

EPHRAIM MOGALE

LOCAL MUNICIPALITY

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EXTRACTS FROM THE MINUTES OF THE 5th SPECIAL COUNCIL MEETING OF THE COUNCIL
OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON WEDNESDAY 27TH MARCH 2024

FILE/S 3/2/3/10/1

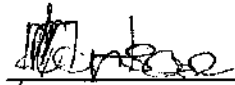
SC5/01/20224: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON 2022/23 DRAFT ANNUAL REPORT

RESOLVED

That

1. The Council having fully considered the Draft Annual Report of Ephraim Mogale Local Municipality for the 2022/23 Financial Year, adopts the Oversight Report on 2022/23 Draft Annual Report, noting that all comments on the Draft Annual Report has been adequately addressed and dealt with by management.
2. The Council adopt the 2022/23 annual report without reservation in terms of the S 129(1) (a)MFMA.
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, COGHSTA and be published on the municipal website.
6. The Municipal Manager implement the decision accordingly.

**SC5/01/20224: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON
2022/23 DRAFT ANNUAL REPORT**



**CLLR. RM LENTSOANE
SPEAKER**

27TH MARCH 2024

REFERRED TOBY MUNICIPAL MANAGER



**MOROPAME
MUNICIPAL MANAGER**

27/03/2024

DATE RECEIVED

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



OVERSIGHT REPORT ON 2022/23 ANNUAL REPORT

2023/2024 FINANCIAL YEAR

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EPHRAIM MOGALE LOCAL MUNICIPALITY OVERSIGHT REPORT

Officials:

M E Moropa	Municipal Manager
T T Modisane	Chief Financial Officer
M R Rampedi	Director: Corporate Services
P Tjebane	Director: PED
PT Maphutha	Director: Technical Services
Y Maphutha Mashaba	Director: Community Services
R Maepa	Manager: IDP and PMS
ML Masombuka	Chief Audit Executive

MPAC Support staff

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

MPAC members: Current

Cllr T Mabaso	Chairperson
Cllr NS Letsela	Member
Cllr KM Aphone	Member
Cllr SE Mahubane	Member
Cllr KW Sebothoma	Member
Cllr JP Thobejane	Member

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

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

1. ANC: Cllr T Mabaso
Cllr KM Aphane
Cllr JP Thobejane
2. DA: Cllr NS Letsela
3. Independent: Cllr SE Mahubane
Cllr KW Sebothoma
4. 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.
5. That the Committee will take the Oversight report to Council as per the following programme:

The functions of the MPAC/Oversight Committee are to:

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

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

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

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

APPENDIX B

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

Date	Reason	Responsible People	Structure
Done Previous 202122 Date: 24 November 2021(SC4/01/2021) Amendment: Date: 28 January 2022 Resolution Number: OC4/02/2022	Council establishes the MPAC/Oversight Committee	Council	Council
24 January 2024 Resolution Number: OC2/06/2024	Council resolution to adopt Draft Annual Report	Municipal Manager and Mayor's office	Council
24 January 2024	Handover of Annual Report to MPAC and internal audit	Municipal Manager and Mayor's office handover to ML Masombuka and Cllr TL Mabaso	None
24 January 2024 Resolution Number: OC2/06/2024	Draft Annual report copies given to AG and COGTA after consideration of comments from council	Municipal Manager and Mayor's office and ML Masombuka to ensure delivery	None
05 March 2024	Draft advert prepared for submission to MM for public and stakeholder hearings	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support	None
06 March 2024	Actual advertisement in Local Notice Board, Social Media and	P Nkadimeng _MPAC Coordinator S Makua _Manager Council Support	None

	Municipal Website	MPAC Chairperson for Overseeing	
2 February 2024	First meeting of MPAC on annual Report to recognize the report	MPAC Committee, P Nkadimeng _MPAC Coordinator, MPAC Researcher and Chief Audit Executive	3 rd Ordinary MPAC Meeting
03 March –06 March 2024	Interrogation of Annual Report and drafting of questions	MPAC Committee ,SALGA, Treasury and CoGHSTA(Invited AGSA for presentation)	Special MPAC Meeting
05 -28 February 2024	Meeting(Cluster meetings)	Manager Mayor and Speakers office	Public meeting for Draft Annual report
Upon receipt	Incorporation of AG and CoGHTA comments of Annual Report into Oversight report	N/A	None
25 March 2024	Meeting with MPAC 2 pm	MPAC members, Researcher, Coordinator, Manager Council Support , Chief Audit Executive	Special MPAC to finalize oversight Report
Special meeting to be requested not later than 27 March 2024	Tabling of oversight report to Council	Manager Council Support	Council Meeting
Not later than 31 March 2024	Submit Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to package the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None
After Adoption of the minutes in a Council formal Meeting	Submit Minutes of Council Meeting Adopting Oversight report to AG.COGTA and Limpopo Provincial Treasury	ML Mbonani to Amend the Oversight Report and ML Masombuka and Chairperson _Cllr TL Mabaso to ensure delivery	None

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

The following checklist was compiled and utilized to test the compliance with section 121 of the MFMA against the 2022 /23 Draft Annual report as adopted, findings were communicated with the municipal manager to fix before the 25th of March 2024(special meeting to finalize the oversight report on Annual Report).

APPENDIX C

SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

Preparation and adoption of annual reports

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)
<p>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).</p> <p>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.</p>	<p>Timing</p> <p>1. Was the Annual Report tabled by 31 January, as per legislative Requirements?</p> <p>2. Has a schedule for consideration of the Report been adopted?</p>	<p>✓</p> <p>✓</p>	<p>1. Council Resolution of draft Annual report approval(28 January 24)</p> <p>2.Schedule for Public consultation and approval of annual report</p>	<p>Adoption of circular 88</p> <p>None</p>

<p>121. (2) The purpose of an annual report is—</p> <p>(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;</p> <p>(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and</p> <p>(c) To promote accountability to the local community for the decisions made Throughout the year by the municipality or municipal entity.</p>	<p>(a) Does the draft annual report provide the correct records of activities of the municipality?</p> <p>(b) Does the draft annual report provide the performance against the budget?</p> <p>(c) Does the draft annual report promote accountability?</p>	<p>x</p> <p>✓</p> <p>x</p>	<p>Draft Annual Report</p> <p>Draft Annual Report</p> <p>Draft Annual Report</p>	<p>Correction to the report(see the finding section)</p> <p>None</p> <p>Correction to be made reflect correct information of the municipality(See Finding section)</p>
<p>Compulsory inclusions as per the section 121 (3) The annual report of a municipality must include—</p>				
<p>(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);</p>	<p>(a) Does the Draft annual report include the audited financial statements?</p>	<p>✓</p>	<p>Audited annual financial statement</p>	<p>Not Signed therefore un-acknowledgeable - Provide signed audited AFS</p>
<p>(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;</p>	<p>(b) Does the Draft annual report include the audited financial statement?</p>	<p>✓</p>	<p>AGSA Report</p>	<p>None</p>
<p>(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;</p>	<p>(c) Does the Draft annual report include the annual performance report?</p>	<p>✓</p>	<p>Performance report</p>	<p>None</p>
<p>(d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;</p>	<p>(d) Does the draft annual report include the Auditor General's report?</p>	<p>✓</p>	<p>AGSA Report</p>	<p>None</p>
<p>(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;</p>	<p>(e) Does the draft annual report include an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges</p>	<p>✓</p>	<p>Accounted on AFS in detail but also on Draft Annual Report</p>	<p>None</p>

(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;	(f) Does the draft annual report include an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b)	✓	Draft Annual Report Performance report	None
(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)	(g) Does the draft annual report include particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)(Audit Action plan)	X	Not Attached or submitted	Provide Audit Action Plan
(h) any explanations that may be necessary to clarify issues in connection with the financial statements;	(h) Does the draft annual report include any explanations that may be necessary to clarify issues in connection with the financial statements;	✓	Draft Annual Report	None
(i) any information as determined by the municipality;	(i) Does the draft annual report include any information as determined by the municipality;	✓	Draft Annual Report	None
(j) any recommendations of the municipality's audit committee; and	(j) Does the draft annual report include any recommendations of the municipality's audit committee; and	✓	Draft Annual Report - Report of the audit committee on annual report	- Provide (not provided) Implementation of Audit Committee recommendation
(k) Any other information as may be prescribed.	(k) Does the draft annual report include Any other information as may be prescribed?	✓	Draft Annual Report	None

DETAILED MPAC FINDINGS AND RECOMMENDATION ON THE DRAFT ANNUAL REPORT

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

(a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

Contrary to section 121(2)(a) of the municipal finance management Act on preparation of the annual report state that the annual report must provide records of Activities of the municipality for the financial year to which the annual report relates ,the draft annual report had the following incorrect information:

(c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

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

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

1. The adjusted financial statements are not signed therefore not authenticated by the municipal manager and Mayor of the municipality.

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

Section 46 of the Municipal Systems Act dictate that a municipality must prepare for each financial year an annual report consisting of –

(a) A performance report reflecting –

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

1. The municipality's draft annual report does include the performance of service providers however it's inconsistent with the quarterly reports.

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

1. The municipality's draft annual report does not include particulars of any corrective action taken or to be taken in response to issues raised in

(l) any information as determined by the municipality; / Matters relating to the draft annual report

The following matters that need corrections from the annual report:

1. Table of content:

1.1. Component D: 1.6 Page 3-2.9 Risk Management page 37 not 35

2. Acronyms:

1. Page 7: COMMAF - Communication of Audit Findings correction to Communication of Management Audit Findings

2. Page 9: PR – Party Representative Correction to Proportional Representative

3. Page 11: Grammar: Is presented in compliance with according to section 121 of the Municipal Finance Management Act 56 of 2003 and read as well as section 46(1) of the Municipal System Act of 2000. (grammar) correction to 'Is presented in compliance with according to section 121 of the Municipal Finance Management Act 56 of 2003 read with section 46(1) of the Municipal System Act of 2000

4. Page 12: Outlook of the document: Mayor did not sign

5. Page 13: Outlook of the document: Municipal Manager did not sign

6. Page 14: correction of section Number-Paragraph 2: The name of the Municipality was changed from Greater Marble-Hall to Ephraim Mogale Local Municipality by an amendment of **section 12** notice in Provincial Gazette No 1721 by General notice 10 of 2010 on the 28th of January 2010 with new Logo and slogan-RE HLABOLLA SECHABA which means "WE DEVELOP OUR PEOPLE". Correction to Section 16 and the date to 21 January 2010 instead of 28 January 2010.

7. Page 26, Table 24: Municipal committees: the Annual Report Information relates to 2022/23 financial year Cllr Rabalao joined the municipality in financial year 2023/24 replace Cllr Rabalao with Cllr Mello and replace Vacant with Cllr Mello

8. Table 24 MPAC, study group and, Rules and Petition and Programming committee: Cllr R Seloma be replaced by Cllr KW Sebethoma (Financial year consideration), Cllr Mahubane be removed from rules and petitions committee, spelling for Cllr Magane is incorrectly spelled as Cllr Magana and Cllr Makola be replaced with Cllr Mogale.

9. Table 37 EPWP information, numbering incorrect replace 145 with 85 or alternatively provide correct information that correspond

10. Table 54: Approved and reviewed policies: provide correct dates for the council approval of policies from 1 to 15

11. Page 23: Overview: The municipality is a category B municipality with an Executive Committee system with thirty-two Councillors, Sixteen ward Councillors and sixteen PR Councillors. The municipality has **eight full time Councillors**, namely the mayor who heads the Executive

committee, the Speaker who is head of Council, the Chief Whip, and five executive committee members, information be corrected to 5 full time councillors which is the Speaker, Mayor and three Executive committee members, chief whip is not full time in office and 2 of executive committee members are not full time in office.

12. Page 25: replace Chief Internal Auditor with Chief Audit executive

13. Page 26 Table 23: Ephraim Mogale Local Municipality Top Management: Add a column on the Acting CFO and correct to Mr TT Modisane (CFO) from 2 May 2023 to date, MR J Madisha (Acting CFO) from 6 March 2023 to 30 April 2023 and MR K Mabija (Acting CFO) from 1 July 2022 to 28 February 2023(This has financial implications, refer to AFS)

13. Page 40-41: Website: information unverifiable on the municipal website

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

1. The draft annual report does not include the recommendations of Audit committee

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 Honorable Mayor and Executive members answered the questions, the questions prepared in accordance to the MFMA section 124 on Annual Report and the questions emanate from the Annual Report received on the 24 January 2024 and subsequently posted on the municipal website, MPAC Had two meetings/engagements and a pre interrogation session to understand and make reference to legislation in considering the annual report for the financial year ended 30 June 2023.

Upon interrogation of the Draft Annual Report on 3rd March 2024 to 6th March 2024 the following matters were raised and noted.

APPENDIX D

PUBLIC HEARING QUESTIONS							
DRAFT ANNUAL REPORT 2022/23 FINANCIAL YEAR WITH ATTACHMENTS –AGSA REPORT, AFS, PERFORMANCE REPORT, AUDIT ACTION PLAN							
N O	SOUR CE DOCU MENT	P A G E	DETAILS AS PER THE SOURCE DOCUMENT	MPAC QUESTION /COMMENT	RESPO NSIBLE DEPART /UNIT	RESPONSE	Comment/Recommendations of MPAC
<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 2022/23 which is an improvement from the 2021/22 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 5th of March 2024.</p>							

1	AGSA 2022/23 AUDIT REPORT	1	<p>Paragraph 7:Material allowance for impairment</p> <p>7. As disclosed in note 7 to the financial statements, the gross consumer debtor balance amounted to R 189 653 112(2022: R 174 964 027) and as a result of irrecoverable consumer debtors, a material allowance for impairment of R 112 241 919 (2022: R 102 990 857) was made.</p> <p>MPAC Calculation Shift or increase (R 112 241 919 - R 102 990 857 = R 9 251 062)</p>	<p>1. What causes this increase of R 9 251 062 in impairment?</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>	Finance/ Budget and Treasury	<p>1. Non-payment of billed accounts raises total amount outstanding and therefore raises the allowance for impairment as per the methodology approved in credit control and debt collection policy.</p> <p>2. Yes, the municipality has an approved revenue enhancement strategy in place.</p> <p>3.A larger portion of owned debt arises from farmers wherein the municipality cannot implement electricity cut off as their electricity is provided by Eskom and therefore it has become a culture of non-payment of rates, however the municipality has appointed a debt collector to assist with collection of old debts.</p> <p>4.Yes, the municipality has government debts as per the attached</p> <p>5.No</p> <p>6. Council has approved a debt incentive scheme wherein a certain portion of the debt owed is written of upon payment.</p> <p>7.Yes</p>	
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2	AGSA 2022/23 AUDIT REPORT	2	<p>Paragraph 8: An uncertainty relating to the future outcome of exceptional litigation</p> <p>8. With reference to note 39 to the Annual financial statement, the municipality is the defendant in various lawsuits. The municipality is opposing these claims .The ultimate outcome of these matters could not be determined and no provision for any liability was recorded on the financial statements</p>	<p>1. Is the municipality having provisions for the claims, if not why and if it does why were they not disclosed on the AFS?</p> <p>2. What are the possibilities of the municipality winning the cases?</p> <p>3. at what stage does the municipality recognises a contingent assets or contingent liability?</p>	Legal	<p>1. Yes. Provisions were made in the AFS, however, the AGSA was of the view that the provisions were not complete. AFS were then amended to cover all the claims.</p> <p>2. The possibilities are dependent on several factors and each case will be dealt according to its own merits.</p> <p>3. Contingent liability/asset is recognized from the summons.</p>	<p>1. Review of Provisions before recorded on the AFS, this item must be given the same attention as other AFS line items.</p> <p>2. The respond is not addressing the question, this shall be followed up in all quarterly engagements of MPAC with Exco.</p> <p>3. This must be reflective in the AFS, if this was done as responded the municipality would not be having a finding of completeness of provision register as alluded in response No 1</p>
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3	Audited Annual Financial Statement	74	<p>1. Alfred Motho- On the AFS note 39 the municipality has disclosed that a plaintiff claims the municipal councillor has defamed his character and he claim he can no longer attend community meetings. The amount of potential liability is (2022/2023) (R-) and R 160 000(2021/2022)</p> <p>2. Hendricks Schoeman Boerdery Pty Ltd Declaratory Order The Applicant want the Court to make an order that the current tariff of R 0, 070 that the municipality is charging on the farms is incorrect and that the court must calculate the correct tariff. Notice of motion was served in May 2022. The potential Liability R3 070 042.70 (2022/2023) and R2 619 763.80(2021/2022)</p> <p>3. Mosese Mogotleng Kgopane The plaintiff sued the municipality the amount of R 250 000 for</p>	<p>Alfred Motho</p> <p>1.1. Why the 2022/2023 amount R-?</p> <p>1.2. Why is the municipality a defended in this case? Was the councillor on duty when the supposed claim was committed?</p> <p>1.3. Was this matter referred to Ethics committee?</p> <p>1.4. How much was spend already to defend the case</p> <p>2. Hendricks Schoeman Boerdery Pty Ltd</p> <p>2.1. What is the meaning of the statement?</p> <p>3. Mosese Mogotleng Kgopane</p> <p>3.1. The case is from 2014, is there any possibility of closing the case?</p> <p>3.2. What is the meaning of this statement? Is the municipality defending R 250 000 using R 3 713 183?</p> <p>4. What is the current progress on all this</p>	Legal	<p>Alfred Mothoa.</p> <p>1.1.R 160 000,00 (2022/2023)</p> <p>1.2. There was no legal basis for the action. Yes. The Councillor was addressing a ward community meeting in her capacity as the ward councillor.</p> <p>1.3. No. The Councillor did not commit any misconduct or breached her oath of office and that the matter was already before the Courts.</p> <p>1.4.R 154 176,01</p> <p>Schoeman Boerdery (Pty) Ltd.</p> <p>2.1. The R 0.70 is the tariff chargeable for every farm. The tariff multiplied by the value of the property and Schoeman wants the municipality to reduce 75% from the R0.70 rate as a result of rebates as disclosed on the property rates policy</p> <p>The matter is sub judice and before the High Court.</p> <p>Moses Mokgotleng.</p> <p>3.1. The Plaintiff has abandoned the claim in 2019 and is no longer pursuing the matter. The matter is dormant and has been closed.</p> <p>3.2. The Plaintiff initially sued the municipality an amount of R 250</p>	<p>1.1. Review of litigations information on the AFS(future reference)</p> <p>1.2.None</p> <p>1.3.None</p> <p>2.1. All cases on the litigation and AFS notes must be clear and understandable therefore not require additional information.</p> <p>3.1. Closed cases be removed from the litigation register and subsequently the AFS.</p> <p>3.2.None</p> <p>3.3. All cases on the litigation and AFS notes must be clear and understandable therefore not require additional information.</p>
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			<p>pain and suffering, loss of future income & others allegedly for falling into a pit which was allegedly dug and left opened by the municipal officials. The municipality is sued as the second defendant incident allegedly occurred on the 14 June 2014. The amount of the potential liability remains at (2022/2023) (R-) and R3 713 183 (2021/2022).</p>	cases?		<p>000, 00 but he then amended his summons and increased the claim to R 3 713 183?</p> <p>3.3. The Plaintiff has abandoned the claim in 2019 and is no longer pursuing the matter. The matter is dormant and has been closed.</p>	
4	<p>AGSA 2022/23 AUDIT REPORT</p>	4	<p>Paragraph 23: various indicators</p> <p>AGSA could not determine if the reported achievement were correct as adequate supporting evidence was not provided</p>	<p>1. What is the meaning of this statement?</p> <p>2. Why was the information not provided to AGSA for auditing?</p> <p>3. 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)</p>	<p>Infrastructure/Technical service and Municipal Manager</p>	<p>Km of storm water constructed by 30 June 2023.</p> <p>1. The statement entails that there is a discrepancy between the indicator and the reported target on the POE, such AG could not make a comparative determination between the reported achievement and the KPI</p> <p>2. The information was provided, however there was a discrepancy between the KPI and the reported achievement indicator (km vs %)</p> <p>3. The information was submitted; however, it was not satisfactory to substantiate the reported achievement due to the discrepancy that was identified.</p>	<p>1.-3. MPAC is of the view that an AGSA report is finalized after consideration of all findings and adjustments, in this case the municipality failed to convince AGSA.</p>

5.	AGSA 2022/23 AUDIT REPORT	5	Paragraph 27: Material Misstatements Management did not correct all of the misstatements and AGSA reported material findings in this regard - Reported performance information	1. Are the senior managers performance going to be measured using the same report that AGSA is saying it has 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)	Municipal Manager and PMS	Yes, the performance appraisal of senior managers will be done in line with the 2022/2023 Annual Performance Report as the adjustments were made on the report as per the AGSA recommendations	AGSA has issued a report that indicate that all misstatement and should there be any performance appraisal /bonus awarded to Senior management ,the expense will result to fruitless and wasteful expenditure.
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6	AGSA 2022/23 AUDIT REPORT REF : Audited Annual Financial Statement	5 re f 8 0	<p>REPORT ON COMPLIANCE WITH LEGISLATION Paragraph 32: Annual Financial Statement</p> <p>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</p> <p>Material misstatement of non-current assets ,current assets etc.</p>	<p>1. In this regard what is the way forward, any action to improve?</p> <p>2. The audit committee and internal audit through a consultant has reviewed the AFS.</p> <p>2.1. Were the recommendations of audit committee taken into consideration?</p> <p>2.2. How is it that the two above mentioned reviewers could not pick up the findings alluded by AGSA before the audit?</p> <p>3.Material misstatement on Assets Management</p> <p>3.1. In the previous year, the municipality had the same finding and consequently the consultant that prepared the AFS had the assets management component removed from the initial contract and the municipality further wrote on the AFS that an amount of R15 000 will be recouped in note</p>	Finance/ Budget and Treasury and Internal Audit	<p>1. The audit action plan is in place.</p> <p>2.1. Yes, however schedules were not provided for review.</p> <p>2.2. Lead schedules not provided for review.</p> <p>3.1. The material misstatements that were raised during the audit were adjusted during the Audit Process and were subsequently cleared. The previous consultants failed to address the findings during the previous audit which resulted in the municipality being qualified. The expenditure incurred for the contracted consultants was not in vain. Adherence to the AFS will be strengthened to ensure that sufficient review is done to eliminate misstatements on AFS.</p> <p>3.2 The R15 000 was deducted on the payment of the Service Provider.</p>	<p>1. close monitoring of AGSA audit action plan</p> <p>2.1. In future Audit committee must be given enough time and all supporting schedules to the AFS as the activity done by audit committee becomes a fruitless activity.</p> <p>2.2.None</p> <p>3.1.Same principle be applied in all non-adherence to SLA</p> <p>3.2.Follow up and confirmation of the deduction will be performed by MPAC</p>
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			number 44 ,a new consultant was hired, what will happen to this one? 3.2. How far are we with the processes of recouping the R15000 as it appears on the AFS?			
The committee will like to congratulate the municipality for moving from 14 items to only 4 that made irregular expenditure in the previous years (R 14 521 338 to R 8 900 115) and this shows improvement in Supply Chain Management						

7	AGSA 2022/23 AUDIT REPORT	6	<p>Paragraph 33: Expenditure Management:</p> <p>33 Reasonable steps were not taken to prevent irregular expenditure amounting to R 56 416 259 as disclosed in note 45 of the AFS</p>	<p>1. Does this R56 416 259 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 8 900 115?</p> <p>4. Is the any progress for consequence management on the above items?</p> <p>5. Does the municipality have a UIFW reduction strategy?</p>	<p>Finance/ Budget and Treasury</p>	<p>1.The amount did not relate to the year under review as it emanates from Irregulars which were identified during/prior to the financial year 2021/2022, therefore became an opening balance in the year under review (2022/23)</p> <p>2.Its expenditures on same contracts or services which were previously identified and investigated by MPAC and were written Off, therefore such payments become subsequent to the events of writing off in particular long term contracts.</p> <p>3. This amount resulted from newly identified irregular expenditures during the year under review (2023/24) from various transactions.</p> <p>1. on Appointment of Bank Recon Accountant and Director PED</p> <p>2.Bid specification did not match the budget</p> <p>3.diviation without reason</p> <p>4. Calculation era</p> <p>4. All matters referred for consequence management are still with Financial Misconduct Board and while others disciplinary actions were taken by council during the year under review. (2023/24)</p>	<p>1.None</p> <p>2. Record irregular expenditure as such, subsequent payment must be confirmed after verification by MPAC.</p> <p>3.None</p> <p>4.None</p> <p>5.Review of the UIFW reduction strategy</p>
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						<p>5. The strategy is in place however has since been approved by council in 2021. Therefore, there is a need for the review which will be done in the next financial year.</p>	
8	AGSA 2022/23 AUDIT REPORT	6	<p>Paragraph 34: Assets Management An effective system of internal control for assets (including the assets register) was not in place, as required by section 63(2) (C) of the MFMA.</p>	<p>1. What is the meaning of this statement? 2. Any plan to improve?</p>	Finance/ Budget and Treasury	<p>1. There were significant deficiencies that was found in the asset register whereby certain information was not contained in the register in line with asset policy which posed limitation.</p> <p>2. The asset division will conduct a data cleansing on the asset register during the asset verification to ensure compliance with policy.</p>	<p>1. review the policy to align with the assets register 2. None</p>

9	AGSA 2022/23 AUDIT REPORT	6	<p>Paragraph 35: 35. 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</p> <p>- This is a recurring finding or rather a statement in our audit report.</p>	<p>1. Why is the problem not rectified or finding not resolved?</p> <p>2. What are the probabilities of resolving this finding in the current financial year?</p> <p>3. Who is supposed to resolve this finding (PMS or Human resource Management division)?</p> <p>4. Do we have appropriate human resource /staff that can perform the duty as required?</p> <p>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.</p> <p>5.1. Who will monitor?</p> <p>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?</p> <p>5.3. How far are we in correcting this?</p>	<p>Corporate services, MM and PMS</p>	<p>1. There is a huge shortage of staff to implement the cascading of performance to all staff, however the process will be done with the help of Human resource management unit before the end of 2023/2024 financial year.</p> <p>2. Mechanism are in place to cascade the performance to all staff as training of managers on cascading performance will start in the Fourth quarter.</p> <p>3. Both PMS & Human resource Management division</p> <p>4. There is shortage of staff in the PMS Unit as there is only 2 personnel which is the Manager PMS and PMS Officer who have the task to cascade the performance of the entire staff.</p> <p>5.1 Manager PMS & PMS Officer</p> <p>5.2. There is shortage of staff in the PMS Unit as there is only 2 personnel which is the Manager PMS and PMS Officer.</p> <p>5.3 The cascading process will be completed before the end on 2023/2024 financially years and implementation will commence in the 2024/2025 financial year.</p>	<p>1. Capacitating PMS unit by appointing a personnel who will assist with Performance evaluation and monitoring for staff</p> <p>2. The committee will make follow ups on the fourth quarter</p> <p>3. Municipal manager to delegates one department so as to activate accountability</p> <p>4. None</p> <p>5. Follow up will be made in this regard</p>
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10	AGSA 2022/23 AUDIT REPORT	6	Paragraph 40: Other Information in the Annual Report “If the other information is not corrected, I may have to retract this auditors report and re-issue an amendment report as appropriate. However if corrected this will not be necessary”	1. Did AGSA conclude that there is a material misstatement to be corrected, if so did we correct the misstatements?	MM and PMS	Yes, the misstatements were corrected as per AGSA recommendation	1.None
11	AGSA 2022/23 AUDIT REPORT	7	Paragraph 46:Internal Control Deficiencies The municipality's reactive approach in addressing inadequate systems of internal control indicates that mitigating processes are not effective	1. What is the meaning of the statement? 2. Do we have any plans to improve the current inadequate internal controls?	MM and Internal Audit Unit	1. Meaning controls are in however not effective. 2. Yes, the municipality is in a process to strengthen controls identified weak/inadequate by auditor general.	None

1 2	AGSA 2022/23 AUDIT REPORT	7 & 8	Paragraph 51 & 52 :Material Irregularities identified during the Audit:	<p>1. What is the progress to date in recouping the fruitless and wasteful expenditure of R 3 672 703.00?</p> <p>2. Is there any improved way/tool of verifying before payment to avoid the same incident from happening?</p> <p>3. With reference to the above State previous procedure and new procedure used in the current financial year if any.</p>	MM and Legal	<p>1. Council has approved for further investigation on the matter and the FMB has developed investigation plan that need to be approved by the accounting officer.</p> <p>2. Yes</p> <p>3.Previous & New Procedure used</p> <p>•Previous The Municipality used to solely rely on the engineer's 'quantity verification and measurements during preparation of payment certificates</p> <p>•New Procedure The technicians now form part of the process for quantity verification & Measurements prior preparation of payment certificates</p>	Follow up by MPAC will be done every quarter
1 3	Audited Annual Financial Statement	8 0 & 9 1	Page 80 Note 44: Fruitless and wasteful expenditure Page 91 Note 49 : Prior Period Errors Assets Management	<p>1. It is stated that R 15 000 will be recovered, How far is the municipality with the recovery process as it was not part of UIFW tabled to council?</p> <p>2. Statement on Mamphokgo Sports Complex, what is the meaning of the statement "completed"?</p>	Finance/ Budget and Treasury	<p>1. The R15 000 was recovered from the payment of the Service Provider.</p> <p>2. The works that were done on the sports complex were done and a practical completion certificate was issued in May 2021. From an accounting treatment we were obliged to have capitalised the project with the value of the work that was done.</p>	None

1 4	2022/23 Draft Annual Report	1 5	<p>Table 5: Powers and functions of the municipality</p> <p>The municipality ticked “yes” on municipal authority in :</p> <p>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 licensing and control undertakings that sell food to the public</p>	<p>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)? 4.3 is the municipality</p>	<p>LED, Infrastructure and community services</p>	<p>1. The municipality has the responsibility to coordinate the tourism sector to ensure that tourism product owners understand the overall vision of government in tourism and complies with regulations. 2. There's no direct income generated by the municipality, but the sector contributes to the overall GDP of the Municipality. 3. All properties converted into rental rooms without prior approval from the municipality are notified of the contravention in terms in terms of SPLUMA. The municipality is only getting business rate through the revenue system.</p> <p>4.1. The municipality has the powers however the current facility, we are using dumping site to compact the animals with waste. 4.2. None(no incidence) 4.3. No, because such would be animals that are thrown on the road side without any communication 5. we do have the function within Community services department</p>	<p>MPAC will closely monitor and follow the LED department through its oversight committee</p>
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				generating income from this function? 5. Does the municipality have this functions and which department is dealing with such?			
15	2022/23 Draft Annual Report	20	Organisational Development Overview Committee established to strengthen Human Resource Management -Editorial Committee In the 2021/22 draft annual report public hearing ,MPAC asked questions about the Editorial Committee and the response was that in HR division there is no such committee however the committee reappears in the same department	1. Does Human resource division review what is written on the draft annual report about their division? 2. Who are the committee members and their academic level? 3. How is this committee assisting the municipality? 4. Is the annual report subjected to this committee?	Human Resource Management/Corporate services	1. Yes, the annual report has many components and human resource has subdivisions, we did saw the Editorial Committee line however one will think it belongs the other subdivision after the thorough investigations we discovered that the committee existed years back and it was headed by former director corporate service. 2. Previous members was Mr Lekola and Mr Matseke however they are no longer employees of the municipality and currently the committee does not exist. 3. The committee was never reviewed upon resignation of its two members as a result the committee does not exist. 4. in previous years it was ,now that it has no members the current annual report was not subjected to the committee	Committee be reactivated

1 6	2022/23 Draft Annual Report	3 2	<p>Table 27: Below is a communication checklist of the compliance to the communication requirements.</p> <table><tr><td>Communication Activity</td><td>2022/23 Draft annual report, what</td><td>Functionality</td></tr><tr><td>Communication Unit</td><td>are the</td><td>Yes challenges</td></tr><tr><td>Communication Strategy</td><td>with</td><td>Drafting the</td></tr><tr><td>Communication Policy</td><td>strategy</td><td>Draft in place</td></tr><tr><td>Customer satisfaction survey</td><td></td><td>Yes</td></tr><tr><td>Functional complaint management systems</td><td></td><td>Yes</td></tr><tr><td>Newsletters distributed at least quarterly</td><td></td><td>4 Quarters</td></tr></table>	Communication Activity	2022/23 Draft annual report, what	Functionality	Communication Unit	are the	Yes challenges	Communication Strategy	with	Drafting the	Communication Policy	strategy	Draft in place	Customer satisfaction survey		Yes	Functional complaint management systems		Yes	Newsletters distributed at least quarterly		4 Quarters	Corporate services /communication	The policy and strategy were awaiting a policy conference The communication strategy and communication policy was approved on the 28 April 2023	None
Communication Activity	2022/23 Draft annual report, what	Functionality																									
Communication Unit	are the	Yes challenges																									
Communication Strategy	with	Drafting the																									
Communication Policy	strategy	Draft in place																									
Customer satisfaction survey		Yes																									
Functional complaint management systems		Yes																									
Newsletters distributed at least quarterly		4 Quarters																									

1 7	2022/23 Draft Annual Report	3 6	<p>Follow up on recommendations of Audit and performance Committee</p> <p>The Audit and performance committee of council During the year reported hereon; the committee did a sterling job in carrying out its advisory duties in matters relating to internal control, risk management, effective governance, oversight and advisory on performance management matters as per section 45 of the Municipal Systems Act.</p> <p>The following are some of the key resolutions and/or recommendations made by the committee in the aforesaid meetings:</p> <p>•Make budget provisions to capacitate internal audit unit by appointing Senior Internal auditor and an additional</p>	<p>1. 1.was provisions to capacitate internal audit unit by appointing Senior Internal auditor and an additional auditor to minimize use of consultants made?</p> <p>1.2. How many internal audit positions are on the municipal organogram and fully funded? And how many are appointed to date?</p> <p>1.3How much was spent on consultants during the year under review for internal audit?</p> <p>2. Do we have a revenue enhancement strategy? And is it implemented fully if we do have one? Was there improvement on revenue (give comparison to previous financial year with figures)</p> <p>3. Do we have a UIFW reduction strategy and on the strategy the municipality is expected to have</p>	<p>Municipal Manager , Budget and Treasury ,HR, Internal Audit, office of the speaker – indigent s and ICT/IT</p>	<p>1.1. No</p> <p>1.2. One (1) position and one (1) appointed.</p> <p>1.3.R 2 211 799,6</p> <p>2. The municipality has an approved revenue enhancement strategy in place, although revenue enhancement is not implemented to its full capacity due to budgetary constraints, the municipal revenue has slightly improved. Refer to 2022/2023 AFS</p> <p>3. The UIFW Reduction strategy is in place however has since been approved by council in 2021. The targeted percentage for year under review was 50% considering other transaction are long term contracts and will affect its increment yearly. However, other contracts have been terminated such as engineering consultants to reduce the expenditures and to date the progress is satisfying. The strategy was formulated by the then Acting CFO in 2021.</p> <p>4. Yes the municipality has now centralised contract management, in the SCM unit in so far as development And maintenance of the Register is concerned. Draft TORs are in place pending final</p>	<p>Implementation of Audit Committee recommendation as it can't be correct that a committee that has remunerations seat and recommend but non-implementation without reasons this qualifies as fruitless and wasteful expenditure</p>
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		<p>auditor to minimize use of consultants.</p> <ul style="list-style-type: none"> •Implementation of revenue enhancement strategy. •UIFW reduction strategy. •The municipality develop and implement a strategy to improve on its indigent management. •Centralization of contract management. •Review of Audit improvement Action Plan. •Quarterly monitoring progress on AGSA action plan by conducting audit steering committee meeting bi-weekly. •Establish ICT steering committee chaired by independent external person. 	<p>reduced the UIFW by how much? Is the target achieved? When was the strategy formulated by who?</p> <p>3. Is the strategy developed and implemented on indigent management?</p> <p>4. Is contract Management centralised? If so, it's central to which department?</p> <p>5. Did the municipality Establish ICT steering committee chaired by independent external person.</p> <p>(where Audit and performance committee recommendations are not implemented give a reason)</p>		<p>approval which then a contract to this effect will be appointed to Manage the contracts</p> <p>5. The ICT steering committee chairperson was advertised ,still awaiting the appointment processes</p>	
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1 8	2022/23 Draft Annual Report	3 9	2.10 ANTI – CORRUPTION AND FRAUD - Whistle blowing policy	<p>1. what is whistle blowing and who is permitted to blow the whistle</p> <p>2.How is the municipality implementing the whistle blowing policy</p> <p>3. where can one possibly report or be a whistle blower(hotline number or contact details)</p> <p>4.was there any incident reported by whistle blowers in the financial year under review</p> <p>5.How does the municipality protect a whistle blower?</p>	Municipal Manager /Risk Management	<p>1. What is whistle blowing and who is permitted to blow the whistle</p> <p>Whistle blowing is the activity of a person, often an employee / member of the public, revealing information about activity within Ephraim Mogale Local Municipality (The Municipality) that is deemed illegal, immoral, illicit, unsafe or fraudulent.</p> <p>Any municipal employee / member of the public who has a reasonable belief that there is corruption or misconduct relating to any of the protected matters specified above may raise concerns.</p> <p>2. How is the municipality implementing the whistle blowing policy?</p> <p>Through quarterly fraud & corruption awareness, which targeted municipal stakeholders (i.e. municipal employees & members of the public). The Risk Management Unit also keep a register of all incidents of fraud & corruption occurred and report incidents to both the Risk Committee & Audit Committee on a quarterly basis.</p> <p>3.The Municipality make use of the below mentioned hot line numbers: -</p> <p>-Presidential Hotline:17737</p>	None
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					<p>(1PRES)</p> <p>-Corruption Watch: 0800 023 456</p> <p>-National Anti-Corruption Hotline: 0800 701 701</p> <p>-Office of the Premier Hotline: 0800 864 729</p> <p>4. None reported during the year under review.</p> <p>5. Any disclosure made in good faith and substantially in accordance with any reporting procedure prescribed by the Municipality is considered to be a protected disclosure. An employee making such a protected disclosure is protected from being subjected to any occupationally detrimental victimisation of any kind as a result of the protected disclosure. The Municipality protect whistle blower through the Protected Disclosures Act, Act 26 of 2000, which became effective on February 2001, provides protection to employees for disclosures made without malice and in good faith, in defined circumstances.</p>	
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1 9	2022/23 Draft Annual Report	4 0	<p>2.12 BY-LAWS</p> <p>The municipality did not gazetted any By-laws in the year under review.</p> <p>Previous financial year 2021/22 Annual report</p> <p>2.12. By- Laws</p> <p>Table 32: The table below indicates the By-Laws currently available within the municipality</p> <table><tr><th>No</th><th>By-law</th><th>and/or municipal area?</th></tr><tr><td>1</td><td>Ephraim Mogale Local Municipality Land Invasion By-law, 2017</td><td>1. why was there no review of by laws 2. During the 2021/22 financial year the municipality reported to have 6 By-laws which were last reviewed in 2010 and 2017 and this year the statement still stands that there were no reviews of by-laws, are the old By-laws still relevant to our town and municipal area? 3. Are they enforced?</td></tr><tr><td>2</td><td>Ephraim Mogale Local Municipality Property Encroachment By-law, 2017</td><td>4. The question of the By-Laws was posed in the 2021/22 draft annual report and the response was "by-laws are relevant unless there is new regulation"</td></tr><tr><td>3</td><td>By-law on the regulation of small, Micro and Medium business Enterprises on residential stands</td><td>5. The current by-laws are still relevant however an analysis will be performed to test relevancy</td></tr><tr><td>4</td><td>Telecommunication Mast Infrastructure By-Law, 2017</td><td>6. Was the relevancy test performed, when and what were the results?</td></tr></table>	No	By-law	and/or municipal area?	1	Ephraim Mogale Local Municipality Land Invasion By-law, 2017	1. why was there no review of by laws 2. During the 2021/22 financial year the municipality reported to have 6 By-laws which were last reviewed in 2010 and 2017 and this year the statement still stands that there were no reviews of by-laws, are the old By-laws still relevant to our town and municipal area? 3. Are they enforced?	2	Ephraim Mogale Local Municipality Property Encroachment By-law, 2017	4. The question of the By-Laws was posed in the 2021/22 draft annual report and the response was "by-laws are relevant unless there is new regulation"	3	By-law on the regulation of small, Micro and Medium business Enterprises on residential stands	5. The current by-laws are still relevant however an analysis will be performed to test relevancy	4	Telecommunication Mast Infrastructure By-Law, 2017	6. Was the relevancy test performed, when and what were the results?	<p>PED</p> <p>1. The Municipality has reviewed the SPLUM by-Law.</p> <p>2. The By-law are still relevant to our town and municipal area.</p> <p>3. The Municipality is implementing all the By-Laws in place.</p> <p>4. The process for analysing the relevancy will be allocated to an external town planner to ensure transparency.</p> <p>4.1. The Land Invasion By Law seeks to identify, control and Manage land invasion within its area of jurisdiction. It also requires the municipality to prevent all land invasion in the area.</p> <p>5. The Municipality is required ensure that all residents living in a recognized informal settlement are registered.</p> <p>Electricity Electricity Supply By-law: The by-law always remains relevant and is similar to the Electricity ACT. Changes usually takes place when the ACT and its regulations changes. Instead of changing the by-law an SSEG policy was developed to guide the new development in the industry. The policy will be revised as the SSEG environment keeps on changing.</p>	None
No	By-law	and/or municipal area?																		
1	Ephraim Mogale Local Municipality Land Invasion By-law, 2017	1. why was there no review of by laws 2. During the 2021/22 financial year the municipality reported to have 6 By-laws which were last reviewed in 2010 and 2017 and this year the statement still stands that there were no reviews of by-laws, are the old By-laws still relevant to our town and municipal area? 3. Are they enforced?																		
2	Ephraim Mogale Local Municipality Property Encroachment By-law, 2017	4. The question of the By-Laws was posed in the 2021/22 draft annual report and the response was "by-laws are relevant unless there is new regulation"																		
3	By-law on the regulation of small, Micro and Medium business Enterprises on residential stands	5. The current by-laws are still relevant however an analysis will be performed to test relevancy																		
4	Telecommunication Mast Infrastructure By-Law, 2017	6. Was the relevancy test performed, when and what were the results?																		

			5	Ephraim Mogale Local Municipality Conflicting buildings /properties By-camps Law,2017	5. What does the Land Use By-Law, 2017 say about the squatter settlement at Koteng?			
			6	Ephraim Mogale Local Electricity Supply By-Law,2010	No. 1879 Vol. 17 Gazetted 15/12/2010			

20	2022/23 Draft Annual Report	41	<p>2.14. Public Satisfaction on Municipal Services</p> <p>“Community satisfaction survey conducted has highlighted important challenges facing the municipality. Among the challenges facing the municipality is to confront the issues in certain villages which made it impossible for survey to take place. Many of the residents’ have indicated their displeasure about service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries. These issues could result with negative image and untenable consequences to the municipality. They however credit the municipality, and they are happy with the overall performance of the municipality as a reflection of the current government.”</p>	<p>1. Was an actual survey done during the year under review? How? By who and when?</p> <p>2. Which villages made the survey impossible and how?</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>Municipal Manager /Office of the Speaker</p>	<p>The survey was last done in 2012 ,the survey will be removed from the annual report.</p>	<p>Remove on the annual report and in future the non-existing statement must not be included</p>
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2 1	2022/23 Draft Annual Report	4 2	<p>Chapter 3: Service Delivery</p> <p>3.2. Waste Water (Sanitation Provision)</p> <p>In 2021/22 public hearing on draft annual report, the committee raised a concern about the Sewerage in Marble Hall Ext 6 on the unbearable smell and asked if is there any intervention the municipality can provide as this affects rates payers?</p> <p>The response was that At that moment there was nothing that the Municipality could do to assist with sewer fumes however the municipality promised to escalated to WSA Sekhukhune District Municipality.</p>	1. Did the municipality escalate the matter? Was there any response? What is the progress so far?	Infrastructure and Office of the Mayor	The matter was escalated to WSA and subsequently the Contractor was appointed and currently on site.	None
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2 2	2022/2 3 Draft Annual Report	5 1	<p>3.4. Waste Management</p> <p>“Contract EPWP are assisting to keep the service operational, but administratively serious backlogs and operational procedures are not in line with the waste guidelines.”</p> <p>In the previous financial year the committee asked the following questions:</p> <p>1. Why are the operational procedures not in line with waste guideline taking into consideration that in the previous financial year’s draft annual report the same statement was presented?</p> <p>2. Who is supposed to insure that the operational procedures are in line with the waste guideline?</p> <p>The response was that :</p> <p>1.This mainly refer to the landfill site compliance guidelines, due to the vacancy of the Superintendent Waste for 2 years and 2</p>	<p>The municipality appointed Superintendent waste effective from October 2022.</p> <p>1. Why are the operational procedures still not in line with waste guideline taking into consideration that in the previous financial year’s draft annual report the same statement was presented?</p> <p>2. What is the progress to date in getting them in line with the waste guideline?</p>	<p>Communi nity Services</p>	<p>1.A year after the Municipality appointed Superintendent Waste, The Manager Waste retired, however the Manager Waste post is on a process of appointment.</p> <p>2.The operational procedures still not in line with waste guideline due to lack of equipment, which we have then budgeted for some of vehicles which is Landfill compactor for daily waste covering and compaction.</p>	<p>Prioritize the operational procedures to be in line with the guideline, it can’t be that every year we have the same statement.</p>
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		<p>months some procedures were not administratively captured</p> <p>2. The Manager social services at that time did the work of the Superintendent waste and parks and acted as director for a period and his own managerial work It is administrative work that needs to be captured and reflected on .</p>				
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2 3	2022/23 Draft Annual Report	5 2	<p>“A weighbridge was installed at the Landfill site however we are still establishing the correct manner to operate the weighbridge to its full capacity. The control of the entrance was not effective due to many operational challenges and waste being disposed are still estimated. A strategic approach on the weighbridge operations and training and license update will be done in the next financial year.”</p>	<p>1. How far is the municipality in addressing the operational challenges as alluded on the paragraph?</p> <p>2. In the previous financial year, the annual report stated that a strategic approach on the weighbridge operations and training and license update will be done in the next financial year</p> <p>2.1. The Next financial year referred to on the 21/22 annual report was supposed to be 22/23 annual report which is the report under review, Now why the postponement or why did it not happen as promised?</p> <p>2.2. Can the annual subscriptions or license update done annually on the weighbridge be regarded as fruitless and wasteful activity if linked to an expenditure also fruitless and wasteful expenditure as the</p>	<p>Community Services</p>	<p>1. The strategic approach on the weighbridge progress is that we budgeted for the fully functional weighbridge maintenance and calibration for 2024/25 financial year. And previous years we didn't achieve due to limited resources.</p> <p>2.1. The weighbridge is being utilized as it can capture the vehicle registration although the tonnages weighed are not accurate, however the Municipality conduct External audit yearly with Environmentalist.</p> <p>2.2. They are the one who can calculate estimated closure or airspace of the landfill.</p> <p>2.3. Limpopo Department: Economic Development, Environment and Tourism (LEDET) has appointed Service Provider for the extension of landfill designs and amendment of the landfill licence.</p>	None
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			<p>weighbridge is not utilised for the intended use?</p> <p>2.3. Since the weighbridge is not utilised, does this mean the 5 year airspace available is also based on estimates?</p>			
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2 4	2022/23 Draft Annual Report	5 8	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 and the deliberately stay away from the meetings. A new strategy needs to be formulated for implementation and Participation”	<p>New strategy needs to be formulated (statement is the same as the one of 21/22 draft annual report) The committee requested progress on the formulation of the strategy and the response was that the formulation of the LED strategy is on initiation stage.</p> <p>1. Why are we formulating a new strategy again? What happened to the one that was on initiation stage in the previous financial year? 2. If the re allocation is successful where is the municipality relocating the hackers to? Is there enough space to cater all the hawkers?</p>	PED	<p>1. The project for review of the LED strategy is planned for 2023/2024. In the previous financial year the department was developing the procedures for the project and identifying gaps within the existing LED strategy. 2.The reviewed LED strategy will be able to guide on the relocation of Hawkers once completed</p>	1 and 2 Follow up will be made in all to track the review of strategy as the LED strategy was envisaged to be reviewed in 2022/23 annual report.
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ANNUAL CAPITAL PROJECTS /INSTITUTIONAL PERFORMANCE MANAGEMENT 2022/23 FINANCIAL YEAR VS WORK PERFORMED BY MPAC																					
N O	SOURCE DOCUMENT	PAGE	DETAILS AS PER THE SOURCE DOCUMENT	MPAC QUESTION /COMMENT	EXCO RESPONSE																
1	MPAC project oversight	N/A	<p>c. Key Service Delivery Improvements In the year under review the municipality successfully implemented the following capital projects as Multiyear projects.</p> <p>Table 1: Capital Projects</p> <table><tr><th>PROJECT NAME</th><th>KILOMETR ES IN ROADS TARRED</th><th>LOCATION/ VILLAGE</th><th>PROJECT VALUE</th></tr><tr><td>Morarela internal Streets</td><td>2.5 KMs</td><td>Morarela</td><td>R 21 774 833.78</td></tr><tr><td>Rathoke Internal Road</td><td>2KMs</td><td>Rathoke</td><td>R 16 000 000.00</td></tr><tr><td>Uitvlugh Bus Route</td><td>4.8 KM</td><td>Ga-Botha/ Uitlugh</td><td>R 38 103 695.82</td></tr></table> <p>Follow up on previous financial year project Mabitsi Internal Road Regae bus road Dichoeung Internal Street Leeufontein sports complex</p>	PROJECT NAME	KILOMETR ES IN ROADS TARRED	LOCATION/ VILLAGE	PROJECT VALUE	Morarela internal Streets	2.5 KMs	Morarela	R 21 774 833.78	Rathoke Internal Road	2KMs	Rathoke	R 16 000 000.00	Uitvlugh Bus Route	4.8 KM	Ga-Botha/ Uitlugh	R 38 103 695.82	<p>1. What is the current status on this projects? (On completed projects ,state the date of completion)</p> <p>2. The committee will like to congratulate the municipality on completion of the previous financial year project, currently are these completed 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>1.Status Mabitsi Internal Road (100%) – 18/08/2023 Regae bus road (100%) - 07/10/2022 Dichoeung Internal Street (100%) - 15/06/2023 Leeufontein sports complex (100%) - 30/11/2022</p> <p>2.Use of projects, formal handover & Community Reviews 2.1.Use of Projects Mabitsi Internal Road – In Use Regae bus road – In Use Dichoeung Internal Street - In Use Leeufontein sports complex - Not in Use</p> <p>2.2.Formal handover All the roads completed by the Service Providers are handed over the project to the Municipality upon completion.</p> <p>2.3.Community reviews Mabitsi Internal Road – Satisfactory & the community request that borrow pit be rehabilitated Regae bus road – Satisfactory & the community requests bigger speed humps Dichoeung Internal Street - Satisfactory Leeuwfontein sports complex – The Community is concerned about the non-operation of the sport complex and request the use of the facility to its full potential</p>
PROJECT NAME	KILOMETR ES IN ROADS TARRED	LOCATION/ VILLAGE	PROJECT VALUE																		
Morarela internal Streets	2.5 KMs	Morarela	R 21 774 833.78																		
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Uitvlugh Bus Route	4.8 KM	Ga-Botha/ Uitlugh	R 38 103 695.82																		

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

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

-Implemented and progress hence the unqualified Audit opinion,

10.2. That council approves the 2021/22 draft annual report in all its material aspect.

-Implemented, the Draft was approved.

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

-Implemented, a separate vote for MPAC was created

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

- Not implemented (AFS was not signed when sent for interrogation of AR and the Draft AR)

10.5. Implementation of Audit Action Plan

- Not fully implemented, at the end of financial year it was 87% implemented

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

- Implemented

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

- On going (Implemented)

11. RESOLUTIONS OF MPAC AFTER CONSIDERATION OF THE 2022/23 DRAFT ANNUAL REPORT

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

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

11.3 Implementation of Audit Action Plan

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

11.5. Recommendation of the Audit committee recommendations

11.6. Prioritize the operational procedures to be in line with the waste guidelines

11.7. Capacitating PMS unit by appointing a personnel who will assist with Performance evaluation and monitoring for staff

11.8. Capacitation of Internal Audit Unit

11.9. That council approves the 2022/23 draft annual report in all its material aspect.

12. COMMENTS BY THE PUBLIC

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

1. UIGHTVLUG ward 2(05/02/2024)
2. RATHOKE Ward 4 (07/02/2024)
3. MOGANYAKA Ward 9 (09/02/2023)
4. MABITSI A Ward 12(13/02/2024)
5. MATLALA RAMOSHEBO WARD 5-Joint Program with Sekhukhune District Municipality (15/02/2024)
6. MORARELA COMMUNITY HALL Ward 15 (19/02/2024),
7. MUNICIPAL COUNCIL CHAMBER (20/02/2024) (Only one Kgosi attended)
8. MUNICIPAL TOWN HALL (28/02/2024)

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

The public/stakeholder consultative meeting commenced with an introduction of the Draft Annual report of 2022/23 financial year and thereafter a detailed presentation by the Honorable Mayor.

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

	Question/Comments/Requests (including legislation if necessary)	Question asked by:
1.	Municipality to provide learner ship and apprenticeship for engineer and commerce (Request)	Mr. Tebogo Mogashane
2.	- On the institutional performance there is 26 unachieved KPI, the stakeholder asked to be privileged with the Non-achieved KIPs (A question and it was responded to immediately) - New stands at Driefontein need grader to open roads(request)	Mr. Mashabela Petrus
3.	Openness's on the recruitment EPWP	Mr. Motho Mmako
4.	The stakeholder requested that the Municipal Manager and other Cllr's specifically Cllr Jacobs (DA) and {Afri Forum} Prinslo attend the public meetings to at least show that they take the public serious (Request)	Mr. Ntate Baloyi
5.	The stakeholder raised on appreciation of job of DFEE stating that it assist in poverty eradication and encourage the municipality to continue with such programs and create permanent employment(Appreciation and comment)	Mr. Mokwevo Densel
6.	The stakeholder requested that when the programs of public participation are taken to the communities ,the invitation must be laud haled for at least two consecutive days	Mr. Oupa Chochi
7.	Re-Fencing in the graveyards as the fence was stolen (Request)	Mr. Lekganyetsi collen
8.	Completion of Mamphokgo sport complex to be prioritized as the project has been on for 6 years (2017-2024)	Mr. Morwaswi Phaka

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 improvement from a qualified audit opinion obtained in 2021/22 financial year to an unqualified audit opinion achieved in the 2022/23 financial year highlights an improvement in terms of instilling and maintaining adequate internal controls but also we believe with proper implementation and Monitoring of the Audit Action Plan, We have noted with concern the manner in which the Annual Financial Statements were prepared taking into consideration that the municipality is currently using consultants to prepare the annual financial statement and also dissatisfied with the constant findings around Annual Performance Report and this report is always on qualified Audit opinion. In line with our oversight function we undertook a thorough assessment on the Annual Report supported by the MPAC Researcher and internal audit unit. We have met with stakeholders to discuss areas of concern and we have noted that recommendations and changes requested by the MPAC have been adhered and corrected in good faith.

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

Having performed the following tasks:

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

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

RESOLVED TO RECOMMEND

1. That Council having fully considered the Annual Report of Ephraim Mogale Local Municipality for the 2022/2023 Financial Year, adopts the Oversight Report for the 2022/23 Financial Year, noting that all comments on the Annual Report has been adequately addressed and dealt with by management(as set out under chapter 6 oversight report)

And

2. That council adopt the 2022/23 annual report without reservation in terms of the MFMA S 129(1) (a)

And

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

And

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

As well as

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



CLLR TL MABASO
CHAIRPERSON
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

25/03/2024

DATE