EPHRAIM MOGALE
LOCAL MUNICIPALITY

111
MARBLE HALL
0450
013-261 8400
013-261 2985

Leeuwfontein Office (013) 261 8509
Elandskraal Office (013) 261 8506
Zamenkomst Office (013) 973 9160
Traffic Section (013) 261 8400

EXTRACTS FROM THE MINUTES OF THE 7TH SPECIAL COUNCIL MEETING OF THE COUNCIL OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON MONDAY 30 MARCH 2026

FILE/S 3/2/3/12/1

SC7/01/2026: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2024/25 ANNUAL REPORT

RESOLVED

That

1. The Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the *2024/2025* Financial Year, adopts the Oversight Report for the 2025/26 Financial Year, noting that all comments on the Annual Report have been adequately addressed and dealt with by management (as set out under chapter 6 oversight report)
2. The Council approves the 2024/2025 annual report without reservations in line with MFMA 129(1)(A)
3. The Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
4. The Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003
5. The Oversight Report together with the signed resolution of adoption be submitted to Auditor General and CoGHSTA.
6. The Municipal Manager implements the decision accordingly.

CLLR. LENTSOANE R M
SPEAKER

30 MARCH 2026

REFERRED TO MANAGER COUNCIL SUPPORT **BY MUNICIPAL MANAGER**

MOROPA M E
MUNICIPAL MANAGER

31/03/2026
DATE RECEIVED

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

EPHRAIM MOGALE LOCAL MUNICIPALITY

OVERSIGHT REPORT ON 2024/2025 ANNUAL REPORT

2025/2026 FINANCIAL YEAR

CONTENT

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EPHRAIM MOGALE LOCAL MUNICIPALITY
OVERSIGHT REPORT

Officials:

ME Moropa	Municipal Manager
TT Modisane	Chief Financial Officer
MR Rampedi	Director: Corporate Services
S Uwane	Acting Director: PED
Y Maphutha	Director: Community Services
Maphutha	Director: Technical Services
D Manaswe	Acting Manager IDP and PMS
S Marima	Manager: PMU
ML Masombuka	Chief Audit Executive

Audit and Performance Audit Committee Members:

ML Malapela	Chairperson
MA Mmapheto	Member
LM Mokwena	Member
Adv. GT Moeeng	Member
SM Ngwetsane	Member
MG Mathabathe	Member

Other: Stakeholders

Auditor-General's Office
Provincial COGTA
Limpopo SALGA
Limpopo Provincial Treasury
Sekhukhune District Municipality (MPAC)

MPAC Support staff

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

MPAC members: Current

Cllr T Mabaso	Chairperson
Cllr NS Letsela	Member
Cllr KM Aphane	Member
Cllr SE Mahubane	Member
Cllr KW Sebothoma	Member
Cllr C Maleswena	Member
Cllr KM Maelane	Member

2. PURPOSE OF THE REPORT

The purpose of this submission is to table the oversight report on the 2024/2025 draft annual report as tabled to council on the 23rd of January 2025 with council resolution number OC3/06/2026 for adoption and referred to MPAC for consideration and further scrutiny as per section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

3. 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.

In accordance with the provisions of Section 79A of Municipal structures Act 1998 as amended in June 2021, a municipality must establish a Municipal public accounts Committee.

The municipal council must determine the functions of the committee, which must include the following:

A. review the Auditor-General reports and comments of the Management and the Audit Committee and make recommendations to the municipal council;

B. review internal audit reports together with comments from the Management and Audit Committee and make recommendations to the municipal council;

C. initiate and develop the oversight report contemplated in section 129 of the annual report as required in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

D. attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and

E. on its own initiative but subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality;

4. 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

5. 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 members of 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 C Maleswena

2. EFF: Cllr KM Maelane
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 the Council as per the following programme:

The functions of the MPAC/Oversight Committee are to:

- Undertake a review and analysis of the Annual Report going forward
- Interrogate the Annual Report
- Invite, receive and consider input 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 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 the 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

6. PROCESS PLAN AND TIMEFRAME FOR THE ADOPTION OF THE OVERISGHT REPORT AND THE ANNUAL REPORT.

DATE	REASON	RESPONSIBLE PEOPLE	STRUCTURE
Done Previous 202122 Date: 24 November 2021 Resolution Number: SC4/01/2021 Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022 Date: 30 October 2025 Resolution Number: OC2/24/2025 Date: 23rd January 2026 Resolution Number: OC3/01/2025	Council establishes the MPAC/Oversight Committee	Council	Council
23 January 2026 Resolution Number: OC3/06/2026	Council resolution to adopt annual Report	IDP and PMS Manager /PMS Officer /Municipal Manager and Manager Council Support	Council
23 January 2026	Handover of Annual Report to MPAC and internal audit	IDP and PMS Manager /PMS Officer /Municipal Manager and Manager Council Support handover to ML Masombuka and Cllr TL Mabaso	Management
23 January 2026 Resolution Number: OC3/06/2026	Draft Annual report copies given to AG and COGTA after consideration of comments from council	IDP and PMS Manager /PMS Officer /Municipal Manager and ML Masombuka	None
10 March 2026	Draft advert prepared for submission to MM for public and stakeholder hearing	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support	None
10 March 2026	Actual advertisement in Local Notice Board, Social Media and Municipal Website	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support and MPAC Chairperson for Overseeing	None

26 January 2026	First meeting of MPAC on annual Report 10 am, Municipal council chamber to recognize the report and interrogation.	MPAC Committee, P Nkadimeng _MPAC Coordinator, MPAC Researcher and Chief Audit Executive	Ordinary MPAC meeting
3 February 2026- 5 February 2026	Interrogation of Annual Report and drafting of public hearing questions	MPAC Committee, SALGA, Treasury,AGSA and CoGHSTA	Special MPAC meeting
11 March 2026	Finalising public hearing questions	P Nkadimeng _MPAC Coordinator ML Mbonani_MPAC Researcher	Special MPAC meeting
05 February- 05 March 2025 - Staff and Special Programme stakeholders - Magoshi - Ward 1,2 and 3 - Ward 4,5 and 6 - Ward 8,9 and 10 - Ward 11,12 and 13 - Ward 14,15 and 16 - Joint with Sekhukhune - Rate payers	Cluster Meeting on the presentation of Draft Annual report to the public	Manager Mayor	Public meeting for Annual report
Upon receipt	Incorporation of AGSA and CoGHTA comments of Annual Report into Oversight report	IDP and PMS Manager /PMS Officer /Municipal Manager	None
23 March 2026	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 2026 (Preferred date 25 March 2026)	Tabling of oversight report to Council	Manager Council Support	Council Meeting
31 March 2026	Submit Oversight report to AGSA,COGTA and Limpopo Provincial Treasury	ML Mbonani to Amend the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None

31 March 2026	Posting of the report on the municipal website and printed copies to municipal offices	MPAC Researcher ML Mbonani and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure posting	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	MPAC Researcher ML Mbonani and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None

7. COMPLIANCE CHECKLIST

The committee developed a checklist and utilized it to test the compliance with section 121 of the Municipal Finance Management Act on 2023/24 financial year draft Annual report.

Findings were raised as follows on the…. With the municipal manager and subsequently corrected.

APPENDIX C

SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT				
Preparation and adoption of annual reports				
Question (including legislation if necessary)	**Question emanating from the legislation(column A)**	**Compliance Status ✓ / X**	**Portfolio of evidence or 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	**Timing** 1. Was the Annual Report tabled by 31 January, as per legislative Requirements? (23 January 2025) 2. Has a schedule for consideration of the Report been adopted?	✓	Council resolution OC3/06/2026	None

section 129.				
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.	2. Has a schedule for consideration of the Report been adopted?	x	Draft Schedule posted on Council group	The schedule for public participation on Annual Report was not formally adopted. (Public participation did happen however it was not adopted) **Recommendation** 1. Council to adopt schedule to consider the annual report as per the MFMA 121(2) 2. Public participation scheduled for communities with municipal assets e.g. Community Hall, the community assets must be utilised to avoid unnecessary spending.
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; *(b)* to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and *(c)* To promote accountability to the local community for the decisions made Throughout the year by the municipality or	(a)Does the draft annual report provide the correct records of activities of the municipality? (b) Does the draft annual report provide the performance against the budget? (c) Does the draft annual report promote accountability?	✓ ✓ ✓	Draft Annual Report Page 82-88 Draft Annual Report	(a) Corrections to the report were made during the interrogation of the Draft Annual report as PMS was invited (b) None (c) Corrections to the report were made during the interrogation of the Draft Annual report as PMS was invited

municipal entity.				
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?	✓	Attached as part of the Draft Annual Report after Annual Performance report	None
(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 audit Report on Financial Statements	✓	Attached as part of the Draft Annual Report after Annual Performance report	None
(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;	(c) Does the Draft annual report include the annual performance report?	✓	Draft Annual Report	None
(k) Any other information as may be prescribed	**(k)** Does the draft annual report include Any other information as may be prescribed?	✓	Draft Annual Report	None

CORRECTIONS EMANATING FROM THE PUBLIC HEARING

1. DRAFT ANNUAL PERFOMANCE REPORT, PAGE 42

Public Satisfaction on Municipal Service The 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 with service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries.

Management acknowledges the importance of writing correct information and committed to rectify the statement as it is from old report and no longer relevant.

8. 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 Exco 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 23 January 2026,MPAC Had two meetings/engagements and interrogation session to understand and make reference to legislation in considering the annual report for the financial year ended 30 June 2025.

MPAC embarked on a project oversight on all projects listed on the draft annual report.

Upon interrogation of the Annual Report on 3rd to 5th February 2026, the following matters were raised in terms of compliance as per the following checklist developed by MPAC

APPENDIX D

PUBLIC HEARING QUESTIONS	
DRAFT ANNUAL REPORT OF 2024/25 FINANCIAL YEAR WITH ATTACHMENTS –AGSA REPORT, AFS PERFOMANCE REPORT,AUDIT ACTION PLAN, AUDIT COMMITTEE REPORT AND 2023/2024 OVERSIGHT REPORT	

NO	SOURCE DOCUMENT	PAGE	DETAILS AS PER THE SOURCE DOCUMENT	MPAC QUESTION /COMMENT	RESPONSIBLE DEPART/UNIT	RESPONSE
The Municipal Public Accounts Committee would like to congratulate Ephraim Mogale Local Municipality on its achievement of the unqualified audit opinion with findings for financial year 2024/25 which is a sustained from the 2023/24 financial year, we hope this paves a way to clean audit / unqualified audit opinion without findings. The committee commends the accounting officer on the commitment made to deal with Material irregularities preciously identified by AGSA, implementation of consequence management and the controls implemented to ensure that the municipality has no newly identified irregular expenditure in the 2024/2025 financial year (previous financial year:2023/2024 FY an irregular of R 1 899 563.00 was identified) The committee went through the AGSA REPORT as submitted by management as an attachment of the draft annual report, the Audit report is signed by the auditor general and confirmed to be the correct by AGSA through engagement with the committee which was held on the 4th of February 2026.						
AGSA 2024/25 AUDIT REPORT, FINANCIAL STATEMENTS AND AUDIT ACTION PLAN						

1	**AGSA 2024/25AUDIT REPORT**	**1**	**Paragraph 7: Material allowance for impairment** 7. As disclosed in note 6 to the financial statements, the gross consumer debtor balance amounted to R 217 095 625 and as a result of irrecoverable debtors, a material impairment of R120 827 563 MPAC Calculation Shift or increase for 2023/24 to 2024/25 FY (R120 827 563 - R112 241 919= R 8 585 644) **R120 827 563/ R 217 095 625 *100 %= 55.66%** **1. Meaning of Impairment** **2. The impairment is 55.66% of the total gross consumer debtors' book, does this mean the municipality is only able to collect 44,34%.**	1. During the 2023/24 Financial year draft Annual report public hearing, the committee inquired on whether the Municipality had a revenue enhancement strategy and the response was a "Yes" 1.1. Does the 55.66% irrecoverable debts suggest that the strategy failed and if so, did the municipality perform any analysis on why it failed? 1.2. Is the strategy reviewed for 2025/26 Financial year? 1.3. Do we have any Government or state-owned entities that owe the municipality? 1.4. Do we have any councillor or employee that owe the municipality? 1.5. In billing the consumers do we take into any subsidies to the indigents?	Budget and Treasury	1.A level of 55.66% irrecoverable debt does not necessarily indicate that the revenue strategy has failed but rather reflects the challenging socio-economic environment within which the municipality operates. The Revenue Management Strategy remains an important framework that guides billing, credit control, debt collection, and customer support mechanisms. The municipality continues to implement the strategy; however, several external factors significantly affect collection levels, including: • Prevailing economic conditions, which place financial pressure on households and businesses. In response to these realities, the municipality has incorporated various incentives within its revenue policies to encourage payment and assist customers to regularise their accounts. These include structured payment arrangements and other debt-relief measures aligned with the

						municipal credit control and debt collection framework. It should also be noted that the municipality is unable to effectively enforce credit control in certain areas such as Leeufontein and Elandskraal, where Eskom supplies electricity directly to residents. Because the municipality does not control the electricity supply in these areas, it cannot implement conventional credit control measures (such as electricity disconnections) to compel settlement of outstanding municipal accounts. Accordingly, the current situation should be understood not as a failure of the strategy, but as a reflection of structural economic realities and service delivery constraints, which the municipality is actively working to address through policy review and strengthened implementation. 2.The municipality is in the process of strengthening its revenue framework. With technical assistance from the

						Development Bank of Southern Africa, a reviewed Revenue Management Strategy is currently being developed and will be tabled before Council in April 2026. 3. Yes, the municipality does have some government departments and state-owned entities that owe outstanding amounts. These matters are currently being addressed through the Municipal Debt Forum, where engagements are undertaken to resolve the outstanding balances. 1.4 No employees owing. 1.5 No. The Municipality is not having the register yet.

2	**AGSA REPORT /AGSA AUDIT ACTION PLAN**	**2:3**	**Paragraph 29:** Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1) (d) of the Municipal System Act 32 of 2000 **- This is a recurring finding or rather a statement in our audit report.** (2022/2023 FY,2023/2024 FY and 2024/2025 FY)	2. During the 2023/24 Financial year draft Annual report public hearing, the committee inquired on whether the Municipality will be able to resolve the finding, and the response was that systems are in place and the finding will be resolved. 2.1. Why is the finding reoccurring? 2.2. What is the progress to date in resolving the finding as on the audit action plan, the remedial action was that the municipality will capacitate the Unit(did employees sign performance contracts which are aligned to Job descriptions)?	Municipal Managers office	2.1. The finding is reoccurring mainly due to delays in fully implementing the systems that were intended to ensure compliance with the requirements of the Municipal Systems Act as well as the Municipal Staff Regulations. Processes were initiated to ensure that employees sign performance agreements aligned with their job descriptions in the 2024/2025 FY, but the implementation was not completed for all employees due to a low submission rate of performance contracts. Additionally, capacity constraints within the IDP&PMS Unit had caused delays in monitoring and enforcing compliance contributed to the recurrence of the finding. The Unit, responsible for IDP, Organizational PMS and Individual PMS had only 2 officials responsible for only Organizational PMS and IDP. 2.2. The municipality has made progress in addressing the finding firstly by strengthening the IDP&PMS Unit through an appointment of an IPMS Officer

						responsible for coordinating the signing of performance agreements for employees other than the Municipal Manager and managers directly accountable to the Municipal Manager. Employees have been guided to develop their performance agreements and the process of collecting and verifying signed performance agreements is ongoing. The unit continues to monitor compliance and provide support to departments to ensure that all employees sign performance agreements in line with legislative requirements. To date, 139 out of 232 performance agreements have been submitted and 92 remain outstanding. The submission of all performance agreements will subsequently allow for full implementation of a functional and compliant Individual Performance Management System and address the audit finding.

3	**AGSA AUDIT ACTIO N PLAN**	**1**	**Audit Action Plan : Item No 1(Annexure: Matters Management Audit Report) Finding** " Commaf 05 PPE – No evidence that the disposal of assets was approved by the Council" **Root Cause** The asset register was not finalized at the time of council approval, The carrying value that was submitted as part of the council approval was as of July 2024 as opposed to June 2025. **Remedial Action** Item will be submitted to council in the 2025/2026 financial year to correct the carrying value that was approved by council in the 2024/2025 financial year. Year-end processes/transactions	3. The root cause as per the audit action plan states that the assets register was not finalised at the time of council while the remedial action states that Item will be submitted to council in the 2025/2026 financial year to correct the carrying value that was approved by council in the 2024/2025 financial year, Year-end processes/transactions that require council approvals will be processed through a special council in the first/second week of August of the following year in which AFS are prepared 3.1. What difference will it make taking the item to council on the first week /second week of august? 3.2. How is the action plan addressing the finding as the root cause clearly states that the item did serve in council however with incorrect figures?	Finance/Budget and Treasury	**3.1** Submitting the item to Council in the first or second week of August will ensure that all year-end financial processes, including the finalisation of the Asset Register and verification of asset values, are completed before Council approval is obtained. 3.2 The action plan addresses the finding by correcting both the timing and the accuracy of the information presented to Council.

			that require council approvals will be processed through a special council in the first/second week of August of the following year in which AFS are prepared.			

4	**AGSA AUDIT ACTIO N PLAN**	**2**	**Audit Action Plan : Item No 2(Annexure: Matters Management Audit Report)** **Finding Human** “Resource Management – Human Resource Plan not in place for the year 2024/25." **Root Cause** Management did not table the HR plan to council. **Remedial Action** "Management has currently developed HR plan. The Plan will be tabled to council during third quarter " **Reason Repeated** It was resolved after the financial year had ended **Timeline** 31 March 2026	4. The finding suggest that there was no HR plan in place for 2024/2025 while the root cause suggest that the plan was there however not tabled to council. On the remedial action, Human resource management suggest that the plan will be tabled to council during the third quarter, as this is a reoccurring finding on the reason for repeated finding it suggest that “was resolved after financial year ended” 4.1. if the finding was resolved after year end, why the timeline is 31 March 2026? 4.2. What guides that the HR plan must be tabled to council? 4.3. What is the progress to date? (in which council will this be tabled? is the item ready?)	Corporate Services	4.1. The timeline includes the tabling of council however the draft was developed without council during the audit. 4.2. No guideline however this is in terms of good practice as suggested by AGSA 4.3. The plan is developed and will be tabled by Q3

5	**AGSA AUDIT ACTIO N PLAN**	**4**	**Audit Action Plan: Item No 4(Annexure: Matters Management Audit Report)** **Finding** "Financial delegation not reviewed and approved for 2024-25 financial period" **Root Cause** "The accounting officer did not approve the financial delegation as they were not updated with the current SCM policy." **Remedial Action** The draft financial delegations have been developed for approval by the Accounting Officer. They will be approved by February 2026.	5.The finding suggest that the financial delegations were not reviewed and approved for 2024-2025 financial period 5.1. Kindly explain the root cause in detail. 5.2 Are the draft delegations approved as the date of approval suggest by February 2026. 5.3. what is the progress to date with resolving this finding?	Municipal Managers office	5.1. Process delays in submitting the financial delegation for review 5.2. Not yet as the draft financial delegations for 2025-2026 in place waiting for council approval in the next ordinary council meeting. 5.3. Draft financial delegations for 2025-2026 in place waiting for council approval in the next ordinary council meeting.

6	**AGSA AUDIT ACTIO N PLAN**	**7**	**Audit Action Plan: Item No 7(Annexure: Matters Management Audit Report)** **Finding** "COMAF 19 - Indigents debtors – Subsidized Basic Electricity - Indigents (Subsidized Basic Electricity): Indigent customers approved and received the subsidies, however, were not in line with the indigent policy and municipal by laws resulting in the financial loss." **Root Cause** Lack of controls **Remedial Action** The Municipality will ensure that each an every application will be verified at entry point and the Indigent register will be verifying on quarterly basis to ensure that only qualifying beneficiaries	6.1. Explain the finding in detail, not qualifying how? 6.2. Root cause suggests lack of internal controls, what are the current controls and why are the controls not working? 6.3. what is the progress to date regarding the implementation of the remedial action? 6.4. Who qualifies to be an indigent, are the communities aware of such benefits? how is the recruitment done?	**Municipal Managers Office/Speakers office**	6.1. Indigents debtors – Subsidized Basic Electricity - Indigents (Subsidized Basic Electricity): Indigent customers approved and received the subsidies, however were not in line with the indigent policy and municipal by laws resulting in the financial loss. The 09 identified customers were declared diseased on the last quarter of the financial year while 01 was identified as the husband to the department employee earning more than the municipality indigent threshold of R4400.00. 6.2. The municipality is currently verifying the indigent register on a quarterly basis to ensure that customers are still in line with indigent policy. In the past year the controls were not working because we were only verifying once a year while the financial situations of customers changes on regular basis as a results the we were always getting the findings from the AG. 6.3. The Municipality is performing verification on a quarterly basis. On the identified customers benefited without

			benefit Free Basic Electricity on the system. The Municipality will compile the list of beneficiaries received Free Basic Electricity unduly and hand over to Debtor's collectors for recovery purposes. **Timeline** 15 January			meeting requirements, we've verified and removed them from the Municipal Indigent Register. The letters of demand to repay the financial lose was issued 6.4. For one to qualify to be an indigent must have a monthly income of less than R4400.00 The communities are informed through publication of notices on all municipal notice boards, Cllrs word of mouth during community meetings. The recruitment is done through filling the municipal indigent form to be submitted to the municipality and be subjected to internal verification
REPORT OF THE AUDIT AND PERFOMANCE COMMITTEE						

7	**AUDIT AND PERFOMANCE COMMITTEE REPORT**	**4**	**INTERNAL AUDIT** Internal Audit implemented all the planned assurance engagements for the 2024/25 financial year. The internal audit function found that control of the environment was effective; however, some specific control weaknesses we identified on ICT, Payroll management and Leave Management, for which recommendations were made for improvement. The Audit Committee is satisfied that the internal audit function operates effectively under the circumstances and that it has addressed the risks pertinent to the Municipality and its audits. The capacity of Internal Audit Function is a concern to the Audit Committee in that	7.1. Are the recommendations of internal audit fully implemented on specific control weaknesses identified on ICT, Payroll management and Leave Management? 7.2. What is preventing the municipality to appointment of the two key vacant positions in internal audit unit (1 Internal Auditor and 1 senior internal audit/50% as referred to by the audit and performance committee)?	**Internal audit/Corporate services /MMs office**	7.1. Implementation of audit recommendations. 7.1.1. ICT has fully implemented the recommendations of the internal audit on control weaknesses identified. 7.1.2. The recommendations were not fully implemented on Payroll and Leave management. 7.2 The process was initiated during July 2025,it is pending finalisation off recruitment processes.

			50% of the posts are vacant and should be filled as a matter of urgency to capacitate the Unit optimally.			

8	**AUDIT AND PERFOMANCE COMMITTEE REPORT**	**6**	**RISK MANAGEMENT** The Municipality has Risk Management Function that is headed by Risk Officer who reports to the Municipal Manager and the Risk Management Committee. The Audit Committee has reviewed the risk register and the reports from the Risk Management Committee and is concerned that for the two quarters under the year, the risk monitoring reports were not submitted by management to the Risk Management Committee and has urged the Municipal Manager to address this matter through consequence management**.**	8.1. Was the audit and performance committee concern on non-submission of risk monitoring reports addressed? 8.2. Was the matter addressed through consequence management as recommended by the audit and performance committee?	**Risk Management /MMs office**	8.1. Yes, the concerns were adequately attended to in September 2025. 8.2.No, upon assessment of the reason for the non submission,it was discovered that the unit has one official which makes it impossible to run the coordination and reporting in the unit and a position on the organogram was added for Chief risk officer and will be filled in due course however the municipal manager has made provision to deal with the matter while waiting for the HR processes to unfold

9	**AUDIT AND PERFOMANCE COMMITTEE REPORT**	**6**	**ICT GOVERNANCE** The Audit Committee reviewed quarterly ICT reports in the year under review. Internal Audit findings relating to ICT were not fully implemented and this is due to poor ICT Infrastructure, lack of capacity in the ICT department and financial constraints. For the year under review management implemented 60% of the ICT risk mitigations measures and 40% were not implemented. The Audit Committee had advised the Accounting Officer to appoint a qualified ICT Steering Committee Chairperson who will help capacitate the unit and improve controls thereof.	9.1. The report of Audit committee suggests that the ICT findings by internal audit were not fully implemented due to poor ICT Infrastructure, lack of capacity and financial constraints, what is the meaning of this statement and progress to date in addressing the shortcomings? 9.2. Was the recommendation of the audit and performance committee on appointing a qualified ICT Steering Committee Chairperson who will help capacitate the unit and improve controls implemented? after appointment were there any changes and when is the term of office of the ICT steering chairperson ending?	**ICT Support /Corporate services**	**9.1** Recommendation made by internal Audit are fully implemented, the Municipality has avail budget to improve ICT infrastructure through Network upgrade, the vacant ICT position was filled to capacitate the division 9.2 the recommendation made by Audit and Performance committee were implemented, independent chairperson was appointed.

FOLLOW UP ON IMPLEMENTATION OF 2023/24 MPAC RECOMMENDATION
Kindly provide clear responses as Implemented, Not Yet implemented and in progress (where the recommendation is not yet implemented indicate the reason and way forward and where the response is in progress provide the progress to date and anticipated date of conclusion) and provide the means of verification (POE).

10	**2023/24 oversight report**		10.1.That a steering committee made of directors and chaired by the Accounting officer holds meetings on a monthly basis to report on progress made on the implementation of the Audit Action Plan and internal Audit to assign one internal auditor to conduct follow-up audits on monthly basis to verify and corroborate with the evidence the progress reported in the steering committee meetings.	**Internal Audit**	Implemented: The meetings are scheduled and seating as recommended and there is an auditor assign to monitor the progress, however only departments that are attending have improved.
			10.2. All Documents submitted to MPAC must be complete, reviewed and approved (Signed)	**Municipal Managers office**	Implemented, all documents sent to MPAC are adequately reviewed and signed.
			10.3. Review of the Audit Action Plan (Actions to improve on the audit action plan won't address the findings and if not reviewed and corrected, some findings will recurred next audit)	**Internal Audit**	Implemented: The audit action plan was reviewed with the affected department.
			10.4. Monitoring of Municipal projects must be a priority as there are many defects (poor project management)	**PMU/Infrastructure**	In progress: monitoring and quality control test are also performed

			10.5. Implementation of all audit committee recommendations (List all the audit committee recommendations for 2023/24 financial year and indicate next to each recommendation the implementation status)	**Municipal Managers office**	• Review of AoPO by Management: **No yet implemented as the finding on lack of review by management is still recurring.** • Filling of all funded vacant positions as per the approved organized structure: **In progress, The process was initiated during 2025,pending finalisation off recruitment processes.** • Make budget provisions to capacitate internal audit and minimize use of consultants: **Implemented, the process was initiated during ,pending finalisation off recruitment processes.** • Implementation of revenue enhancement strategy. **Implemented, as the municipality was at the level of 55.66% irrecoverable debt**.

					• UIFW Reduction strategy. **Implemented , draft UIFW in place**. • The municipality develops and implements a strategy to improve its indigent management. **In progress , as there is a system in place as the strategy to improve indigent management.** • Conduct ICT Investigation regarding CYBER attack, **Implemented, the investigation is in progress.** • Appointment of the additional audit committee member with ICT Skill. **Implemented, the AC member with the ICT skill was appointed in July 2025.** • AGSA action plan management to re-work on the root causes. **Implemented. The affected department reworked on the root causes to address the findings raised.**

					• Quarterly monitoring progress on AGSA action plan by conducting audit steering committee meeting bi-weekly. **Implemented the steering committee was scheduled weekly to monitor the action plan.** • Risk Committee chairperson assists with the combined assurance committee. **Implemented, the risk committee chairperson assisted the combine assurance in developing and implementation of the combine assurance Framework.**
			10.6. Capacitate PMS Unit by appointing personnel who will assist with performance evaluation of staff members (IPMS Officer)	**Municipal Managers office**	Implemented, an IPMS Officer was appointed and assumed office on the 5th of January 2026. The appointee has since improved the coordination of performance agreements ensuring they are developed, signed and submitted for filing.

			10.7. Capacitate Internal Audit Unit (All funded positions)	**Corporate services**	The process was initiated during July 2025, it is pending finalisation off recruitment processes
			10.8. Report quarterly to council on progress on Material irregularity identified by AGSA	**Municipal Managers office**	Implemented, however all the material irregularity raised by AGSA to the municipality were resolved during the 2024-2025 audit cycle.
			10.9. That council approves the 2023/2024 draft annual report in all its material aspects.	**Council Support**	The Council Approved the Overreport of the Annual report without reservation on the 31 March 2026
			10.10. Prioritize refurbishment /maintenance of municipal buildings (provide the details of buildings, damage and progress)	**Corporate services**	In Progress, the buildings were maintained in the Corporate ,finance and community services
			10.11. Report to council the UIFW identified during the audit (R 1 899 563- irregular expenditure) to allow timeous investigation	**Budget and treasury office**	The report was tabled to Council
			10.12. The performance of contractors or service providers be monitored monthly, in line with required by section 116(2)(b) of the MFMA	**Municipal Managers office**	In progress, the municipality is continuously monitoring the performance of service providers
			10.13. Morarela Internal Road: The Department of infrastructure to liase with department of Community service to temporary aid with the erection of fence around the runoff detention pond area to prevent easy access.(Management commitment)	**Infrastructure and community services**	In progress: The pond will be protected.

			10.14. Corporate services department to consult with internal audit in relation to all AGSA findings and develop and audit Action plan for the department subsequently review the actions to improve In the Municipal AGSA Audit Action Plan(challenge in interpretation and what is expected therefor)	**Corporate services**	Implemented, Corporate services has consulted internal audit and improved on identified findings
			10.15. Internal Audit to Audit PED/LED in detail (ad-hoc audit)	**Internal Audit**	Implemented: The value for money audit was conducted on PED/LED department.
			10.16.Strengthen the performance management system and related controls to indicate how the performance monitoring, review and reporting processes should be managed, as required by municipal planning and performance management regulation	**Municipal Managers office/PMS**	Implemented, the municipality reviewed and enhanced its PMS framework, procedures and internal controls. This included developing clearer guidelines on how performance planning, monitoring, evaluation and reporting should be conducted across all departments. The improved procedures provided clear guidance to departments on their responsibilities in performance monitoring and reporting.

11	DRAFT ANNUAL REPORT	N/A	**Content of the draft annual report**	11.1. where the inputs of AGSA and audit committee taken into consideration before submitting the report to council? 11.2. What were the comments of the public regarding the draft Annual report?	**Municipal Managers office/PMS**	11.1. No, inputs were taken into consideration during the MPAC interrogation session. 11.2. No written comments were directly submitted to the IDP/PMS Unit, but comments were made during the public participation program and the comments as well as recommendations will be incorporated in the final Annual Report for the 2024/2025 FY
12	DRAFT ANNUAL REPORT	15	**Function (17) Billboards and the display of advertisement in public place: yes**	With reference to the billboard at the landing strip Marble Hall 12.1. Do we collect any revenue for that advertising board? 12.2.who is responsible for updating the advertisement? (that billboard has old information)	**LED, Infrastructure and community services**	The Municipality is not generating any revenue from the billboard due to contractual disputes between the municipality and the owner the billboard. Currently there is no signed agreement between the two parties. The owner is solely responsible for updating the advertisement as and when they are approached by various clients.

1 3	**DRAFT ANNUAL REPORT**	**41**	**Supply Chain Management** The municipality approved the planned capital projects through a procurement plan document which was also sent to Treasury, the procurement plan had 30 planned capital projects which amounted to R 88 621 360 .00. The total project amount composed of R 47 470 200.00 from Grants and R 41 151 160.00 form own funding. <table><tr><td>Item</td><td>Number of Projects</td><td>Project</td></tr><tr><td>1</td><td>02</td><td>Two of t through</td></tr><tr><td>2</td><td>01</td><td>One out initiated repriorit other pr</td></tr><tr><td>3</td><td>20</td><td>Twenty appointe</td></tr><tr><td>4</td><td>07</td><td>Seven c contract projects</td></tr></table>	One out of the 30 projects were not initiated for procurement however reprioritize during budget adjustment to other projects 13.1. Which project was reprioritised and why?		Purchasing of a roadblock vehicle. The appointed service provider will be bringing all the infrastructure for traffic management services.

14	**DRAFT ANNUAL REPORT**	**36**	**The following are the some of the key resolution and /or recommendations made by the audit committee in the aforesaid meetings:** • Review of AoPO by Management • Filling of all funded vacant positions as per the approved organized structure • Make budget provisions to capacitate internal audit and minimize use of consultants • Implementation of revenue enhancement strategy • UIFW Reduction strategy • The municipality develops and implements a strategy to improve its	14.1. Are the audit committee recommendations implemented? i.e. the Conducting ICT Investigation regarding CYBER attach and appointing of the additional audit committee member with ICT Skills (who is the independent person) 14.2. Audit committee recommendations on making budget provisions to capacitate internal audit and minimize use of consultants 14.3. As per the approved Organogram, is internal audit adequately capacitated? 14.4. Does the municipality use consultants to perform the work of internal audit (Co-sourced service)? And how was the amount spent in the 2024/25 financial year? 14.5. What is preventing the municipality to appointment of the two key vacant positions in internal audit	**MM's Office/Corporate Serves /HR**	14.1. Yes: ICT investigation currently in progress and the additional audit committee member were appointed. 14.2. No: position was advertised and human resource unit to finalise the appointment processes. 14.3. No: position was advertised and human resource unit to finalise the appointment processes. 14.4. Yes: the budget for 2024/2025 R 1 500 000.00 14.5. No: position was advertised and human resource unit to finalise the appointment processes.

			indigent management • Conduct ICT Investigation regarding CYBER attack • Appointment of the additional audit committee member with ICT Skill • AGSA action plan management to re-work on the root causes • Quarterly monitoring progress on AGSA action plan by conducting audit steering committee meeting bi-weekly • Risk Committee chairperson assist with the combined assurance committee	unit (1 Internal Auditor and 1 senior internal audit)?		

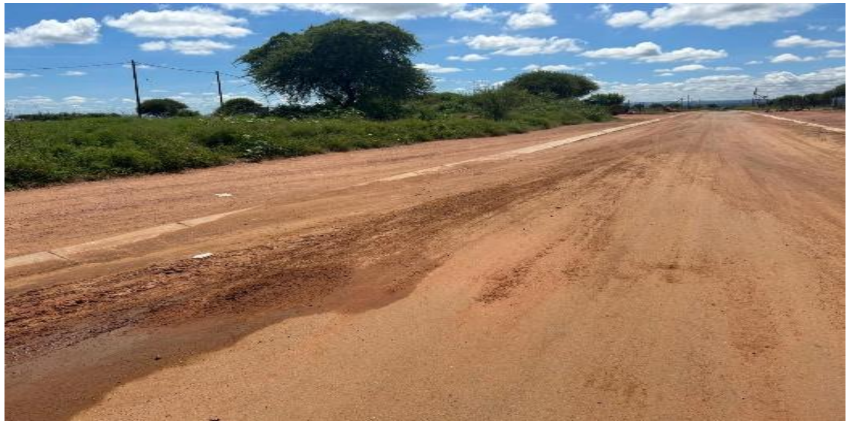
15	**DRAFT ANNUAL REPORT**	**40**	**2.10 ANTI – CORRUPTION AND FRAUD** **- Whistle blowing policy**	15.1. what is whistle blowing and who is permitted to blow the whistle 15.2.How is the municipality implementing the whistle blowing policy 15.3. where can one possibly report or be a whistle blower (hotline number or contact details) 15.4.was there any incident reported by whistle blowers in the financial year under review 15.5. How does the municipality protect a whistle blower?	**MM/Risk Management**	15.1. Whistleblowing refers to the activity of an individual, often an employee, revealing information about illegal, immoral, illicit, unsafe, or fraudulent activities within a private or public organization. Any person is responsible to blow the whistle. 15.2. Through both Provincial and presidential hotline 15.3. Provincial Hotline 0800 701 701 15.4. No 15.5. The municipality currently does not have any projection for whistle blowers. The function is currently performed by the province.
16	**DRAFT ANNUAL REPORT**	**42**	**Public Satisfaction on Municipal Service** The 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.	16.1. Which villages which made it impossible for the survey to take place? 16.2. How was the survey conducted and by who? 16.3.What did the Municipality do with the residents complains about traffic control and motor vehicle licensing, streets and storm water, housing and libraries as this is a recurring matter? (Same statement appears in	**Speakers Office/MM**	This is an error it will be rectified during corrections, during the review of the report, the department has omitted editing this part.

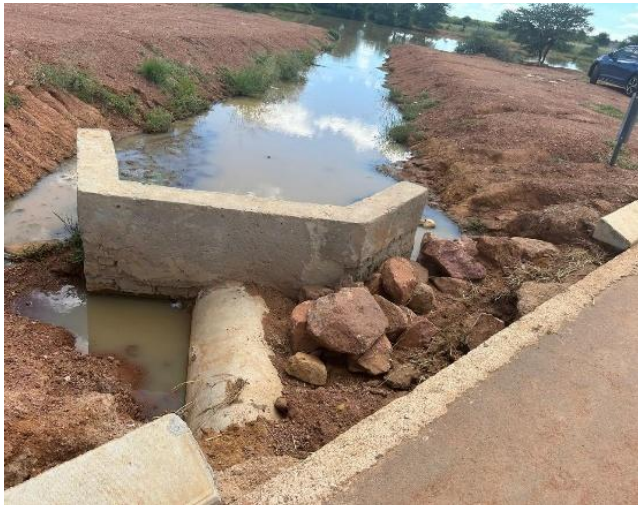
			Many of the residents have indicated their displeasure with service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries.	2020/2021, 2021/22 , 2022/23,2023/24 and 2024/25)		

9. PROJECT OVERSIGHT ON PROJECTS REPORTED ON THE DRAFT ANNUAL REPORT

The following projects were visited for verification of information recorded on the draft Annual Report:

MORARELA INTERNAL STREETS (FOLLOW UP ON PREVIOUS RECCOMENDATION)

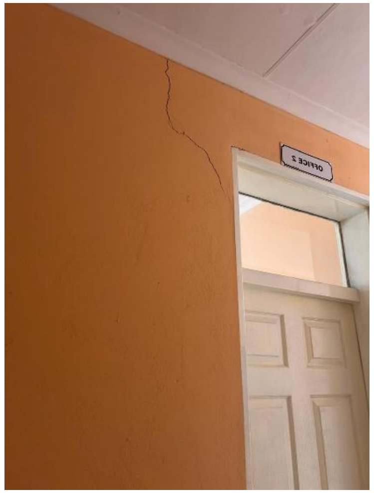


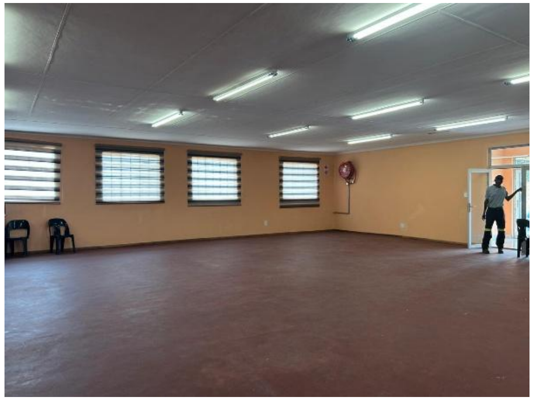


1.The reccomendation of MPAC for the previous financial year were not implemented on securing the area fencing it as it has potential danger to community.

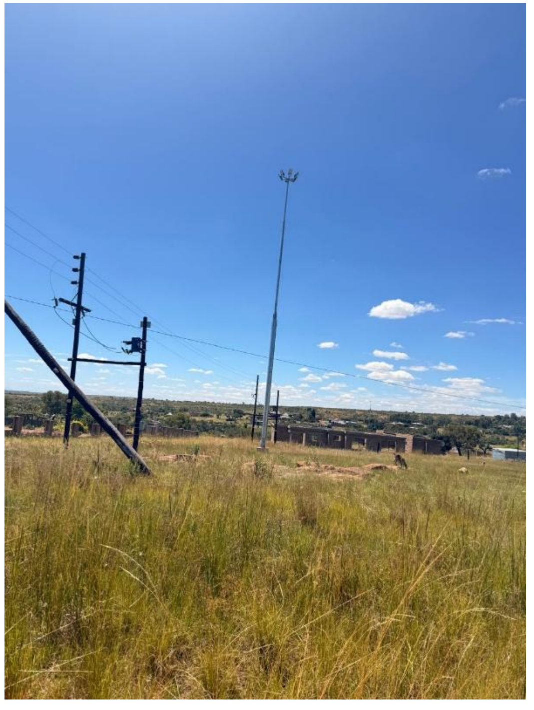
- This will be followed up until every quarter.

KEEROM COMMUNITY HALL

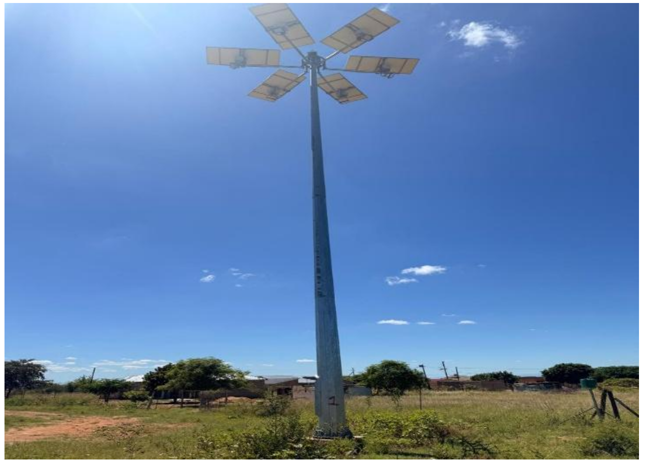




2. MPAC Congratulates the Municipal on successfully handing over the community hall and recommend maintenance of the hall, where there is roof leaking fix and proper maintenance of the yard.

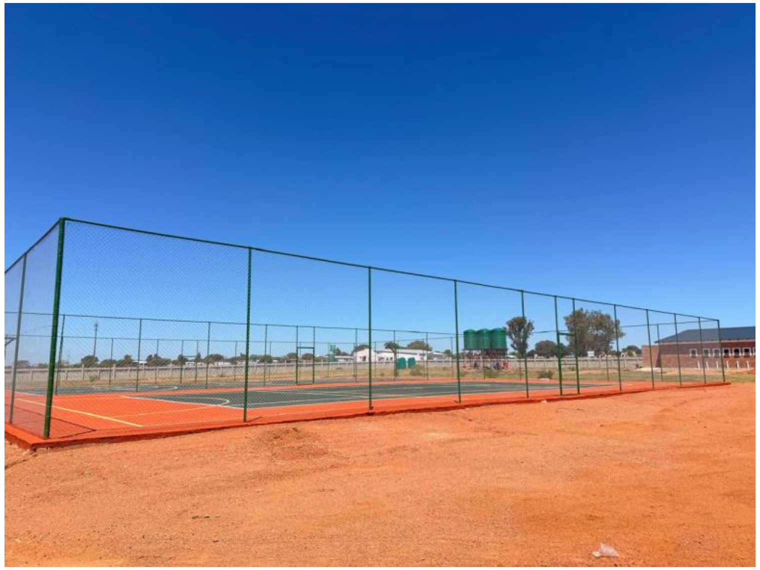


WARD 3 AND WARD 12 HIGHMAST LIGHTS



3.Due to capacity issues relating to Eskom at ward 3, the municipality changed to solar high mask light and currently Eskom is energizing the high mast lights at ward 12. (the progress is commendable; the committee will follow up until all the high mast lights serve the intended purpose)

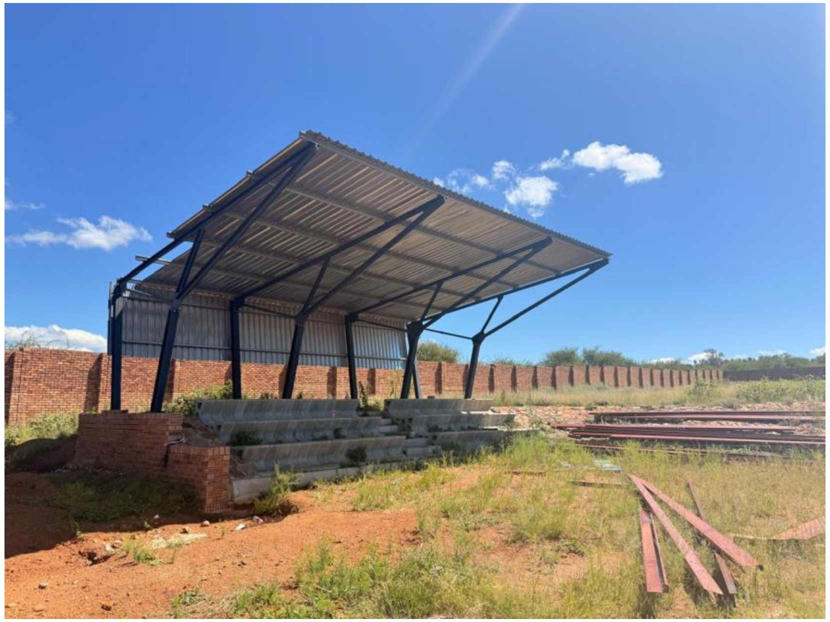
MATLEREKENG SPORTS COMPLEX

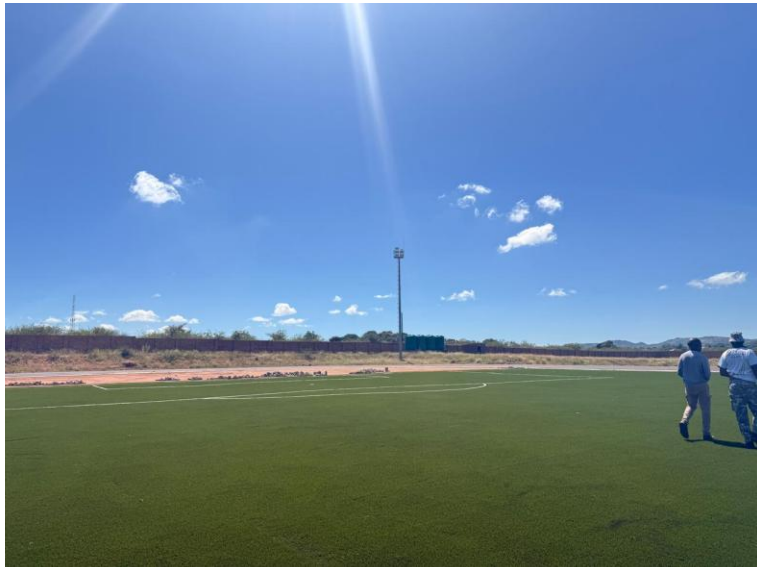


The Project is still in progress with exceptionally well progress, it experienced challenges which were resolved with the community at some stage. (community protest over labor selection process)

- The committee will monitor the progress on quarterly basis.

MAMPHOKGO SPORTS COMPLEX



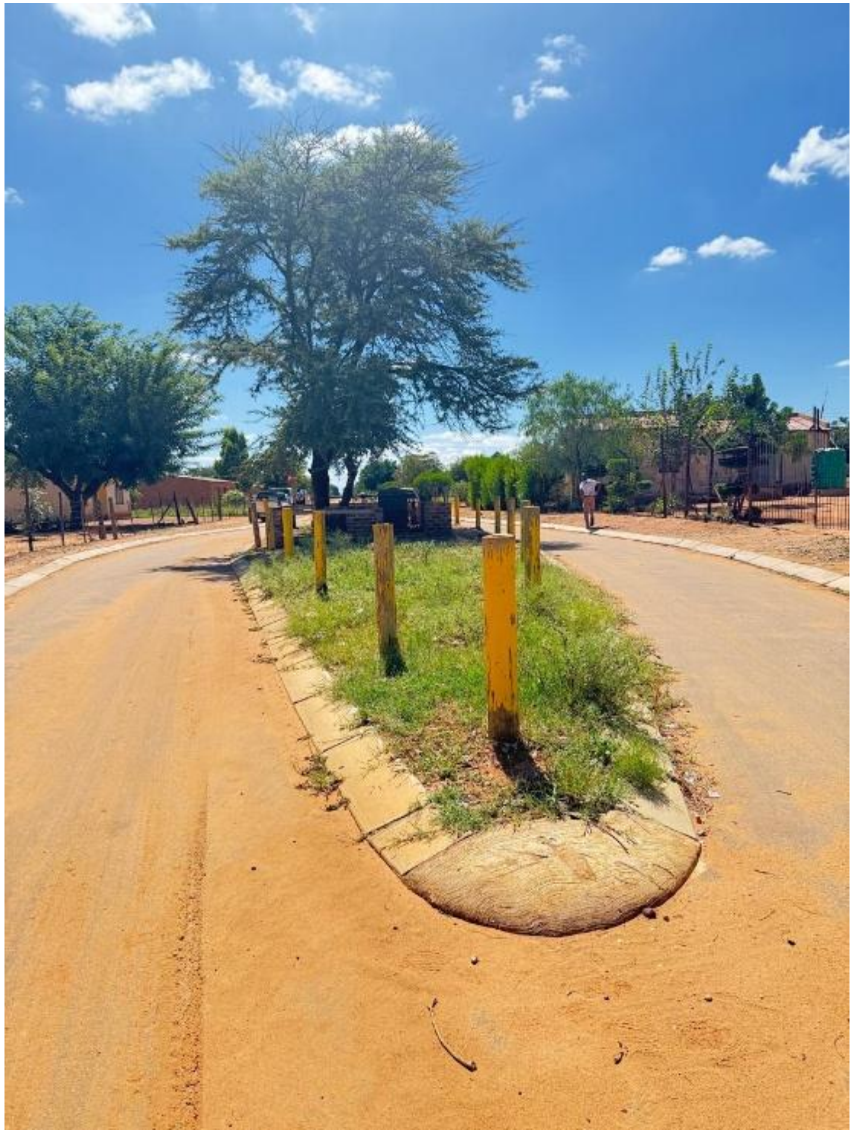


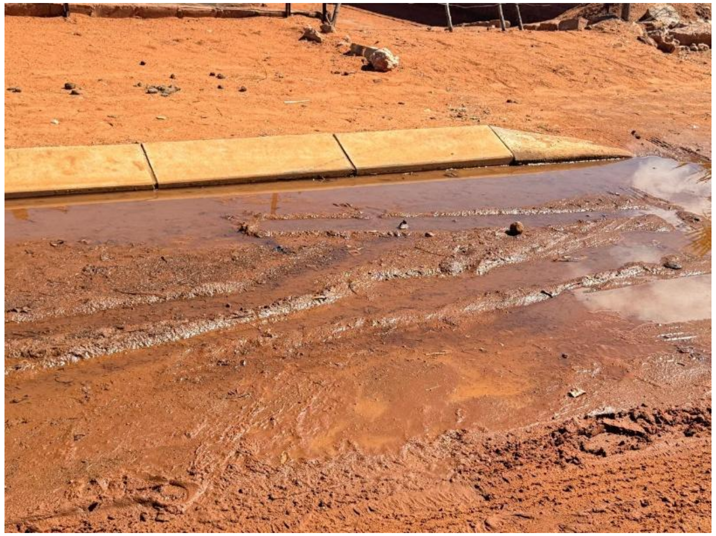
The project still in progress through it has faced challenges from community members with regards to sub-contracting and it was also hit by a storm which resulted in reduced progress.

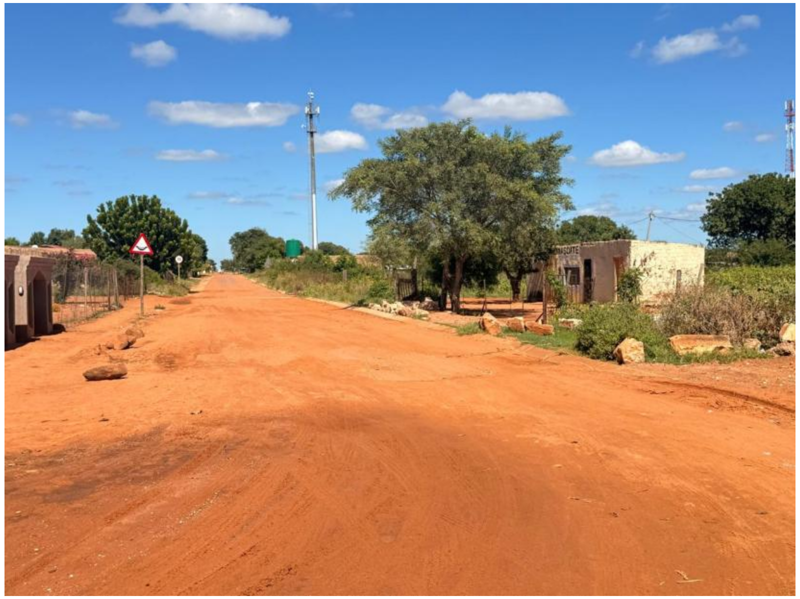
- The committee will follow up on the project on quarterly basis.

UITVLUGHT BUS ROUTE

The road has a grave in between the road, handle the site with due care so it does not cost the municipal reputation(The project is still in progress)



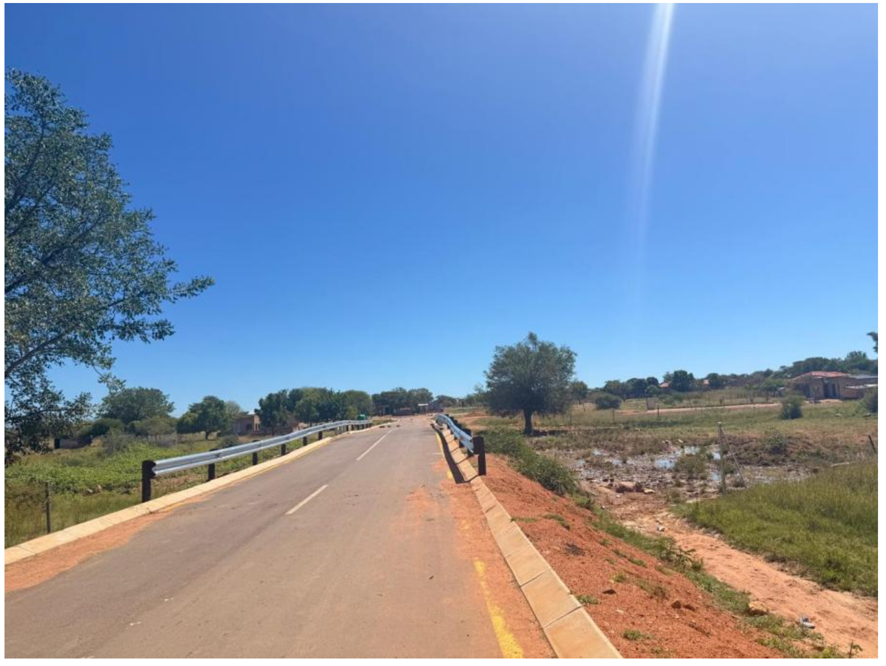




The road is covered by soil and there is water stuck in some parts of the road.

- The committee recommends gravelling on the streets that leads the soil to the road.
- Regular road cleaning
- Fixing of all defects before release of retention.

MATLALA RAMOSHEBO INTERNAL STREET



The committee congratulates the municipality of successful completion of the internal street

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

1. That a steering committee made of directors and chaired by the Accounting officer holds meetings on a monthly basis to report on progress made on the implementation of the Audit Action Plan and internal Audit to assign one internal auditor to conduct follow-up audits on monthly basis to verify and corroborate with the evidence the progress reported in the steering committee meetings.
    - **Implemented: The meetings are scheduled and seating as recommended and there is an auditor assign to monitor the progress, however only departments that are attending have improved.**
2. All Documents submitted to MPAC must be complete, reviewed and approved (Signed)
    - **Implemented, all documents sent to MPAC are adequately reviewed and signed.**
3. Review of the audit of the Audit Action Plan (Actions to improve on the audit action plan wont address the findings and if not reviewed and corrected, same findings will recurred next audit)
    - **Implemented: The audit action plan was reviewed with the affected department.**
4. Monitoring of Municipal projects must be a priority as there are many defects (poor project management)
    - **In progress: monitoring and quality control test are also performed**
5. Implementation of all audit committee recommendations
    - **Partially implemented: Review of AoPO by Management: No yet implemented as the finding on lack of review by management is still recurring.**
    - **Filling of all funded vacant positions as per the approved organized structure: In progress, the process was initiated during 2025,pending finalization off recruitment processes.**
    - **Make budget provisions to capacitate internal audit and minimize use of consultants: Implemented, the process was initiated during, pending finalization off recruitment processes.**
    - **Implementation of revenue enhancement strategy. Implemented, as the municipality was at the level of 55.66% irrecoverable debt.**
    - **UIFW Reduction strategy. Implemented, draft UIFW in place.**
    - **The municipality develops and implements a strategy to improve its indigent management. In progress, there is a system in place as the strategy to improve indigent management.**
    - **Conduct ICT Investigation regarding CYBER attack, Implemented, the investigation is in progress.**

- **Appointment of the additional audit committee member with ICT Skill. Implemented, the AC member with the ICT skill was appointed in July 2025.**
- **AGSA action plan management to re-work on the root causes. Implemented. The affected department reworked on the root causes to address the findings raised.**
- **Quarterly monitoring progress on AGSA action plan by conducting audit steering committee meeting bi-weekly. Implemented the steering committee was scheduled weekly to monitor the action plan.**
- **Risk Committee chairperson assists with the combined assurance committee. Implemented, the risk committee chairperson assisted the combine assurance in developing and implementation of the combine assurance Framework.**

6. Capacitate PMS Unit by appointing a personnel who will assist with performance evaluation of staff members (IPMS Officer)
   - **Implemented, an IPMS Officer was appointed and assumed office on the 5th of January 2026. The appointee has since improved the coordination of performance agreements ensuring they are developed, signed and submitted for filing.**
7. Capacitate Internal Audit Unit (All funded positions)
   - **Not Yet Implemented, the process was initiated during July 2025, it is pending finalization off recruitment processes**
8. Report quarterly to council on progress on Material irregularity identified by AGSA
   - **Implemented and all the material irregularity raised by AGSA to the municipality were resolved during the 2024-2025 audit cycle.**
9. That council approves the 2023/2024 draft annual report in all its material aspects.
   - **Implemented, The Council Approved the Overreport of the Annual report without reservation on the 31 March 2026**
10. Prioritize refurbishment /maintenance of municipal buildings
    - **In Progress, the buildings were maintained in the Corporate ,finance and community services**
11. Report to council the UIFW identified during the audit (R 1 899 563-irregular expenditure) to allow timeous investigation
    - **Implemented, the report was tabled to Council**
12. The performance of contractors or service providers be monitored monthly, in line with required by section 116(2)(b) of the MFMA
    - **In progress, the municipality is continuously monitoring the performance of service providers**
13. Morarela Internal Road: The Department of infrastructure to liase with department of Community service to temporary aid with the erection of

fence around the runoff detention pond area to prevent easy access.(Management commitment)

- **Not yet implemented, the pond will be protected.**

14. Corporate services department to consult with internal audit in relation to all AGSA findings and develop and audit Action plan for the department subsequently review the actions to improve In the Municipal AGSA Audit Action Plan(challenge in interpretation and what is expected therefor)
    - **Implemented, Corporate services has consulted internal audit and improved on identified findings**
15. Internal Audit to Audit PED/LED in detail (ad-hoc audit)
    - **Implemented: The value for money audit was conducted on PED/LED department.**
16. Strengthen the performance management system and related controls to indicate how the performance monitoring, review and reporting processes should be managed, as required by municipal planning and performance management regulation
    - **Implemented, the municipality reviewed and enhanced its PMS framework, procedures and internal controls. This included developing clearer guidelines on how performance planning, monitoring, evaluation and reporting should be conducted across all departments. The improved procedures provided clear guidance to departments on their responsibilities in performance monitoring and reporting.**

11. RESOLUTIONS OF MPAC AFTER CONSIDERATION OF THE 2024/25 DRAFT ANNUAL REPORT

1. That a steering committee made of directors and chaired by the Accounting officer holds meetings on a monthly basis to report on progress made on the implementation of the Audit Action Plan and internal Audit to assign one internal auditor to conduct follow-up audits on monthly basis to verify and corroborate with the evidence the progress reported in the steering committee meetings.
2. All Documents submitted to MPAC must be complete, reviewed and approved (Signed)
3. Review of the Audit Action Plan (Actions to improve on the audit action plan wont address the findings and if not reviewed and corrected, same findings will recurred next audit)
4. Monitoring of Municipal projects must be a priority as there are many defects (poor project management)
5. Implementation of all audit committee recommendations

6. Internal audit to review HR processes with the alignment to the Municipal staff regulation and review Performance management on employees (the signed contract vs the Job descriptions)
7. That council approves the 2024/2025 draft annual report in all its material aspects.

12. COMMENTS BY THE PUBLIC BUSINESS AND STAKEHOLDERS

The public/stakeholder consultative meetings were held through physical clustered interactions by the office of the speaker (presentations by the honorable Mayor) and MPAC Members and support staff attended the sessions as observer, it was held on from the 5th of February 2025 to 5th March 2025 as follows:

Date	Venue	Time
1. 10/02/2026	Municipal chamber	11H00
2. 16/02/2026	Town hall	08H00 11H00
3. 18/02/2026	Keerom Ward 2	10H00
4. 19/02/2026	Manapyane Community Hall	10H00
5. 17/02/2026	Pink Hall	11H00
6. 20/02/2026	Moomane Community Hall	10H00
7. 03/03/2026	Town hall	18H00

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2024/25 financial year and thereafter a detailed presentation by the Honorable Mayor on the Annual Report.

Lastly there was a questions and answers 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 comments which may suggest changes on the Draft Annual Report or its presentation and formulation but rather focused on service delivery.

13.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 achievement of an unqualified audit opinion in the 2024/2025 financial year highlights the progress that the municipality has made in terms of instilling and maintaining adequate internal controls but also over the hard work and dedication shown by all committees. We have noted great improvements in the manner in which the Annual Financial Statements were prepared and we were also satisfied with the Annual Performance Report. 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 questions and comments were received during public participation and none had potential to change the annual report.
- Conducted Public Hearings to allow the local community, stakeholders or any organs of state to view and listen to the Mayor 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 *2024/2025* Financial Year, adopts the Oversight Report for the 2025/26 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 council approve the 2024/2025 annual report without reservations in line with MFMA 129(1)(A)

And

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

And

4. 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

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

23/02/2021

CLLR TL MABASO **DATE**

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

CHAIRPERSON4