19c

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 3rd SPECIAL COUNCIL MEETING OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON WEDNESDAY THE 06 OCTOBER 2021

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

C3/01/2021: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2019/20 ANNUAL REPORT

RESOLVED

1. That Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the 2019/20 Financial Year, adopts the Oversight Report for the 2019/20 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management
2. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.
4. That the oversight report together with the signed resolution of adoption be submitted to Auditor General ,COGHSTA and be published on the municipal website
5. That the Municipal manager implement the decision accordingly

CLLR.R M LENTSOANE
SPEAKER

06 OCTOBER 2021

FINALISATION BY:
REFERRED TO MPAC RESEARCHER **BY MUNICIPAL MANAGER**

ST MATLADI
MUNICIPAL MANAGER

06/10/2021
DATE RECEIVED

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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

EPHRAIM MOGALE LOCAL MUNICIPALITY

<u>OVERSIGHT REPORT</u>

For 2019/20 Annual Report.

CONTENT

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EPHRAIM MOGALE LOCAL MUNICIPALITY
OVERSIGHT REPORT

Officials:

ST Matladi	Municipal Manager
MSJ Madisha	Acting Chief Financial Officer
Vacant	Director: Corporate Services
S Uwane	Acting Director: PED
PT Mashile	Director: Technical Services
MH Phaahla	Director: Community Services
R Maepa	Manager: IDP
Vacant	PMS
ML Masombuka	Chief Audit Executive

MPAC Support staff

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

MPAC members: Current

Cllr P Ranoto	Chairperson
Cllr J Kekana	Member

Cllr F Maloka	Member
Cllr R Sebothoma	Member
Cllr N Letsela	Member
Cllr G Moimana	Member
Cllr L Mohlala	Member
Cllr CR Kupa	Member
Cllr W Mabaso	Member

Audit and Performance Audit Committee Members:

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

External: Stakeholders

Auditor-General's Office

Provincial COGHSTA

Limpopo Provincial Treasury

2. INTRODUCTION

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

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

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

3. BACKGROUND

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

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

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

- Approval of budgets;
- Approval of budget related policies; and

- Review of the Annual Report and adoption of the Oversight Report

APPENDIX A

4. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

ANC, EFF 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 nine 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:

1. ANC: Cllr P Ranoto
   Cllr J Kekana
   Cllr F Maloka
   Cllr CR Kupa
   Cllr G Moimana
   Cllr W Mabaso

2. EFF: Cllr L Mohlala
   Cllr R Sebothoma

3. DA: Cllr N Letsela

4 That the elected MPAC/Oversight Committee will submit a report addressing the queries raised by the Auditor General to council for deliberations.
5 That the Committee will take the Oversight report to council as per the following program:

The functions of the MPAC/Oversight Committee are to:

- Undertake a review and analysis of the Annual Report going forward
- Invite, receive and consider inputs from councilors and Portfolio Committee, on the Annual Report
- Conduct Public Hearing(s) to allow the local community or any organs of the state to make representations on the 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, Council, Audit Committee and Councilors

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

(a) Has approved the annual report with or without reservations;

(b) Has rejected the annual report; or

(c) Has referred the annual report back for revision of those components that can be revised

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

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APPENDIX B

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

Date	Reason	Responsible People	Structure
Done Previous 2016/17 Date: Amendment: Date: 11 June 2021 Resolution Number: SC12/03/2021	council establishes the MPAC/Oversight Committee	Council	Council
26 May 2021 Resolution Number: OC8/08/2021	Council resolution to adopt annual Report	R Maepa, Manager IDP and Manager Mayor's office	Council
26 May 2021	Draft Annual report copies given to AG and COGTA after consideration of comments from Council	R Maepa, Manager IDP to Amend the Report	Management/Officials
µly 2021	First meeting of MPAC on annual Report 10 am, Council Chamber to recognize the report and interrogation.	MPAC Committee, P Nkadimeng-MPAC Coordinator and Chief Audit Executive	Special MPAC meeting
04 August 2021	Handover of Annual Report, amended with inputs of Audit and performance Committee to MPAC	R Maepa, Manager IDP handover to ML Masombuka, Chief Audit Executive and Cllr Ranoto, MPAC Chairperson	Collective engagement

04 August 2021	Draft advert prepared for submission to MM for public and stakeholder hearings	P Nkadimeng-MPAC Coordinator S Makua-Manager Council Support	MPAC support staff
ugust 2021	Actual advertisement in Local Notice Board, social media and Municipal Website	P Nkadimeng-MPAC Coordinator S Makua-Manager Council Support MPAC Chairperson for Overseeing	Collective engagement
18 August 2021	Meeting held in municipal hall and (Radio Moutse) while Facebook live streaming with Public 10 am	Manager Mayor	Public meeting for Annual Report
18 August 2021	Meeting with MPAC 2pm	MPAC members, Researcher, Coordinator, Manager Council Support	Special MPAC to finalize recommendation of the asked questions and preparation of draft oversight Report
26 August 2021	Incorporation of AG and COGSTA	MPAC Chairperson, Cllr Ranoto	MPAC
26 August 2021	MPAC site visit for project reported on the Annual Report	MPAC Members, P Nkadimeng-MPAC Coordinator S Makua _Manager Council Support Manager PMU Manager Electrical Communications for Pictures and MPAC Researcher	Collective engagement
ugust 2021	Tabling of Draft MPAC oversight report to MPAC by Chairperson and MPAC Researcher	MPAC Chairperson, Cllr Ranoto MPAC Researcher	Special MPAC to finalize draft oversight Report
27 September 2021	Tabling of oversight report to Council	Manager Council Support	Council Meeting
30 September 2021	Submit Minutes of Council Meeting Adopting Oversight report, Oversight report and Council	ML Mbonani to amend the Oversight Report and ML Masombuka and Chairperson-Cllr	Collective engagement

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	Resolution to AG, COGHSTA and Limpopo Provincial Treasury	Ranoto to ensure delivery	

6. MPAC public hearing

These are set of questions developed and asked by MPAC in preparation of the Oversight Report in an open platform where the honourable mayor 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 04 August 2021 while previously MPAC received the Annual report from council and it was deemed to be the first draft or rather incorrect document ,MPAC Had two meetings/engagements considering the annual report for the financial year ended 30 June 2020.

QUESTIONS	RESPONSES	RECOMMENDATION OF MPAC
1. MPAC realized the following errors on the report **Table of Content** 1.1. Page 4 states that the performance of s[illegible]e providers fo[illegible]e 2018/19 financial year 1.2. Page 6 states that the Auditor general's report is for the	1.1. And 1.2. This was a typing misstatement. 1.3 Mr. K.L Phasha was acting in the previous financial year and the Annual Report structure either than the performance information was prepared during the Acting of Mr. K.L Phasha and mistakenly omitted the updating of the	Fixing of the document before the 23th August 2021 and send to the office of Council Support for verification.

financial year 2018/19 **Adm on Support** 1.3. Page 26 Introduction, where the wording says municipal Manager, the Municipality currently allocate acting Municipal Manager and Phasha K.L is not the current Acting municipal manager who signed the report. The Municipal Publ counts Com...ee therefore recommend that the Annual Report be reviewed and verified before tabled to council or any committee of	page in question and the Errors will be dealt with.	

council to avoid spending much time deali· yith minor spelli. and grammar issues.		
2. Have the Annual financial statements been Included in the Annual Report? MPAC Have noted that the Annual financial statement is included in the Annual report however they are presented as an annexure that is written GRAP Compliance and the finan·· statement Are not inclusive of the signatures of the Chairperson of Audit Committee and Municipal	The municipality does have a final adjusted set of Annual Financial Statements that has signatures of the Acting MM and Chairperson of Audit Committee however since the Acting MM has signed the entire Annual Report that serves as an endorsement to the document/Report. No, there is no particular reason except it's a narrative in terms of the Annual Report	Inclusion of the correct signed document on the final submission of the corrected document and replace GRAP to Annual Financial Statement.

Manager on the Annual Report. Is th a particular reason why they are not written as Annual Financial Statement and no signatures been attached?		
3. **Annual report on key policy developments** The Committee prepared an excise to compare the Annual Report in question (2019/20) and the 2018/19 annual report **Pag** of annual report on key policy developments – it is reported that "this report follows seven years after the remarkable year of	This was a mistake and it will be rectified to 9 years.	Correction of the document

the local government elect (2011)" while also in 2018/19 financial year Annual Report the statement was the same **(Page 6)** The Committee is requesting the Office of the Mayor to clarify the statement, why is it always given as 7 years?		
4. Compliance with MFMA and related Circulars Municipal Finance Man[illegible]ment act 121 ([illegible])instruct the inclusion of an assessment by the accounting officer on any arrears on municipal taxes and	The Municipality has an approved Municipal Property rates and Credit control & Debt collection policy which clearly provides for a process and procedure on dealing with arrears on	No recommendation. Submission of supporting document for verification: 1. Assessment 2. Section 66 report to support the deduction of rates direct from salaries. 3. Reconciliation (Mentioned by MMC Finance: Cllr Matsepe) 4. Signed Contracts for employees renting in municipal houses

service charged, including mun. l entities	accounts as mentioned	
4.1. 1. Has an adequate assessment been Included in the Annual Report? 4.1.1. Is there sufficient explanation of the causes of arrears and of actions to be taken to Remedy?	Assessment is regularly performed to ensure correctness on accounts and it is in that process that such a determination is made.	
4.2. S 124(1) (b) Are there any arrears owed by individual councilors or shared control to the mun lity for rates and Taxes during the financial year? That are outstanding more than 90 days?	All Officials and Councilors living in area where municipality is charging rates and taxes accounts are deducted on monthly basis through payroll process.	
Has an assessment done on current	Yes, the staff members of the municipality that	

councilors and what monies has been reco d? Are we also following up on arrears of staff and do we have signed agreements for monthly payments or? Are we deducting from their salaries? Furthermore, are staff that are renting municipal houses paying their rental on time	are renting municipal houses payments are deducted on their salaries. Employees renting in Municipal Houses do have a valid contract signed.	
5. Th committee note. h appreciation the Auditor general of South Africa's report attached or incorporated on the Annual Report and	The Municipality indeed has obtained an unqualified Audit Opinion on the 2019/2020 financial year.	Recommend that the Audit Action plan be included in the Annual report as per MFMA 121 (3)(g) that talks of Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports.

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wish to express that, this achir ɿent of an unqua..ied audit opinion in the 2019/2020 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 however in the road to Clean Audit the Committee wants to knov 5.1. Taking into account the audit report, audit opinion and the views of the	5.1.1 Based on the audit report two things are of serious nature in relation to non-compliance to supply chain management-contract management issues where a contract was extended without proper process being followed and that lead to irregular expenditure 5.1.2 only minimal challenges on investigation of Irregular expenditure and Performance report challenges on basic service delivery	

audit committee and council • To what extent does the report indicate serious or minor financial Issues? • To what extent are the same issues repeated from previous Audit? • Is the action proposed considered to be adequate to efficiently address the issues raised	5.1.3 An audit action plan was developed taking into consideration of all findings raised by Auditor General 5.2 Yes 5.3 An audit action plan was developed taking into consideration of all findings raised by AG and the municipality is 68% completed and the remaining 32% in progress and will be addressed when finalizing	

in the audit Report? 5.2. Has a schedule of action to be taken been included in the annual report with appropriate Dates? 5.3. Has the municipality taken steps to address the issues raised? 5.4. Has the Audit Report been forwarded to the MEC Provincial COGHSTA and Limpopo Provincial Treasury?	2020/21 Annual financial Statements 5.4. Yes	

6.Service delivery perf ance on key services provided A high-level summary, in addition to detailed information on performance, which sets out the overall performance under the strategic objectives of the Municipality. Overall results on the strategic functions and services Should be summarized. This information is norn found in an executive summary section of the Annual Report or in statistical tables however on the Latest report	The Key Performance Area (KPA) underperformed as a result on the outbreak of the Covid-19 which led to the introduction of the lockdown on the 26th March 2020. The regulations negatively affected the achievement of the 4th quarter (April to June) Key Performance Indicators because the majority of the indicators involved engagement with the stakeholders such as LED forum and LED summit amongst others. The achievement on some KPIs depended on the calmination of activities throughout	No recommendation Supporting evidence of the visual meeting held through zoom as improvement stated on the response. 1.Recording 2.Invitation 3.minutes and report

presented to MPAC it was removed. Comparing previous financial year and the first Annual Report that was tabled in Council on the 26 May 2021, Page 10 of that report on table 1 of the institutional performance Comparison _KPA's 3 and 6 that showed an underperformance was removed, is there a specific reason why this information was removed? The question still stands, what were the reasons for underperforming and measures put in place to avoid the	the quarters of the year and the non-performance on the 4th quarter affected the Annual Performance Report. The KPA therefore benefited from the introduction of the virtual meetings where some activities are performed online in order to avoid such negative performance. The LED unit is currently doing well amidst the Covid-19 regulation and has also encouraged the stakeholders to familiarize themselves with such virtual engagements.	

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same situation in future?		
7.Pa 3 of the annual report on HIV/AIDS coordination It is indicated in the Annual Report that the HIV/AIDS the success of LAC meeting is not up to Standard, due to stakeholder's attendance on the meeting and constant date changing of meetings. 7.1. Did the municipality identify the cause of non-attendance and change of dates? 7.2. Does the Municipality have a programme of action	7.1. Yes, the root cause on non-attendances to the meetings of Local Aids Council was due to lack of funds and transportation of the members from those Organizations, Because Local Municipality does not provide any transport to the members of the LAC. - Also, the Stakeholders of the LAC include the Sector Departments- such as Department of Health, Education, Social	The root cause given does not address the question given. Request schedule of meetings as supporting evidence to the above and a segment/budget allocated evidence.

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to improve the situation except?	Development and Sport, Arts and Culture and lastly Agriculture. These Departments are ones giving the LAC a challenge of non- reporting and attending. 7.2. Yes, the Local Municipality has a Program of Action to improve the non-attendance of the meetings of the Local Aids Council members especially those belong to the NPO and NGO, which include the provision of the transport from the Local Municipality. We have allocated	

	budget/funds from the office of the mayor to cater that developed programme of action for the next financial year. The programme of action also includes the schedule of meetings for the members. And also, to improve on reporting to the supervisors for non-attendance of members. -The programme of action also includes the launching and formation of Technical Aids Committee which is chairing by the Local Municipal	

	Manager and is the structure which supporting and providing the secretariat to the Local Aids Council, also include the schedule of meetings of the Technical Aids committee. The main important role of the Technical Aids Committee is to consolidate Reports from Sector Departments, NPO and NGO for Local Aids Council	
8.Pag.. 33 of the annual report on Sport and Recreation	8. Page 132. Annual report on Sport and Recreation.	Recommendation is that the Marathon in Moutse ceases to be supported as its not in the jurisdiction of Ephraim Mogale and it won't generate income for the municipality 'Officers operating in MOUTSE WEST will be submitting their court roll and attending cases in DENNILTON 'as per narration of 11.1

It is said that the municipality is giving admi 'rative supp. io Moutse marathon – What kind of administrative support?	- Administrative support to Moutse Marathon. The administrative support provided is Traffic and Law Enforcement by Traffic Officers.	Request for terms of reference for Moutse Marathon, invites directed to the municipality, and document in explanation of how the municipality is benefiting since it is spending, are we generating any revenue from this?
	Response from the mayor	
Follow up question of answers: MPAC chairperson wanted to know since the municipality have sports and special program and Moutse is not part of our spe(rogramme won't ..is cause unauthorized /Irregular expenditure What do we benefit?	As the municipality we must give support.	

9.Page 132 of the Annual Report follo' ɿ Auditor Gene. .. s report - Page 3 of the auditor general of South Africa The report of Auditor General report on basic service delivery and infrastructure states that various indicators achievements reported against the indicators that are unrelated to the planned and predetermined objective, how did this happen? And why') Is this part of the Audit Action Plan? And how is it going to be prevented from recurring?	Upon planning of the key predetermine d objectives on the SDBIP process the KPI in question was not set to be SMART and the adjustment SDBIP will incorporate the KPI in question and be adjusted accordingly. Yes, the Audit Action Plan is inclusive of this item and the prevention of the finding from recurring will be that the	No recommendation Request for the adjusted SDBIP that shows the smartness of the KPI

	municipality will revisit the Whose SDBIIP and perform an assessment of all the KPI's to test the smartness and adjust where the need arises	
10. Page 132 of the Annual Report follow an Auditor General's report - Page 5 of the auditor general of South Africa. **10.1.** The report of Auditor general repc ıtes that the performance management system and related controls were not maintained, does the performance	10.1. The municipality has a draft updated PMS procedure Manual and will be tabled to council however the Improvement and implementation of the document is in progress.	10.1. 1.Request for the PMS Procedure Manual 10.2. - checklist to ensure that all payments made are meeting the requirements 10.2.-recommendation of a temporal structure before the creation of the post, giving the duties to a person already existing on the system while planning on appointing someone. - in relation to the creation of the Compliance officer post just to test the possibility of it happening the MPAC committee is questing to be furnished with a document that state the current percentage of staff budget in terms of salaries and % restrictions as guidelines. 10.3. The Action plan or remedy stated is noted however the committee is dissatisfied with the mentioned action and recommend benchmarking with other municipalities to follow the

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management unit have a procedure man[illegible] If not, what are th[illegible] using to follow implementation of regulations? What will they do to prevent the recurring of such? **10.2**. Reasonable steps where not taken to prevent the irregular expenditure of R1 098 702.00 disclosed in the annual financial statement, does the municipality have systems in place to prevent the irregular iden[illegible]? 10.3. In the previous year measures were put in place to remove people in service of the state	10.2 the municipality has developed an internal control procedure method as checklist to ensure that all payments made are meeting the requirements in terms of the regulations as previously such was not in place but only a checklist for procurement which created deficiencies in existing	lead in procuring a system similar to the one used by AG to identify the people in service of state because the one mentioned won't be able to hold other municipalities accountable for not adding the officials in their work place on the CSD.

such as the by means of use of CSD ˑd declaration of in. st forms to be filled by suppliers however this finding is still being raised by the Auditor General. What other measures are being put in place as we do not want to see this repeated again.	contracts such as the one that was identified as irregular. Also, the municipality is in process of creating and appointing a compliance officer to ensure compliance in all aspects of contract management and procurement 10.3 this matter in relation to regulation 44 and 45 of supply chain management regulations is very complex and the municipality	

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	currently does not have any system in place to identify those people through current mechanisms. There is however another plan of action which as the municipality has put in place in terms of the treasury circulars and guide to ensure that all employee files/data for the municipality is uploaded on the CSD system to assist the	

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	process in identifying directors in service of state as the CSD currently is unable to synchronize with municipal payroll system therefore failing to detect such affiliations	
11.page 54 of annual report on transport It indicated that Traffic Services whic' ' clude norn. .nforcement is done in Marble Hall and there is still a challenge in extending the service to other villages.	11. Page 54. Annual report on Transport. 11.1 The challenge with Traffic Officers extending to other villages: The Traffic Division has a challenge of extending services to other villages due to shortage of personnel. Currently the Division is	No recommendation Request for the plan of Action.

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11.1. What is the challenge with exter g to other villag... And what action is been taken currently to address the challenge identified? 11.2. Are the Traffic Officers are seen doing the service in other villages outside Marble Hall Town – Are they authorized?	operating with six personnel which is three per shift and it becomes just impossible to split the group, since they cannot all be deployed to the villages and leave the town unattended. If Traffic Officers get deployed to do Law Enforcement in the villages it means they must operate according to the Area of Magisterial jurisdiction and not municipal jurisdiction in terms of attending courts. E.g., Officers operating in MOUTSE WEST will be submitting their court roll and attending cases in DENNILTON on a weekly basis. When	

	operating in MAMPHOKGO they will be attending MOTETEMA court and when operating in LETEBEJANE, PHETWANE to TSIMANYANE they will be attending NEBO court. All these operations could be performed if there were adequate personnel. But, being understaffed like we are now, we cannot be effective in the villages at the present moment. The action taken currently to address the challenge The future plan which is a long term one, is to have additional personnel by restructuring the organizational	

12 . Follow up on challenges, comments and Review notes of Audit Committee. 12.1. The document submitted to MPAC with a heading Annual Audit Committee report 2019/20, the content of the Document has no comment on Annual Report and it was ...ed by the ...ner audit committee Chairperson 12.2. The document indicates the review and discussion of the	Internal Audit Internship programme was advertised and the municipality is in the process of appointing the interns to capacitate the internal Audit Unit and in order to finish the Audits planned for this financial year, a budget was adjusted and it is allocated to outsourcing of specialized internal audit activities that are going to assist while transferring the necessary skill to the interns. The advertising of the mentioned outsourcing was done and in progress.	The strategy is noted however the remedy in place is for contractual individuals and it's a short-term solution and we Recommend filling of the vacant post in the internal Audit Unit and the structure be expanded.

Annual Financial Statement, AGSA Audit Report and Action Plan (2018/19) financial year, Review of Mid-term Performance Management report. MPAC has noted the concern of Audit Committee in relation to capacity of the Internal Audit unit And it is further highlighted that the unit had planned 20 projects /audit however due to the above-mentioned challenges they only performed 14 audits, what has been done to date to ensure the capacity of the unit is of the standard that aligns with the needs of the municipality?		

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13. Follow up on suggestions com' ıts and Recc .nendation by the Public on the Annual report. 13.1. Did the public have questions in relation to the Annual Report? 13.2. Were the questions addressed accordingly and documented to incorporate as inputs from the Community?	13.1. Yes Only one question was based on Annual Report, the question was on EPWP recruitment processes since stated on the Annual report that the budget was 100% was spent. 13.2. The consolidated report was sent to the relevant department and it is reported in progress.	The question was that the recruitment process seems to be unfair, the municipality do not assure the process will be fair

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APPENDIX C

6. ANNUAL REPORT CHECKLIST

Annual Financial Statements – Section 121 (3)	**For Consideration**	**Questions**	**Response**	**Recommended Corrective Action**
Section 121 (3) (a) of the Municipal Finance Management Act. The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial statements are Required. The AFS are to be in a form as required by the applicable accounting Standards. MFMA Circular 18 with annexure, 23 June	1. Have the financial statements been Included? 2. Are the financial statements Audited? 3. Have the financial	1.The Audited Financial Statements have been included in the Annual Report subject to the following mistakes: • The Table of content state the all the attached documents but not the AFS • The attached financial statements were not the actual signed by the Audit Committee and The municipal Manager. The financial statements have been audited as the AGSA report has been attached	• Amendment of the table of content to accommodate the table of content • Attachment of the final document inclusive of signatures No action required

	2005, provides guidelines on the new accounting standards for Municipalities.	statements been prepared in compliance with applicable accounting standards	3. The Financial Statements have been prepared in terms of GRAP compliance	No action required
121 (3) (e) An assessment by the accounting officer on any arrears on municipal taxes and service charged, including municipal entities		1. Has an adequate assessment been Included?	1.The report is included in the Annual Report, This report is included in the Annual Financial Statements	No action required
		2. Is there sufficient explanation of the causes of arrears and of actions to be taken to Remedy?	None	No action required
121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues	The conclusions of the annual audit may be	1. Taking into account the audit report, audit	Part of the MPAC questions, Attached annexure of questions and	Refer to MPAC official questioner

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raised in the audit reports	either – - An unqualified opinion with or without management issues, which means the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification	opinion and the views of the audit committee, council should consider: • . To what extent does the report indicate serious or minor financial Issues? • To what extent are the same issues repeated from previous Audit • Is the action proposed considered to be adequate to efficiently address the issues raised	Responses, refer to question 5	

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		in the Audit Report? 2.Has a schedule of action to be taken been included in the annual report with appropriate Dates? 3. Has the municipality taken steps to address the issues raised in the Audit Report? 4. Has the Audit Report been forwarded to the MEC?	Yes	
121 (3)(a) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit report of the municipality and its entities	Conclusions in these recommendations and the actions required should be incorporated	1. Have the recommendations of the audit committee in regards to the Draft Annual report been	Audit Committee had the following inputs of comments towards the draft Annual Report: **1.Honourable Mayor** Replace foreward with foreword in page 6.	Consider all Audit Committee comments when preparing the final draft.

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	In the oversight report.	adequately addressed by the municipality And/or the entity? 2. What actions need to be taken in terms of these recommendations	**2.MM Overview** Comment on the stability or instability of senior management during the year. **SCM 2.11 page 39** Remove the lecture about the Bid processes. They are peripherals and not helpful. Comment on bids awarded to women, people with disability and SMMEs. Mention the extend that you comply and support Black Economic Empowerment and Local Suppliers **MIG Spending** 2018/19 financial i guess should be replaced with 2019/20 on page 54 33 433 000 should be replaced with 33 444 000 on page 54 Page 68- Departmental performance not comparison. There is nothing to compare here.	

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123 (1)(a) Allocations received by the m[illegible]cipality from an orga[illegible] state, a municipal entity or Another municipality.	The annual financial statements must disclose: 1. Details of allocations received from another organ of state in the national or provincial sphere, municipal entity or another Municipality.	1. Have allocations received by an organ of state, a municipal entity or another municipality Been disclosed? 2. Does the audit report confirm the correctness of the allocations received in terms of DORA and Provincial budgets?	1. The disclosure of grants and subsidies in terms of section 123 of MFMA, 56 of 2003, the report is captured in the Financial Statements 2. The audit report confirms that they are correct as there are no matters of emphasis raised. There is no mention of this in the audit committee inputs or corrections and the matter does not appear in any minutes of the held Audit Committee meetings. The Audit report by the AG does not mention any recommendation on this regard.	No action required
124 (1) & (2) Information relating to	Information on the following	1. Have the salaries,	1. Council Salaries and Allowances are disclosed	No action required

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benefits paid by municipality and entity to councillors, directors and c als	items is to be included in the notes to the annual report and AFS: 1. Salaries, allowances and benefits of political office bearers, councilors and boards of directors, whether financial or in kind;	allowances and benefits paid to Councilors and the Municipal Manager, CFO and Senior Managers been Disclosed? The Committee is of the View that that during the financial year Mr. Mabija and Madisha acted on the position of Chief Financial Officer. 2. Is there a statement by the Accounting Officer, stating that salaries, allowances and benefits Paid to Councilors are within the upper limits of the framework	on Annual financial Statement and Salaries and Allowances for section 56 Managers and where Acting was allocated it was also disclosed and no Audit finding from the Auditor general in this regard. 2. All Salaries and allowances of Councilors are within the upper limit as per council resolution. This stated on page 65 of the AFS	

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		envisaged in section 219 of the Constitution.		
The annual performance reports of the municipality and entities	Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to Improve performance. The report must form part of the annual report. In terms of key functions or services, how	1. Has the performance report been included in The annual report? 2. Have all the performance targets set in the budgets, SDBIP, service agreements etc., been included in the Report? 3. Does the performance evaluation in the annual report compares actual performance	1. The Annual Performance Report has been included in the Annual Report 2. Performance Targets has been set in the SDBIP and Section 57 Performance Agreements and are included in the report 3. The SDBIP is directly linked to the Performance Agreements of Section 57 and evaluated against targets and the budget.	No action required Furnish the Committee with the page number that has the performance agreements No action required

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	has each performed? -Refuse Collection. customer satisfaction survey been undertaken and, if so, how do the results align with the Annual report contents? What were the outcomes of public consultation and public Hearings? To what extent have actions planned for the previous year been carried over to the financial year reported Upon? Have any actions planned in the reported Year been carried over to the current or	with targets expressed in the budgets and SDBIP approved for The financial year? What actions have been taken and planned to Improve performance? 4. Is the council satisfied with actions to improve? 5.Did the Target set in the budget, SDBIP agree in the performance contracts of the municipal manager and each senior Manager?	4.The actions and plans are set out in the action plan located of the annual report Internal Audit report on alignment of the SDBIP, Budget and performance contract and its updated action plan suggest that this is correctly aligned	Furnish the committee with the page number that has the Action Plan. No action required however the committee is requesting the internal Audit report for verification.

	future years? If so, are any explanations been provided by the municipal manager and Are these satisfactory?	6. Taking into account the audit Report and opinion and the views of the audit committee, is performance considered to be efficient and effective		
Audit reports on performance	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing Processes and annually.	1. Have the recommendations of internal audit been acted on during the financial Year? 2. Have recommendations by the auditor-general been included in action plans to improve performance in The following	1. Yes. The recommendations of internal audit were acted upon by management 2. Yes Auditor General's recommendations have been included in the action plan and have been tabled at Audit Committee.	No action required Audit action plan be given to council together with the Annual Report.

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		year?		
Performance of munic[illegible] entities and munic[illegible] service providers	The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted Service providers. This is in addition to the separate annual reports Of the entities. The report should evaluate the evaluate the effectiveness of these services and whether alternative mechanisms Should be considered.	1. Has an assessment been included in the Annual Report on the performance of the Municipal entities? 2. Has an assessment been included in the Annual Report on the Performance of all contracted service providers?	N/A Not a municipal entity Yes	N/A Replace 2018/19 with 2019/20

Service delivery performance on key servic provided	This may be a high-level summary, in addition to detailed information on performance, which sets out the overall performance under the strategic objectives of the Municipality. Overall results on the strategic functions and services Should be summarized. This should cover all services whether provided by the municipality, entities or External mechanisms. Council may draw conclusions on the overall performance of	1. Is there a high-level summary detailing the overall performance of the municipality against Its strategic objectives?	Removed upon second draft submitted to MPAC	Inclusion of the high-level summary on overall performance of the municipality

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	The municipality. This information may be found in an executive summary section of the Annual report or in statistical tables.			
Information on long-term contracts	Details of all long-term contracts including levels of liability to the municipality should be ensue all information is correctly supplied	1. Have all long-term Contracts been disclosed?	The liability or commitment amount is shown on the AFS	No action required
Information technology and svstems purchases and ' ffectiveness of these systems in the delivery of services and	Details of significant IT Activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how	1. Have significant IT Activities been disclosed?	Information on IT Activities been disclosed is disclosed	No action required

	effectively the IT services support and facilitate performance of the municipality and whether value for money Has been obtained. Details of any future IT proposals should be Summarized. Council should comment and draw conclusions on the Information provided.			
Three-year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	A summary of the long- term capital plans and how this address the backlogs of services in the municipality should be provided. This should include details of types and scale of	1. Has a summary of the long-term capital plans Been disclosed?	1. The Long-Term Capital Plans have been disclosed, especially per KPI	No action required

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	backlogs, projected cost implications, strategies to address the backlogs and plans proposed And/or approved. The summary here should cross reference to the performance reports in the annual report and also, will be highlighted In the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of			

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	council and Needs of the community.			
Supply Chain Management Regulations and Policy	Certain disclosures on Supply Chain matters are required to be in included in the Annual Report.	1. Have the Supply Chain matters been disclosed in The AFS?	1. Disclosures in the Financial Statement have been made in terms of irregular, fruitless and wasteful expenditure. And a summary in relation to SCM has been included in the annual report.	No action required
Timing of reports		1. Was the Annual Report tabled by 31 January, as per legislative Requirements? 2. Has a schedule for consideration of the Report been adopted?	No, due to COVID 19 and National treasury circulars that allowed AGSA to finish its audit in the end of April, it became exceptional that the Annual report skip this set date.	No action required

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Overs[illegible] committee or other [illegible]chanism		1. What mechanisms have been put in place to prepare the oversight Report? 2. Has a schedule for its completion and tabling Been adopted?	1. The Annual Report was tabled to Council 26 May 2021 following the end of Audit that end in April. 2. Council referred the Annual Report, to MPAC which developed its own schedules as per the dated of the above schedule and the process plan	No action required
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to	1. Have bonuses been paid based on achievements of agreed outputs and after consideration of the Annual report by council? 2. If so, has a proper evaluation of	1. The payment of performance bonuses has not been paid in the prior year. Departments underperformed and in departments that performance is good, there is no director but acting	No action

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	the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal council. Preferably such evaluation should be considered along with The annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance Reported in the in the annual report. Conclusions and comments on the evaluation and	performance been Undertaken? 3. Was the evaluation Approved by council? 4. Does the performance evaluation align and reconcile with the Performance reported in the annual report? If not, what reasons have been Given for non-reporting of the basis of evaluation in the annual report? 5. Are the payments justified in terms of performance reported in The annual		

	payment of performance bonuses of council should be included in the oversight report.	report?		

8. Matters arising from the developed checklist in appendix C

Upon interrogation of the Annual Report on 27 July 2021 and the following matters arising from the developed checklist in **appendix C** were considered before the development of the above questions or questions addressed to the honourable mayor, management was engaged on questions that needed follow up, the questions were developed in accordance to section 124 of the MFMA and consideration of other legislations.

	Question (including legislation if necessary)	**Reference to the Annual Report**	**To be asked by:**	**Reference to response**
1.	S 121 (3) (a) Have the financial statements (AFS) been prepared Considering the GRAP checklist.	AFS	MPAC-	Yes, the Auditor General (AG) did not have any question on the presentation of the financial statements and the municipality has received an Unqualified audit opinion therefore the presentation of the AFS has not been queried
2.	In the previous year measures were put in ace to remove people in ervice of the state such as the Trans union system and vetting of suppliers however this finding is still being raised by the Auditor General. What other measures are being put in place as we	Action Plan – prepared and included after the Audit Report (This was not included hence the question taken further.)	MPAC-	Part of the MPAC questions, attached appendix of questions and responses. Refer from page 10-22 of this report "**6. MPAC Public Hearing**"

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	do not want to see this repated again.			
3.	The Auditor General report states that the performance management system and related controls were not maintained, does the performance management unit have a procedure manual? If not, what are they using to follow implementation of regulations? What will they do to prevent the recurring of such? 16.2. Reasonable steps where not taken to prevent the irregular expenditure of R1 098 702.00 disclosed in the annual financial statement, does the municipality have systems in place to prevent the irregular identified?	AGSA Report		Part of the MPAC questions, attached appendix of questions and responses. Refer from page 10-22 of this report "**6. MPAC Public Hearing**"

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4.	S 123 (1) (c) - (f) Has the municipality had any allocations per DORA delayed or withheld.	AFS,	MPAC-	No, there were no delays in the previous financial year 2019/2020.
5.	S 124(1) (b) Are there any arrears owed by individual councilors or shared control to the municipality for rates and Taxes during the financial year? That are outstanding more than 90 days? Has an assessment done on current councilors and what monies has been recovered? Are we also following up on arrears of staff and do we have signed agreements for monthly payments or? Are we deducting from their salaries? Furthermore, are staff that are renting municipal houses paying their rental on time	AFS	MPAC-	Part of the MPAC questions, attached annexure of questions and Responses, refer to question 4.2
6.	There is a lot being done	Physical	MPAC-	Done through the physical inspection or side visits which

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	in terms of development and basic service delivery) Through physical inspections conducted by councilors and by MPAC members we have noted the following: **Capital Projects** 1.Mashemong/Mooihoek Internal Road 2.Mogalatsane/Phetwane Bus Route 3.Mmakgatle Bus Route Phase 3 4.Malebitsa Internal Street Phase 2 5.Marble Hall Extension 6 Stormwater Phase 3)	verification		took place on 26th of August 2021 by Members of MPAC, MPAC researcher, MPAC coordinator, manager civil and communications trainee. The following observations were made from the physically verified projects: 1.Mashemong/Mooihoek Internal Road ✓ No interview was conducted on site however a follow up interview was dine with Acting manager PMU the project scope is 3.85 km and the project is 97% completed. The project under spent R -3 418.16 that's Actual Spending of R 8 764 881,84 minus Budgeted R 8 768 300.00 2.Mogalatsane/Phetwane Bus Route ✓ Through the means of interview, the project scope is 3.3 km and the project is 89% completed. The project was supposed to complete on the 13th January 2021. The contractor was given 7 months extension which has lapsed on 13 August 2021 and currently running on a penalty fee. The project over spent R 450 385.19 that's Actual Spending of R 8 834 508, 19 minus Budgeted R 8 384 150.00. ✓ No Box cutting, road signs and marking, selected layer, asphalt did not reach the end of the road as yet, kerbings are not yet installed but they are there at the site. Storm water pipes are installed ✓ During the interview the contractor committed to complete the project with two months, the project to be visited and confirm the committed actions, 3.Mmakgatle Bus Route Phase 3 ✓ No interview was contacted, the project scope is 2.9 km and the project is 100% completed. The project under spent R -583.42 that's Actual Spending of R

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				7 383 566,58,84 minus Budgeted R 7 384 150.00 ✓ 'Road signs to confirmed by Dikgomo. ✓ Completed and satisfactory. ✓ Entrance board not available on site 4.Malebitsa Internal Street Phase 2 ✓ No interview was contacted, the project scope is 2.2 km and the project is 100% completed. The project over spent R 219 456,94 that's Actual Spending of R 7719456,94 minus Budgeted R 7 500 000.00 ✓ The water is not moving and stuck at one place at some point, the sand need to be cleared so that the soil does not come to the road. ✓ The water that was previously entering the primary school and clinic are now fixed. ✓ There are patches on the road before it is completed which results in a need for might repair urgently. ✓ The water is not moving at the end of the road, it is recommended that road be opened for the flow of water to take place before release of retention amount. ✓ No end of the road sign next to Malebitsa stadium 5.Marble Hall Extension 6 Stormwater Phase 3 ✓ No interview was contacted on the first site visit however on the second visit a sub conductor and Acting Manager PMU was interviewed , the project scope is 2.9 km and details are on page 88.The project under spent R -583.42 that's Actual Spending of R 6 000 000 Budgeted R 3 764 800 Refer to appendix D

Appendix D

Pictures of the project from the physical verification:

Figure 1MALEBITSA INTERNAL STREET BY COMMUNICATION TRAINEE

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Figure 2 MALEBITSA INTERNAL STREET BY COMMUNICATION TRAINEE

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Figure 3 MALEBITSA INTERNAL STREET BY COMMUNICATION TRAINEE

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Figure 4 MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRAINEE

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Figure 5 MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRAINEE

Figure 6 MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRAINEE

Figure 7 MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRAINEE

Figure 8 MALEBITSA INTERNAL ROAD BY COMMUNICATIONS TRAINEE

Figure 9 MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRANNEE

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Figure 10MALEBITSA INTERNAL STREET BY COMMUNICATIONS TRANNEE

2.Mashemong/ Mooihoek Internal Road

- No interview on site however follow up interview was conducted with acting Manager PMU, the project scope is 3.85 km and the project is 96% reported as at July 2021.
- The project under spent R -3 418.16 that's Actual Spending of R 8 764 881,8 minus Budgeted R 8 768 300.00 as at 19/20.

Documentation provided in relation to the Project based on the 96% reported project status:

Certificate of Practical Completion with the following pending items:

- Edge beams on all bell mouth
- Cutting of slopes
- Completion of Krebs
- Completion of V-drain
- Disposing of V-Drains
- Disposing of excess asphalt
- Road sign

In accordance with the physical site observation ,MPAC confidently agree With the above mention pending item listed .

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igure 11MASHEMONG MOIHOEK INTERNAL STREET BY COMMUNICATIONS TRANNEE

Figure 12 MASHEMONG MOIHOEK INTERNAL STREET BY COMMUNICATIONS TRANNEE

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Figure 13MASHEMONG MOIHOEK INTERNAL STREET BY COMMUNICATIONS TRANNEE

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Figure 14MASHEMONG MOIHOEK INTERNAL STREET BY COMMUNICATIONS TRANNEE

Figure 15MASHEMONG MOIHOEK INTERNAL STREET BY COMMUNICATIONS TRANNEE

3. Mmakgatle Bus Route Phase 3

Overall analysis

- No interview was conducted on site however follow up interview was conducted with acting Manager PMU was the by MPAC Researcher, and it was confirmed that the project scope is 2.9 km and the project is 98% completed as per the current update.
- The project under spent R -583.42 that's Actual Spending of R 7 383 566, 58 minus Budgeted R 7 384 150.00 for the year reported on Annual Report.

MPAC Observation on the project Road

- signs on site
- No project sign on site
- Bridge was constructed and way better that the previous bridge(check the attached picture)

Documentation provided in relation to the Project based on the 98% reported

Project status:

- Certificate of Practical Completion with the following pending items:
  1. General cleaning of site
  2. Removal of old finishing of road sign installation
  3. Construction of Edge Beams
  4. Construction of drift next at the Tavern
  5. Stone pitching
  6. Speed humps *2
  7. Asphalt correction and Gabions Extension

Figure 16 MMAKGATLE STREET BY COMMUNICATIONS TRANNEE

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Figure 17 MMAKGATLE INTERNAL STREET BY COMMUNICATIONS TRANNEE

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Figure 18 MMAKGATLE INTERNAL STREET BY COMMUNICATIONS TRANNEE

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Figure 19 MMAKGATLE INTERNAL STREET BY COMMUNICATIONS TRANNEE

4. Mogalatsane/ Phetwane Bus Route

- Through the means of interview with Contract workers on site and the Manger Civil serves, it was confirmed that the project scope is 3.3 km and the project is 89% completed.
- The project was supposed to complete on the 13th January 2021.
- The contractor was given 7 months extension which has lapsed on the 13th August 2021 and currently running on a penalty fee.
- The project over spent R 450 385.19 that's Actual Spending of R 8 834 508, 19 minus Budgeted R 8 384 150.00 as per the 2019/20 AR.

Through means of report from Manager Civil services and MPAC Physical observation the following was confirmed:

- Box cutting done on 82% progress completed
- No Road signs
- Road Marking 82% done and on selected layer, asphalt did not reach the end of the road as yet, kerbs(82% done)
- Storm water pipes are installed

The contractor is on penalty, the date on completion is now monitored by the contractor not the municipality.

<u>Recommendation</u>

MPAC recommends close monitoring of payment in order to implement clause 43.1, part C1 of agreements and contract data.

"The penalty for failing to complete the Works is R2 000, 00 per day or part thereof, beyond the stated completion date, ɟr each individual work order or instruction."

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Figure 20 MOGALATSANE PHETWANE BUS ROUTE BY COMMUNICATIONS TRANNEE

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Figure 21MOGALATSANE PHETWANE BUS ROUTE BY COMMUNICATIONS TRANNEE

Figure 22MOGALATSANE PHETWANE BUS ROUTE BY COMMUNICATIONS TRANNEE

Figure 23MOGALATSANE PHETWANE BUS ROUTE BY COMMUNICATIONS TRANNEE

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5. Marble Hall Extension 6 Storm water Phase 3

The project was visited twice ,the first visit ,No interview were conducted on site(26 August 2021) and reliance was placed n the Annual Report and sourced supporting documentation from the department however on the 07th of September upon finalization of the Oversight report ,the Committee had to revisit the project .

Project Progress as per Annual Report:

Construction-(80%-Laying of storm water pipes, backfilling and compaction as reported

The Actual Spending reported on Annual report is R 3 764 800 and R 6 000 000 was Budgeted for the Project

Upon the second visit on the 07th September 2021, MPAC was accompanied by the Acting Manager PMU and on site as the contraction is in progress, an interview with a sub-contractor and workers was conducted.

- The projected was run by Lamanjolo contraction who then left as a result of budget exhaustion of the phase 3 and the remaining scope was transferred to another contractor (Baagishani Projects)who was initially is appointed for Phase 4 of the project that happened to be run concurrently with the Phase three.

Observations of MPAC regarding: Marble Hall Extension 6 Storm water Phase 3

Project not managed correctly and the root cause is poor planning and lack of Accountability and Follow up by Management and those charged with Governance, on bases that Budget can't be exhausted before time.

- Value for Money was compromised on the Project
- Safety of residence Compromised
- Amongst other issues there's no warning sign at the pit that was opened to put sewer pipe and nearby there's households, kids can easily fall in such a place this might result in a law suit to the Municipality.

Recommendation

- Project Management to be centralized and be given priority amongst other vacant positions as the lack of planning and accountability emanate from the fact that the post is vacant.
- Officials working in project management must have an Active plan, assessment and monitoring of the projects

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Figure 24 EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

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Figure 26EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

Figure 25EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

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Figure 27EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

Figure 28EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

Figure 29EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

Figure 30EXTENTION 6 PHASE 3 AND 4 STORM WATER BY MPAC RESEACHER

Overall Observations of MPAC regarding on all projects and recommendations

- Project Management to be centralized and be given priority amongst other vacant positions as the lack of planning and accountability emanate from the fact that the post is vacant.
- Officials working in project management must have an Active plan, assessment and monitoring of the projects
- MPAC be furnished with all current spending monitoring reports in relation to the project with Penalties, Reasons for overspending and underspending of Budgeted amount per financial year, internal report on monitoring of projects and reports on implementation of the recommendation by MPAC on this report in Monthly basis.

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

RESOLUTION	ACTION TO DATE
3.1. That council review of organizational structure; and amongst others, a consideration is made to have MPAC Researcher, once the process is finalized and approved; the filing of the position be done as soon as possible.	-Resolution was implemented, an MPAC Researcher was appointed effective from the 2nd August 2021.
8.2. That the steering committee made of directors and chaired by the accounting officer will holds meetings on a monthly basis to report on the progress made in the implementation of the action plan and Internal audit unit assign one internal auditor to conduct follow-up audits on a monthly basis to verify and corroborate with evidence the progress reported in the steering committee meetings. Such internal audit reports will be presented and discussed in the steering committee meetings.	Implemented and progress was made hence the Unqualified Audit opinion
8.3. That the municipality request the transfer of Water Service Authority and Provision from Sekhukhune Municipality.	-Not implemented
8.4. That council approves the 2018/19 draft annual report in all its material aspect.	-Implemented, the draft was approved.
8.5. That Council implements the resolution to allocate budget vote for MPAC in the next financial year.	-Not implemented
8.6. The bursary policy should be reviewed to ensure that it provides ways in which the beneficiaries may repay the municipality in kind. I.e., the beneficiaries may participate in various council activities such as back to school program	-Not implemented

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10. COMMENTS BY THE PUBLIC

The public/stakeholder consultative meeting was held through Radio and Facebook live streaming due to COVID 19 regulations that restrict the public gatherings, it was held on the 21st June 2021 at 10 am with Magoshi in the Council Chamber and 2 pm with the public through Moutse community radio station, Sekhukhune Radio stations and Facebook as per the attached program. This meeting was physically attended by the Honourable Mayor, Speaker, Radio presenters and Acting Municipal Manager.

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2019/20 financial year and thereafter a detailed presentation by the Honourable Mayor on the Annual Report (link attached for Ephraim Mogale Facebook for viewing)

Lastly there was a question-and-answer session as well as time for commentary. However, it was noted that comments received from the public via the Public Consultation Process did not yield many comments on the 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	Anonymous
2.	Water	Mogalatsane community member
3.	High mask light for Mamphokgo village	Mamphokgo community member

11. RECOMMENDATIONS OF MPAC

The onerous requirements of so many legislative mandates, makes it difficult to achieve an unqualified Audit Opinion, a .eat that very few municipalities achieve in South Africa. This achievement of an unqualified audit opinion in the 2019/2020 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 *2019/20* Financial Year, adopts the Oversight Report for the 2019/20 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management

And

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

And

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

As well as

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

CLLR P RANOTO
CHAIRPERSON
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

28/09/2021
DATE