

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 6TH SPECIAL COUNCIL MEETING OF THE COUNCIL OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON WEDNESDAY 31ST MARCH 2025.

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

SC6/01/2025: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2023/24 ANNUAL REPORT

RESOLVED

That

1. The Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the 2023/2024 Financial Year, adopts the Oversight Report for the 2024/25 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. The council approve the 2023/2024 annual report without reservations in line with MFMA 129(1)(A)

And

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

And

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

As well as

5. The oversight report together with the signed resolution of adoption be submitted to Auditor General and CoGHSTA
6. The Municipal Manager implement the decision accordingly

SC6/01/2025: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2023/24
ANNUAL REPORT


CLLR.RM LENTSOANE
ACTING SPEAKER

31 MARCH 2025

REFERRED TOBY MUNICIPAL MANAGER


MOROPA M
MUNICIPAL MANAGER

31/03/2025
DATE RECEIVED

**MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

EPHRAIM MOGALE LOCAL MUNICIPALITY



OVERSIGHT REPORT ON 2023/2024 ANNUAL REPORT
2024/2025 FINANCIAL YEAR

CONTENT

	PAGE
1. Officials; Committees and Stakeholder.....	3-4
2. Purpose	5
3. Introduction.....	5
4. Background.....	6
5. Terms of Reference of the MPAC/Oversight Committee (Appendix A)	7-8
6. Process Plan and Time Frames (Annexure B)	9-10
7. Annual Report Checklist (Appendix C)	11-15
8. Public hearing (Appendix D)	15-46
9. Project Oversight.....	46-49
10. Follow up on resolution Previous resolutions.....	49-50
11. Resolutions	51
12. Comments by the Public, Business and Stakeholders.....	52
13. Recommendation/s of the Municipal Public Accounts Committee.....	52-54
14. The Oversight Report.....	1-54

EPHRAIM MOGALE LOCAL MUNICIPALITY OVERSIGHT REPORT

Officials:

ME Moropa	Municipal Manager
TT Modisane	Chief Financial Officer
MR Rampedi	Director: Corporate Services
P Tjebane	Director: PED
Y Maphutha	Director: Community Services
Maphutha	Director: Technical Services
R Maepa	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

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 Aphané	Member
Cllr SE Mahubane	Member
Cllr KW Sebothoma	Member
Cllr JP Thobejane	Member
Cllr KM Maelane	Member

2. PURPOSE OF THE REPORT

The purpose of this submission is to table the oversight report on the 2023/2024 draft annual report as tabled to council on the 25th of January 2025 with council resolution number OC3/06/2025 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 Aphané
Cllr JP Thobejane
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 OVERSIGHT REPORT AND THE ANNUAL REPORT.

DATE	REASON	RESPONSIBLE PEOPLE	STRUCTURE
Done Previous 202122 Date: 24 November 2021(SC4/01/2021) Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022 Date: 31 st July 2024	Council establishes the MPAC/Oversight Committee	Council	Council
25 January 2025 Resolution Number: C/06/2025	Council resolution to adopt annual Report	IDP and PMS Manager /PMS Officer /Municipal Manager and Manager Council Support	Council
25 January 2025	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
25 January 2025 Resolution Number: OC3/06/2025	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 2025	Draft advert prepared for submission to MM for public and stakeholder hearing	P Nkadameng _MPAC Coordinator S Makua _Manager Council Support	None
10 March 2025	Actual advertisement in Local Notice Board, Social Media and Municipal Website	P Nkadameng _MPAC Coordinator S Makua _Manager Council Support and MPAC Chairperson for Overseeing	None
10 February 2025	First meeting of MPAC on annual Report 10 am, Municipal council chamber to recognize the report and interrogation.	MPAC Committee, P Nkadameng _MPAC Coordinator, MPAC Researcher and Chief Audit Executive	Ordinary MPAC meeting
5 March 2025-7 March 2025	Interrogation of Annual Report and drafting of public hearing questions	MPAC Committee, SALGA, Treasury,AGSA and CoGHSTA	Special MPAC meeting
10 March 2025	Finalising public hearing questions	P Nkadameng _MPAC Coordinator ML Mbonani _MPAC Researcher	Special MPAC meeting

05 February- 05 March 2025 <ul style="list-style-type: none"> - Staff, ward committee 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
26 March 2025	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 2025 (Preferred date 28 March 2025)	Tabling of oversight report to Council	Manager Council Support	Council Meeting
31 March 2025	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 2025	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 section 129.	Timing 1. Was the Annual Report tabled by 31 January, as per legislative Requirements? (24 January 2025) 2. Has a schedule for consideration of the Report been adopted?	✓	Council resolution OC3/06/2025	None
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 municipal entity.	(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?	X ✓ X	Draft Annual Report Page 82-88 Draft Annual Report	(a) Corrections to the report (See Detailed findings section) (b) None (c) Corrections to the report (See Detailed findings section)

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(4) 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	(c) Does the Draft annual report include the annual performance	x	Draft Annual Report	Corrections be made to include information of performance as per the

in terms of section 46 of the Municipal Systems Act;	report?			section 46 of the MFMA (See attached finding)
(k) Any other information as may be prescribed	(k) Does the draft annual report include Any other information as may be prescribed?	x	No Audit Action plan	Attach Audit action plan or corrective actions for audit findings as prescribed.

Corrections /Findings with comment

Reference	Mistake/finding	Recommendation	Corrected or not
Contents Reference to pages	Auditor General's report page 22 not page 21 (page 2 Of Annual report)	Use correct page which is page 22	✓
Chapter 1: Mayor's Foreword and Executive Summary, Page 11	1. picture of the annual report does not reflect the current outlook 2. The annual report is written 1 July 2023	1. Use Mayors recent picture 2. June 2024.	✓
Chapter 1: Mayor's Foreword and Executive Summary, Page 11	Section 121 of the Municipal Finance Management Act 56 Read with of 2003 read as well as section 46(1) of the Municipal System Act 2000	1. read with	✓
Line 4 of page 11	The annual report provides the boarder (broad) information on activities carried out, (and) services provided and for	Fix the grammar	✓
Chapter 1: Mayor's Foreword and Executive Summary	comparing actual service delivery with projected service delivery. - Despite all challenges we will strive to continue rendering high quality services to our communities during 2024/24 (2023/2024) financial year. (this statement is a promise which should state the future not previous year)	Fix financial year to 2023/2024	✓
Page 12, Table 3: Public Participation meetings	Public Meetings Nature and purpose of meeting held in 2023/2024 In draft annual report MPAC Review notes Public participation on 2023/2024 annual report (we are doing this now) Public participation on 2022/2023 annual report	Public participation already held in 2023/2024 is supposed to be 2022/2023	✓

	Public Participation on 2024/25 draft IDP/Budget (we are still going to do this) Public Participation on 2023/24 draft IDP/Budget Back to School campaign MPAC Public hearings		
Chapter 1: Mayor's Foreword and Executive Summary	- e. Future Actions (review the grammar – the statement itself suggests past tense while we are saying the future Actions)	Fix grammar	✓
- Page 14	- Page 14, picture of the municipal manager is the same every year.	Put recent picture	✓
Page 15, paragraph 3	"the Municipality is the second smallest of the five local municipalities in the district, the district has 4 local municipalities with Ephraim Mogale being the smallest.	Smallest of the 4 local municipalities	✓
Page 24:	Page 24: overview, 6 councillors are full time not 5(Mayor, Speaker, MPAC Chairperson and 3 Members of Executive committee)	6 full time councillors	✓
There are also section 80 & 79 committee	There are also section 80 & 79 committee, add Section 79A	Add section 79A	✓
Page 26	correct initials councillors.	Correct initials	✓
Page 20	Table 15 : Organization Development Overview On the Draft annual report page 20 the Total Post on Organogram 327 Total Employees 239 Number of vacancies 88 While on the slide presented to the public participation Total Post on Organogram 316 Total Employees 242 Number of vacancies 74	Total post on the organogram 316 Total employees 242 No. of vacancies is 74	
53 AR 60 of AFS	Waste Management Annual Report The Municipal current landfill airspace is at 0 years, an expert assessment of the remaining useful life (RUL) of the landfill was commissioned and conducted by	The annual report has to be updated with re assessment useful live of 6 years based on the substance rather than the legal form' The municipality has made additional disclosure narration for	✓

	<p>Jones and Wagener Engineering and Environmental consultants (JAWS) in July 2024.</p> <p>AFS</p> <p>Landfill site was re-assessed by environmental experts and confirmed that has physical to operate for the next 6 years till 30 June 20230.</p>	the legal vs substance on the AFS on the adjusted AFS	
<p>1. Include Audit action plan</p> <p>2. Correct audit committee report</p> <p>3. Performance of service providers incomplete (does not include all service providers)</p>			

CORRECTIONS EMANATING FROM THE PUBLIC HEARING



1. DRAFT ANNUAL PERFORMANCE REPORT, PAGE 11

Component A: Mayors Foreword

b. Key Policy Developments

“This report follows the first remarkable year of the local government elections which took place in November 2021”

- The term of office of the current council is coming to an end, we are now reporting on an annual report 4 years after the local government elections which leaves the term of council with only 1 year.

Management acknowledged the statement and committed to amend accordingly going forward in the next report



2. DRAFT ANNUAL REPORT, PAGE 35

During the 2023/24 financial year, office of speaker facilitated the capacitating of ward committees in all the 16 wards in Ephraim Mogale Local Municipality. (SALGA/LGSETA)

Management indicated that only secretaries were trained meaning 16 secretaries not all 160 ward committees therefor the statement must indicate as such

3. DRAFT ANNUAL PERFORMANCE REPORT, PAGE 44

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.

4. Total post on the organogram 316 Total employees 242 No. of vacancies is 74

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 28 January 2025,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 2024.

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

Upon interrogation of the Annual Report on 5th to 7th March 2025, 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 2023/24 FINANCIAL YEAR WITH ATTACHMENTS –AGSA REPORT, AFS, PERFORMANCE REPORT,AUDIT ACTION PLAN AND AUDIT COMMITTEE REPORT					
NO	SOURCE DOCUMENT	PAGE	DETAILS AS PER THE SOURCE DOCUMENT	MPAC QUESTION /COMMENT	RESPONSE
<p>The Municipal Public Accounts Committee would like to congratulate Ephraim Mogale Local Municipality on its achievement of the unqualified audit opinion for financial year 2023/24 which is sustained from the 2022/23 financial year, we hope this paves a way to clean audit / unqualified audit opinion without findings.</p> <p>The committee went through the AGSA REPORT as submitted by management as an attachment of the annual report, the Audit report is signed by the auditor general and confirmed to be the correct AGSA report by the AGSA through engagement with the committee on the 6th of March 2025.</p>					
1	AGSA 2023/24 AUDIT REPORT	1	Paragraph 7: Material allowance for impairment 7. As disclosed in note 7 to the financial statements,	1. What causes the impairment to be 56.44% of the Gross consumer debtors' amount of the Municipality?	1. Levels of unemployment and poverty, Economic downturns affecting

			<p>the gross consumer debtor balance amounted to R203 059 109(2023: R 189 653 112), as a result of irrecoverable consumer debtors, a material allowance for impairment of R 114 597 902 (2023: R 112 241 919) was made.</p> <p>MPAC Calculation Shift or increase for 2022 to 2023 (R 112 241 919 - R 102 990 857 = R 9 251 062)</p> <p>Shift or increase for 2023 to 2024 (R 114597 902 - R112 241 919= R 2 355 983)</p> <p>Difference of R 6 895 079 Decreased</p> <p>R114 597 902/R 203 059 109= 56,44%</p> <p>1. Meaning of Impairment The impairment is 56.44% of the total gross consumer debtors book, does this mean the municipality is only able to collect 43,56% .</p>	<p>2. Does the municipality have an active revenue enhancement strategy?</p> <p>3. What is the cause of default of payment by the municipality's debtors?</p> <p>4. Do we have any Government or state-owned entities that owe the municipality?</p> <p>5. Do we have any councillor or employee that owe the municipality?</p> <p>6. What is the action council is going to take to motivate the consumers/debtors to pay the municipality in time?</p> <p>7. In billing the consumers do we take into any subsidies to the indigents?</p>	<p>residents' ability to pay. There's a historical or cultural tendency of non-payment, especially in areas where credit control can't be enforced.</p> <p>2. Yes</p> <p>3. Economic downturns affecting residents' ability to pay.</p> <p>4. Yes</p> <p>5. No</p> <p>6. The incentives and interest write offs yields positive results.</p> <p>7. No. The Municipality is not having the register yet.</p>
--	--	--	--	---	---

MPAC RECOMMENDATION

1. Implementation of the revenue enhancement strategy and review of the strategy to include areas across the

municipality where refuse is collection e.g. Leeufontain and Elandskraal

2. Involve GOSTA and treasury to assist on possible ways of negotiation and engagement to collect the debts from government state-owned entities

3.The municipality must develop a credible indigent register to assist in the billing processes as to minimize the non-payments from unrecorded indigents.

2	AGSA 2023/24 AUDIT REPORT	4	Basic Service Delivery and Infrastructure Development Paragraph 20: The reported achievements in the annual performance report were inconsistent with the commitment made in the approved planning documents.	1.Explain the statement? 2.What are the corrective measures put in place to mitigate the inconsistency?	1. There was misalignment between the indicator and the targets. 2. Ensure alignment in the SDBIP.
---	--	---	--	--	---

MPAC RECOMMENDATION

1. review the target set to test alignment with the indicators (SMART-ness Test)

3	AGSA 2023/24 AUDIT REPORT	4	Paragraph 22: AGSA could not determine if the reported achievement were correct as adequate supporting evidence was not provided Previous Previous year it was Paragraph 23	1. What is the meaning of this statement? 2. Why was the information not provided to AGSA for auditing? 3.The same statement was Paragraph 23, page 4 of 2022/23 AGSA report 3.1. why is it difficult to remove this paragraph on the Audit report as it's a recurring paragraph? 4. Is there any consequence management on non-submission of information to AGSA as this might cause the municipality a disclaimer opinion? (reference the question to section 171 of the MFMA)	1. The means of verification was submitted during audit but according to AGSA it was not sufficient. 2. The solid waste division only submitting portfolio of evidence that is stipulated in the SDBIP but AGSA requires listing to be part of the POEs. 3. The unit was not doing listing as part of POEs that is why this finding was recurring. 4. No consequence management was implemented since information was submitted during audit.
---	--	---	---	--	---

MPAC RECOMMENDATION

1. develop POE that can substantiate the work performed, SMART principle must apply

2. consult were necessary or benchmark with other institutions that are getting the matter under question correct.
3. Develop Audit Action Plan sufficient enough to address the finding.

4	AGSA 2023/24 AUDIT REPORT	4	Paragraph 23 A comparison of the actual performance for the year against the prior year performance was included in the annual performance report, however, the prior year performance was captured as Zero – Rathoke internal Street	<ol style="list-style-type: none"> 1. What is the root cause? 2. Action to improve? 3. Did the internal Audit or audit committee reports dictate this and why was it not corrected? 	Rathoke internal street was implemented in multiyear approach, and was still under construction hence a baseline was kept as zero due to incomplete performance in the prior year. The matter was discussed with auditors and was subsequently been resolved.
---	--	---	---	--	---

MFAC RECOMMENDATION

1. where work is performed Baseline cannot be Zero and the matter was not resolved as its reported on the Audit report.
2. Develop Audit Action Plan sufficient enough to address the finding (review the audit Action Plan and update progress- root cause on the Action plan are incorrect)

5	AGSA 2023/24 AUDIT REPORT	5	Paragraph 24: Achievement of Planned Target Non-Achieved targets: Basic service delivery and infrastructure	<ol style="list-style-type: none"> 1. Cause of non-achievement? 2. Way forward? 	<p><u>1. Causes of the issues</u></p> <p>The problem arises from multiple factors rather than a single issues:</p> <p>a. Transformer maintenance. The service provider's maintenance was delayed due to the unavailability of required manufactured components, which were not readily available off the shelf.</p> <p>b. Alarm systems - The specifications were based on a system previously used at the Golf Estate. However, ESKOM faced severe vandalism and responded by providing 24-hour security, which also covered municipal equipment at no cost. The planned ESKOM Bulk Upgrade design includes the relocation of the existing equipment and the building being demolished. As a result, any investment in special fencing and</p>
---	--	---	---	---	--

					<p>security systems would have been wasted.</p> <p>d. The revised mast quotations - The updated mast quotations were only received from ESKOM after the financial year had ended, preventing payment.</p> <p><u>2. Action to improve</u></p> <p>a. More detailed information will be provided during the tender briefing to ensure service providers are fully aware of the specifications.</p> <p>b. When ESKOM installs the new equipment, the municipality will align its specifications accordingly, as it is a shared facility. A new system is currently being tested at the Golf Estate, and if successful, it could serve as a standard for smaller installations.</p> <p>c. ESKOM's poor performance has been reported to the Department of Mineral Resources and Energy (DMRE), the Department of Cooperative Governance, Human Settlements, and Traditional Affairs (CoGHSTA), as well as the National Energy Regulator of South Africa (NERSA).</p>
--	--	--	--	--	---

MPAC RECOMMENDATION

1. Set achievable targets
2. In projects like high Mast light, consult with Eskom on weather they will be able to cover the area or not as the current installed high mast light are not used for intended purpose and therefore vulnerable to possible theft or vandalism
3. MPAC will pay close attention to the KPA on a quarterly basis

6	AGSA 2023/24 AUDIT REPORT	5	Paragraph 27: Material Misstatements Management did not correct all of the	1.Are the senior managers performance going to be measured using the same report that AGSA is saying it has	1.The performance appraisal is still underway nor still in the process, therefore we
---	--	---	---	---	--

			misstatements and AGSA reported material findings in this regard - Reported performance information	material misstatement? If so how is the municipality going to reward those that wrote achieved and during the audit it was noted that they did not achieve or information could not be confirmed to be correct? (it should be noted that AGSA scoped infrastructure and community service however the same misstatement might be in other departments as well)	cannot confirm now if there will be any rewards after the conclusion of the assessments
--	--	--	--	--	---

MPAC RECOMMENDATION

1. Management to correct misstatements as identified by AGSA (adjustment) to properly account for the performance of the municipality
2. this statement is recurring from previous audit, MPAC Edges management to make corrections when directed to do so by AGSA to avoid such statements in the Audit Report as it set a negative tone on the municipality's willingness to corporate with AGSA
3. Any performance appraisal awarded on uncorrected information will result in fruitless and wasteful expenditure as the amount will be spent in vain (No performance but award)

7	AGSA 2023/24 AUDIT REPORT REF: Audited Annual Financial Statement	5 ref 80	REPORT ON COMPLIANCE WITH LEGISLATION Paragraph 32: Annual Financial Statement The financial statements submitted for auditing were not prepared in all material respect in accordance with the requirements of section 122(1) of the MFMA Material misstatement of non-current assets, current assets etc.	1. In this regard what is the way forward, any action to improve? 2. The audit committee and internal audit through a consultant has reviewed the AFS. 2.1. Were the recommendations of audit committee taken into consideration? 2.2. How is it that the two above mentioned reviewers could not pick up the findings alluded by AGSA before the audit?	1. The municipality aim to prepare interim financial statement to eliminate material misstatement 2. Yes. Audit committee recommendations were considered in the Financial Statement 3. The External Reviewer and Audit Committee added value in the AFS. The findings that were raised were by the AGSA were disclosure findings to enhance the quality of the AFS.
---	--	----------	--	--	--

MPAC RECOMMENDATION

1. Interim AFS were prepared in the previous financial year. However, the same paragraph remains, the municipality must relook as the action to improve as it might not address the finding.

2. Audit Committee and internal audit be awarded sufficient time to review and all supporting schedules be submitted in time
3. Management be awarded an opportunity to review their own components in the AFS

The committee would like to congratulate the municipality for moving from 4 to 1 irregular expenditure as compared to previous years (R 8 900 115 to R 1 899 563) and this shows improvement in Supply Chain Management refer to page 85 of the audited AFS.

8	AGSA 2023/24 AUDIT REPORT	6	<p>Paragraph 34: Expenditure Management:</p> <p>34 Reasonable steps were not taken to prevent irregular expenditure amounting to R 23 129 632 as disclosed in note 45 of the AFS</p>	<p>1. Does this R 23 129 632 relate to the financial year under review?</p> <p>2. How do you test subsequent payments on UIFW?</p> <p>3. What Makes the amount of R 1 899 563? And was it reported to council?</p> <p>4. Did the municipality incur any irregular expenditure that does not relate to SCM in the 2022/2023 and how was it treated in terms of disclosure? (e.g. HR appointments)</p> <p>5.. Is there any progress for consequence management on the above items?</p> <p>6. Does the municipality have an effective UIFW reduction strategy?</p>	<p>1. Yes, but because of subsequent payments from previous financial years irregular transactions.</p> <p>2. For the municipality to incur irregular expenditure, the non-compliance must be linked to a financial transaction. Although a transaction or an event may trigger irregular expenditure in a certain financial year, the municipality will only recognise irregular expenditure when a payment is made. Hence the subsequent payments in long term contracts</p> <p>3. It was a payment of security services which the contract was extended pending procurement process for a new contract, yes it was reported to council in second quarter reporting of this year.</p> <p>4.The matter was raised as a internal control deficiency</p>
---	--	---	--	---	---

					<p>as the HR did not verify the background and keep the records of the required experience in terms of municipal policy. The appointment was not identified as irregular and upon conclusion of the audit the matter was not classified as irregular expenditure.</p> <p>5. Yes, management is currently undertaking the process implementing the recommendations on consequence management</p> <p>6. Yes, the strategy was in place however it came into its end period in June 2024, therefore it is currently under review by management</p>
--	--	--	--	--	---

MPAC RECOMMENDATION

1. Management to table to council the UIFW identified during the audit (R 1 899 563)

9	AGSA 2023/24 AUDIT REPORT	6	Paragraph 35: Procurement Management The performance of contractors or service providers was not monitored monthly, as required by section 116(2)(b) of the MFMA	1. Why were they not monitored? 2. What are the remedial actions proposed?	1. Contracts are monitored on monthly basis however the reporting is done on quarterly basis 2. To report on monthly basis.
---	--	---	--	---	--

MPAC RECOMMENDATION

Comply with section 116(2)(b) of the MFMA going forward

10	AGSA 2023/24 AUDIT REPORT	6	<p>Paragraph 36: 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.</p>	<p>When responding to this question, note that this is recurring</p> <ol style="list-style-type: none"> 1. Why is the problem not rectified or finding not resolved? 2. What are the probabilities of resolving this finding in the current financial year? 3. Who is supposed to resolve this finding (PMS or Human resource Management division) 4. Do we have appropriate human resource /staff that can perform the duty as required? 5. Kindly privilege the committee on the steps to be taken to have an appropriate system and procedure to create, measure and evaluate performance of staff. <ol style="list-style-type: none"> 5.1. Who will monitor? 5.2. If PMS do we have enough staff to look into this? If HR do we have qualified officials that can perform the duty? 5.3. How far are we in correcting this? 	<ol style="list-style-type: none"> 1. The systems are in place and the municipality has commenced with the process of cascading performance to all staff of which trainings have already been conducted with regard to the cascading of performance. 2. The municipality is done with the process of drafting a Municipal Staff Regulations Implementation Plan that will define the milestones and achievements to ensure compliance with the Municipal Staff Regulations. 3. PMS deals with OPMS and HRM with IPMS 4. There is no adequate staff, there is only 01 Organisational Performance Management System Officer. 5. <ol style="list-style-type: none"> 5.1 PMS and HRM 5.2 There is no adequate staff, there is only 01 Organisational Performance Management System Officer and HRM does not have Individual Performance Management System Officer in place. 5.3 It will be resolved in the 2024/2025 Financial year
----	---------------------------------	---	---	---	--

MPAC RECOMMENDATION

1.Capacitate PMS Unit by appointing personnel who will assist with performance evaluation of staff members (IPMS Officer)

11	AGSA 2023/24 AUDIT REPORT	7	Paragraph 37: Strategic and Performance Management The performance management system and related controls were inadequate as it did not indicate how the performance monitoring, review and reporting processes should be managed, as required by municipal planning and performance management regulation	1.What are the controls the municipality use in terms of performance management 2.How does the municipality monitor the performance? 3.Who reviews the reported performance before internal audit?	1. Performance Management System Framework and IDP/Budget & PMS Process Plan 2. Through Quarterly, Mid-year and Annual Reporting 3. PMS Unit and Management
----	--	---	--	--	---

MPAC RECOMMENDATION

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

12	AGSA 2023/24 AUDIT REPORT	8 &9	Paragraph 59& 60: Material Irregularities identified during the Audit:	1. What is the progress to date in recouping the fruitless and wasteful expenditure of R 3 672 703.00? 2. Is there any improved way/tool of verifying before payment to avoid the same incident from happening? 3. With reference to the above State previous procedure and new procedure used in the current financial year if any.	1.Summons was issued against the contractor, and they are defending the matter. 2.Infrastructure Services will put systems in place 3. Infrastructure services has the full procedure
----	--	------	---	--	---

MPAC RECOMMENDATION

1. Report to council on all material irregularity progress and MPAC will monitor the progress quarterly
- 2.The municipality to develop Procedures to verify goods received as per specification to avoid same material irregularity

AGSA 2023/24 AUDIT REPORT, FINANCIAL STATEMENTS AND AUDIT ACTION PLAN

13	AFS	15	Statement of comparison of Budget and Actual Amounts: Expenditure: <u>Repairs and Maintenance</u> Approved Budget: R 23 569 000 Adjustment: R 3 137 000 Final Budget: R 26 706 000 Actual Amounts: R 19 173 047 Difference between final budget and Actual R 7 532 953	<p>From the original approved budget of R 23 569 000 there was an positive adjustment of R 3 137 000 however the department on spent only R 19 173 047 which was catered for in the Original budget:</p> <p>1. What were the reasons for the adjustment and why was it not spent?</p> <p>2. Does the municipality have a Maintenance plan?</p> <p>3. During our oversight on municipal assets which includes buildings and community assets we have noted that the municipal admin building is worn out, the sealing is old have a potential of causing a health hazard, is there any plan to remedy the situation?</p>	<p>1. Adjustment was made cover expenditure of repairing the roofing of which the process is delayed as per the verbal instruction of the MM, The meeting was held between Corporate , the Service providers and the office of the MM The process of repair and maintenance will</p> <p>includes buildings and community assets we have noted that the municipal admin building is worn out, the sealing is old have a potential of causing a health hazard, is there any plan to remedy the situation? fully resume on the ist April 2025</p> <p>. 2. In draft format</p> <p>3. refer to no.1</p>
----	-----	----	--	---	--

MPAC RECOMMENDATION

1. Prioritize refurbishment /maintenance of municipal buildings

14	AFS	15	Statement of comparison of Budget and Actual Amounts: Expenditure: Impairment of Assets: Approved Budget: - Adjustment: - Final Budget: -	<p>1. Is there any particular reason why we did not have budget provision for Impairment of Assets?</p> <p>2. Is this not going to cause unauthorised expenditure?</p>	<p>1. Impairment of assets is budgeted for under Depreciation and amortisation.</p> <p>2. No (This is a noncash item which is provided for under</p>
----	-----	----	---	--	--

			Actual Amounts: R 1 620 606		Depreciation and amortization)
			Difference between final budget and Actual (R 1 620 606)		
1. Utilize the correct line item 2. Management to familiarize themselves with the definition of unauthorised expenditure as per Circular 68 of the MFMA – unauthorised expenditure is not only on cash items					
15	AUDIT ACTION PLAN	AAP74825- 2024	AGSA Audit Action Plan COMMAF 45: Compensation of Employees - Limitation of scope as Information was not received for audit purposes contrary to the PAA and MFMA. ROOT CAUSE Lack of accountability for audit coordination of audit request to ensure that information is timeously provided for audit purposes Accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. Management did not exercise oversight responsibility regarding financial reporting and compliance and related internal controls REASON FOR REPEATING The employment contract of Moropa NE remaining outstanding and as such the COMMAF remains unresolved.	1. How does the root cause relate to the non-submission of information relating to Compensation of employees in particular employee file as stated on the reason for the repetition of the finding? 2. Who was supposed to submit the file or information requested and why they did not submit? (The root cause is incorrect/ not relevant to the finding)	1. By implication the absence of personnel file poses questions which relate to the remuneration of the incumbent concerned. 2. HR, HR looked all over and couldn't locate the personnel file within the prescribed timeframe.

MPAC RECOMMENDATION

1. review the Audit action plan and consult with internal audit for correct interpretation as the response suggest that the department that is supposed to implement measures to improve have no idea how root cause are developed or diagnosed which will be a challenge addressing something one is not aware of how it got to be finding.

16	AUDIT ACTION PLAN	AAP74854-2024	<p>COMMAF 28: Human Resource Management – Employees appointed for the financial who does not meet the job requirement contrary to the MSA , Staff Regulation and Recruitment Policy which would result in possible misstatement of irregular expenditure in the annual financial statements.</p> <p>Under this COMMAF there two findings however, only one is disclosed under the Audit Action Plan.</p> <p>MPAC identified a non-disclosure of a critical finding which affect accountability and questions the prepare or reviewer of the Audit Action plan as they are interested persons:</p>	<p>1. Why was this finding not disclosed? does it mean it is resolved? and if yes why is it appear in the Audit report?</p>	<p>1.The matter was tabled to council, MPAC currently sitting with Financial Misconduct Board.</p> <p>2.Further findings referred in the questionnaire are specified by MPAC for proper response</p>
----	--------------------------	---------------	---	---	--

MPAC RECOMMENDATION

1. HR to revisit the AGSA report and develop an audit action plan with the assistance of internal audit(findings won't be addressed as the responses suggest lack of knowledge of the findings related to the department)

2023/2024 DRAFT ANNUAL REPORT

The MPAC Calls for the implementation the audit committee recommendation on the draft annual report e.g. Mayors foreword to narrate a success story

17	DRAFT ANNUAL PERFORMANCE REPORT	None	Overall Draft Annual report and its annexures	<p>1. Was the annual report subjected for reviewal? Who was tasked to review the annual report as previously recommended by council?</p>	<p>1. Yes 2. Management, Audit Committee and AGSA</p>
----	--	------	--	--	---

MPAC RECOMMENDATION

1. Annual report be subjected for review before taken to public participation as it has may mistakes (AGSA review is high level)

18	DRAFT ANNUAL PERFORMANCE REPORT	11	<p>Component A: Mayors Foreword</p> <p>b. Key Policy Developments</p> <p>“This report follows the first remarkable year of the local government elections which took place in November 2021”</p> <p>The term of office of the current council is coming to an end, we are now reporting on an annual report 4 years after the local government elections which leaves the term of council with only 1 year.</p>	Is the statement “first remarkable year” still relevant as this is the fourth year after the election?	The statement was noted and will be amended accordingly going forward in the next report
----	---------------------------------	----	--	--	--

MPAC RECOMMENDATION

Amend the Draft Annual Report

19	DRAFT ANNUAL PERFORMANCE REPORT	11-12	SEE BELOW	<p>1. Morarela</p> <ul style="list-style-type: none"> - Project budget – Expenditure R 13 610 034.81- R13 542 129.69 = R 67 905,12 1.1. Why was the spending more than the project? 1.2. MPAC went for an oversight on the project and identified a few defects, which budget is the municipality going to use for the fixing the defects and by when? 1.3. The project defects in MPAC’s view is caused by lack of monitoring of the project, is there any consequence management to avoid the 	<p>1. Morarela.</p> <p>1.1 The project was under budgeted by the amount equalling the deficit.</p> <p>1.1. The Municipality is going to proportionally use a portion of the retained funds to address the defects.</p> <p>1.2. The defects were caused by an abnormal climatic condition (rainfall). In remediating the defects, the Municipality is going to device measures and mechanisms to deal with worst case scenario pertaining to climatic conditions.</p> <p>1.3. The Department of infrastructure to liaise with department of Community service to temporary aid with the erection of fence around the runoff detention pond area to prevent easy</p>
----	---------------------------------	-------	-----------	--	---

				<p>reoccurrence in future projects?</p> <p>1.4. Next to the constructed road there is a no swimming area which has a possible health hazard for the community (Children, animals and ordinary citizens), the bridge constructed by the municipality also takes the water direct to the area</p> <p>1.4.1. Is there any plan in place to assist with the possible health hazard? (fencing the area or rehabilitation of the area)</p> <p>2. Uitvlugt Bus route.</p> <p>2.1. The contract start date 31/10/2024 and end 02/02/2025, what is the progress to date?</p> <p>2.2. The report says no challenges, why is the project not completed?</p> <p>2.3. Contract Bid Amount as per page 35 of 37 is R 15 034 481.63 and expenditure to date is R 18 256 441.12, is this an overspending? what caused spending above the project amount?</p>	<p>access. Phase 2 of Morarela internal street will then address the rehabilitations</p> <p>2. Uitvlugt Bus route</p> <p>2.1. The project is still under construction (97% Complete) with extension of time approved until the 12th of March 2025. Penalties to be imposed for subsequent days that fall outside the extended duration.</p> <p>2.2. The No challenge scenario is attributed by the fact that, at the end of 2023/2024 FY (30 June 2024) the project had no challenges. The project did not complete on time due to various reasons comprising of the abnormal climatic conditions and stoppages by the local smmes and community.</p> <p>2.3. The Project is the multi financial year having started from 2023/2024 to 2024/2025 financial year. The budget for the 2023/2023 financial year was inadequate because of the contractor's rate of progress. To avoid project being halted, the Municipality invoked section 31 of the MFMA, "When funds for a capital programme are appropriated in terms of section 16(3) or more than one financial year, expenditure for that programme during a financial year may exceed the</p>
--	--	--	--	--	--

				<p>3. Industrial substation second supply phase 4</p> <p>3.1. Why the under spending? Do we owe the remaining amount?</p> <p>4. High mast light – Leeufontein RDP and High mast light- Malebitsa</p> <p>MPAC went through project oversight and attended the public participation on Draft Annual report, and it was noted that the high mast lights are not energised and not utilised for intended purpose, why does the project highlight no challenges?</p>	<p>amount of that year's appropriation for that programme".</p> <p>3. The appointed amounts were less than the budgeted amounts and the projects had savings.</p> <p>The work was completed; however, the final invoice was submitted in the 2024/25 financial year. Provision was made in the new financial year, and the service provider was paid.</p> <p>4. The No challenge scenario is attributed by the fact that, at the end of 2023/2024 FY (30 June 2024) the projects had no challenges. The challenges identified pertains to the new financial year of 2024/2025.</p> <p>The Municipality is responsible only for constructing the mast lights and relies on ESKOM for the provision of supply points. There were no challenges with the Project work completed by the Service Provider and Municipality. However, the supply points were budgeted for separately and remain dependent on ESKOM. ESKOM's challenges have been reported to the DMRE, NERSA, and CoGHSTA.</p>
--	--	--	--	---	---

c. Key Service Delivery Improvements

In the year under review the municipality successfully implemented the following capital projects as Multiyear project.

Table 1: Roads Projects

Project Name	Number of KM tired	Project value	Expenditure	Project to date	Challenges

Rathoke Internal Street	2.0	R6 208 688.68	R6 208 688.68	100%	None
Morarela Access Road	2.5	R13 542 129.69	R 13 610 034.81	100%	The project had time overrun due to despite that arose during the implementation of the project
Uitvlugt Bus route	4.85	R15 034 481.63	R18 256 441.13	49.8%	None

Table 2: Electrical Projects

Project Name	Project Value	Expenditure	Project to date	Challenges
Energy efficiency and demand side management	R 5 600 000.00	R 5 600 000.00	Completed	No challenges
Industrial substation second supply phase 4	R 3 500 000.00	R 1 807 022.00	Completed	Snag List Outstanding
High mast light – Leeufontein RDP	R 3 000 000	R 2 267 000	Completed	No Challenges
High mast light- Malebitsa	R 3 000 000	R 2 550 917	Completed	No Challenges

MPAC RECOMMENDATION

1. The committee notes the commitment and will follow up in all quarters as this has a potential of danger to the community :The Department of infrastructure to liaise with department of Community service to temporary aid with the erection of fence around the runoff detention pond area to prevent easy access. Phase 2 of Morarela internal street will then address the rehabilitations

20	DRAFT ANNUAL PERFORMANCE REPORT	13	f. Agreements / Partnerships (announcements on special partnership initiated) During the period under review, the municipality did not have any partnership with the state-owned enterprise or private	1.What is the relationship between Department of road and transport and the municipality? is the relationship not supposed to be disclosed as an agreement or partnership as the statement suggest no partnership with any department, state owned enterprise and private?	The Annual Report has stated that during the period under review, the municipality did not have any partnership with any State-Owned Enterprises or the Private Sector, however we
----	--	----	--	--	--

			sector, however we have received grants of MIG and FMG from sector department to support the municipality		received grants of MIG and FMG from sector departments to support the municipality as part of cooperative government as guided by Section 24 of the MSA No. 32 of 2000.
--	--	--	---	--	---

MPAC RECOMMENDATION

Review of the Draft Annual report and include partnerships the municipality has with other departments

21	DRAFT ANNUAL PERFORMANCE REPORT	16	Function Municipal Transport Remarks: Bus & Taxi rank in private ownership	1.Are we collecting revenue for refuse removal in all the taxi ranks? If yes, in Marble Hall Taxi rank, are the tariffs normal business tariffs or special tariffs?	1.YES 2.The tariffs being levied are business tariffs
----	---------------------------------	----	--	--	--

MPAC RECOMMENDATION

None

22	DRAFT ANNUAL PERFORMANCE REPORT	15	Function (1) Billboards and the display of advertisement in public place: yes	1.With reference to the billboard at the landing strip Marble Hall, do we collect any revenue for that advertising board ?	No. The Municipality has served a contravention notice and will start billing the contravener.
----	---------------------------------	----	--	--	--

MPAC RECOMMENDATION

The committee will follow up the matter in the future and possibly initiate special review of LED/PED processes

23	DRAFT ANNUAL PERFORMANCE REPORT	15	Table 5: Powers and functions of the municipality The municipality ticked "yes" on municipal authority in : 1.Local Tourism (6) 2.Municipal public Transport(10) 3. control of undertaking that sell liquor to the public(21) 4. Facilities for the accommodation, care and burial of animal(22) 5. licensing of dogs(24) and	1. 1. What is the role of the municipality in Local tourism? 1.2. Is there income generated from the function of local tourism? 1.3. What is the plan with so many rentals, rooms in particular, are the owners billed using the business rate? Is the municipality benefiting from such? 2. on the municipal public transport taxi rank owned by community, who is paying the electricity there? 3. What is the role of municipality on control of undertaking that sell liquor to the public? 4. 1. What is the meaning of this statement and why is the municipality deemed to have authority on it? 4.2 was there any instance where such service was conducted and where (specific location)?	1.1. The Municipality plays a key role in local tourism by managing, promoting and enhancing tourism experience within its jurisdiction i.e infrastructure development, tourism promotion, regulation and management, support local tourism business etc 1.2. No, the municipality is not generating any revenue from the tourism
----	---------------------------------	----	---	--	--

			licensing and control undertakings that sell food to the public	4.3 is the municipality generating income from this function? 5. Does the municipality have this functions and which department is dealing with such?	1.3. Yes, The Valuation roll guides with billing of Rates and Taxes and has been aligned to activities/land use on the property
--	--	--	--	--	---

MPAC RECOMMENDATION

None

24	DRAFT ANNUAL PERFORMANCE REPORT	20 Slide 14	Table 15 : Organization Development Overview On the Draft annual report page 20 the Total Post on Organogram 327 Total Employees 239 Number of vacancies 88 While on the slide presented to the public participation Total Post on Organogram 316 Total Employees 242 Number of vacancies 74	1. Which one is correct? 2. Any chances of appointing for the Vacant positions in the current financial year?	1.Total post on the organogram 316 Total employees 242 No. of vacancies is 74 2.yes as per the prioritised positions informed by the approved budget
----	--	----------------	--	--	--

MPAC RECOMMENDATION

Fix the Draft Annual report to be consistent with the document presented In the public participation and the response at the public hearing

25	PERFORMANCE REPORT	21-22	Table 17: Employee bursaries awarded to continuing and new students in 2023/2024 academic year Master's in public administration	1. According to bursary policy page 4, Priorities (6) Bursary shall be allocated to priorities (3) post graduate studies of which excludes Masters and Doctoral qualifications. 1.1.1. Why are we having a student funded while studying towards master's in public administration?	1.1.1.The incumbent applied in 2023 while the policy still provide funding for Masters degree.
----	---------------------------	-------	--	--	--

MPAC RECOMMENDATION

None

26	DRAFT ANNUAL PERFORMANCE REPORT	28-32	Committees of council (The intention of this question is to test functionality and value for Money)	<ol style="list-style-type: none"> 1. Are all this committees functional? 2. Do they report to council and how frequently? 3. If not is there any plan in place to correct this? 	All committee are functional
----	--	-------	--	---	------------------------------

MPAC RECOMMENDATION

Committee to report Quarterly to council

27	DRAFT ANNUAL PERFORMANCE REPORT	34	Table 25: <ol style="list-style-type: none"> 1. Newsletter distributed at least quarterly <ul style="list-style-type: none"> - How many did we publish for the financial year under review? 2. Functional Compliant Management System 	<ol style="list-style-type: none"> 1. There was a recommendation during a strategic planning session held at The Ranch resort in 2022/2023 financial year to have a digital newsletter, how far is the municipality in implementing the recommendation. 2. What does this statement mean (Functional Compliant Management System) 	1.The municipality is currently implementing the recommendations as follows: Part paper based/manual and 1 digital publication. 2.The statement/ recommendation is contrary to the approved SDBIP
----	--	----	--	---	---

MPAC RECOMMENDATION

1. Communication to review Table 25 and correct were necessary

28	DRAFT ANNUAL PERFORMANCE REPORT	35	During the 2023/24 financial year, office of speaker facilitated the capacitating of ward committees in all the 16 wards in Ephraim Mogale Local Municipality. (SALGA/LGSETA)	<ol style="list-style-type: none"> 1. Was the capacity building provided to all 160 ward committee members and when? 	1.Only ward committee secretaries are given NQF level 4 training. We still need to capacitate the remaining ward committee members
----	--	----	--	---	--

MPAC RECOMMENDATION

Correct the draft Annual report

29	DRAFT ANNUAL PERFORMANCE REPORT	37	The following audit members were appointed by council on of November 2020	<ol style="list-style-type: none"> 1. How far is the municipality in implementing council resolution 	1. The municipality is embarking on sourcing CVs in order to implement
----	--	----	---	---	--

			for a period of three years, subsequent the contract was extended by end of October 2023 and only for members serving their first 3 years as per the MFMA circular 65 of National treasury. Previously there was 5 now 4.	and treasury recommendation in appointing a member of audit committee? 2. The contract was extended by how many years?	both the council resolution and treasury recommendation 2. The contract was extended for 3 years
--	--	--	--	---	---

MPAC RECOMMENDATION

- Proper processes be followed to avoid Irregular expenditure

30	DRAFT ANNUAL PERFORMANCE REPORT	38	<p>The following are the some of the key resolution and /or recommendations made by the audit committee in the aforesaid meetings:</p> <ul style="list-style-type: none"> • 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 indigent management 	<p>1. Are the audit committee recommendations implemented? i.e. the Conducting ICT Investigation regarding CYBER attach and establishing an ICT steering committee chaired by an independent external person (who is the independent person)</p> <p>2. Audit committee recommendations on making budget provisions to capacitate internal audit and minimize use of consultants</p> <p>2.1. As per the approved Organogram, is internal audit adequately capacitated?</p> <p>2.2. Does the municipality use consultants to perform the work of internal audit (Co-sourced service)? And how was the amount spent in the</p>	<p>-Ongoing,the process is under procurement stage</p> <p>-The recommendation of securing independent external ICT steering committee chairperson has been advertised unfortunately no applications were received. The office of the MM is finalising the process of Headhunting/ secondment. - Budgetary provisions will made in 2024/5 for training and Development and filling of vacancies. - No,given the recommendations of minimising utilisation of consultats all posts need to be filled.</p>
----	--	----	--	--	---

			<ul style="list-style-type: none"> • Conduct ICT Investigation regarding CYBER attack • Review of Audit Improvement Action Plan • Quarterly monitoring progress on AGSA action plan by conducting audit steering committee meeting bi-weekly • Establish an ICT steering committee chaired by an independent external person 	2023/24 financial year? 2.3. 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)?	
--	--	--	--	---	--

MPAC RECOMMENDATION

Filling of internal audit positions and implement the audit committee resolution

31	DRAFT ANNUAL PERFORMANCE REPORT	41	Top 10 Risks strategic risks of the municipality	1. The Top 10 risks are the same for 3 consecutive years, are these risks still relevant?	Yes
----	--	----	---	---	------------

MPAC RECOMMENDATION

Review of Top 10 risk to insure relevancy

32	DRAFT ANNUAL PERFORMANCE REPORT	41	2.10 ANTI – CORRUPTION AND FRAUD - Whistle blowing policy	1. what is whistle blowing and who is permitted to blow the whistle 2. How is the municipality implementing the whistle blowing policy 3. where can one possibly report or be a whistle blower (hotline number or contact details) 4. was there any incident reported by whistle blowers in the financial year under review 5. How does the municipality protect a whistle blower?	1. whistleblowing refers to the activity of an individual often an employee, revealing information about illegal, immoral, Unsafe or fraudulent activities within a private or public organisation. Any person is responsible to blow the whistle. 2. Through provincial hotline 3. Provincial hotline 080 070 1701
----	--	----	--	--	---

					4. No 5. The municipality currently does not have any projection for whistle performed by province
--	--	--	--	--	---

MPAC RECOMMENDATION

None

33	DRAFT ANNUAL PERFORMANCE REPORT	42		1. What were the reasons for the readvertisements? 2. Were the cost of the readvertised projects recorded as fruitless and wasteful expenditure? 3. Why were the 10 projects not initiated for procurement?	1. Non-Responsive Bids and Responses above budget estimates. 2. No - The readvertisements were necessitated by unforeseen and unavoidable circumstances. 3. The budgets were reprioritized during budget adjustment to other projects to purchase a Waste Vehicle and the lead time of the Vehicle took over three months to be delivered. The Service Provider for the Mechanical Road Sweeper declined the appointment due to price escalations.
----	--	----	--	---	--

MPAC RECOMMENDATION

Implementation of procurement plan

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 44 planned capital projects which amounted to R 78 408 990.00. The total project amount composed of R 37 424 290.00 from Grants and R 41 984 700.00 from own funding.

Item	Number of Projects	Project Implementation status quo
1	08	8 of 44 projects were re-advertised by the end of the financial year
2	10	10 out of the 44 projects were not initiated for procurement however reprioritize during budget adjustment to other projects

3	16	16 out of the 44 projects were appointed as planned
4	10	10 out of 44 projects where part of the contracted services (e.g. Multiyear projects)

MPAC RECOMMENDATION

34	DRAFT ANNUAL PERFORMANCE REPORT	43	Table 29: Document published on the municipality website	<p>1.Is the website compliant with MFMA s75?</p> <p>2.MPAC embarked on conformation of information on the website, the information was not found as reported on the Draft Annual report page 43, why is that so?</p>	<p>-Yes , -ICT publish information on the website as when received from respective user department. -The document was sent directly to SITA by PMS unit and the document had technical errors due</p>
----	--	----	---	--	---

Municipal Council RECOMMENDATION

1. ICT to publish information as soon as submitted and where we face challenges, the challenge be reported and recorded

35	DRAFT ANNUAL PERFORMANCE REPORT	44	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.	<p>1.Which villages which made it impossible for the survey to take place?</p> <p>2.How was the survey conducted and by who?</p> <p>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 2020/2021, 2021/22 and 2022/23)</p>	<p>This is an error it will be rectified during corrections.</p>
----	--	----	--	---	--

MPAC RECOMMENDATION

This is an error it will be rectified during corrections

36	DRAFT ANNUAL PERFORMANCE REPORT	44	Water Provision During public participation it was presented that the municipality has	<p>1. What is the MOU addressing exactly?</p> <p>2. Is there any financial</p>	<p>1.it address a number issues including inter alia:</p> <p>-Delivery of both retail and portion of</p>
----	--	----	--	--	--

			entered into an MOU with Sekhukhune District municipality to assist with the issues facing the municipality in terms of water.	commitment? And how much?	identified bulk water services - provide for transfer of all retail water services assets presently under the ownership of the district municipality 2. Not available for now
--	--	--	--	---------------------------	--

MPAC RECOMMENDATION

MPAC will follow up every quarter

37	DRAFT ANNUAL PERFORMANCE REPORT	53 60 of AFS	Waste Management Annual Report The Municipal current landfill airspace is at 0 years, an expert assessment of the remaining useful life (RUL) of the landfill was commissioned and conducted by Jones and Wagener Engineering and Environmental consultants (JAWS) in July 2024. AFS Landfill site was re-assessed by environmental experts and confirmed that has physical to operate for the next 6 years till 30 June 20230.	1. The annual report is different from the AFS note number 12, which one is correct? 2. The inconsistency of the annual report and the AFS, why does the annual report is not consistent with AFS? (The municipality was nearly qualified by the AGSA and the AFS were further adjusted however the adjustment does not filter in correctly in the Annual report)	The annual report has to be updated with re assessment useful live of 6 years based on the substance rather than the legal form' The municipality has made additional disclosure narration for the legal vs substance on the AFS on the adjusted AFS
----	--	---	--	---	--

MPAC RECOMMENDATION

Correct the annual report

38	DRAFT ANNUAL PERFORMANCE REPORT	73	See below	1. What was of the significant decline in the KPI Achievement? 2. Was the budget spent on other items within the department? (R 600 000+ R600 000+ R570 000+ R	1. The non achievement of the items due non-responsive bids to implement the projects. 2. The budget was not spend on the projects. 3. The bids did not meet the
----	--	-----------	------------------	---	--

				500 000 +R 418 800) 3. Non- responsive bids how? 4. Did the municipality disclose the adverts as fruitless and wasteful expenditure?	specification of the bids. 4. No - The readvertisements were necessitated by unforeseen and unavoidable circumstances.
--	--	--	--	--	---

Institutional performance comparison

Spatial Rationale

Annual Performance Targets for 2023/2024 FY

Total KPI's Assessed	Target achieved	Target Not achieved	% Target achieved
----------------------	-----------------	---------------------	-------------------

Spatial Rationale

12	07	05	58%
----	----	----	-----

Not Achieved targets:

1. Review of the Land Use scheme (non-responsive bid)
2. Feasibility Study (Non- responsive bid)
3. Subdivision of ERF 625(Non- responsive bid)
4. Site demarcation (non-responsive bid)

Supply of GIS Tools, database and technical assistance (non-responsive bid)

MPAC RECOMMENDATION

Internal Audit to give special attention to the KPA (PED/LED)- Special audit

39	ANNUAL PERFORMANCE REPORT: ATTACHMENT	11 of 37	KPA: Basic Service delivery and infrastructure development Security upgrade Not Achieved Targets: 10 alarm systems installed, and number installations fenced Reason Eskom busy with new fencing and Eskom fence will most likely cover municipal yard. Corrective Action Municipality should benchmark, align planning with Eskom and revise the specification to meet the technology used by Eskom.	1. Most likely means the municipality is not certain, what is the progress to date? 2. Corrective action says municipality should benchmark, align planning with Eskom, is this a confirmation of poor planning?	1. The Municipality have no authority over ESKOM and therefore cannot guarantee any action ESKOM intends to implement. ESKOM was severely affected by vandalism and lost millions and therefore had to do something. ESKOM and the Municipality share the same facility. It would be advisable to use the same security systems to prevent a weak link. Eskom decided to deploy 24 hour armed security which also covers the facility
----	--	----------	---	---	---

					<p>of the Municipality at no cost.</p> <p>2. No, The IGR through DDM planning is effective. The Municipality applied for a Bulk supply upgrade. ESKOM decided that the current Municipal structures will be demolished and relocated. ESKOM is finalising the designs for the new facility and the Municipality will have an opportunity to comment on the design and if necessary, the Municipality will also have the opportunity to install additional equipment to cover any remaining security gaps identified. left with equipment equal to that being used by Eskom. Alarm systems in minisubstations is a new concept and is a desperate effort to improve security. Load shedding at stage 6 makes alarm systems problematic and now require better Lithium Ion batteries and alternative communication. The Municipality also fitted anti-tamper boxes on</p>
--	--	--	--	--	---

					<p>nearly all its minisubstations. Fencing is also problematic as steel palisade fencing get stolen for scrap metal and in the Industrial are Concrete</p> <p>palisade fencing at the new cemetery was ineffective.</p>
--	--	--	--	--	---

MPAC RECOMMENDATION

None

4	ANNUAL PERFORMANCE REPORT: ATTACHMENT	17 OF 37	<p>Not achieved No LED strategy reviewed by June</p> <p>Reason Delay In site inspection due to unavailability of business owner</p> <p>Corrective Action Arrange further site inspections and finalise the strategy in 2024/2025</p>	1. How does the reason for not achieving the review of strategy relate to a business owner ?	1. Businesses are key drivers for the economy and key stakeholder for development of the LED strategy. Their inputs are crucial for a successful LED strategy.
---	--	----------	---	--	--

MPAC RECOMMENDATION

1. timeously source information / resource to allow the achievement of KPI

41	ANNUAL PERFORMANCE REPORT: ATTACHMENT	18 of 37	<p>Achieved target No of quarterly Marble Hall hawker's forum meeting held per quarter.</p> <p>Follow up 2022/2023 Draft annual report In previous year the annual report stated that: Re allocation of hawkers to the hawker stall away from the N11 is still a huge challenge, the process is stuck due to resistance from the hawkers to move to the hawker stall</p>	1. Was the strategy developed? and how does it assist the municipality as the hawkers are still at N11?	1. The Draft strategy is in place and will serve in council for adoption
----	--	----------	---	---	--

			and the deliberately stay away from the meetings. A new strategy needs to be formulated for implementation and Participation”		
--	--	--	---	--	--

MPAC RECOMMENDATION

1. Table the Draft strategy is in place and will serve in council for adoption

ANNUAL CAPITAL PROJECTS /INSTITUTIONAL PERFORMANCE MANAGEMENT 2023/24 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	See Below	<p>1. What is the current status on these projects? (On completed projects, state the date of completion and if they are used by the community for the intended purpose)</p> <p>2. In the annual report of 2022/23 the municipality had project values different with the values stated in the 2023/24 annual report, what causes the difference?</p> <p>3. The committee will like to congratulate the municipality on completion of the previous financial year project, currently are these completed</p>	<p>1. Current Status</p> <p>PROJECT NAME</p> <p>Status</p> <p>Morarela</p> <p>internal</p> <p>Streets 100% Complete</p> <p>Rathoke</p> <p>Internal</p> <p>Road 100% Complete</p> <p>Uitvluigh</p> <p>Bus</p> <p>Route 97% Complete</p> <p>2. These were multi-financial year projects with budget apportioned in two financial years totalling the entire projects costs. Each financial year was budgeted based</p>

				<p>project in use? Was the hand over formally done to the community and what are the community reviews on the projects or assets?</p>	<p>on the available funds from the MIG allocation and the implementation plan. 3. The projects are currently being utilized for intended purpose by the community. The Municipality needs to have a holistic approach of stormwater drainage system of villages where roads are being constructed in lieu of focusing on the stormwater drainage system that is associated with the constructed tar roads.</p>
--	--	--	--	--	--

c. Key Service Delivery Improvements

In the year under review the municipality successfully implemented the following capital projects as Multiyear projects.

Table 1: Capital Projects

PROJECT NAME	KILOMETRES IN ROADS TARRED	PROJECT VALUE 2022-23	PROJECT VALUE 2023-24
Morarela internal Streets	2.5 KMs	R 21 774 833.78	R 13 542 129.69
Rathoke Internal Road	2KMs	R 16 000 000.00	R 6 208 688.68
Uitvluigh Bus Route	4.8 KM	R 38 103 695.82	R 15 034 481.63

MPAC RECOMMENDATION

1. Morarela internal

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)

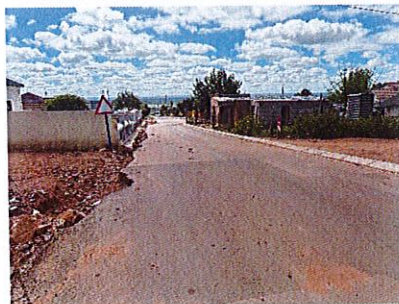
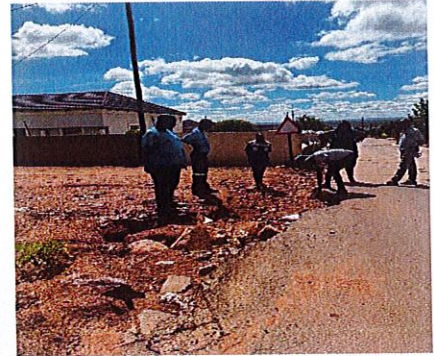
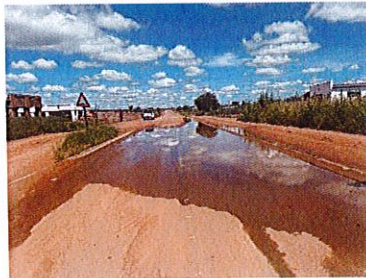
All projects

The performance of contractors or service providers be monitored monthly, in line with required by section 116(2)(b) of the MFMA

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

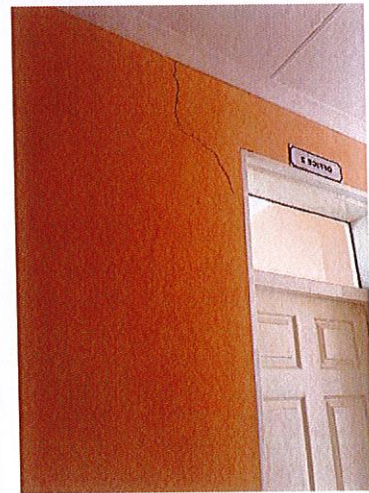
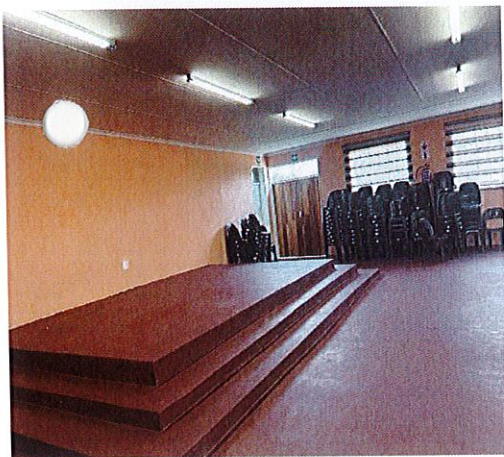
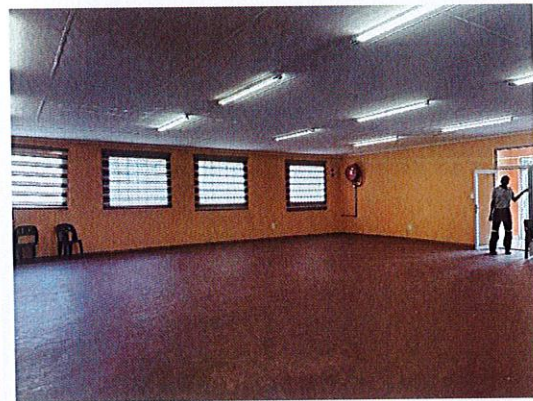
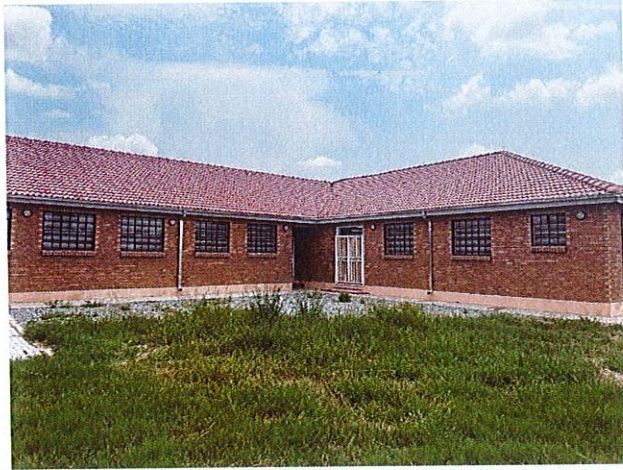
The following projects were visited for verification of information recorded on the draft Annual Report:

MORARELA INTERNAL STREETS



MPAC has identified a few defects and recommend that they be fixed before the release of retention and recommend fencing of the area with potential danger to the community.

KEEROM COMMUNITY HALL



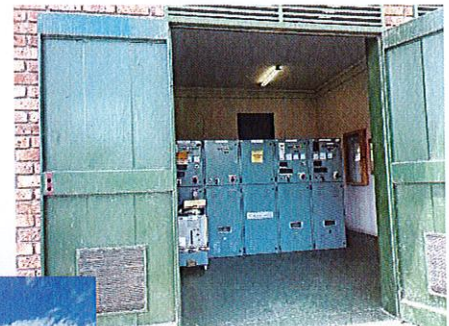
1. MPAC Congratulates the Municipal in successfully handing over the community hall and recommend maintenance of the hall, where there is roof leaking fix and proper maintenance of the yard.

MALEBITSA HIGHMAST LIGHTS



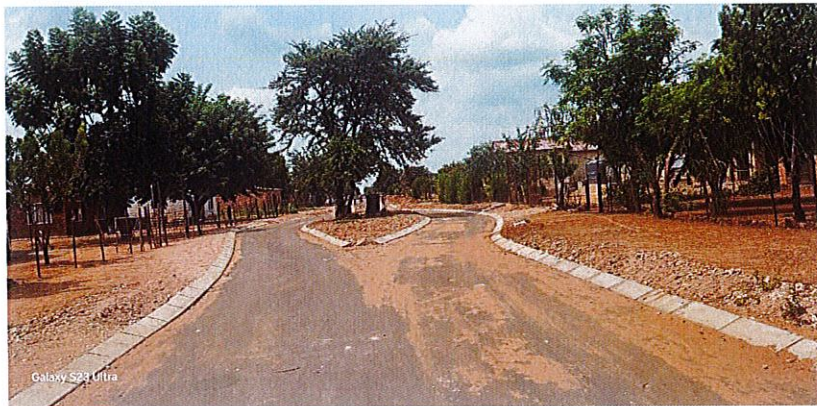
1. The high mast light are not used for the intended purpose due to the challenge with connectivity from Eskom and Infrastructure to revisit the high Mast light to test if they are not going to pose potential danger to the community.

INDUSTRIAL SUBSTATION



The committee appreciates the work done by the electrical department to keep the town energized.

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)

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
- 2. All Documents submitted to MPAC must be complete, reviewed and approved (Signed)**
 - Not implemented
- 3. Implementation of the Audit Action Plan**
 - Not fully implemented
- 4. Monitoring of Municipal projects must be priority as there are many defects (poor project management)**
 - Not implemented
- 5. Implementation of all audit committee recommendations**
 - Not fully implemented
- 6. Prioritize the operational procedure in line with the waste management guidelines**
 - Implemented
- 7. Capacitate PMS Unit by appointing a personnel who will assist with performance evaluation of staff members (IPMS Officer)**
 - Not implemented
- 8. Capacitate Internal Audit Unit**

- Partially Implemented

9. That council approves the 2022/2023 draft annual report in all its material aspects.

- Implemented

11. RESOLUTIONS OF MPAC AFTER CONSIDERATION OF THE 2023/24 DRAFT ANNUAL REPORT

2. 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.
3. All Documents submitted to MPAC must be complete, reviewed and approved (Signed)
4. 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)
5. Monitoring of Municipal projects must be a priority as there are many defects (poor project management)
6. Implementation of all audit committee recommendations
7. Capacitate PMS Unit by appointing a personnel who will assist with performance evaluation of staff members (IPMS Officer)
8. Capacitate Internal Audit Unit (All funded positions)
9. Report quarterly to council on progress on Material irregularity identified by AGSA
10. That council approves the 2023/2024 draft annual report in all its material aspects.
11. Prioritize refurbishment /maintenance of municipal buildings
12. Report to council the UIFW identified during the audit (R 1 899 563- irregular expenditure) to allow timeous investigation
13. The performance of contractors or service providers be monitored monthly, in line with required by section 116(2)(b) of the MFMA
14. 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)
15. 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)

16. Internal Audit to Audit PED/LED in detail (ad-hoc audit)
17. 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

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	Officials & councilors	Time
1. 05/02/2025	Town hall	Cllr TL Mabaso and Ms. Lungile Mbonani	08H00 11H00
2. 07/02/2025	Municipal chamber	Cllr KM Maelane and Petrus Nkadimeng	11H00
3. 11/02/2025	Keerom Ward 2	Cllr Thobejane PJ, Cllr Sebothoma KW and Mr. Abram Tlamama	10H00
3. 17/02/2025	Mokgwaneng Ward 6	Cllr Thobejane PJ, Cllr Sebothoma KW and Mr. Abram Tlamama	10H00
4. 19/02/2025 (No questions)	RDP ward 8	Cllr NS Letsela and Ms. Comfonia Phasha	10H00
5. 21/02/2025 Date was postponed to 5/03/2025	Makgatle ward 12	MPAC had interrogation of the annual report	10H00
6. 24/02/2025	Dichoeng Ward 14	Cllr TL Mabaso, Ms. Lungile Mbonani and Ms. Comfonia Phasha	10H00
7. 26/02/2025	Joint program- Elandskraal Ward 15	Cllr TL Mabaso and Ms. Lungile Mbonani	10H00
8. 03/03/2025	Town hall	Cllr K M Aphone and Ms. Lungile Mbonani	18H00

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2023/24 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. Comments made during the consultation of the Annual report are highlighted below:

	Question/Comments/Requests (including legislation if necessary)	Question asked by:
1.	Process on EPWP Recruitment	Dichoeng Community Member
2.	Water	Elandstraal community member
3.	Concern with the 74 posts not yet Advertised to reduce this high level of unemployment	Mokgwaneng community member
4.	No guard room there at the gate	Kerrom Community Member

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 2023/2024 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 3 questions and comments were received but only 1 comment was in relation to 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 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 2023/2024 Financial Year, adopts the Oversight Report for the 2024/25 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 2023/2024 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



CLLR TL MABASO

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

CHAIRPERSON



DATE