



OVERSIGHT REPORT ON THE 2023/2024 ANNUAL REPORT

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1. MPAC MEMBERS PROFILE

MPAC has changed from the original Council elected in November 2021 Elections:

MPAC COMMITTEE

Committee	Members	Portfolio
Municipal Public Account Committee (MPAC)	Cllr. Sylvester Vukeya Cllr. Jan Slinger Cllr. Dorcas Burger	Chairperson Committee Member Committee Member (last meeting attended 16 February 2024)

2. MPAC SUPPORT STAFF

- Ms. Senobia Eilers - MPAC Researcher – Appointed 1 August 2024
- Ms. Elaine Ndhlovu - MPAC Secretary – Appointed 1 August 2024

3. LIST OF ACRONYMS

AC	Accounting Officer
AFS	Annual Financial Statement
Cllr.	Councillor
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
KPAs	Key Performance Areas
LED	Local Economic Development
LG	Local Government
MFMA	Municipal Finance Management Act
Mscosa	Municipal Standard Chart of Accounts
MPAC	Municipal Public Account Committee
PMS	Performance Management System
SDBIP	Service Delivery Budget Implementation Plan
UIF&WE	Unauthorised, Irregular, Fruitless & Wasteful Expenditure

4. FOREWORD OF THE CHAIRPERSON



It is with great responsibility and commitment to good governance that I, the Chairperson of MPAC, Councillor Sylvester Vukeya, present this Oversight Report on the 2023/2024 Annual Report of Kgatelopele Local Municipality. The Municipal Public Accounts Committee (MPAC) has undertaken a rigorous and transparent review process to ensure accountability, financial prudence, and effective service delivery within the Municipality.

As an independent committee of the Council, MPAC plays a critical role in fostering oversight, promoting ethical leadership, and ensuring that public resources are managed in alignment with the principles of efficiency, effectiveness, and economy. This report reflects our commitment to upholding the values of transparency and responsiveness to the needs of our community.

Throughout our assessment of the Annual Report, MPAC engaged with key stakeholders, including Municipal Management, relevant committees, and the Auditor-General's findings, to scrutinize the performance of the Municipality. We commend areas where progress has been made, particularly in service delivery improvements and financial sustainability. However, we also highlight concerns where remedial action is necessary to enhance governance and operational effectiveness.

MPAC remains steadfast in its role as a guardian of public interest, ensuring that the municipality continuously strives for excellence in governance. We urge all stakeholders, including Council, Management, and the public, to work collaboratively in addressing the recommendations set out in this report to enhance service delivery and financial accountability.

The MPAC commends the Municipality for **an opinion of qualified with material findings** by the Auditor-General of South Africa, underpinning our compliance with legislation.

On behalf of MPAC, I extend my appreciation to the members of the committee, MPAC Support Staff, Municipal Officials, and all Stakeholders who contributed to this oversight process. Together, we can build a Municipality that is accountable, responsive, and committed to improving the lives of our people.

CLLR. SYLVESTER VUKEYA

MPAC CHAIRPERSON

Date: 24 March 2025

5. INTRODUCTION

The Municipal Public Accounts Committee (MPAC) plays a critical role in ensuring transparency, accountability, and good governance within the municipality. As part of its legislative mandate, MPAC has thoroughly reviewed, consulted on, and prepared the 2023-2024 Oversight Report in alignment with Section 129 of the Municipal Finance Management Act (MFMA), Act 56 of 2003.

In conducting its assessment, MPAC carefully considered the contents of the Annual Report, evaluating financial statements, performance information, and governance practices. The committee engaged in consultations with relevant stakeholders, including municipal officials, the Auditor-General, and the community, to ensure that the report reflects a fair and accurate representation of the municipality's operations and financial health.

Based on this evaluation, MPAC reached a conclusion on whether the information presented in the Annual Report was fair, reasonable, and in compliance with legislative requirements. These conclusions formed the foundation for MPAC's recommendations to the Municipal Council, guiding the adoption of the Oversight Report.

The findings and recommendations outlined in this report serve as a crucial mechanism for strengthening accountability and improving service delivery, ensuring that municipal resources are effectively managed for the benefit of the community.

6. LEGISLATIVE MANDATE FOR THE OVERSIGHT REPORT

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports.

The MFMA and MSA recognise that council has a critical role to play to ensure better performance by municipal departments and entities. There now exists an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report. It is important for council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/council, the administration and the public.

The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor or the Executive Committee to resolve any performance failures, ultimately the council is vested with the power and responsibility to oversee both the executive and administration.

Steps in the Annual Reporting processes

Prescribed Dates	Actions	MFMA (MSA)	Responsibility of	Done? Yes/No or N/A	Comments by MPAC
1 31-Aug	Submit municipality's AFS to Auditor-General	S126(1)(a)	Municipal Manager	Yes	AFS was submitted on 31 August 2024
2 31-Aug	Submit municipal entity, AFS to parent municipality and to Auditor-General	S126(2)	Municipal Entity Accounting Officer	N/A	
3 30-Sep	Submit consolidated AFS to Auditor-General (municipalities and entities)	S126(1)(b)	Municipal Manager	N/A	
4 31 October and quarterly thereafter	Auditor-General submits to Parliament and the provincial legislature names of any municipalities, which have failed or continue to fail to submit AFS.	S133(2)	Auditor-General	N/A	
5 Within three months of receiving AFS (30 November or 31 December)	Audit report returned to Municipal Manager	S126(3)	Auditor-General		Audit report submitted by AGSA on 13 December 2024.
6 On receipt of audit report	Municipality must address any issues raised by the Auditor-General and prepare action plans to address issues and include these in annual report. Provide copy of report to Audit Committee.	S131(1)	Municipal Manager. Mayor must ensure compliance by municipality		Audit Report will be tabled at the next Council meeting (31 March 2025). There was a dispute between Management and AGSA. Action plan developed and captured in web based.
7 31-Dec	Entity submits annual report to Municipal Manager	S127(1)	Municipal Entity Accounting Officer	N/A	
8 31-Jan	Annual Reports of municipality and entities tabled in Council	S127(2)	Mayor	Yes	Draft Annual Report tabled 29 January 2025.
9 Immediately after annual report is tabled	Annual report made public and local community invited to submit representations	S127(5)(a) (MSA) - S21A and B	Municipal Manager	Yes	Draft Annual Report was made public on website 07 February 2025
10 Immediately after annual report is tabled	Annual report submitted to Auditor-General, relevant provincial treasury and provincial department	S127(5)(b)	Municipal Manager	Yes	Draft Annual report submitted on 05 February 2025
11 When meetings held to discuss the annual report	Attend meetings to respond to questions concerning the report	S129(2)(a)	Accounting Officer of municipality and entity	Yes	Draft Annual Report presented at MPAC Meeting 18 February 2025
12 Following meetings to discuss the annual report	Submit copies of minutes of the meetings to the Auditor-General, provincial treasury and provincial department responsible for local government.	S129(2)(b)	Accounting Officer of municipality and entity	yes	AGSA will schedule a meeting to discuss the final annual report.
13 Within two months of report being tabled (31 March)	Council to have considered the annual report and adopted an oversight report	S129(1)	Council		Report to be submitted to Council on 31 March 2025
14 Within seven days of adoption of oversight report	Make public the oversight report	S129(3) S21A-MSA	Accounting Officer		Report to be made public by 07 April 2025
15 Within seven days of adoption of oversight report	Submit to the provincial legislature, the annual report of municipality and entities and the oversight reports on those annual reports.	S132(1) & (2)	Accounting Officer		Report to be made public by 07 April 2025
16 As necessary	Monitor compliance with submission of reports to provincial legislature	S132(3)	MEC for local government in the province		Coghsta must take the report to Legislature within 60 days of receipt
17 Within 60 days of receiving annual reports	Report to provincial legislature any omissions by municipalities in addressing issues raised by the Auditor-General.	S131(2)	MEC for local government in the province		Coghsta to report within 60 days of receiving the Annual Report
18 Annually	Report to Parliament on actions taken by MEC's for local government to address issues raised by Auditor-General on municipal and entity AFS	S134	Cabinet member responsible for local government		Coghsta to report Annually

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
1	The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	The 2023/2024 Annual financial statements (AFS) were submitted in the form as required by the applicable accounting standards.
2	The Auditor-General's reports on the financial statements of the municipality and the entities	The Audit report is not included in the Annual report. The Audit report will be tabled at the next Council meeting. There was a dispute between Management and AG. Final dispute meeting was held with AG on 04 March 2025 to resolve the unresolved matters
3	Any explanations that may be necessary to clarify issues in connection with the financial statements	Sufficient explanation of financial issues contained in the notes to the statements
4	An assessment by the Accounting Officer on any arrears on Municipal taxes and service charges, including Municipal entities	An Assessment of arrears on municipal taxes and services is included in the Accounting Officers forward to the Annual Report
5	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	Corrective action to be detailed in the Audit Action Plan
6	An assessment by the Municipality's Accounting Officer of the Municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.	A detailed Assessment of financial Health overview and Service Delivery overview has been included in the Annual Report under section 1.3 and 1.4 of the Annual Report
7	Any information as determined by the municipality, the entity or its parent municipality	N/A
8	Recommendations of the Audit committee in relation to the AFS and Audit reports of the Municipality and its entities	The recommendation of the Audit committee has been considered and will be incorporated in the Audit Action plan

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
9	Allocations received by and made to the Municipality	<p>Rural Bulk Infrastructure Grant - R 46 372 372 (CoGHSTA) Municipal Infrastructure Grant - R 55 125 842 (CoGHSTA) Water Infrastructure Grant - R 23 975 000 (DWS) Expanded Public Works Program - R 960 000 (NCDRPW) Library Grant - R 1 147 000 - (NCDSAC)</p> <p>No Allocations was made to other organs of state. All conditions of the above grants has been complied with and no findings has been raised by the Auditor general on the utilization of these grants.</p>
10	Information in relation to the use of allocations received	<p>Rural Bulk Infrastructure Grant 2023 - 15 994 628 2024 - R 46 372 372 Projects: - Palisade Fencing Project - Replacement of Existing Asbestos Cement Rising Main at Kuilsville, Thlakalthlou, and Rhodes pumpstation</p> <p>Municipal Infrastructure Grant 2022/23 - 43 715 468 2023/24 - 29 038 600 2024/25 - 55 125 842 Projects: Upgrading of Roads in the greater Danielskuil Area - Kuilsville Stormwater project - Construction of new Solid waste side</p> <p>Water Infrastructure Grant 2022 - R 10 127 634 2023 - R 12 420 709 2024 - R 23 975 000 Projects: - Eradication of conservancy tanks through the construction of HDPE sewer network</p>

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
10	Information in relation to the use of allocations received	<p>Expanded Public Works Program 2022 - R 1 075 000 2023 - R 1 073 005 2024 - R 960 000 Projects: - Refurbishment of municipal buildings - Paving of municipal parking (Front and back entrances)</p> <p>Library Grant 2022 - R 1000 000 2023 - R 1 100 000 2024 - R 1 147 000 - Salaries for Library staff - Funding of library programs</p> <p>Financial Management Grant 2022 - R 2 850 000 2023 - R 3 000 000 2024 - R 3 100 000 Projects: - Capacitation of the Budget and Treasury Office - MFMP Training</p> <p>All conditions of the above grants have been complied with and no findings has been raised by the Auditor General on the utilization of these grants.</p>
11	Information in relation to outstanding debtors and creditors of the Municipality.	<p>Information in relation to outstanding debtors and creditors of the municipality.</p> <p>Information not disclosed: - The municipality did not disclosed information relating to by national and provincial departments</p> <p>Information Disclosed - Creditors has been appropriately disclosed in note 11 to the AFS - The Municipality has duly paid over taxes owed to SARS and well as Third party payments to Medical Aids and Pension Funds within 7 day after month end - The Municipality still have a large historical AGSA balance, however, the Municipality make regular payments towards its AGSA for the 2023/24 financial year.</p>

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
12	Information relating to benefits paid by Municipality and entity to Councillors, Directors and Officials	<p>Information relating to benefits paid by municipality and entity to Councillors, Directors and Officials:</p> <ul style="list-style-type: none"> - All Salaries, Allowances and benefits has been disclosed in note 27 of the Annual Financial Statements - All Salaries Allowances and for senior managers has been reported in note 26 of the Annual Financial Statements - All Salaries, allowances and benefits paid to Officials has been disclosed in note 26 to the Annual Financial Statements <p>All Arrears owed by Councillors has been disclosed in note 38 of the financial statements (Related party transactions)</p>
13	The annual performance reports of the Municipality and entities	The annual performance report is included in the annual report with all the improved performance actions. Some of the KPI targets have not been reached and has been stipulated in the Annual performance report. Council did approve the Annual Performance report. Customer satisfaction survey has not been conducted. Targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the Municipal Manager and each Senior Manager. Reports are quarterly evaluated for the efficiency of mechanisms applied to deliver the performance outcomes.
14		
15	Audit reports on performance	Internal Audit's recommendations have been implemented to the adjustment SDBIP. AG raised a finding which indicated that the Municipality's KPI's don't meet the SMART principal. Also further indicated that the Technical indicator description must be straightforward. Recommendations by Internal Audit and Auditor-General (AG) have been included in the action plan. Action plan is monitored on a quarterly basis.

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
16	Performance of municipal entities and municipal service providers	No assessment of the performance of contracted service providers is included in the Annual Report.
17	For municipal entities – an assessment of the entity’s performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	N/A
	General information	
18	Relevant information on municipal entities	Municipality does not have entities
19	The use of any donor funding project	No donor funding received for 2023/2024 FY
20	Agreements, contracts and projects under Private-Public-Partnerships	No PPP agreements
21	Service delivery performance on key services provided	The Municipality has demonstrated effective and responsive service delivery, achieving satisfactory outcomes on key services provided, such as water, electricity, sanitation and refuse removal. Service delivery is discussed in Chapter 3 of the Annual Report.
22	Information on long-term contracts	Currently, the municipality has no long-term contracts in place.
23	Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.	No details of IT activities found in the Annual Report, but were outlined in the APCR Annual Report

	Checklist for considering the annual report	
	Information required to be included in annual reports	
No	Financial Matters	Comments by MPAC
24	Three-year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	Information available in the MPAC Oversight Report based on projects 2023/2024 FY (MIG) Annexure 5
	Other considerations recommended	Comments by MPAC
25	Timing of reports	The Draft Annual Report was tabled on 29 January 2025 and final be posted on 25 March 2025 (special Council meeting)
26	Oversight committee or other mechanism	The draft Annual Report was tabled on 29 January 2025 and the Final Annual Report will be tabled on 25 March 2025. Council take note of the Draft Annual Report 2023/2024 FY in a special Council meeting held on 29 January 2025. Council resolved that the Draft Annual Report be referred to MPAC to submit the Oversight Report. MPAC seated on 18 February 2025 where Draft Annual Report was presented. MPAC seated on 24 March 2025 to discuss the Oversight Report 2023/2024 FY. Oversight Report 2023/2024 FY will be tabled to Council on 31 March 2025.

9. COMMENTS ON THE COMPONENTS OF THE ANNUAL REPORT

9.1. COMMITTEE'S COMMENTS ON THE CONTENTS OF THE AFS

- The 2023/2024 Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).
- The Municipality has obtained an opinion of qualified with material findings on the Annual Financial Statements for year ending 30 June 2024.
- MPAC note that inadequate or proper review of the AFS was not done.
- Overall, the financial health of the Municipality appears to be fairly stable. Financial Position and Financial Perform with Total Assets exceeding total liabilities and the Municipality showing significant surpluses in both financial years.
- The current liabilities versus current assets are however concerning, with current liabilities exceeding current assets. This poses a significant liquidity risk to the Municipality, because the Municipality might not have the liquid assets when these liabilities become due.

9.2. AUDITOR GENERAL'S COMMENTS ON AFS & PERFORMANCE REPORT

- The audit findings highlight significant weaknesses in the Municipality's Financial Management, compliance, and performance systems, many of which have persisted over multiple financial periods. These issues, if not addressed urgently, pose risks to the Municipality's financial stability, governance credibility, and ability to deliver essential services effectively.
- Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
- Inadequate or proper review of the AFS was not done.
- The Performance Management System and related controls were inadequate as it did not describe how the performance monitoring, measurement, review / and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation (Various AOPO findings)
- The Municipality did not comply with the prescribed requirements for the amendment of the IDP, as the adjusted IDP was submitted to COGHSTA 11 days after the due date, rather than within the required 10-day period.
- The findings identified above are what lead to material findings to be reported under performance information. The absence of reliable, accurate, and transparent performance reporting hinders the Municipality for reporting accurately the services being delivered and measures of the Municipality's performance in efficient manner.
- Management must prioritize the implementation of a robust and actionable plan to resolve the identified deficiencies, address root causes, and strengthen internal controls. This includes enhancing accountability, improving operational efficiency, and fostering a culture of compliance.

9.3. AUDIT COMMITTEE'S COMMENTS ON AFS & PERFORMANCE REPORT

- The Audit, Performance and Risk Committee (APRC) was functional throughout the year and had several engagements with management on matters related to Financial Management, Internal Control, Risk Management, Performance Management, Governance, Information Technology, Corporate Services and Technical Services.
- The effectiveness of the Risk Management processes and systems is a concern, due to lack of Senior Management to implement and institutionalise it.
- The Performance Management System and processes were reviewed, and quarterly performance information was assessed. Unfortunately, these systems were inadequate, and the achievement of the annual targets was low.
Increased capacity is required to implement the recommendations suggested by the committee, ensuring that the Performance Management System continues to mature. The manner in which performance reviews are conducted has not improved significantly, as there are still challenges in this regard.
- Regarding Information and Communication Technology (ICT) Governance, significant improvements are needed, particularly in the area of Internet network coverage. The slow or lack of internet coverage on the Municipality's Internet Network, experienced subsequent to the reporting period, highlights the ongoing rise of this risk. The Municipality also needs to continue investing in system integration, as there are still several non-integrated systems across Municipal departments. It is recommended that all IT Governance Policies be reviewed.
- The supply of water to different communities in the Kgatelopele Region was a growing issue. Some projects are progressing slowly, causing the municipality to underspend on capital projects, which subsequently results in the need to apply for rollovers. Management and Council should ensure that the Top Layer SDBIP is aligned with the IDP to effectively monitor service delivery and the implementation of projects.
- MPAC noted through the APRC report, that the Municipality has shown improvement during the year under review, compared to previous financial years.

10. QUESTIONS AND RESPONSES ON THE ANNUAL REPORT 2023/24, MANAGEMENT

- No comments to date

11. COMMENTS AND INPUTS FROM THE PORTFOLIO COMMITTEES

- No comments to date

12. COUNCILLORS AND WARD COMMITTEE'S INPUTS

- No comments do date

13. PUBLIC & INTERESTED PARTIES' COMMENTS ON THE ANNUAL REPORT

- No comments to date

14. 2023/24 PROJECTS SITE INSPECTION REPORTS

Kuilville Roads, Tlhakatlou Replacement of Existing Asbestos cement rising main – Site inspection was done on 11 March 2025. Project is completed.



Replacement of Asbestos water pipes - Site inspection was done on 11 March 2025. Project is completed.



Construction of Concrete Palisade Perimeter Fencing - Site inspection was done on 11 March 2025. Project is completed but already vandalized. MPAC recommended that Security measurements must be put in place because of safety hazards.



Eradication of Conservancy Tanks of sewer network. - Site inspection was done on 11 March 2025. Project is completed.



Refurbishment of Municipal Buildings Construction of Paving - Site inspection was done on 11 March 2025. Project is completed, but poor workmanship was notable.



15. MFMA SECTION 32 REPORT

1. MFMA SECTION 32 REPORT

UIFWE Balances as at the end of 2023/2024 FY

Irregular Expenditure stated R113 105 315.00 for 2023/2024 FY

Unauthorised Expenditure stated R730 634 633.00 for 2023/2024 FY

Fruitless and Wasteful expenditure stated R7 406 181.00 for 2023/2024 FY

Write-Off Amounts on Irregular Expenditure

R12 557 296.65 – 2011/2012 FY – Write Off on Irregular Expenditure

R12 760 687.62 – 2012/2013 FY – Write Off on Irregular Expenditure

R11 652 251.86 – 2013/2014 FY – Write Off on Irregular Expenditure

R1 242 772.39 – 2014/2015 FY – Write Off on Irregular Expenditure

R622 635.01 – 2015/2016 FY – Write Off on Irregular Expenditure

R806 443.44 – 2021/2022 FY – Write Off on Irregular Expenditure

- Although the UIFWE was written off, AGSA has requested that such balances be re-instated since proper processes were not followed.
- MPAC and Management must restart the process of investigations and assessment of UIFWE.

MPAC faces the following challenges:

- Incomplete UIFWE registers received from Administration.
- MPAC raised concerns about some information / documents that could not be found by the responsible Officials or at Registry Office and information not captured correctly with less or no comments / information given.
- Notable challenges experienced in the MPAC office, is that documents and information requested, are often received late or, in some case not provided at all. This causes delays in decision-making processes and effects operational efficiency.

16. SUMMARY OF COMMENTS, CONCLUSIONS ON THE 2023/2024 ANNUAL REPORT

- The Draft Annual Report was tabled to Council on the 29th of January 2025 which was in line with section 127 (3) of the MFMA. The Draft Annual Report was referred to MPAC, and was made public for further inputs and comments.
- MPAC note with concern that no comments / inputs were received from Portfolio committees, Councillors and Ward Committees, Public and interested parties.
- The municipality has obtained a **qualified audit opinion with material findings** on the Annual Financial Statements for year ending 30 June 2024. This is similar to the opinion of the prior year. Material instances of non-compliance have been identified and material findings as well have been reported for performance information. This was due to inadequate action taken by management in addressing issues previously raised by the AGSA in all three areas as some of the issues identified in the current are similar to those of the previous year(s). Recommendations of the AGSA have not been fully implemented.
- Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Inadequate or proper review of the AFS was not done.

The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review / and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation (Various AOPO findings).

The municipality did not comply with the prescribed requirements for the amendment of the IDP, as the adjusted IDP was submitted to COGHSTA 11 days after the due date, rather than within the required 10-day period.

The findings identified above are what lead to material findings to be reported under performance information. The absence of reliable, accurate, and transparent performance reporting hinders the municipality for reporting accurately the services being delivered and measures of the municipality's performance in efficient manner.

- The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda.

The institution realised 7% increase in the year 2023/2024 FY in comparison to the year 2022/2023 FY.

- The capital budget has adjusted upwards due to the rollover for conditional grant, Municipal Infrastructure Grant that was approved. This has been adjusted upwards in the adjustment budget for 2023/24.

Operational Grants Spending shows a percentage of 100%.

The capital grants expenditure performed exceptionally well as at end June 2024, with all allocations being utilized efficiently and spent within the designated timeframe. • RBIG – the municipality received the allocation that were allocated for the RBG grant from National Treasury but the business plan for project needs to be approved first before the money is used.

The municipality need to apply for roll over for all grants not spent 100% due date is on the 31 August 2024.

- The following key performance activities were used to evaluate the Unit's performance during the 2023/24 fiscal year: Sewer Blockages (Reticulation lines), water meters, water quality, maintenance of sewer pumpstations and drains.

- The Municipality has demonstrated effective and responsive service delivery, achieving satisfactory outcomes on key services provided, such as water, electricity, sanitation and refuse removal. Service delivery is discussed in Chapter 3 of the Annual Report.
- There have been instances where the Municipality was found not to be in compliance on components such as Revenue, Receivables and Payables.
- Creditors are not always paid within 30 days, due to cashflow constraints.
- The Municipality currently does not have maintenance plans for repairs. All maintenance is reactive and not plan and scheduled.
- The Municipality has a fully approved SCM policy in place. The policy is aligned to the MFMA, regulations, circulars and all other relevant legislations.
- The procurement plan for 2023/2024 has been developed and approved by the Accounting Officer.
- Currently, the Municipality has no long-term contracts in place. When such a need arises, the relevant legislation will be applied and the relevant stakeholders such as provincial treasury will be contacted for comment.
- The Municipality has encountered several challenges with regards to non-compliance with the by-laws by the public; in the main, the Zoning Scheme. This is demonstrated through non-submission of land use and development applications and construction of buildings and usage of properties for purposes they are not zoned for.

More emphasis in terms of monitoring and enforcement of by-laws needs to be a key focus in addressing issues of non-compliance and contraventions of town planning regulations.

The Municipality managed to appoint a Town Planner during the 2023/2024 financial year to enforce the credibility and assurance of compliance with legislated requirements in terms of spatial planning. Despite this, the Unit remains to be under-capacitated which has also posed as a challenge in ensuring that exceptional deliverables are attained in terms of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013).

- Accessibility of computer training provided by mines for local youth in particular matriculants sitting at home, so as to meet the employment requirements. Improvement: Information dissemination by mines on training opportunities to the communities. Kgatelopele Youth Centre had a programme to uplift unemployed youth and encourage them to enrol in Tertiary institutions. The unit of IDP/LED and Youth co-ordinator collaborated in hosting a career exhibition for the matriculants of 2024 to educate them on different career opportunities. The IDP/LED unit hosted a driver's license Learnership for 6 candidates 4 learners passes their test and received their drivers' licences.
- Public Satisfaction Municipal survey was not undertaken in the year under review; however, Customer Care Unit will make all social media platform available for public to participate and to register all complaints.
- Various challenges were noted for the Municipality, but went out of their way to enhance the life of the community and provide an effective and decent service to restore the community's dignity and integrity.
- Overall, the financial health of the Municipality appears to be fairly stable Financial Position and Financial Perform with Total Assets exceeding total liabilities and the Municipality showing significant surpluses in both financial years.

Recommended resolution as required by MFMA s129(1):

- That cognisance be taken of the Oversight Report on 2023/2024 Annual Report as submitted by MPAC together with the recommended corrective actions be set out in the Audit Action Plan.
- That Council, having fully considered the Annual Report of the Municipality for the financial year 2023/2024 representations thereon, adopts the Oversight Report.
- That the 2023/2024 Annual Report referred be adopted and approved without reservations contained in the Oversight Report.
- That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, 56 of 2003.
- That the Oversight Report on the Annual Report 2023/2024 be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act, 56 of 2003.

17. ANNEXURES

- 17.1 Annexure 1: Council Resolution
- 17.2 Annexure 2: Minutes of MPAC meeting held on 18 February 2025
- 17.3 Annexure 3: Notice to public for input
- 17.4 Annexure 4: Minutes of MPAC meeting held on 24 March 2025
- 17.5 Annexure 5: MPAC Oversight report based on projects 2023/24 FY (MIG)



CLLR. SYLVESTER VUKEYA
MPAC CHAIRPERSON
Date: 24 March 2025