Internal Street – complete**



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•Mogalatsane - Phetwane internal – complete although there are defects identified.



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•Mabitsi internal street is currently on construction



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8. FOLLOW UP ON RESOLUTION OF PREVIOUS MPAC ANNUAL REPORT OVERSIGHT REPORT.

8.1. That the steering committee made of directors and chaired by the Accounting officer will holds meetings on a monthly basis to report on the progress made in the implementation of the action plan and Internal audit unit assign one internal auditor to conduct follow-up audits on a monthly basis to verify and corroborate with evidence the progress reported in the steering committee meetings. Such internal audit reports will be presented and discussed in the steering committee meetings.

-Not Implemented and progress was made hence the qualified Audit opinion and recurring findings

8.2. That council approves the 2020/21 draft annual report in all its material aspect.

-Implemented, the Draft was approved.

8.3. That Council implements the resolution to allocate budget vote for MPAC in the next financial year.

-Not implemented

9. RESOLUTIONS OF MPAC AFTER CONSIDERATION OF THE 2021/22 DRAFT ANNUAL REPORT

9.1. All document submitted to MPAC must be complete, reviewed and approved (signed).

9.2. MPAC be allocated budget and office space

9.3. Implementation of Audit Action Plan

9.4. Recording of Public hearing meetings must be submitted to MPAC office immediately after the public hearing.

9.5. Monitoring of Municipal projects must be first priority as there are many defects (Poor Project Management on project).

10. COMMENTS BY THE PUBLIC

The public/stakeholder consultative meeting was held physically to clustered areas of the Municipality to cover the whole demarcation of Ephraim Mogale local Municipality they were held in different dates as follows:

1. Mbuzini (07/02/2023)

2. Spitzpunt (08/02/2023)

3. Mmakgatle (09/02/2023)

4. Marble Hall-Joint Program with Sekhukhune District Municipality (13/02/2023)

5. Rathoke (22/02/2023),

5. Mabitsi A (23/02/2023)

This meeting were physically attended by the Honorable Mayor Cllr, Speaker of Council and other Cllrs.

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2021/22 financial year and thereafter a detailed presentation by the Honorable Mayor.

Lastly there was a question and answer session as well as time for commentary. However it was noted that comments received from the public via the Public Consultation Process did not yield any comments that suggested changes to the Annual Report or its presentation and formulation but rather focused on service delivery and requests for future representation. Comments made during the consultation of the Annual report are highlighted below:

	Question/Comments/Requests (including legislation if necessary)	Question asked by:
1.	Municipality to provide bins to eradicate the illegal dumping (Request)	Mr. Jeffrey Ngobeni
2.	Mbuzini to be included in future projects on the IDP and request for water (Request)	Mr. Nkadimeng
3.	Morarela access road, the community was promised 6.2km and now only 4.2km is provided -The Mayor has responded immediately and provided clarity. (Question)	Mr. Mashilo Phyco
4.	Access road from Elandskraal graveyard to Mbuzini via Kubela Secondary School	Mr. Mojapelo MP
5.	Rate payers are concerned with the delegation whenever public participation is in Marble hall the mayor delegates(Mr. Serumule
6.	-Why did the municipality get a qualified audit opinion(Question) -Why are we providing bursaries than communities(Question) -unfinished Storm water ext. 6(Question) (The Acting Mayor has responded immediately)	Mr. Makgale
7.	-How can the municipality assist in seeing the whole outlook of the municipality as agricultural hub of choice and assist farmers in villages (Question)	Mr. Legare Diphofa
8.	Incompletion of access road and the road not of good qualify.	Mr. Mamesele Tshehla
9.	-Permits should be granted to local businesses to pay rates (Request) -Gravelling of roads in ward 12 (Request)	Mr. Maswike Ratau
10.	Fencing in the graveyards is not quality(Comment)	Mr. Jacob Masha

11. RECOMMENDATIONS OF MPAC

The onerous requirements of so many legislative mandates, makes it difficult to achieve an unqualified Audit Opinion, a feat that very few municipalities achieve in South Africa. This regression from an unqualified audit opinion achieved in the 2019/20 and 2020/2021 financial year to a qualified Audit Opinion in 2021/22 financial highlights a decline in terms of instilling and maintaining adequate internal controls but also we believe with proper implementation and Monitoring of the Audit Action Plan, the municipality will be able to improve and the 2% progress on implementation of the Audit action plan is a call for concern as only 3 months left to financial year end. We have noted with concern the manner in which the Annual Financial Statements were prepared taking into consideration that the municipality is currently using consultants to prepare the annual financial statement and also dissatisfied with the constant findings around Annual Performance Report and this report is always on qualified Audit opinion. In line with our oversight function we undertook a thorough assessment on the Annual Report supported by the MPAC Researcher and internal audit unit. We have met with stakeholders to discuss areas of concern and we have noted that recommendations and changes requested by the MPAC have been adhered and corrected in good faith.

The Oversight Committee commends Council, Management and all staff at Ephraim Mogale Local Municipality on the strides made towards good governance. However, we believe that to achieve target set for clean audit status we need to continuously improve.

Having performed the following tasks:

- Reviewed and analyzed of the Annual Report;
- Invited, received, and considered inputs from Councilors and community members on the Annual Report; Considered that all the requests and comments were having an impact or change on the outlook of the Annual Report from the public consultation process;
- Conducted Public Hearings to allow the local community, stakeholders or any organs of state to view and listen to the Mayor and Exco responding to MPAC in relation to the previously made comments on Annual Report;
- Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- Prepared the draft Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councilors;

The Oversight Committee has the pleasure in presenting the Oversight Report to Council to consider and approve the following resolution.

RESOLVED TO RECOMMEND

1. That Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the 2021/2022 Financial Year, adopts the Oversight Report for the 2022/23 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management(as set out under chapter 6 oversight report)

And

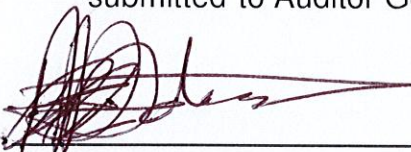
2. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.

And

3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

As well as

4. That the oversight report together with the signed resolution of adoption be submitted to Auditor General and CoGHSTA



CLLR TL MABASO

CHAIRPERSON

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

29/03/2023

DATE

T.L