

LEPHALALE
MUNICIPALITY

A vibrant City and the Energy Hub

MUNICIPAL PUBLIC ACCOUNT COMMITTEE

2022/2023 OVERSIGHT REPORT

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FOREWORD BY THE CHAIRPERSON

The Municipal Public Accounts Committee (MPAC) was established during 2012 in terms of Section 79 of the Municipal Structures Act, No. 117 of 1998 and Regulations.

The main function of the Committee is to exercise oversight in the municipality by promoting good governance, promoting the culture of accountability, promoting transparency, ensuring that compliance is adhered to on the execution mandate given to the municipality and the aspiration of a sound financial management practice, which will ultimately result in acceleration of quality service delivery to the entire community of Lephalale.

In order for the MPAC to fulfil this oversight roles, it needs to be provided with the necessary information and documentation to interrogate the actions taken.

Section 121 of Municipal Finance Management Act no 56 of 2003 requires each municipality to prepare an Annual Report and the council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality. Section 121 (2) highlights the purpose of the annual report as follows:

- a) to provide a record of the activities of the municipality or municipal entity during the financial year which the report relates;
- b) to provide a report on performance against the budget of the municipal or municipal entity for the financial year; and
- c) to promote accountability to the local community for the decisions made throughout the year by the municipal or entity.

The Municipal Public Accounts Committee is required to compile an Oversight Report in terms of Section 129 (1) of the Municipal Finance Management Act No. 56 of 2003, the council of a municipality must consider annual report of the municipality and any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the councils comments.

The final step in the reporting process is for Council to approve the Annual Report taking into consideration the findings contained in the Oversight Report as required by Section 121(1).

Through the tough and stringent political/administrative uncertainty, the Committee managed to complete the delegated task. The committee compiled the Oversight Report and, in a position, to table the report to Council with findings and recommendations. Appreciations goes to members of the Committee for ensuring that the oversight role is executed even in the difficult circumstances. Your tireless efforts for making sure that the assigned task is completed on time line with the section 129 (1) of MFMA is highly appreciated.

The committee further extends its appreciation for the continued support offered by the Office of the Auditor General, the office of governance SALGA, the Chairperson of the Audit Committee, the Limpopo Provincial Treasury and the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA).

With the administrative support rendered by the officials under the leadership of the Acting Municipal Manager, Motlalekgomo Mmope, the committee managed to finalise the oversight report. The committee would like to thank you for the work well done in ensuring that MPAC activities are coordinated under stringent regulations.

On behalf of the Committee, I would like to thank the continued support the committee is getting from the entire Council of Lephalale Local Municipality, Council Speaker, Mayor, Members of the public, Magoshi, members of the Traditional Councils.

STATEMENT OF THE PURPOSE OF THE OVERSIGHT

Council has appointed the Municipal Public Accounts in terms of Section 79 of Local Government Municipal Structures Act, No. 117 of 1998. The Committee is expected to play oversight role and promote accountability and transparency in the local government sphere.

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- a) to provide a record of the activities of the municipality or municipal entity during the financial year which the report relates;
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- c) to promote accountability to the local community for the decisions made throughout the year by the municipality or entity.

The 2022/2023 Draft Annual Report was tabled to Council on the 29th January 2024 and referred to the Municipal Public Accounts Committee for scrutiny and the Committee should report back to Council on the findings.

Section 129 (1) of the MFMA states that the Council of the Municipal must consider the Draft Annual Report of the Municipality and by no later than two months from the date on which the Draft Annual Report was tabled in the Council in terms of Section 127, adopt an Oversight Report containing the Council's comments on the Annual Report, which must include a statement of whether Council has:

- ***approved the Annual Report with or without reservations;***
- ***rejected the Annual Report or***

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- **referred the Annual Report back for revision of those components that can be revised.**

1. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

During the 2022/23 financial year, the Municipal Public Accounts Committee was consisting of the following Councillors.

- 2.1 Cllr MW Motlokwa -**Chairperson was replaced by** Cllr RT Modise 22 August 2023
- 2.2 Cllr D A Mothoni
- 2.3 Cllr I Magoai was removed from the committee on 22 August 2023
- 2.4 Cllr S M Nieuwoudt
- 2.5 Cllr MJ Sebetha
- 2.7 Cllr E Seepe was removed from the committee on 22 August 2023
- 2.8 Cllr S Mpedi was appointed on 22 August 2023

3. CIRCULATION OF THE ANNUAL REPORT

Since the referral of the 2022/2023 Draft Annual Report by Council, Lephalale Local Municipality has issued adverts in News Papers and also posted the document on the Municipal Website, to inform the public of the availability of the document. The document was circulated on municipal website (www.lephalale.gov.za), Marapong library, Municipal main library (civic centre), Shongoane library, Thabo Mbeki library, tribal offices in Seleka, Mokuruanyane and Shongoane, Thusong Centre Leseding and /Mokuruanyane.

4. ANNUAL REPORTING PROCESS – 2022/23

Lephalale Local Municipality has compiled the 2022/2023 Draft Annual Report in terms of Section 121(1), (2) and (3) Municipal Finance Management Act, No. 56 of 2003. with the legislative requirements relating to the process followed in compiling the and the resultant of Oversight Report in comparison, as required in terms of Sections 121 to 129 of the Municipal Finance Management Act, No. 56 of 2003.

5. METHODOLOGY AND FINDINGS

5.1 MPAC meetings

Municipal Public Accounts Committee managed to meet as follows, where the 2022/2023 Draft Annual Report was scrutinised to verify the validity and completeness of the information outlined against legislative requirements:

- 5.1.1 19th-20th February 2024 and 14 March 2024)-** Scrutinising and Consideration of the 2022/23 Draft Annual Report and Annual Financial Statement, where the representative from the Office of the Auditor General were in attendance assisting the committee and clarifying other matters related to Annual Financial Statements and Annual Report, Questions were developed and

adopted by the committee during the session, which submitted to the Executives and Administration to respond and submit written responses.

5.1.2 25 March 2024 Analysis of responses from the Executives and Administration, and allocation of questions amongst MPAC members.

5.1.3 26 March 2024 finalisation and adoption of the 2023/22 Oversight Report, Public Participation and Public Hearing report before it could be tabled to Council.

The minutes and the attendance register of the meeting are attached as Annexure A.

5.2 MPAC Projects Visits

As part of playing oversight, the Municipal Public Account Committee did not visit some projects, which were implemented during the 2022/23 Financial Year due to congested schedule of meetings and the committee committed to visit the projects before the end of quarter four and the project visit report with findings and recommendations to be tabled to Council.

5.3 MPAC Public Participation on 2022/2023 Draft Annual Report

The municipality invited public comments on the Draft Annual Report and followed by the Public Participation Event which was advertised on the municipal website as part of promoting transparency, good governance, public participation, and accountability.

The Public Participation on the 2022/23 Draft Annual Report was conducted in 3 clusters (Martinique community hall, Seleka community hall and Leseding Thusong centre and held on the 04th March 2024, 07 & 08 March 2024 respectively, and members of the community/or representatives, Magoshi & headman and other stakeholders were afforded an opportunity to make inputs and comments, Attached are:

- ✓ **Public Participation Report- Annexure PP1**
- ✓ **Presentation by Honourable Acting Mayor – Annexure PP2**

5.4 MPAC Public Hearing on 2022/2023 Draft Annual Report

The Public Hearing on the 2022/23 Draft Annual Report was held on the 25 March 2024 where the executives and administration were verbally responding and clarifying the committee on issues raised and questions submitted to their offices on the 2022/23 Draft Annual Report. **Attached are:** -

- ✓ **Public Hearing Report- Annexure B**
- ✓ **Questions from MPAC to Executives and Administration -Annexure C**
- ✓ **Responses from Executives and Administration to MPAC- Annexure D**

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6. SUMMARY OF SUBMISSIONS RECEIVED FROM THE COMMUNITY AND OTHERS.

The following table reflects the inputs received from the community representatives relating to the contents of the Draft Annual Report and no written comments/inputs were received.

Ward /village	Representation submitted by:	Key Issues raised (summarised issues)
1. Harrismith	Moruti kekae	When will the tar road be constructed, the condition of the road is bad.
2. Maeteletje-chairperson interim committee	Phili Sekgala	Water projects are not completed as required since 2015, the project is stalled; and why access roads are not maintained after being reported.
3. Mmaletswai	Phaswana Nku	Water tank not connected to water pipe, since the tank was installed 18 years ago. And the issues regarding the ownership of Richard Langa need to be attended to urgently, The Mayor to provide progress of engagements done on this issue.
4. Ward 5- Martinique	Jan Moseithana	Who are the ward committees, when they were elected, and what is their job. Request of tank water and high mass lights at new stands, Colbert installed at the graveyard is too small. Unsafe community due to the crocodiles.
5. Hlalakwena	Stephen Phao	Water issues, 4 boreholes not supplying Hlalakwena community.
6. Himini Tribal office	Lucky Mosima-secretary	Request the Mayor to meet elderly people and when will the graveyard be fenced as the request was submitted 5 years ago.
7. Bangalong	Kgosana	Lack of proper access roads after the engagement with provincial government what

		<p>the roads leading to Harrismith (D1347) Established plastic tanks but to date still standing and not functional. Situation at phase 2, no access road to graveyard and during rainy seasons its worse and disturbs school attendance. High mast light next to Kgoro not functional for 3 years now The Mayor to intervene regarding fights of youth between the community of Gamonyeki, Harrismith and Bangalong.</p>
8.	Morris Mosima	<p>What is the municipality doing with the situation in the river where a child was taken by a crocodile, what is the municipality doing to secure the safety of the community while in the river. High rate of unemployment.</p>
9. Nikara	Diketso Majadibodu	<p>Request to install high mass Light in Nikara, Cemeteries not maintained. Issue of a whole next to driving school.</p>
10. Ward 8 Maeteletja	Lesibana Dan Kekae	<p>A concern that the mayor never visited the area and he promised to visit last year august but never did, when can the visit with the mayor be arranged, communities has burning issues. Safety issues within the community such as floods and no free movement during rainy reasons.</p>
11. Martinique; Ward 5	TA Mosima	<p>No consultation visits from the municipality regarding the crocodile attack. The bridge to access the graveyard not functional since the inception there is</p>

		poor workmanship,
12. Ward 8 Abbospoort	Nku	<p>There are issues of incomplete water taps some are not working and some vandalised,</p> <p>What are the causes of delays in completing the new stands RDP houses, since construction of slaps 3years ago no progress to date.</p> <p>Request for high mass light at new stands next to multipurpose.</p> <p>Request for water provision.</p> <p>Issue of a tank since was installed 7years ago but not functional.</p>
13. Shongoane 4	Bartholomew Modise	<p>lack of water provision in bangalong, the current available water does not meet the needs of the community.</p> <p>No waste services</p>
14. Martinique	Tlou	<p>No dustbin and high mass light at new stands.</p> <p>High unemployment rate around lephalale, the current employment does not include lephalale residents.</p>
15. Ward 7 Shongoane	Comrade Moss	Request for streetlights around access road.
16. Madibaneng Tribal office	Mr Molangoane	<p>Why projects are not completed, water boreholes not connected with pipes and electricity, community cannot access water,</p> <p>Why streetlights not working after the project has been completed, it's almost a year now.</p>
17. Ward 11	Johannes Mabelebele	Request that information be sent timely to communities especially to the tribal offices, and municipality to

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		instruct ward committees to do their jobs as required.
18. Segale-Honey Moemedi wa sechaba	Alpheus Kgomo	Issues of incomplete projects and no community engagement regarding challenges encountered nor if nonperforming contractors were charged or penalised, Segale boreholes are not connected and there's lack of water in the village. Request the municipality for a wastebin. Request to meet the Mayor.
19. Kgobagodimo	Ntona Matlamela	Why RDP houses not completed? Improper or poor-quality material are used, Why are water project not completed- water pipe not connected to distribute water.
20. Botsalanong	Ntona Mothoni	lack of water provision, water truck was unavailable for 4 weeks, and why water projects are not completed, There are boreholes and tanks commissioned, but the community cannot access water from them. No progress on RDP houses since slap layed.
21. Seleka Wyk 1	Setjie	There is poor maintenance and services, because the municipality takes weeks to fix pipe burst. Request for progress on issue of farms.
22. Magadimela	Abel	Water issues, Tank installed but no water supply.
23. Leseding	Jeremiah Motlogeloa	The municipality to accelerate the RDP programme and water projects.
24. Leseding	Martha Magwai	The municipality to prioritize small business owners in Leseding and appoint local communities for caterings when having events in Leseding.

		Transporting issue as the current ones are always stacked.
25. Thulare Park	Edwin Moremi	When will the municipality improve the community of Leseding, how far are the RDP projects, Leseding mall, Marapong mall and seleka depot.

7. ANNUAL FINANCIAL STATEMENTS

The MPAC Committee appreciated that the municipality has received **Unqualified Audit Opinion**, everybody has a role to play to ensure that the municipality maintains the audit opinion by allowing all the council structures to exercise its responsibilities. As MPAC, we will continue to perform these duties as outlined in Section 79A of the Municipal Structures Amended Act, 2021 to assist the municipality to achieve the clean audit opinion.

- i. Review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council.
- ii. Review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council.
- iii. Attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor, and the municipal manager; and
- iv. On its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

8. General finding

8.1 MPAC Public Participation on 2022/23 Draft Annual Report

- i. Poor monitoring of projects and abandoning of site by some contractors.
- ii. Slow implementation and delay in completion of projects.
- iii. Illegal connections which affect provision of water to other members of the community.
- iv. Vandalism of municipal assets.
- v. Lack of maintenance and repair for pipe burst or water leaking pipes and roads.
- vi. Lack of maintenance on municipal parks and cemeteries.

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- vii. Water supply projects implemented not yielding positive outcome.
- viii. Poor workmanship and underperformance by contractors.

8.2 MPAC Public Hearing on 2022/2023 Draft Annual Report

- i. Non-payment of services by community.
- ii. Average collection rate from consumer debtors is still below the 95 percent acceptable norm.
- iii. Projects implemented beyond the contractual period and continuous extension of contract periods.
- iv. Lack of consequence management against nonperforming contractors.
- v. Water losses due to illegal connections and aging infrastructure.
- vi. Contradicting information.
- vii. Inconsistency in reporting.
- viii. Delay in electrification of projects.
- ix. Non proofreading of the documents before submission to Council.
- x. Annual actual performance is not valid, accurate and/or complete.
- xi. Most of the performance targets not met.
- xii. Non-compliance with MFMA Act by paying service providers late.

9. CONCLUSION


The Committee noted the clarifications given by the executives and administration. MPAC will continue to execute its mandate of playing oversight and holding executives and administration accountable on the implementation of the IDP, budget and provision of services to the communities. The committee will further continue in encouraging continuous improvement, enforcing compliance, promoting accountability, transparency and good governance to stakeholders. Through continuous engagement with relevant municipal structures and ensuring that there is value for money when procuring goods and services.

10. RECOMMENDATIONS

The committee recommends as follows:-

- i. That The Accounting Officer to ensure that all stalled regional water scheme projects be prioritized for implementation to resolve the water challenges in the villages.
- ii. That The Accounting Officer should ensure that bylaws on illegal connections are implemented.

- iii. That the Accounting Officer should ensure that consequence management is applied to anyone failed to comply with the SCM Regulations and MFMA Act.
- iv. That The Accounting Officer should develop the consequence management policy.
- v. That the accounting Officer should ensure that the project of good quality are implemented to compliment the financial management of the institution;
- vi. That the Accounting Officer should ensure that projects are properly managed, monitored and also consequence management is implemented.
- vii. That tender defaulting register for non-performing contractors is in place and management to impose penalties for non-performing contractors.
- viii. That the Accounting Officer should develop project completion plan for all projects not completed within the contractual period and progress made should be shared with MPAC on monthly basis.
- ix. Management to establish blacklisting committee within the municipality.
- x. That the Accounting Officer should ensure that stringent monitoring mechanisms are implemented during projects implementation to eliminate the continuous extension of projects.
- xi. That the municipality should embark on revenue collections strategies to ensure that revenues are collected in areas were services were rendered;
- xii. That the Honourable Mayor continue to engage Eskom to ensure that all projects, which are not functional due to non-electrification are attended to.
- xiii. That The Accounting Officer to ensure that the municipality is providing reliable information when compiling annual/performance reports and other reports, and further ensure that the information is accurately and completely reported and that it is supported by sufficient and appropriate portfolio of evidence.
- xiv. That the Accounting Officer should ensure that all documents are proofread before submission to Council Committees and Council.
- xv. That all errors identified in the draft Annual report should be rectified when a final document is issued.
- xvi. That Council must approve the 2022/2023 Annual Report without reservations.



CLLR: RT MODISE
MPAC CHAIRPERSON

26 March 2024
DATE