

LEPHALALE MUNICIPALITY

A vibrant City and the Energy Hub

MUNICIPAL PUBLIC ACCOUNT COMMITTEE

2024/2025 OVERSIGHT REPORT

M.M. / /

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).

The Committee managed to complete the delegated tasks and 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 timeline 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 Municipal Manager, PF Nogilana Raphela, 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.

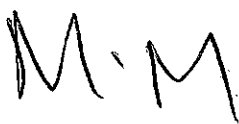
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- a) to provide a record of the activities of the municipality or municipal entity during the financial year which the report relates;
- b) to provide a report on performance against the budget of the municipal or municipal entity for the financial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

The 2024/2025 Draft Annual Report was tabled to Council on the 29th January 2026 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 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***



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

1. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

During the 2024/25 financial year, the Municipal Public Accounts Committee was consisting of the following Councillors.

- 1.1 Cllr RT Modise -**Chairperson was replaced by** Cllr MM Makgae from 08 August 2024
- 1.2 Cllr D A Mothoni
- 1.3 Cllr S Mpedi was removed and replaced by Cllr I Magoai from 08 August 2024
- 1.4 Cllr S M Nieuwoudt was removed and replaced by Cllr J Nel from 08 August 2024
- 1.5 Cllr MJ Sebetha

2. CIRCULATION OF THE ANNUAL REPORT

Since the referral of the 2024/2025 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.

3. ANNUAL REPORTING PROCESS – 2024/25

Lephalale Local Municipality has compiled the 2024/2025 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.

4. METHODOLOGY AND FINDINGS

4.1 MPAC meetings

Municipal Public Accounts Committee managed to meet as follows, where the 2024/2025 Draft Annual Report was scrutinised to verify the validity and completeness of the information outlined against legislative requirements:

- 4.1.1 03rd – 06th of March 2026)-** Scrutinising and Consideration of the 2024/25 Draft Annual Report, Annual Financial Statement and 2025/2026 Mid-year performance report, 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.

4.1.2 18 March 2026 Allocation of questions amongst MPAC members.

4.1.3 25 March 2026 finalisation and adoption of the 2024/25 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.

4.2 MPAC Projects Visits

As part of playing oversight, the Municipal Public Account Committee visited some projects on 20 January 2026 and 12 March 2026 which were implemented during the 2024/25 Financial Year.

The minutes and the attendance registers of the meeting are attached as Annexure B.

4.3 MPAC Public Participation on 2024/2025 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/ local newspaper/lephalale Municipality Facebook page as part of promoting transparency, good governance, public participation, and accountability.

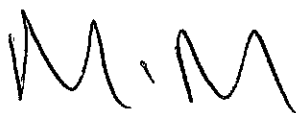
The Public Participation on the 2024/25 Draft Annual Report was conducted in lephalale town on the 11th March 2026, and members of the community/or representatives, Magoshi & headman and other stakeholders were afforded an opportunity to make inputs and comments, Attached are:

- ✓ **Public Participation Report- Annexure PP1**
- ✓ **Presentation by the Mayor – Annexure PP2**
- ✓ **Attendance Registers -PP3**

4.4 MPAC Public Hearing on 2024/2025 Draft Annual Report

The Public Hearing on the 2024/25 Draft Annual Report was held on the 18 & 19 March 2026 where the executives and administration were verbally responding and clarifying the committee on issues raised and questions submitted to their offices on the 2024/25 Draft Annual Report. ***Attached are: -***

- ✓ **Public Hearing Report- Annexure PH1**
- ✓ **Questions from MPAC to Executives and Administration -Annexure PH2**
- ✓ **Responses from Executives and Administration to MPAC- Annexure PH3**
- ✓ **Attendance Registers – Annexure PH4**



5. 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. Shongoane	Mabunda	-There is lack of access to water and it almost 4 months. -Lack of employment management to engage with forums for employment opportunities. -Pavement to be prioritised instead the municipality could have done the tar road instead of the pavement that was built due to that there is lack of access to proper roads. -Management to ensure that service providers are performing their duties at sites. - Management to prioritise waste collection.
2. Hlalakwena	Melita Molwantwa	-It was noted that service delivery is made a priority in town only. -There is lack of access to proper roads. -The water project is delayed due to the machine being broken for 4 months hence there is lack of access to water. -Management to prioritise employment. -There is lack of proper access to high mass lights, cables are not properly intact.
3. Ga-monyeki	Samuel Monyeki	-Councillor assigned does not attend meetings. -There is lack of proper access to roads.

		installed are not energised. -Cemetries should be prioritised. -The stadium is vandalized; toilets are blocked proper maintenance to be implemented. -There is lack of access to proper housing. -The community engaged with their councillor regarding extension of water however there hasn't been any response, there is lack of access to water and roads are damaged due to heavy rains.
4. Ward 10	Manaka Maria	-The water contract is ongoing however lack of water is still a concern. -Lack of proper access roads(potholes).
5. Ward 6	Makgae	-Lack of access to water in Marikana Mall Park -Tanks have been delivered however they are not utilised -Lack of proper access roads -Lack of access to proper streetlights at Marikana.
6. Khuduthamaga	MJ Ditle	-There is lack of access to water because of the new project. -There is lack of commitment from the speaker.
7. Mokuanyane	Mosima Lucky	-Acknowledge the presence of the Mayor and appreciate the work/projects done by the municipality to date. -Management to prioritise waste collection, dustbins are full and not offloaded on time -Lack of proper housing and access to proper roads.
8. Letlora	Flora Mmakata	-Request for Eskom offices to open and operate like in the past, currently complains goes to WhatsApp and old people can't have access to log complaints nor eligible to

M.M

		use the what's up app. -Management to resolve the issue of boreholes as the project is stagnant since last year. -Hight mast lights constructed last year and are not yet energised. -Waste collection is not prioritised as skip bins takes time to be returned when are taken. -Ward committees are not granted the opportunity to engage in municipal events.
9. Ward 6	Peter Moloantoa	-There is an overflow of water next to Molokomme. - Lack of access to proper streetlights 7delaan is dark and ikitseng creche side.
10. Ward 6	Herman Modise	-There is an overflow of water on the access road. -There have been two tanks for over 12 years now they haven't been refilled with water which leads to lack of access to water.
11. Shongoane 1	Mosima Joshua	-There is lack of access to water at Steve Biko. - Lack of maintenance of the access road, the tar road constructed is no longer in good condition and beyond repair. -There is lack of access to proper RDP houses, and consultations to be made with traditional leaders first before allocation. -Management to prioritise all headman's and not only traditional leaders. -Issues regarding the new pipeline project to be addressed, and employment for local communities to be created. -Hight mast lights are not prioritised and 9 out of 10 RDP houses were allocated.

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12. Kiti	Monene	There is lack of access to water.
13. Malente	Jacob Mosima	-Access road from mmaletswai to Malente is not intact. -There is lack of access to basic water. - Wastebin collection is not prioritised.
14. Nikara	Mokgadi Mafifi	-The tar road is not intact; there is a lot of sand. -Boreholes have not been energised, management must intervene. -RDP houses not allocated accordingly, Ntotoma (5 houses constructed so far) is prioritised more than Nikara. -Management to prioritise the installation of more metres as the village is growing. -There is lack of access to water, the tank is not utilized. -The tar road to be prioritised.
15. Lebu	TT Molokomme	-Lack of access to proper roads due to heavy rains -Water tanks High mast lights to be prioritised. -Electricity to be provided at RDPs.
16. Sefitlhogo	Solomon Mochaki	-Lack of access road due to heavy rain seasons, roads have been destroyed. -There is lack of access to water and high mast lights to be prioritised.
17. Mmaletswai	Phaswana Nku	-Water augmentation plant, the project is not utilized management to intervene. -Magoshi to be equipped through workshops regarding the budget, -Mmaletswai water plant engaged in 2016 has then been stagnant since 2023.

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.

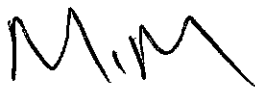
8. General finding

8.1 MPAC Public Participation on 2024/25 Draft Annual Report

- i. Poor monitoring of projects.
- ii. Slow implementation and delay in completion of projects.
- iii. Vandalism of municipal assets.
- iv. Lack of maintenance and repair for tanks, roads and other municipal assets.
- v. Lack of maintenance on municipal cemeteries.
- vi. Water supply projects implemented not yielding positive outcome.
- vii. Poor workmanship and underperformance by contractors.
- viii. Lack of energisation to boreholes and high mass lights.

8.2 MPAC Public Hearing on 2024/2025 Draft Annual Report

- i. The committee noted a great improvement with regards to management responses as compared to the previous years although some responses provided by Management in writing were not addressing the questions asked



- by the MPAC committee and not all questions were responded upon submission.
- ii. Management responses were submitted few minutes before the Mpac public hearing resumes.
 - iii. Appropriate actions are not taken against officials where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and crime proceedings 6(8).
 - iv. Slow progress on cases referred to Financial Misconduct Board.
 - v. High debtors which increase at an alarming rate despite irrecoverable debts written off.
 - vi. Low collection rate due to a culture of non-payment by residence.
 - vii. Average collection rate from consumer debtors is still below the 95 percent acceptable norm.
 - viii. Projects implemented beyond the contractual period and continuous extension of contract periods.
 - ix. Lack of consequence management against nonperforming contractors.
 - x. Delayed project outstanding for 5 years and more mainly on Eskom not energizing.
 - xi. Lack of monitoring by municipal officials on all projects.
 - xii. Non – compliance with MFMA Sec 65 (2) (e), which states that creditors must be paid within 30 days of receiving the invoice or statement.
 - xiii. High distribution losses on water due to illegal connections and aging infrastructure.
 - xiv. Inconsistency in reporting.
 - xv. Delay in electrification of projects.
 - xvi. Non proofreading of the documents before submission to Council and Council committees.
 - xvii. Annual actual performance is not valid, accurate and/or complete.
 - xviii. Most of the performance targets not met.
 - xix. Discrepancies of reporting on the current financial system (Differences between the general valuation roll and billing system, difference between General ledger and Trial balance and asset & performance module not yet functional).
 - xx. No standard operating procedures for adequate review of the annual financial statement and performance reporting.
 - xxi. Ongoing reliance on consultants/contractors
 - xxii. unreviewed reports and late submissions of the reporting templates by directorates.

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 develop standard operating procedures to strengthen the internal review processes in order to improve in the current year and to avoid recurring audit findings.
- ii. That the Accounting Officer to proofread all reports prior to being tabled before the Council Committees and Council to avoid unnecessary errors.
- iii. That the Accounting Officer to enhance the quality, reliability, accuracy and completeness of this document given the fact that it is a public document, Proof reading, grammar, editing and formatting should be proper to ensure that the Annual Report document includes the relevant correct information, and that the overall document is drafted in line with the relevant annual reporting frameworks as issued by the National Treasury.
- iv. That the Accounting Officer to ensure that appropriate actions are taken against officials where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and crime proceedings 6(8)
- v. That the Accounting Officer to intervene and ensure that all cases referred to Financial Misconduct Board are finalised as soon as possible and those reports to further be referred to MPAC.
- vi. That the municipality should embark on revenue collections strategies to ensure that revenues are collected in areas where services were rendered.
- vii. That The Accounting Officer to ensure that all water projects be prioritized for implementation to resolve the water challenges in the villages/Marapong.
- viii. That the Accounting Officer should ensure that consequence management is applied to anyone failed to comply with the SCM Regulations and MFMA Act and should further develop the consequence management policy.
- ix. That the accounting Officer should ensure that the project of good quality is implemented to compliment the financial management of the institution.



- x. That the Accounting Officer should ensure that projects are properly managed, monitored closely by municipal officials and also consequence management is implemented then the monthly reporting for implementation to be reported to MPAC.
- xi. That tender defaulting register for non-performing contractors is in place and management to impose penalties for non-performing contractors.
- xii. 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.
- xiii. Management to establish the performance assessment committee to deal with nonperforming contractors as there is a trend of contracts beyond reasonable period of time.
- xiv. That The Accounting Officer should ensure that bylaws on illegal connections are implemented.
- xv. That the Accounting Officer should ensure that stringent monitoring mechanisms are implemented during projects implementation to eliminate the continuous extension of projects.
- xvi. That The Accounting Officer to ensure that the municipality is providing reliable information when compiling 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.
- xvii. That The Accounting Officer to ensure quarterly monitoring of achievement of indicators is sharpened, and all audited performance quarterly reports be presented to council and referred to MPAC respectively.
- xviii. That The Accounting Officer to conduct a thorough proper analysis of the current financial system to ensure its validity, accuracy, completeness, reliability, correctness and advise the MPAC committee whether will have a full capacity to be able to transact and interact with other systems used by assurance providers.
- xix. That MPAC to monitor commitments made by the mayor and accounting officer to upgrade to clean audit outcome and enable service delivery.
- xx. That The Accounting Officer to ensure that all errors to be rectified prior to finalizing the Annual Report.
- xxi. That Council must approve the 2024/2025 Annual Report without reservations.


CLLR: MM MAKGAE
MPAC CHAIRPERSON

2025-03-25
DATE

ANNEXURE A
MINUTES AND
ATTENDANCE
REGISTERS
MPAC MEETINGS



LEPHALALE MUNICIPALITY

MINUTES OF THE MPAC WORKING SESSION MEETING HELD ON THE 03rd- 06th OF MARCH 2026 AT 10:00AM IN COUNCIL CHAMBER

The following Councilor's and Officials attended: -

- i. Cllr MM Makgae – MPAC Chairperson
- ii. Cllr DA Mothoni - Member (Attended on 03 and 05 March 2026 only, and virtual on the 06 March 2026)
- iii. Cllr J Nel – Member
- iv. Cllr MJ Sebetha-Member (Attended on 03 & 04 March 2026 only)
- v. Elsie Seema - MPAC Support Staff
- vi. Dikeledi Ratlou- MPAC Support Staff
- vii. Paulina Makgoka-Public Participation Intern
- viii. Pfunzo Munyai – AGSA
- ix. Ephy-Mathebula – CAE
- x. Thokozile Motsweni - Audit Committee Chairperson (Attended on 03-05 March 2025 only)
- xi. Patience Kgofelo Treasury (Attended on 05 March 2026 only)
- xii. Conny Mabuza-Treasury (Attended on 05 March 2026 only)
- xiii. Phaahla Mariri-Coghsta (Attended on 03 March 2026 only)
- xiv. Mpho Lekgothoane-Coghsta (Attended on 03 March 2026 only)
- xv. RJ Mokoena (Attended on 05 March 2026 only)
- xvi. SS Masemola (Attended on 05 March 2026 only)

1. Opening and welcome

The MPAC Chairperson declared the meeting officially opened at 10h02AM and Cllr JD Nel rendered an Opening prayer, and everyone introduced themselves.

2. Apologies

The following apologies were rendered and granted: -

- i. Patience Kgofelo -Treasury (03,04 &06 March 2026 work commitments)
- ii. Conny Mabuza-Treasury (03,04 &06 March 2026 work commitments)

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- iii. Phaahla Mariri-Coghsta (04-06 March 2026 work commitments)
- iv. Mpho Lekgothoane-Coghsta (04-06 March 2026 work commitments)
- v. Lerato Malibe – Salga (work commitments)
- vi. Cllr MJ Sebetha-Member – (05 & 06 March 2026 other commitments)
- vii. Cllr I Magoai – Member (other commitments)
- viii. Cllr DA Mothoni– Member (04 March 2026 other commitments)
- ix. Thokozile Motsweni - Audit Committee Chairperson (06 March 2025 work commitment)
- x. RJ Mokoena (06 March 2026 other commitments)
- xi. SS Masemola (06 March 2026 other commitments)

3. Personalia

No personalia reported

5. Adoption of the agenda

The agenda was confirmed and adopted with no amendment.

6. Matters for discussion

1.1 All reports (*AG Report FY 2024/2025, Internal Audit Report on Annual Report, overall quarterly AC report recommendation on AR, Audited Draft Annual Report 2024/2025, Adjusted Final SDBIP 2024/25, Internal Audit Report on Mid-Year performance report, Overall quarterly AC report recommendation on Mid-Year performance report, Mid-Year Performance Organizational Report 2025/2026 and SDBIP 2025/26*) **presented to the committee were scrutinized and questions were drafted to Management for clarity.**

6.1 Presentation of Audit Opinion Report FY 2024/25 by Auditor General

The Auditor General Presented the audit opinion to the committee and highlighted the following:

- i. As disclosed in note 48 to the financial statements, the municipality is a defendant in multiple lawsuits. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.
- ii. As disclosed in note 61 to the financial statements, material water losses of R15 845 542 (2024: R12 511 298) were incurred, which represents 42.3% (2024: 36,5%) of total water purchased. The water losses were due to leakages and the ageing infrastructure.
- iii. As disclosed in note 61 to the financial statements, material electricity losses of R19 963 700(2024: R14 177 103) were incurred, which represents 10.9% (2024

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- 9%) of total electricity purchased. The electricity losses were due to illegal connections and aging infrastructure.
- iv. As disclosed in note 38 to the financial statements, material impairment of R96 616 439 (2024: R93 401 794) was provided for as a result of irrecoverable debtors.
 - v. As disclosed in note 18 to the financial statements, the municipality materially underspent conditional grants by R18 838 575 (2024: R12 907 488).
 - vi. Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100% for the potholes fixed in the municipal roads per quarter, YTD. There is insufficient evidence to support the calculations underlying the reported achievements. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.
 - vii. The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report

Service delivery and infrastructure development

<i>Targets achieved: 50%</i>		
<i>Budget spent 94,70%</i>		
Key indicators not achieved	Planned target	Reported achievement
<i>Number of stadiums refurbished</i>	<i>1</i>	<i>0</i>
<i>M401 A - Number households connected with basic level of electricity by municipality on Eskom licensed area from 1 July 2024 to 30 June 2025</i>	<i>800</i>	<i>174</i>
<i>M218 - Number of villages in which access roads are bladed per quarter</i>	<i>39</i>	<i>28</i>
<i>M2188 - Percentage of potholes in the municipal roads fixed per quarter, YTD</i>	<i>100%</i>	<i>88%</i>
<i>M21 - Percentage budget spent on MIG projects by the municipality for 2024/25 FY per Quarter YTD</i>	<i>100%</i>	<i>99%</i>
<i>M400 A - Percentage of households connected with access to sanitation in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025</i>	<i>100%</i>	<i>0%</i>
<i>M758 - Number of monthly wastewater quality monitoring reports conducted by municipality per quarter YTD (cumulative)</i>	<i>12</i>	<i>11</i>

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M399 A- Percentage of households connected with access to water in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025	100%	0%
M81 - Percentage of water losses per quarter, YTD	14%	41%
ISW 6 - Percentage of Marapong bulk water supply storage completed	100%	64%
ISW11 - Percentage of Marapong bulk water supply pipeline completed	100%	62%
ISW 32 - Number of boreholes equipped and energized at Madibeng village	1	0
ISW 43 -Number of JOJO tanks installed in various villages in Lephalale Local Municipality	12	11
ISW 44 -Zeeland Water Treatment Works- appointment of transactional advisor	1	0
ISR/P47 - Number of kilometers of access road upgraded from gravel to asphalt-paved road at Sefitlhogo village YTD	3,8	0
ISS4 - Percentage of sewer pump stations upgraded, and network pipes replaced with AC pipes per quarter YTD	100%	85%
ISS24 - Grey water from Paarl wastewater treatment works- appointment of transactional advisor	1	0
ISE9 - Number of new households electrified in villages around Lephalale	800	174
ISE12 - Number of high mast light installed and energize in various villages YTD	27	0
ISE15 - Number of solar technical report compiled	1	0
ISE18 - Number of switch gears replaced on the substation	2	0
SS61 - Percentage resealing of testing ground	100%	73%

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Local economic development

<i>Targets achieved: 60%</i> <i>Budget spent 80,39%</i>		
Key indicators not achieved	Planned target	Reported achievement
<i>Number of jobs created through municipal LED initiatives and capital projects per quarter (from municipal budget)</i>	440	132
<i>Number of jobs created through strategic partners in the municipal boundaries per quarter YTD</i>	1 000	621

- viii. Paragraph 28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery, infrastructure development and Local economic development key performance areas. Management did not correct all of the misstatements, and AG reported material findings in this regard.
- ix. Paragraph 33-The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.
- x. Paragraph 35-Sufficient appropriate audit evidence could not be obtained that the performance of some contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA.
- xi. Paragraph 36&37 Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- xii. Paragraph 38- Reasonable steps were not taken to prevent unauthorised expenditure amounting to R49 398 000, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by debt impairment, bad debts, depreciation, impairment, and amortization, which are non-cash items.
- xiii. Paragraph 45- The accounting officer did not adequately review the financial statements and performance information before submitting them for audit, as a result material misstatements were identified.
- xiv. Paragraph 46. Management did not prepare regular, accurate and complete financial statements and performance reports that supported and evidenced by reliable information.

M.M

- xv. Paragraph 48-The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective. The action plan did not ensure that root causes that resulted in material findings are adequately addressed.

Actions required within the municipality to enable culture shift

- i. Tracking commitments made by the mayor and accounting officer to maintain audit outcomes and enable service delivery.
- ii. Monitoring the achievement of targets by ensuring planned corrective measures as detailed in the annual performance reports are implemented yearly where necessary. Thus, preventing the non-achievement of targets.
- iii. Mid-year assessment of planned performance targets to determine whether initial planned targets were reasonably set and whether there is a need to amend such planned targets set.
- iv. Continuous monitoring of the implementation of action plans to avoid repeat audit findings.
- v. Maintaining the levels of consequence management and ensuring the relevant investigations are implemented for UIFW and financial misconduct where applicable.

Commitments made by the Municipal Manager

- i. The Accounting Officer should prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
- ii. The Accounting Officer should adequately review and monitor compliance with legislation and GRAP requirements.
- iii. Improve backlog on delayed projects to improve service delivery to the citizens of Lephalale Municipality.
- iv. Design standard operating procedures (SOPS) for the preparation of financial statements and reported performance information.

Overall inputs on AG report

- AG commented that management must work on compliance issues and Predetermined objective and again not to have any material findings during the audit then the municipality will be able to achieve clean audit.
- **The following concerns were raised by AG:**
 - ✓ AFS submitted was at poor quality and not satisfactory as management, Internal Audit, Audit Committee and independent reviewer reviews the



- AFS but still the quality is not satisfactory, and management must establish the real root cause of not producing credible AFS.
- ✓ AG rates become excessive due to the detailed review while other issues could have been avoided and corrected during the internal review process of the AFS prior submission to AG.
 - ✓ Delayed project outstanding for 5 years and more mainly is on Eskom not energizing.
 - ✓ General ledger of the current financial system(Inzalo/Sebata) is not user friendly so the financial system is a problem and will still encounter lots of differences and manual workouts, as AG is moving into the new system (draft Worx system for auditors) and is going to be a worsen situation as will still have lots of variances if the municipality is still using the current system, furthermore the municipality to engage with the service provider to align with the, asset module and AOPO as are not working.
- It was recommended that the Municipality to develop standard operating procedures for adequate review of the annual financial statement, standard operating procedures to explain all the roles players, and the current structure in the office of the CFO is not supporting the financial reporting.
- It was resolved that since the indicator is removed regarding the potholes, management to advise if was per the legislation? And if not reporting on it, how the potholes it going to be repaired and reported on.

The Committee noted and deliberated on the presentation and resolved as follows: -

- i. Management to ensure that appropriate actions are taken against officials where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and crime proceedings 6(8)
- ii. Management to intervene and ensure that all cases referred to Financial Misconduct Board are finalised as soon as possible and those reports to further be referred to MPAC.
- iii. MPAC to monitor commitments made by the mayor and accounting officer to upgrade to clean audit outcome and enable service delivery.
- iv. Management to enforce proper close monitoring by municipal officials on all projects and monthly reporting for implementation to be reported to MPAC.
- v. Management to develop standard operating procedures to strengthen the internal review processes in order to improve in the current year and to avoid recurring audit findings.
- vi. Management to establish the performance assessment committee to deal with nonperforming contractors as there is a trend of contracts beyond reasonable period of time.

M.M

- vii. Management to ensure that Quarterly monitoring of achievement of indicators is sharpened, and all audited performance quarterly reports be presented to council and referred to MPAC respectively.
- viii. Management to conduct a thorough proper analysis of the current financial system to ensure its validity, accuracy, completeness, reliability, correctness and advise the MPAC committee whether will have full capacity to be able to transact and interact with other systems used by assurance providers.

6.2 Audited Draft Annual Report 2024/2025

Overall Internal Audit and Audit Committee Report on Annual Report

The committee noted the following:

- The controls relating to the preparations of the annual report are inadequate and ineffective.
- AG action plan not included as part of the draft annual report as required by the section 121 of the MFMA and MFMA circular 63 this was due to that the compilation of the AG action plan still not yet finalised.

The following AC inputs not corrected prior submission of the Annual Report 2024/25 FY to council

- Page 21, figure 2 not corrected

3. Delete empty cells

CHAPTER 3

Population group	NAME	FREQUENCY	%
	BLACK AFRICAN	109 570	81.2%
	COLOURED	460	0.4%
	INDIAN/ASIAN	644	0.5%
	WHITE	22 985	17.8%
	OTHER	460	0.4%



- Table contents page numbers not aligned with the content pages. (example AFS are on page 225 but listed to be on page 230?)
- The below not corrected, "Root" still omitted, page 29

M. M.

5. See tracked changes below and correct them

2.6. RISK MANAGEMENT

RISK MANAGEMENT

Municipality Finance Management Act, SECTION 82(1) (c) (i) states that the Accounting Officer must ensure that department has and maintains effective, efficient, and transparent systems of financial and risk management and internal control and that risk assessments are conducted regularly to identify emerging risks of the institution.

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions.

The following are the top identified 5 risks for Lephalale Local Municipality. The table below illustrates the top 5 risks, the root causes, and mitigating factors.

The table below illustrates the top 5 risks, the root causes, and mitigating factors.

Risk No	Risk/Threat	Root Cause	Current control	Mitigation measure/ Action Plans
SR01	Financial Unsustainability	1. Decline in revenue streams 2. Loadshedding 3. High unemployment rate 4. Adverse economic conditions 5. Lack enforcement of debt and credit control	1. Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings. Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (interest relief) 3. monitoring of the project implementation on procurement of vehicles to return of funds to the interest

- The AFS still on page 225, Not addressed it was noted that the Annual Financial Statements are included in the Annual Report only as a link to the AFS. Given the requirements of MFMA sections 121 and 122,
- Page 24- Institutional performance of the Municipality and Summary of indicator performance briefly in the Annual Performance Report 2023-24 for comparison with the 2024-25 Annual Performance Report scores, this tabulated score depicts a 10% decline in overall performance as compared to the previous year's performance.
- The issue of appointments of other members of the audit committee has a negative impact on governance.
- AG declared that Annual report was reviewed more than 3 times and comments were communicated but still the report submitted was not in good quality.
- No collaboration between Performance Management and Finance division as amounts reported in the annual report has no alignment.
- Annual Financial Statements attachment in terms of section 121&122 be signed for credibility.
- The committee scrutinized the audited 2024/2025 Draft Annual Report and identified some mistakes that need to be rectified by management and each chapter was scrutinized.
- It was resolved that Management correct all issues raised by the MPAC committee (refer to Mpac questions communicated with management), Audit committee regarding the Annual Report prior finalizing the Annual Report.

6.3 Overall General review of Mid-Year performance assessment and SDBIP

M.M

- The committee noted that the Misalignment between Schedule C and data string especially on the cash flow statement. These inconsistencies raise serious concerns regarding the credibility, accuracy and reliability of the financial data submitted for reporting purposes.
- Non – compliance with MFMA Sec 65 (2) (e), which states that creditors must be paid within 30 days of receiving the invoice or statement.
- High debtors which increase at an alarming rate despite irrecoverable debts written off.
- Low collection rate due to a culture of non-payment by residence.
- The municipality has not managed to submit progress on the revenue enhancement strategy.
- Differences between the GVR and billing system
- High distribution losses on water which is at 44% and is more than the norm of 15% – 30%
- Ongoing reliance on consultants/contractors. The ratio was at 8% which above the acceptable norm (2% - 5%).
- The committee noted Inadequate Review of The Mid-Year Performance Report and the following root causes were identified:
 - ✓ Accepting unreviewed reports from directorates by PMS staff.
 - ✓ Limited time to review the performance report by the PMS Manager and DSSS due to late submissions of the reporting templates by directorates.
 - ✓ Limited/Unrealistic timelines for quarterly reporting.
- It was resolved that management to enforce consequence management if the above root causes are encountered in the future.
- Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report
- The committee noted that Management committed to ensure the following as per the IA mid year performance report:
 - ✓ that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation.
 - ✓ The misalignments will be corrected during the adjustment of the SDBIP.
- It was resolved that the above be presented in the next MPAC sitting to ensure that all are above the board.
- **SDBIP 2024/2025** Page 21, Irrecoverable debt written off: There is a statement that reads as follows:

"The municipalities will record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off".

M.M

- Management to confirm whether the correct accounting treatment for irrecoverable debts is to write them off against the accumulated provision for debt impairment, rather than recording a reversal of impairment?
- Some guidance for management since this is technical accounting terminology:
 - ✓ The sentence does not record correctly in accounting terms. It mixes up two different accounting treatments:
 - *Reversal of impairment loss*
 - *Writing off irrecoverable debt*
 - ✓ These are related but not the same thing.
- The Audit committee chair explained further the concern as to why it's incorrect
 - ✓ A reversal of impairment loss increases revenue (or reduces impairment expense) when previously impaired debt is now considered recoverable.
 - ✓ Irrecoverable debts written off reduce the debtor balance and the related impairment provision, they do not involve a reversal of impairment.
- It was recommended that If management meant to describe a **write-off** correctly, **it should read:** The municipality will write off irrecoverable debts against the accumulated provision for debt impairment.
- If management meant a **reversal of impairment**, **it should read:** The municipality will reverse the impairment loss to the extent that previously impaired debts are now considered recoverable.
- Page 22 Under interest on outstanding debts, there is a statement that: "**Data Cleaning Project is in progress**". This has been the case since or before 2024.
- page 21 M_708 Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system (non-cumulative) target 33 and actual 16, target not achieved, It was documented that this KPI will be revised during the 2025/ 26 FY Adjustment SDBIP from weekly to monthly refuse removal to be able to collect large volumes of recyclables. The following questions raised
 - ✓ How does reducing refuse removal from weekly to monthly align with the Municipality's obligation to provide basic services and protect community health?
 - ✓ Why is the corrective action focused on revising the KPI rather than addressing the operational constraints that caused the underperformance?
 - ✓ Has community consultation been undertaken regarding the proposed change in service level, and what was the outcome?
- A concern is that revising the KPI from weekly to monthly refuse removal as a corrective measure primarily lowers the service standard to match capacity constraints, rather than addressing the root cause of underperformance, it was resolved that management to clarify the above further in the next MPAC sitting.
- The committee noted the below management response from performance management division:
 - ✓ The PMS Manager will no longer accept reports that are not reviewed and signed by the directorates.

- ✓ The PMS division will not accept reports that are submitted after the submission date.
- ✓ Monthly reporting templates will be issued to all directorates for monthly reporting.
- ✓ Directors will review and sign off their monthly and quarterly reports prior submission to the PMS division.
- It was resolved that the above be monitored closely and be reported quarterly to MPAC meetings.
- The Audit Committee Chair announced that it's her last year serving lephalale municipality and her contract came to an end.

The committee recommended as follows: -

- i. Management to proofread all reports prior to being tabled before the council to avoid unnecessary errors.
- ii. Management to enhance the quality, reliability, accuracy and completeness of this document given the fact that it is a public document, Proof reading, grammar, editing and formatting should be proper to ensure that the Annual Report document includes the relevant correct information, and that the overall document is drafted in line with the relevant annual reporting frameworks as issued by the National Treasury.
- iii. All errors to be rectified prior to finalizing the Annual Report.
- iv. Action plan to be finalized and tabled before MPAC quarterly and all issues raised by Auditor General to be completed by end of June 2026.

7. Announcements/Way forward:

The MPAC Chairperson announced that all questions will be submitted to management and responses are expected to be back to MPAC by the 17th of March 2026 and further declared that there will be MPAC public hearing through live streaming and all MPAC members are urged to attend with no failure.

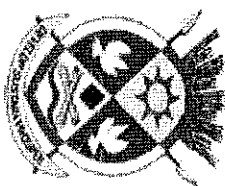
8. Closure

The Chairperson declared the meeting officially closed at 18h30pm.

1 
 CLR MM Makgae
 MPAC CHAIRPERSON

25/03/26
 Date

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY



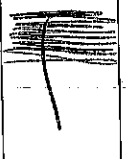
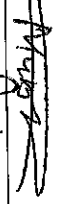
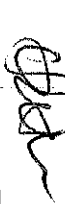
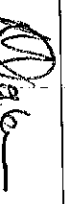
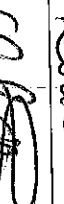
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MUNICIPALITY

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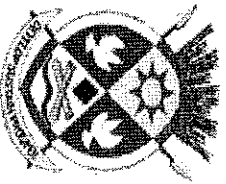
ATTENDANCE REGISTER FOR MPAC WORKING SESSION MEETING
DATE: 03 MARCH 2026
VENUE: COUNCIL CHAMBER
TIME: 10H00 AM.

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Cir DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	disshotlo.mothoni@lephalale.gov.za	
Cir I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za	
Cir MJ Sebetha	MPAC Member	071 186 2969	mmakwena.sebetha@lephalale.gov.za	
OFFICIALS/STAKEHOLDERS				
ME Seema	MPAC Support Staff	072 346 4248	elsie.seema@lephalale.gov.za Tel: 014 762 1580/ 072 346 4248	
DM Rattou	MPAC Intern	079 795 9061	RattouD@lephalale.gov.za	
T Mokswei	AC Chairperson	0164081715	Thokozile.mokswei@gmail.com	
Munyai Phe	Auditor	0820515211	Pheunophe@0820515211.co.za pheunophe@0820515211.co.za	
SE Nkafobila	CAE	0820515211	lephalale.gov.za	
Makgoka R.P	Public Participation	0834647698	MakgokaR@lephalale.gov.za	
PHATHALA MIC	COSTUTTA	0838139135	PHATHALA@0838139135.co.za	
lekgodimoane M	COGNISTA	0664848370	lekgodimoaneM@0664848370.co.za	
	Deputy Director			

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY



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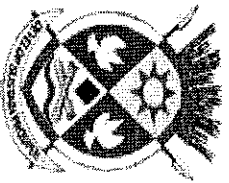
ATTENDANCE REGISTER FOR MPAC WORKING SESSION MEETING
DATE: 04 MARCH 2026
VENUE: COUNCIL CHAMBER
TIME: 10H00 AM.

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Clr MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Clr DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	dlshoto.mothoni@lephalale.gov.za	
Clr I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY

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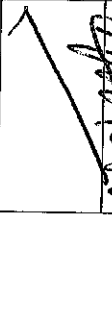
ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY



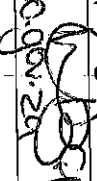
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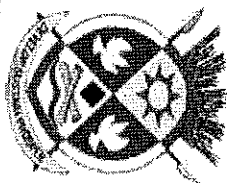
**ATTENDANCE REGISTER FOR MPAC WORKING SESSION MEETING
DATE: 05 MARCH 2026
VENUE: COUNCIL CHAMBER
TIME: 10H00 AM.**

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Cir DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	ditshoto.mothoni@lephalale.gov.za	
Cir I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za	
Cir MJ Sebetha	MPAC Member	071 186 2969	mmakwena.sebetha@lephalale.gov.za	
OFFICIALS/STAKEHOLDERS				
ME Seema	MPAC Support Staff	072 346 4248	elsie.seema@lephalale.gov.za Tel: 014 762 1580/ 072 346 4248	
DM Ratiou	MPAC Intern	079 795 9061	RatiouD@lephalale.gov.za	
T Matsweni	AL Chairman	076 1508175	Thokozile.matsweni@gmail.com	
SS Masemola	Eoghlsta	083 249 8065	masemola.sellby@limpopo.gov.za	
RJT Mokoena	CoGHTSTA	063 686 8439	MokoenaRJ@coqhlsta.limpopo.gov.za	
MPA Kapelelo	LP T	083 66 17358	kapelelo@treasury.limpopo.gov.za	
CA Mabuya	LP T	083 277 1116	mabuyaca@treasury.limpopo.gov.za	
G-C Makhale	CAC	082 657 652	Ephesha.makhale@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY



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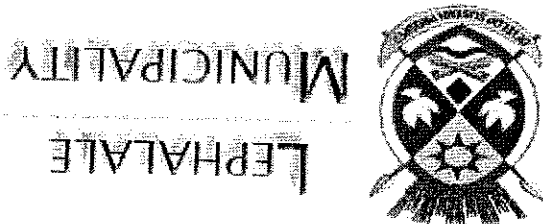
A vibrant City and the Energy Hub

ATTENDANCE REGISTER FOR MPAC WORKING SESSION MEETING
DATE: 06 MARCH 2026
VENUE: COUNCIL CHAMBER
TIME: 10H00 AM.

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Cir DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	ditshoito.mothoni@lephalale.gov.za	
Cir I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za	
Cir MJ Sebetha	MPAC Member	071 186 2969	mmakwena.sebetha@lephalale.gov.za	
OFFICIALS/STAKEHOLDERS				
ME Seema	MPAC Support Staff	072 346 4248	elsie.seema@lephalale.gov.za Tel: 014 762 1580/ 072 346 4248	
DM Ratiou	MPAC Intern	079 795 9061	RatiouD@lephalale.gov.za	
SE Mphahlele	CAE	0885555552	ephwele.mphahlele@lephalale.gov.za	

OFFICIALS/STAKEHOLDERS



MINUTES OF THE MPAC SPECIAL MEETING HELD VIRTUAL ON THE 18th OF MARCH 2026 AT 09:00AM

The following Councilors and Officials attended: -

- i. Cllr MM Makgae - Chairperson
- ii. Cllr D Mothoni - Member
- iii. Cllr Magaal-Member
- iv. Cllr Nel-Member
- v. ME Seema- MPAC Support Staff

1. Opening and welcome

The Meeting was officially opened, and the Chairperson welcomed all members in attendance.

2. Apologies

✓ D Ratlou – MPAC Intern (other work commitments)

3. Personalia

None

5. Adoption of the agenda

The agenda was adopted with no amendment.

6. Matters for discussion.

6.1 Allocation of MPAC Annual Report questions amongst members

Cllr Nel

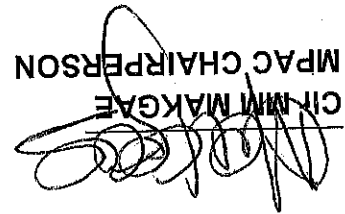
Question 1-30, 71-90, 121-130

Cllr Mothoni

Question 31-60, 101-120

MPAC Minutes 18th March 2026

Cllr MM MAKGAE
MPAC CHAIRPERSON



Date

2026-03-25

The Chairperson Cllr MM Makgae declared the meeting officially closed at 09h41 AM and the date of the next meeting will be announced.

8. Closure and Date of the next meeting

All Members are urged to attend the Mpac public hearing scheduled for the 18 and 19 March 2026 and engage as required.

7. Announcements/ Way forward

Question 131-142

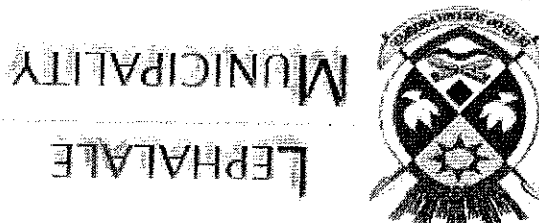
Cllr Maqoal

Question 91-100

Cllr Makgae Chair

Question 61-70

Cllr Sebetha



MINUTES OF THE MPAC VIRTUAL SPECIAL MEETING HELD ON THE 25th OF MARCH 2026 AT 09:00AM

The following Councillors and Officials attended: -

- i. Cllr MM Makgae- MPAC Chair
- ii. Cllr DA Mofhozi - Member
- iii. Cllr Nel - Member
- iv. Cllr Magoal - Member
- v. ME Seema- Support Staff
- vi. D Ratlou- Mpac Intern

1. Opening and welcome

The Meeting was officially opened with the prayer at 09h27 by Cllr Nel, and the Chair delegated Cllr Nel to chair the proceeding as he was experiencing signal connection problems, and the acting Chairperson welcomed all members in attendance.

2. Apologies

- ✓ The following Apologies were received and submitted:
- ✓ Cllr M Sebetha- Member

3. Personalia

None

4. Adoption of the agenda

The agenda was adopted with no amendments

6. Matters for discussion.

6.1 Adoption of the MPAC working session minutes dated 03-06 March 2026, the minutes were adopted by Cllr Nel and seconded by Cllr Makgae as the true reflection of what was discussed on that day.

M-M

Cir MM Makgae
MPAC CHAIRPERSON

[Signature]

Date

2026-03-25

The Acting Chairperson, Cllr Nel declared the meeting officially closed with prayer at 09h46 AM and date of the next meeting is the 16 April 2026 and further arrangements will be announced.

9. Closure and Date of the next meeting

All reports adopted by the committee will be presented to council on the next Council meeting to be held on 25th March 2026 at 12h00pm, and all members to meet in council while MPAC reports are being presented.

8. Announcements/ Way forward

The oversight report was adopted by Cllr Nel and seconded by Cllr Makgae and recommended be approved without reservations.

6.7 Adoption of the Oversight Report on Draft Annual Report 2024/25 FY

The Public hearing report was adopted as part of the oversight reporting by Cllr Nel and seconded by Cllr Magaal.

6.6 Adoption of the Public Hearing Report 18 & 19 March 2026

The Public Participation report was adopted as part of the oversight reporting by Cllr Nel and seconded by Cllr Makgae.

6.5 Adoption of the Public Participation Report 11 March 2026

The minutes were adopted by Cllr Nel and seconded by Cllr Makgae as the true reflection of what was discussed on that day.

6.4 Adoption of the Special Mpac Meeting dated 18 March 2026

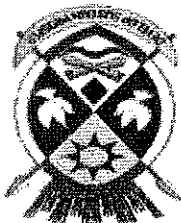
The minutes were adopted by Cllr Nel and seconded by Cllr Makgae as the true reflection of what was discussed on that day.

6.3 Adoption of the Project Visit Minutes dated 12 March 2026

The minutes were adopted by Cllr Nel and seconded by Cllr Makgae as the true reflection of what was discussed on that day.

6.2 Adoption of the Project Visit Minutes dated 20 January 2026,

**ANNEXURE B
MINUTES AND
ATTENDANCE
REGISTERS FOR
PROJECT VISIT**



MINUTES OF THE MPAC PROJECT VISIT MEETING HELD ON THE 20th OF
JANUARY 2026 AT 10:00AM

The following Councilors and Officials attended: -

- i. Cllr MM Makgae - Chairperson
- ii. Cllr D Mothoni - Member
- iii. Cllr M Sebetha - Member
- iv. Cllr Nel-Member
- v. DM Ratlou - Mpac Intern
- vi. Oteng Masenya-Manager Sanitation
- vii. April Shiko-Director Infrastructure
- viii. Rudzani Ngobeli-Manager Public Works
- ix. CG Booyesen-Manager Electrical
- x. MT Mphela - Manager Water
- xi. TC Mphahlele-Engineering Technician

1. Opening and welcome

The MPAC Chairperson declared the meeting officially opened at 09h25AM and Cllr JD Nel rendered an Opening prayer, all members in attendance were officially welcomed.

2. Attendance and apologies

The following apologies were rendered and accepted:

- ✓ ME Seema-Mpac Member
- ✓ Cllr Magoal-Member
- ✓ GE Mathebula - Manager Internal Audit

3. Adoption of the Agenda

The agenda was adopted with no amendments.

4. Declaration/Disclosure of interest

All the members in attendance declared and signed the disclosure of interest.

M.M

5. Matters for discussion

5.1 Presentation on Project Implementation Progress

5.1.1 Construction of Strong Room

Consulting Engineer:	Odevco
Contractor:	Mokgotho Building Construction
Cost to completion	R 4 153 030 vat inclusive
Contract Start Date:	19 December 2016
Contract Completion Date:	31 March 2025
Contract Revised Date:	31 May 2025

Progress

- Site establishment – 100%
- Site clearing – 50%
- Brickwork – 100%
- Gate Installation – 100%
- Electrical Cable Installation – 0%

Project Scope

- Breaking of bricks to create bonding of new brickwork
- Construction of new brickwork
- Plastering
- Painting
- Concrete works
- Electrical Cable Installation
- Gate Installation

Progress on site

Physical Progress (Overall = 90%)

Financial Expenditure = 11.2%

- Site establishment - 100%
- Site clearing - 25%
- Pipe cracking - 10%
- Existing services - 10%
- Yard connections - 0%

MPAC Minutes 20 January 2026

Outstanding

Installation of the lift, however the lift has been delivered.

Reason

A new sub-contractor has been appointed (Kone Elevators) due to lack of productivity and capacity from the previous contractor. The sub-contractor will start the installation of the lift next week, which will take about a month.

The electrification has been completed. The lifts are working however the value of furniture (tables and cupboards) is slowly deteriorating.

5.1.2 Replacement of AC Sewer pipes.

Consulting Engineer:	Mont Consulting
Contractor:	Amibase
Cost to completion:	R33 132 114,73
Contract Start Date:	16 FEBRUARY 2025
Contract Completion Date:	31 MAY 2025

Progress

- Site establishment – 100%
- Site clearing – 100%
- Pipe cracking – 80%
- Dealing with existing services – 85%
- Pump stations – 50%

Project Scope

- Replacement of AC sewer pipes with HDPE pipes
- Upgrading sewer pump stations
- Dealing with existing services

Progress on Site

Physical progress (Overall = 100%)

Financial Expenditure = 82.9%

- Site establishment - 100%
- Site clearing - 100%

- Pipe cracking - 100%
- Existing services - 100%
- Upgrading of Pump Stations - 100%

Pumpstation 3

The pumpstation is operational. There are no challenges thus far.

Pumpstation 9

Finding

There is an overflow of water due to pipe bursts, residents are complaining.

The lid was not properly secured however final inspection will be done by Friday(16 January 2026 to ensure that the lid is secured.

Pumpstation 12

Finding

A padlock should be purchased to ensure safety. The pipes from this pumpstation were taken and utilized for a breakdown in town (Shoprite) due to pipe bursts.

The pipes were purchased and should be delivered by next week, for now the honey sucker is being utilized.

Pumpstation 24

Finding

The pumpstation is operational, however there has been an overflow of water since the heavy rain season.

It was recommended that parks should come and clean the area around the pumpstation.

Pumpstation 25

Finding

The pumpstation is completed and operational, however it was recommended that parks should come, clean the area outside and inside because the equipment is untidy.

The door handle has been secured.

Pumpstation 30

Finding

The plan was to relocate the pumpstation, however that can't happen because the pumpstation is the main distributor in town for all the developments.

There is no overflow of water currently and pumpstation is operational.

Pumpstation 31

M. W.

- Demolishing of existing 8ML concrete reservoir.
- Construction of a platform using commercial material
- Construction of ring beam
- Construction of 2 x concrete ring beams
- Installation of 2 x 3 ML steel reservoir
- Sub-soil drainage
- Installation of Valve

Project Scope

- Site establishment-100%
- Site clearing - 100%
- Demolishing of existing 8ML concrete reservoir – 100%
- Construction of platform – 100%
- Construction of Ring beams – 75%
- Installation of 2 x 3ml steel reservoir – 50%
- Construction of Concrete Chambers – 70%
- Sub-soil drainage – 100%
- Installation of Valves – 0
- Housekeeping – 0%

Progress

Consulting Engineer:	On Spot Investment
Contractor:	On Spot Investment
Cost to completion	R16 472 695,63
Contract Start Date:	16 NOVEMBER 2022
Initial Completion Date:	06 DECEMBER 2024
Contract Revised Date:	31 JULY 2025

5.1.3 Marapong Bulk Storage

The pumpstation is operational and not vandalized, however one petal spade needs to be secured to avoid vandalization of the pumpstation.

Finding

Pumpstation 32

The pump station is operational however the lights are not working.

Finding

M.M

Progress on Site

Physical progress (Overall = 65%)

Financial Expenditure = 62.8%

- Site establishment - 100%
- Demolition of existing reservoir – 100%
- Earthworks(platform) – 100%
- Pipe laying – 100%
- Subsoil drainage – 100
- Concrete works – 60%
- Installation of storage tank – 50%

The department approved the revised technical report in April 2024. The contractor delayed completing the project due to water table or underground water that was discovered after demolition of the Existing Concrete reservoir. The engineer had to redesign all the layer work, and the manufacturing and supply of the Steel Tanks also took long to complete.

The contract is on site construction is on progress. 1 megalitre steel tank has been completed and 2 Tank material is delivered on site and construction is on progress. The technical report was approved before construction commenced. The date of completion was revised twice (31 May 2025-31 April 2025)

The project is at 65%, The contractor completed installation of the 1x3ML Steel Tank, Layed the inlet and outlet pipes with valve chambers. The second tank will be delivered in February 2026. Concrete work is not yet completed.

5.1.4 Marapong Road (Regraving)

Consulting Engineer:	Mageba Wemtomnyama
Contractor:	Mageba Wemtomnyama
Cost to completion:	R 7 600 000
Contract Start Date:	30 MAY 2024
Initial Completion Date:	30 SEPTEMBER 2025
Revised Completion Date:	31 May 2025

Progress to date

- Site establishment-100%

MPAC Minutes 20 January 2026

W. M.

Consulting Engineer:	C2D Engineers
Contractor:	Bothlabatsatsi Investments
Cost to completion	R 39 931 312,00
Contract Start Date:	17 JANUARY 2025
Contract Completion Date:	17 NOVEMBER 2025

5.1.5 Marapong Bulk Water

The project has been completed and the roads are utilized.

- Site establishment – 100%
- Site clearing – 100%
- Earthworks – 100%
- Sub-base (Stabilizing) – 100%
- Concrete works – 100%
- Concrete block paving – 100%
- Finishings – 100%

Financial Expenditure = 100%

Physical progress (Overall = 100%)

Progress on site

- Site establishment
- Site clearing
- Earthworks
- Sub-base (Stabilizing)
- Concrete works
- Concrete block paving
- Finishings

Project Scope

- Site clearing - 100%
- Earthworks – 100%
- Sub-base (Stabilizing) – 100%
- Concrete works – 100%
- Concrete block paving – 100%
- Finishings – 100%

MM

The previous contractor was terminated, and the new contractor was appointed in December 2025. DWS advised the Municipality to revise the technical report and

- Site Establishment – 0%
- Install 600 diameter steel pipeline – 0%
- Pressure test 1.47km (Laid portion) – 0%
- Construct 2 scour valve chambers – 0%
- Complete 1 air valve chamber – 0%
- Construct 3 air valve chambers – 0%
- Complete the flow control valve chamber – 0%
- Road crossing (Pipe-jack) – 0%
- Sleeve crossing – 0%

Financial Expenditure = 0%

Physical progress (Overall = 0%)

Progress on site

- Site Establishment
- Install 600 diameter steel pipeline
- Pressure test 1.47km (Laid portion)
- Construct 2 scour valve chambers
- Complete 1 air valve chamber
- Construct 3 air valve chambers
- Complete the flow control valve chamber
- Road crossing (Pipe-jack)
- Sleeve crossing

Project scope

- Site Establishment – 0%
- Install 600 diameter steel pipeline – 0%
- Pressure test 1.47km (Laid portion) – 0%
- Construct 2 scour valve chambers – 0%
- Complete 1 air valve chamber – 0%
- Construct 3 air valve chambers – 0%
- Complete the flow control valve chamber – 0%
- Road crossing (Pipe-jack) – 0%
- Sleeve crossing – 0%

Progress

business plan since the previous one was approved in 2021, which is more than three years old and the rate not comparable to the current market.

DWS approved revised Technical Report end October 2025. The project kick-off meeting was held beginning end November 2025. Contractor currently busy with Site Establishment

5. Other Matters

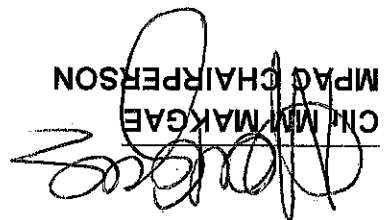
5.1 Risk Management (risk level on project risk register and mitigation factors).

No apology from risk management.

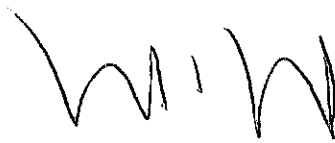
6. Way forward

Chairperson emphasized the importance of contractors being on site when we have project visits. Management to ensure that they have access to keys of all pump stations. Chairperson to intervene if parks division does not adhere to Director Infrastructure's request to clean all identified areas during this visit.

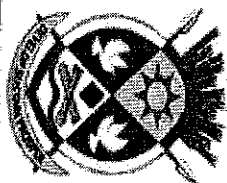
The meeting was officially adjourned at 14:54


CHAIRMAN
MPAC CHAIRPERSON

2026-03-25
Date



ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY



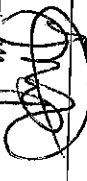
**LEPHALALE
MUNICIPALITY**

A vibrant City and the Energy Hub

**ATTENDANCE REGISTER FOR MPAC PROJECT VISIT MEETING DATE: 20 JANUARY
2026 VENUE: COMMITTEE TIME: 09H00 AM.**

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Clr MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Clr DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	disshotlo.mothoni@lephalale.gov.za	
Clr I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	
Clr JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026FY

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MJ Sebetha	MPAC Member	071 186 2969	mmakwena.sebetha@lephalale.go v.za	
OFFICIALS/STAFF/LEADERS				
ME Seema	MPAC Support Staff	072 346 4248	elsie.seema@lephalale.gov.za Tel: 014 762 1580/ 072 346 4248	Absent
DM Ratiou	MPAC Intern	079 795 9061	RatiouD@lephalale.gov.za	
MT Mphela	INTER MANAGER	0726465380	mesima.mphela@lephalale.gov.za	
Ching Mavanya	Sanitation Manager	0676090710	ching.mavanya@lephalale.gov.za	
April Smit	Direct Trustee	088410119	april.smit@lephalale.gov.za	
Mphahlele	Eng Tech	0781606934	mphahlele.t@lephalale	
Cg Boyser	Mayor	0823333422	BoysenC@lephalale.gov.za	
RJ Ngobele	Public works	0824141164	Rudzanini.ngobele@lephalale.gov.za	

Apology on
leaves



**LEPHALALE
MUNICIPALITY**

**MINUTES OF THE MPAC PROJECT VISIT MEETING HELD ON THE 12th OF MARCH
2026 AT 10:00AM**

The following Councilor's and Officials attended: -

- i. Cllr MM Makgae - Chairperson
- ii. Cllr D Mothoni - Member
- iii. Cllr M Sebetha- Member
- iv. Cllr JD Nel-Member
- v. Cllr I Magoai- Member
- vi. ME Seema-Mpac Member
- vii. DM Ratlou- Mpac Intern
- viii. A Shiko-Director Infrastructure
- ix. O Masenya-Manager Sanitation
- x. A Mokwele – Acting Manager Electrical
- xi. MT Mphela- Manager Water
- xii. Y Joyi-Contract Management Specialist
- xiii. TC Mphahlele-Acting PMU Manager
- xiv. T Majadibodu-Eng Tech
- xv. MR Modiba-Infrastructure Chair
- xvi. S Shongoane-Crime Risk Officer

1. Opening and welcome

The Meeting was officially held by chairperson at 09:34 and all members in attendance were officially welcomed.

Councilor Nel opened with a prayer at 09:36.

2. Attendance and apologies

GE Mathebula-Internal Audit
C Booysen-Manager Electrical
P Lekalakala-PMU Manager

M. M

3. Adoption of the Agenda

The agenda was adopted with no amendments.

4. Declaration/Disclosure of interest

All the members in attendance declared and signed the disclosure of interest.

5. Matters for discussion

5.1 Presentation on Project Implementation Progress

5.1.1 REHABILITATION OF ROAD SURFACING AT LEPHALALE TESTING

STATION

PROJECT SCOPE

Recycling existing bituminous materials with an average depth not existing 150mm thickness and resurfacing the total area of 4350m² with an asphalt base surfacing continuously graded 30mm thick 60/70 penetration road grade-bitumen) tack coat 30% stable grade emulsion.

PROGRESS

PHYSICAL PROGRESS (Overall = 100%)

Practical handover was conducted on the 30 June 2025

FINANCIAL PROGRESS:

- R 2 955 880.38 Inc Vat

PROGRESS ON SITE

PHYSICAL PROGRESS (Overall = 100%)

The contractor finished the work on time and there were no challenges

5.1.2 CONSTRUCTION FOR EXTENSION AND AUGMENTATION OF WATER SUPPLY IN SELEKA PHASE 6

The project entails borehole repairs, installation of reticulation network, package plant, stand taps, construction of new reservoir, repairing existing reservoir and in the following villages:

- ✓ Botsalanong
- ✓ Kgobagodimo 1&2
- ✓ Kopanong
- ✓ Mongalo
- ✓ Segale
- ✓ Senoela
- ✓ Tlapaleborethe
- ✓ Lerupurupung

Consulting Engineer:	BPM2 Consulting JV Riccon Engineers
Contractor:	MJ Mthombeni JV Rapidus
Initial Contract Amount:	R 35 099 369.50
Contract Start Date:	27 January 2023
Completion Date:	30 July 2024
Physical progress	96%
Expenditure	R34 666 467.10

SCOPE OF WORK

The scope being implemented on the project entails Refurbishment of 2 existing boreholes construct 5 boreholes and install 1 containerized portable water purification (package plant) install 10,9km of 63mm diameter , 4,1km of 75mm diameter, 3km of 90mm dia, 6,6km of 110 mm diameter, 3,6km of 160mm diameter uPVC pipes and 330m of 100mm diameter galvanized steel pipe and install elevated steel tank of capacity: 160kl, 100kl, 260kl, 200kl, 320kl; 2- 120kl install 90 standpipes at 200m radius or satisfying the 25 – 50 house hold.

PROJECT PROGRESS ON SITE

The contractor has completed the following works:

- Site Establishment -100%
- Excavation and laying of pipes- 100%
- Erection of Tanks – 90%
- Installation of package plant -100%
- Finishing off-0%
- **OUTSTANDING**
ESKOM Electrification and Energising
- **Challenges**

M.M

- Electrification of 4 boreholes

MITIGATION

- The municipality is actively interacting with ESKOM fast-track the process

FINDINGS

SEGALE

- Old boreholes are being utilized
- The gate is not secured where the tank is located, and the fencing is not properly intact.
- The project is delayed to the electrification of boreholes
- The tanks are not connected; there is no access to water
- Transformer cables were stolen.

BOTSANALONG

- The tank is leaking; the area is flooded.
- The gate is not secured.
- Concentre footings on the tank are cracked, if the tank gets full it will fall.

KOPANONG

- The tank is leaking, the area is flooded
- The pipe is not secured
- Cover slap is not secured
- Valve chamber is not secured
- The retention money must seal the tanks.

5.1.3 CONSTRUCTION OF THABO MBEKI SEWER NETWORK PHASE 1

The scope being implemented on the project entails:

- construction of 2 mini pump stations,
- completion of main pump station and
- installation of geomembrane and
- concrete lining at the ponds.
- Construction of the oxidation ponds
- construction of water reticulation to the sewage ponds,
- Construction of the guardhouse

Consulting Engineer:	HWA Engineers
Contractor:	Mabule JV Amawakawaka

Cost to completion	R3 669 117,74
Contract Start Date:	22 February 2021
Contract Completion Date:	30 November 2025

SCOPE OF WORK TO DATE

The scope being implemented on the project entails:

- Connection from the transformer to the pump station, the supply and install 50KVa transformer at mini pump station 1 and the main pump station and the ponds.
- Procure and install a cable at mini pump station 2
- Procure and install pumps and pipework at the main pump station.
- Installation of the geomembrane at the ponds, testing and commissioning

PROGRESS TO DATE

PHYSICAL PROGRESS (OVERALL = 88%)

- Site establishment - 100%
- Site clearing - 100%
- Two (2) mini pump stations – 71%
- Main booster pump station – 97%
- Sewer ponds – 79%

FINANCIAL PROGRESS: 99.5%

- R 39 382 563.99 Inc Vat

CHALLENGES

- Progress on site is slow. The contractor is currently finalizing the house connections and pumping water from the manholes
- Distribution Box (DB) at main pump station was vandalized.
- Slow rate of progress, the project won't be completed by the end of March due to slow progress.

MITIGATION

M. M

- The contractor is monitored by the resident engineer and regular meetings are being held to check on the progress.

FINDINGS

- Some of the geomembrane is cracked
- Transformer is vandalized
- The project was delayed due to lack of security from the contractor
- Finances are also a problem from the contractor hence the delay

5.1.4 CONSTRUCTION OF THABO MBEKI SEWER RETICULATION PHASE 2

SCOPE OF WORK

- Construction of artificial wetlands, installation of internal house connections, upgrading of toilet facilities, installation of 110KVa standby generator at the main pump station, construction of water reticulation to sewage ponds, installation of 2,5kl elevated Jojo tank, drilling and equipping of monitoring boreholes at the sewage ponds, decommissioning of existing septic tanks and decommissioning of existing sewage ponds.

Consulting Engineer:	HWA Engineers
Contractor:	MJ Mthombeni Jv Rapidus
Initial Contract Amount:	R 38 778 817,59
Contract Start Date:	25 October 2021
Completion Date:	30 Jan 2024
Physical progress	86%
Expenditure	R 33 471 329,54

PROJECT PROGRESS ON SITE

The contractor has completed the following works:

PHYSICAL PROGRESS (Overall = 75%)

- Outstanding works: installation of damaged geomembrane, and concrete works at the ponds. Installation of the fence around the ponds.

FINANCIAL PROGRESS: 93%

R 36 194 423.39 Inc

OUTSTANDING

Progress on site is slow due to the delay in electrical connections by ESKOM.

CHALLENGES

Poor performance of the contractor and delays in energizing the project.

MITIGATION

The contractor is monitored by the resident engineer and regular meetings are being held to check on the progress.

5.1.5 INSTALLATION OF 27 HIGH MAST LIGHTS IN VARIOUS VILLAGES

4. Projects scope	Installation of 27 High mast lights in various villages
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PROGRESS TO DATE

PHYSICAL PROGRESS (Overall = 95%)

The contractor has installed all 27 high-mast lights. LLM paid 14 invoices to ESKOM. Seven (7) invoices received from ESKOM and in process of payment. Awaiting additional 6 invoices from ESKOM. Regular meetings are conducted with ESKOM for updates and to speed up the energizing progress. Meeting was held with ESKOM on 10 February 2026 for updates on electrification.

CHALLENGES

We are experiencing challenges with ESKOM for energizing the projects.

MITIGATION

M. M

We are liaising with Eskom to Fastrack energizing of projects. A report on developments from Eskom is available. Seven (7) invoices were received from ESKOM and in process of payment. Meeting was held with ESKOM on 10 February 2026.

5.1.6 REFURBISHMENT OF THABO MBEKI STADIUM

PROJECT SCOPE

- 1) Installation of Synthetic Athletics on the soccer field
- 2) Refurbishment to the Ticket Booth
- 3) Refurbishment to the Ablutions
- 4) Upgrading of the borehole
- 5) Refurbishment to the Grandstand
- 6) Refurbishment of athletic tracks

PHYSICAL PROGRESS (Overall = 100%)

- 1) Installation of Synthetic Athletic on the soccer field – **100%**
- 2) Refurbishment to the Ticket Booth-**100%**
- 3) Refurbishment to the Ablutions-**100%**
- 4) Upgrading of the borehole-**100%**
- 5) Refurbishment to the Grandstand - **100%**
- 6) Refurbishment of athletic tracks - **100%**

FINANCIAL PROGRESS:

- **R 8 463 778.04 Inc Vat**

Management states that the project has been completed.

FINDINGS

- **The toilets are not operating**
- **The pressure from the water pump is low**

- The artificial grass is not maintained as promised in our pervious meeting

5.1.7 LETLORA ACCESS ROAD

PROJECT SCOPE

- Construction of 2.7km of surfaced road
- Construction of Layer work
- Kerbing
- Installation of Concrete Culverts
- Surfacing with 30mm Asphalt
- Construction of Concrete Drains
- Finishing

PHYSICAL PROGRESS

- Site establishment = 100%
- Setting out completed = 100%
- Box-cutting – 100%
- Roadbed layers – 70%
- Kerbing – 0%
- Priming – 0%
- Concrete drains – 0%

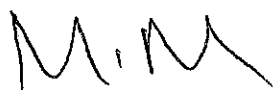
FINANCIAL PROGRESS: 25%

R 6 718 861.03 Inc Vat

CHALLENGES

- The project was delayed due to floods
- Progress on road 1 was delayed as construction had to stop from 22nd October to 22nd November 2025 during matric exams due to noise from construction equipment.
- Erosion of earthworks due to heavy rain

MITIGATION



- The contractor needs to implement strategies to accelerate the project timeline.

FINDINGS

- Road one was not complete due to exams
- Road two surfacing has been completed; outstanding work is the final layer.
- Road two surfacing has been completed; outstanding work is the final layer.

5.1.8 SEFITLHOGO ACCESS ROAD

PROJECT SCOPE

- 1) Construction of 3.7k length of surfaced road
- 2) Construction of Layer work
- 3) Kerbing
- 4) installation of Concrete Culverts
- 5) Surfacing with 30mm Asphalt
- 6) Construction of Concrete Drains
- 7) Finishing

PHYSICAL PROGRESS (Overall = 99.4%)

- The contractor completed the site establishment = 100%
- Setting out completed = 100%
- Box-cutting – 100%
- Roadbed layers – 100%
- Kerbing – 100%
- Priming – 100%
- Surfacing – 100%
- Road Markings – 95%
- Concrete drains – 100%

ADDITIONAL WORKS: R 2 589 381.80

- Concrete Work (Drainage and drifts) street 2 & 4.
- Gabions at street 4.
- Box-culvert at street 6

FINANCIAL PROGRESS: 88.2%

R 28 898 136.04 Inc Vat (Excl Additional work)

CHALLENGES

The delay of completion was caused due to heavy floods; the road was damaged.

MITIGATION

Additional scope for concrete drains, drifts, gabions and box culverts.

5.1.9 PROJECTS NAME: ELECTRIFICATION OF HOUSES IN VARIOUS VILLAGES IN THE ESKOM SUPPLY AREA WITHIN LEPHALALE LOCAL MUNICIPALITY

Projects Location: Lerupurupung, Steve Biko, Sevendelaang, Hlagalakwena, Botshabelo, Kauletsi and Himini

PROJECT SCOPE

Construction of MV and LV overhead electrical network for the electrification of 577 stands in the following villages: Lerupurupung – 12, Steve Biko Ext 4 – 5, Sevendelaang – 279, Hlagalakwena Ext 2 – 45, Botshabelo Ext 3 – 15, Kauletsi – 165 and Himini – 56.

PHYSICAL PROGRESS (Overall = 100%)

FINANCIAL PROGRESS: 100%

Delays by transferring scope of work and energizing the household

CHALLENGES

Delays were mainly due to scope transfer from other villages which were executed by ESKOM. Re-design had to be done, and change controls submitted for approval by municipality. Delays were caused also by booking for energizing.

ESKOM energized the last household by July 2025.

6. Other Matters

6.1 Update of any other critical issues regarding the above projects from IA (internal control deficiency-audited projects within the current FY)

An apology from internal audit was rendered.

6.2 Risk Management (risk level on project risk register and mitigation factors).

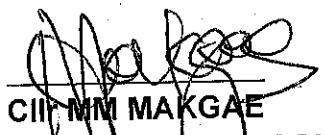
No apology from risk management.

6. Way forward

Chairperson emphasized the importance of both management and councilors rendering apologies. Management to ensure that the report is provided seven days before the meeting.

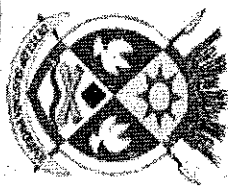
7. Way forward/ Closure and Date of the next meeting

The meeting was officially adjourned at 17:00


Cllr MM MAKGAE
MPAC CHAIRPERSON

2026-03-25
Date

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026 FY



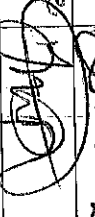
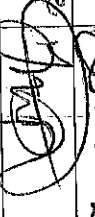
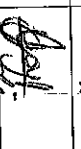
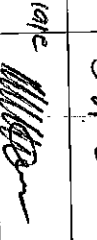
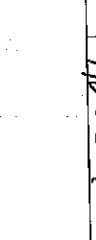
LEPHALALE
MUNICIPALITY

A vibrant City and the Energy Hub

ATTENDANCE REGISTER FOR MPAC QUARTERLY PROJECT VISIT MEETING
DATE: 12 MARCH 2026 VENUE: COUNCIL CHAMBER TIME: 09H00 AM.

Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Cir DA Mothoni	MPAC Member	083 230 7194/ 082 480 4609	ditsnotlo.mothoni@lephalale.gov.za	
Cir I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	
Cir JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC Quarterly 2025/2026 FY

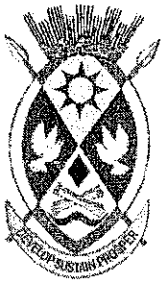
Name & Surname	Designation/ Organization	Contact No	E-mail address/ Contacts No	Signature
Cir MJ Sebetha	MPAC Member	071 186 2969	mmakwena.sebetha@lephalale.gov.za	
OFFICIALS/STAKEHOLDERS				
ME Seema	MPAC Support Staff	072 346 4248	elsie.seema@lephalale.gov.za Tel: 014 762 1580/ 072 346 4248	
DM Ratlou	MPAC Intern	079 795 9061	RatlouD@lephalale.gov.za	
Theo Nphalale	PMO	0781606934	nphalale.t@lephalale.gov.za	
April Shito	Director IS	0824110114	shito.a@lephalale.gov.za	
Mosima Npheleni	Water Manager	0726465380	mosima.npheleni@lephalale.gov.za	
Osteri Masanya	Manager: Sanitation	0676090710	osteri.masanya@lephalale.gov.za	
Yanga Joyi	Contract Management Specialist City	0614670851	yanga.joyi@lephalale.gov.za	
Sempe Shongwe	Crime Risk Officer	0726120887	sempe.shongwe@lephalale.gov.za	
Mokwene Francis	Acting Electrical Manager	0787995252	francis.mokwene@lephalale.gov.za	
Tshire Mamelobon	CHG TECHNICIAN	0791924572	tshire.mamelobon@lephalale.gov.za	
MIR Nodles	Infra Chair	0735588617	mirnodles@lephalale.gov.za	

ANNEXURE PP1

PUBLIC

PARTICIPATION

REPORT



LEPHALALE

LOCAL MUNICIPALITY

INVITATION TO ATTEND MEETING FOR DRAFT MUNICIPAL ANNUAL REPORT 2024/25

You are hereby invited in terms of Section 21A of the Municipal Systems Act No. 32 of 2000 to a Public Participation process on 2024/25 Draft Annual Report, as well as other financial management, Mid-year performance management and governance issues covering the period (2025/26 financial year)

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The meeting is scheduled as follows:

Date : 11 March 2026
Venue : Roman Catholic Church (Lephalale in town)
Time : 10h00 AM

For more information, please contact Mr Ditlhokwa Matsoma (PMS Manager) on 014 762 2004 or 072 743 8187 or Conscious Chiloane (Communication Manager) on 014 762 1496 or 078 725 1020

PF Nogilana Raphela
Municipal Manager

03/03/26

Date



LEPHALALE

LOCAL MUNICIPALITY

Tel: +27 14 763 2193/+27 14 762 1400
E-Mail: munic@lephalale.gov.za
Website: <http://www.lephalale.gov.za>

Private Bag X136
LEPHALALE
0555

Our Ref: 3/4/9/2 (39903)

Your Ref:

Enquiries: D RATLOU

Attention of:

04 March 2026

THE SECRETARY
SELEKA TRIBAL OFFICE
GA-SELEKA
0555

Dear Sir/Madam

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PF Nogilana Raphela
Municipal Manager

05/03/26

Date



LEPHALALE

LOCAL MUNICIPALITY

Tel: +27 14 763 2193/+27 14 762 1400
E-Mail: munic@lephalale.gov.za
Website: <http://www.lephalale.gov.za>

Private Bag X136
LEPHALALE
0555

Our Ref: 3/4/9/2 (39903)

Enquiries: D RATLOU

Your Ref:

Attention of:

SECRETARY AND HEADMEN
LEPHALALE LOCAL MUNICIPALITY

04 March 2026

0555

Dear Sir/Madam

INVITATION TO ATTEND MEETING FOR DRAFT MUNICIPAL ANNUAL REPORT 2024/25

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PF Nogilana Raphela
Municipal Manager

05/03/26
Date



LEPHALALE

LOCAL MUNICIPALITY

Tel: +27 14 763 2193/+27 14 762 1400
E-Mail: munic@lephalale.gov.za
Website: <http://www.lephalale.gov.za>

Private Bag X136
LEPHALALE
0555

Our Ref: 3/4/9/1 (39758)

Your Ref:

Enquiries: D RATLOU

Attention of:

25 February 2026

WARD COMMITTEES/CDW
LEPHALALE LOCAL MUNICIPALITY
LEPHALALE
0555

Dear Sir/Madam

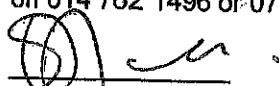
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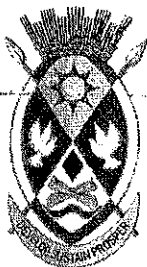
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PF Noghana Raphela
Municipal Manager

03/03/26
Date



LEPHALALE

LOCAL MUNICIPALITY

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E-Mail: munic@lephalale.gov.za
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Private Bag X136
LEPHALALE
0555

Our Ref: 3/4/9/1 (39758)

Your Ref:

Enquiries: D RATLOU

Attention of:

25 February 2026

STAKEHOLDERS
LEPHALALE
0555

Dear Sir/Madam

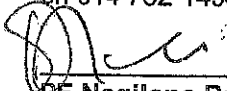
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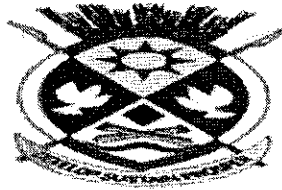
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PF Nogilana Raphela
Municipal Manager

03/03/26
Date



LEPHALALE MUNICIPALITY

A vibrant City and the Energy Hub

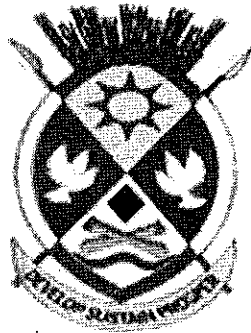
PROGRAMME

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) PUBLIC
PARTICIPATION ON 2024/25 DRAFT ANNUAL REPORT ON 11 MARCH
2026 AT 10H00AM ROMAN CATHOLIC CHURCH (IN TOWN)**

Programme Director: Cllr M.M. MAKGAE

MPAC CHAIRPERSON

- | | | |
|--|---|---|
| 1. Opening Prayer | : | National Anthem |
| 2. Welcome Address | : | MPAC Member |
| 3. Acknowledgement | : | MPAC Member |
| 4. Purpose of the Session | : | Cllr G.G. Marakalala
Council speaker |
| 5. Presentation: | | |
| 5.1 2024/25 Draft Annual Report: | | Cllr R.A. Mokgehle
Mayor |
| 6. Inputs | : | MPAC Member |
| 6.1 Community representatives and other Stakeholders | | |
| 6.2 Magoshi | | |
| 7. Clarity | : | Mayor: Cllr R.A. Mokgehle |
| 8. Way Forward | : | Cllr M.M Makgae
MPAC Chairperson |
| 9. Vote of Thanks | : | MPAC Member |
| 10. Announcements | : | EMSSS MM Kgwantha |
| 11. Closing Prayer | : | Mpac member |



LEPHALALE MUNICIPALITY

A vibrant City and the Energy Hub

2024/2025 DRAFT ANNUAL REPORT- PUBLIC PARTICIPATION REPORT

1. PURPOSE

To Promote accountability, transparency, and provision of information to the Citizen of Lephalale Local Municipality. The Municipal Public Accounts Committee held its Public Participation to consult and get inputs from the communities and other stakeholders on the 2024/2025 Draft Annual Report in terms of Section 21A of the Municipal Systems Act of 2000 and Regulations and Section 152(a) of the Constitution of South Africa, 1996 and Regulations.

2. BACKGROUND

In terms of Section 127 of the MFMA (Act 56 of 2003), the mayor is required to table the Annual Report in Council within seven months after the end of the financial year. Lephalale Municipality had complied with the legislation by tabling the 2024/25 Draft Annual Report on the 29 January 2026. Where the Council then referred the 2024/2025 Draft Annual Report to the Municipal Public Accounts Committee for further scrutiny, and to invite inputs from members of the public and other stakeholders and compile the Oversight Report which should be adopted by Council.

The Municipal Public Accounts Committee issued a notice in terms of Section 21A of the Municipal Systems Act, No.32 of 2000 and Regulations where the Public Participation was held on the 12 March 2026 at Roman Catholic Church (Lephalale in town).

3. WELCOME ADDRESS

Cllr MM Makgae welcomed everyone present and further encouraged members to participate freely and raise issues regarding the 2024/25 Draft Annual Report.

4. PURPOSE OF THE SESSION

Chairperson of Development Planning Portfolio, Cllr M Semanya, outlined the purpose of the session and highlighted that the Draft Annual Report is an official tool for the municipality to account on the work done and report the financial status of our municipality, which is guided by section 152(a) of the Constitution and Section 21A of the Municipal Systems Act, No.32 of 2000 and Regulations. She further highlighted that through this session; the municipality is complying with Section 121(b) and (c) and can:

- i. Report back to the communities on financial performance and the implementation of the projects,
- ii. Reflect achievements and challenges encountered.
- iii. Ensure that compliance is adhered to.
- iv. Promote accountability, good governance and transparency.
- v. Account on the execution mandate given to the municipality.

Community representatives and Traditional leaders were further urged to congratulate or appreciate where credit is due and highlight service delivery challenges encountered especially on projects which were implemented during the 2024/2025 Financial Year, as the Annual Report is a tool used to account, assess and highlight the performance made.

5. PRESENTATION -2024/2025 DRAFT ANNUAL REPORT

The Municipal Manager PF Nogilana Raphela presented the summary of the 2024/2025 Draft Annual Report with the highlights as follows:

- Decreasing Revenue collection
- High Debt Book - residents are reluctant to pay the bills
- Theft and Vandalism of municipal assets
- Ageing Infrastructure (Roads, Sewer, Electricity, Water)
- Electrical and water losses above the norm
- Under expenditure on Projects
- Delays on completion of Projects
- The impact of Inclement weather on the Infrastructure

Other key issues faced by the municipality and how they have been addressed are as follows:

- Debtors book is R778 million including debts owed by sector departments and the municipality has appointed a debt collector to assist with collection of debts of >90 days.
- The Municipality uses credit control policy for debts < 90 days. The tender for Credit control system has been advertised to optimize collection of debts below 90 days.
- Indigent management system has been implemented, and the application is currently in use for the registration on indigent for 2024/25.
- The Municipality will endeavour to register all qualifying indigents. Those who do not have access will be assisted through collaboration with ward councillors and community development workers.
- The municipality has developed and is implementing digitization strategy.

6. INPUTS FROM COMMUNITY MEMBERS AND OTHER STAKEHOLDERS

The following inputs and comments were raised by various stakeholders on the 2024/2025 Draft Annual Report and the following were raised:

Ward /village	Representation submitted by:	Key Issues raised (summarised issues)
1. Shongoane	Mabunda	-There is lack of access to water and it almost 4 months. -Lack of employment management to engage with forums for employment opportunities. -Pavement to be prioritised instead the municipality could have done the tar road instead of the pavement that was built due to that there is lack of access to proper roads. -Management to ensure that service providers are performing their duties at sites. - Management to prioritise waste collection.
2. Hlalakwena	Melita Molwantwa	-It was noted that service delivery is made a priority in town only. -There is lack of access to proper roads. -The water project is delayed due to the machine being broken for 4 months hence there is lack of access to water. -Management to prioritise employment. -There is lack of proper access to high mass lights, cables are not properly intact.
3. Ga-monyeki	Samuel Monyeki	-Councillor assigned does not attend meetings. -There is lack of proper access to roads. -The high mast lights installed are not energised.

		-Cemeteries should be prioritised. -The stadium is vandalized; toilets are blocked proper maintenance to be implemented. -There is lack of access to proper housing. -The community engaged with their councillor regarding extension of water however there hasn't been any response, there is lack of access to water and roads are damaged due to heavy rains.
4. Ward 10	Manaka Maria	-The water contract is ongoing however lack of water is still a concern. -Lack of proper access roads(potholes).
5. Ward 6	Makgae	-Lack of access to water in Marikana Mall Park -Tanks have been delivered however they are not utilised -Lack of proper access roads -Lack of access to proper streetlights at Marikana.
6. Khuduthamaga	MJ Ditle	-There is lack of access to water because of the new project. -There is lack of commitment from the speaker.
7. Mokuanyane	Mosima Lucky	-Acknowledge the presence of the Mayor and appreciate the work/projects done by the municipality to date. -Management to prioritise waste collection, dustbins are full and not offloaded on time -Lack of proper housing and access to proper roads.
8. Letlora	Flora Mmakata	-Request for Eskom offices to open and operate like in the past, currently complains goes to WhatsApp and old people can't have access to log complaints nor eligible to use the what's up app.

		-Management to resolve the issue of boreholes as the project is stagnant since last year. -Hight mast lights constructed last year and are not yet energised. -Waste collection is not prioritised as skip bins takes time to be returned when are taken. -Ward committees are not granted the opportunity to engage in municipal events.
9. Ward 6	Peter Moloantoa	-There is an overflow of water next to Molokomme. - Lack of access to proper streetlights 7delaan is dark and ikitseng creche side.
10. Ward 6	Herman Modise	-There is an overflow of water on the access road. -There have been two tanks for over 12 years now they haven't been refilled with water which leads to lack of access to water.
11. Shongoane 1	Mosima Joshua	-There is lack of access to water at Steve Biko. - Lack of maintenance of the access road, the tar road constructed is no longer in good condition and beyond repair. -There is lack of access to proper RDP houses, and consultations to be made with traditional leaders first before allocation. -Management to prioritise all headman's and not only traditional leaders. -Issues regarding the new pipeline project to be addressed, and employment for local communities to be created. -Hight mast lights are not prioritised and 9 out of 10 RDP houses were allocated.

12. Kiti	Monene	There is lack of access to water.
13. Malente	Jacob Mosima	-Access road from mmaletswai to Malente is not intact. -There is lack of access to basic water. - Wastebin collection is not prioritised.
14. Nikara	Mokgadi Mafifi	-The tar road is not intact; there is a lot of sand. -Boreholes have not been energised, management must intervene. -RDP houses not allocated accordingly, Ntotoma (5 houses constructed so far) is prioritised more than Nikara. -Management to prioritise the installation of more metres as the village is growing. -There is lack of access to water, the tank is not utilized. -The tar road to be prioritised.
15. Lebu	TT Molokomme	-Lack of access to proper roads due to heavy rains -Water tanks High mast lights to be prioritised. -Electricity to be provided at RDPs.
16. Sefitlhogo	Solomon Mochaki	-Lack of access road due to heavy rain seasons, roads have been destroyed. -There is lack of access to water and high mast lights to be prioritised.
17. Mmaletswai	Phaswana Nku	-Water augmentation plant, the project is not utilized management to intervene. -Magoshi to be equipped through workshops regarding the budget, -Mmaletswai water plant engaged in 2016 has then been stagnant since 2023.

7. RESPONSES

7.1 The Mayor, Cllr RA Mokgehele responded to the questions, and he further urged the responsible managers to follow-up and attend to issues raised.

- i. Acknowledged the slow pace implementation of electrification of boreholes and the community to note that there are regular engagements with Eskom to finalise energising and the municipality has since exhausted all the resources for Eskom to come on board and conclude that all outstanding energisation, and all other issues it was committed that as executives and administration will go back to the office and have commitment plan in resolving all issues raised (e.g. incomplete RDP houses, waste collections, vandalized roads, lack of water etc).
- ii. Delayed projects, the municipality to resuscitate all other stalled projects outstanding to be functional, currently almost all regional schemes projects are resuscitated.
- iii. No allocation of RDPs to be done from the municipality without ward councillors.
- iv. The Issue of unemployment to be addressed with all forums, Magoshi and traditional heads to form a committee were monitoring and evaluation will be done for all companies within lephalale, the municipality will do proper invitations to roll out and engage this program.
- v. Administration to have immediate action to resolve the issue of access to graveyard.
- vi. Boreholes at schools to be connected to ensure that the community has access to water.
- vii. A team needs to be established by management regarding housing to be monitored.
- viii. The issue of councillors not functional or not performing well as required, there will be diaries and calendars which entails relevant councillors' profile (e.g. department responsible, name and contact details) and those diaries and calendars will be distributed to tribal offices and headman's so that the community can directly liase with the relevant council members.
- ix. All district roads, the Municipality to engage with the district to intervene on resolving roads issues and the community to note that letters of request to transfer other district roads to the municipality has been submitted and the municipality is still waiting for feedback.
- x. There are technical reports done to connect new stands from Shongoane to Seleka.
- xi. Ward committee are being paid hence they need to provide services to the community.
- xii. Water programs to be fast-tracked.
- xiii. Waste division to ensure accountability of waste collection at the villages.
- xiv. Vip toilets to be prioritised at the villages.
- xv. Management to intervene regarding aging infrastructure.

- xvi. Issue of bridges at Mokuruanyane/graveyard to be revisited with the engineers and the relevant department to ensure that this issue is attended to as the matter of urgency.
- xvii. Officials taking advantage to represent duties of Headman as their own will be monitored closely and this kind of interference will not be tolerated.

8. FINDINGS

- i. Poor monitoring of projects.
- ii. Slow implementation and delay in completion of projects.
- iii. Vandalism of municipal assets.
- iv. Lack of maintenance and repair for tanks, roads and other municipal assets.
- v. Lack of maintenance on municipal cemeteries.
- vi. Water supply projects implemented not yielding positive outcome.
- vii. Poor workmanship and underperformance by contractors.
- viii. Lack of energisation to boreholes and high mass lights.

9. RECOMMENDATIONS

- 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 develop the consequence management policy.
- iii. That the accounting Officer should ensure that the project of good quality is implemented to compliment the financial management of the institution.
- iv. That the Accounting Officer should ensure that projects are properly managed, monitored and consequence management is implemented
- v. 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.
- vi. That the Accounting Officer should ensure that stringent monitoring mechanisms are implemented during projects implementation to eliminate the continuous extension of projects.
- vii. That management continue to engage Eskom to ensure that all projects, which are not functional due to non-electrification are attended to.


CLLR: MM MAKGAE
MPAC CHAIRPERSON

2026-03-25
DATE

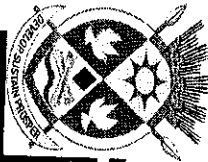
ANNEXURE PP2

PRESENTATION

BY

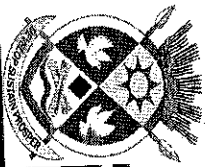
THE

MAYOR



LEPHALALE MUNICIPALITY ANNUAL PERFORMANCE REPORT 2024/25 CIRC 88 AND B2B REPORTING

11 MARCH 2026



LEGISLATIVE REQUIREMENTS ON REPORTING – Setting the scene

S41: Core components of PMS

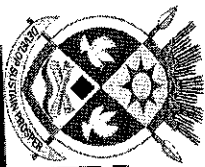
- (1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed-
 - (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
 - (b) set measurable performance targets with regard to each of those development priorities and objectives;
 - (c) with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)-
 - (i) monitor performance; and
 - (ii) measure and review performance at least once per year;
 - (d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and
 - (e) establish a process of regular reporting to-
 - (i) the council, other political structures, political office bearers and staff of the municipality; and
 - (ii) the public and appropriate organs of state.

FOREWORD

This annual report provides feedback in terms of our actual performance against the milestones and targets as set for the period under review, being the 2024/ 25 budget year.

The current national government measures itself against the following priority areas in terms of the National Development Plan:

- Transition to a low carbon economy.
- An inclusive and integrated rural economy
- Reversing the spatial effects of apartheid
- Improving the quality of education, training, and innovation
- Quality health care for all
- Social protection
- Building safer communities
- Reforming the public services
- Fighting corruption
- Transforming society and uniting the country



Demographics

Lephalale Local Municipality is located in the Waterberg District Municipality of Limpopo Province, South Africa.

Government: Municipal Council

The seat of Lephalale Municipality is Lephalale Town

No of Wards = 15

Area = 13784 Km² (Scattered settlement patterns) – Cluster Nodal Developments .

Approximately 70% Rural

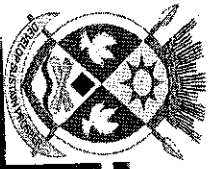
Population = 125 185 (Stats SA 2022)

Number of Household = 43 823



Governance

- Assurance Providers – IA, AC, RMC, MPAC – Quarterly meetings
- Financial Misconduct Board has been established.
- Asset to the value of R1,5 billion for provision of services
- Approved Organogram with Staff complement of 494 to provide services to our communities and 422 positions are filled and 72 are vacant
- Policies and Procedures to guide provision of services



GOVERNANCE

Risk Management

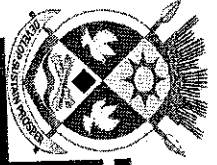
- Functional Risk Management unit/committee that meets quarterly. All EMs are members of RMC.
- The RMC is chaired by an independent person.
- The municipality has established functional risk management structures and has requisite capacity in place to monitor and manage risk.



GOVERNANCE

Audit Committee

- The municipality has a properly constituted Audit Committee which is an independent advisory body in terms Section 166 (2) and (3) of the Local Government Municipal Finance Management Act and its regulations.
- The AC is chaired by an independent person.
- The AC meets quarterly to consider financial reports and governance issues impacting on the operations of the municipality.
- Lephalale Municipality sustained unqualified audit opinion for the past 4 years
- The AFS are prepared inhouse by the BTO team. The team are permanently employed.



FINANCIAL GOVERNANCE

Auditors Report 2023/24

Audit Opinion					
2019/20	2020/21	2021/22	2022/23	2023/24	
Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	

Audit Findings Statistics						
No.Of Audit Findings	No.Of Findings Resolved	No.Of Audit Findings In Progress	No.Of Audit Findings Not Yet Started	No of recurring auditing findings	Does the Municipality Prepare Interim AFS	Is There An AFS Plan In Place (Inclusive of All Departments)
88	0	88	35	0	Yes	Yes



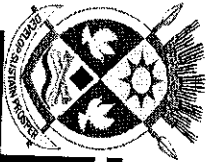
OTHER KEY CHALLENGES : SERVICE DELIVERY & GOVERNANCE

- Decreasing Revenue collection
- High Debt Book - residents are reluctant to pay the bills
- Theft and Vandalism of municipal assets
- Ageing Infrastructure (Roads, Sewer, Electricity, Water)
- Electrical and water losses above the norm
- Under expenditure on Projects
- Delays on completion of Projects
- The impact of Inclement weather on the Infrastructure



ADDRESSING KEY CHALLENGES: SERVICE DELIVERY & GOVERNANCE

- LLM has entered long-term debt arrangement with the DWS (improved liquidity ratio).
- SP has been appointed to conduct a technical solution for a Solar plant
- Municipality implementing revenue Enhancement and cost containment strategies.
- Acceleration prepaid electricity project.
- Nonlending DBSA Project – Optimizing the revenue value chain and Implementation of the low hanging fruits.
- Funding application submitted for Water Smart meters.
- Investment summit was held on the 13 & 14 December 2023 to attract investment in Town. The implementation of investment packages under way in 2024/25 Financial Year



OTHER KEY ISSUES FACING LLM AND HOW THEY ARE BEING ADDRESSED

- Debtors book is R778 million including debts owed by sector departments
- The LLM has appointed a debt collector to assist the LLM with collection of debts of >90 days.
- The LLM uses credit control policy for debts < 90 days. The tender for Credit control system has been advertised to optimize collection of debts below 90 days .
- indigent management system has been implemented Process . The app is currently at in use for the registration on indigent for 2024/25
- The LLM will endeavor to register all qualifying indigents. Those who do not have access will be assisted through collaboration with ward councilors and community development workers.
- LLM has developed and is implementing digitization strategy .

MUNICIPAL PERFORMANCE PER VOTE AND KPIS

Overall SDBIP		Total Number of KPIs and Capital Projects	Total cancelled indicators due budget constraints	Annual Performance Report 2024/ 2025				N/A	%
SDBIP (Votes)	Departments			Target Achieved	Target Achieved	Not Achieved	Target Overachieved		
Office of the Municipal Manager	25 projects	01	14				02	02	73%
								01	77%
				22					
Corporate and Support Services	29 indicators	0	17				04	0	72%
Development Planning	27 indicators	0	9				04	01	50%

MUNICIPAL PERFORMANCE PER VOTE AND KPIS

Overall SDBIP		Total Number of KPIs and Capital Projects	Total cancelled indicators due budget constraints	Annual Performance Report 2024/ 2025				N/A	%
SDBIP (Votes)	Departments			Target Achieved	Target Achieved	Not Achieved	Target Overachieved		
	Budget and Treasury	26 indicators	0	17			05	0	85%
	Social Services	27 indicators	01	14			05	01	76%
	Infrastructure Services	27 indicators	03	16			01	01	
Total Indicators		209	05	109			22	06	66%

COMPARISON OF CURRENT PERFORMANCE FROM PREVIOUS ONE

(Table 2)
2024/2025 FY

Overall SDBIP	Number of KPIs and Capital Projects	2024/ 2025 Annual Performance Report				Adjusted Indicators	Percentage Performance
		Target	Target: Achieved	Target not achieved	N/A		
		Overachieved				Cancelled Projects	Total %
Total Indicators	209	22	109		06	5	66%

(Table 3)
2023/ 2024 FY

Overall SDBIP	Number of KPIs and Capital Projects	2023-24 Annual Performance Report				Adjusted Indicators	Percentage Performance
		Target	Target Achieved	Target Not Achieved	N/A		
		Overachieved				Cancelled Indicators	Total %
Total Indicators	210	26	123		14	14	76%

Institutional performance of the Municipality and Summary of indicator performance briefly in the Annual Performance Report 2023-24 for comparison with the 2024-25 Annual Performance Report scores, this tabulated score depicts a 10% decline in overall performance as compared to the previous year's performance.

KPA | SPATIAL RATIONALE.

ACHIEVEMENTS

- 50% indicators achieved as planned on the KPA
- Challenges

Urban sprawl and informal settlements, Mmamojela park along R510, Mahlakung on Chris Hani Avenue encroachment to the District Hospital

- Non-compliance with building control regulations at Marapong township and Onverwacht by residents
- Extension at Rural villages not adhering to the local SDF. Prone to disaster floods.
- The Process of re-establishment of the Municipal Planning Tribunal for Municipal readiness experiences delays
- The review of the Lephalele Municipal SDF is in progress (Milestones attached to Phase 1 to Phase 4 presented to IGR PSC) - 3 phases remaining.
- Review is progressing in accordance with the Project Work Plan (divided into 6 phases). Phase 1 complete, Phase 2 and 3 in progress. Phase 4,5 and 6 not yet started.
- Dilapidated and Empty Eskom houses at Onverwacht, Den for thugs and No revenue derived from them.

KPA2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

- 99% of the MIG budget is spent. With a Capital budget expenditure is 82% as a total for the financial year.
- Marapong storage facility, the project is at 64% construction.
- 27 High Mast Lights installed in various villages but not yet energized.
- Construction of a 3.8 km asphalt Road at Seftlhogo is at 70% progress.
- The municipality has the approved integrated waste management plan that was endorsed by the MEC of Limpopo Department of Economic Development, Environment and Tourism in November 2024. In implementing the integrated waste management plan 48 waste education and awareness campaigns were conducted, 23 villages are provided with Roll-on Roll-off bins for collection of waste, and 11 451 urban households have access to refuse removal.

■ Challenges

- Slow progress on implementation of internal audit findings and risk mitigations.
- 13 projects are not completed for 2024/ 25 FY.
- Water loss is at 41% average in the financial year 2024-25.
- 28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages.

KPA 3 FINANCIAL MANAGEMENT AND VIABILITY.

- Liquidity Ration is higher than required by legislation at 204% in the 2024/ 25 financial year.
- Percentage debt coverage was 1 281% by end of the financial year.
- Capital budget Expenditure for the institution is 82% which translates from R 189 870 333.83 against the budget of R 231 862 200.00

■ Challenges

- Revenue collection rate is lower at 88% than the prescribed norm of 95%.
- The general poor economic conditions make it difficult for consumers to make full payments on their accounts hence under collection by 7% compared to National Treasury requirement of 95%.
- Cost coverage is 181% by end of the year.

KPA 4 LOCAL ECONOMIC DEVELOPMENT

- Unemployment in Lephale at 22.9% is below the provincial average.
- 621 jobs created in the 2024/ 25 FY.
- Investment summit held, investment packages on implementation

■ Challenges

- The variance of 308 jobs was because of the Municipal projects that could not be implemented due to non-responsive from bidders as there were projects that went to re-advert 2-3 times during 2024/ 25 FY, namely, Rooigoud Solar Project, Marapong Shopping Complex, R510 and R33 Circle Most contractors are unable to give recruitment information
- The implementation on planned projects was delayed by the end-users and procurement processes, hence only 2 contractors have commenced.

KPA 5 TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

- Employment Equity regulations are implemented as expected,
- Out of 493 budgeted positions, 420 are filled and 73 are vacant.
- 1% total municipality's budget spent on implementing its workplace skills plan, Out of R1 576 711.81 budget, R1 578 210 Spent.
- 12 Council meetings conducted in 2024/ 25 FY.
- 6 Lf sessions were coordinated, and out of 28 Resolutions, 25 were implemented and 3 are outstanding.
- **Challenges**
 - High vacancies at Directors management positions.
 - Not all Internal Audit findings are resolved.
 - Not all Risks mitigations are addressed.

KPA 6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- Audit Committee established and functional.
- Section 79 and 80 committees are functional in LLM
- Risk committee is established and functional where 5 Risk registers are developed for mitigation of all risks.
- No fraud and corruption cases reported in this financial year.
- Fraud and corruption awareness conducted in the financial year, (17 June 2025)
- 6 Policies/strategies approved by Council, namely: Risk Management Policy, Risk Management Strategy, Fraud Management Policy, Fraud Management Plan, Business Continuity Policy, Whistle Blowing Policy in 2024/ 25 FY.
- **Challenges**
 - Performance information has received a qualified audit opinion in the AG management report.
 - 2 out of 3 AGSA findings resolved in 2024/ 25 FY.
 - 3 out of 4 Internal Audit findings are not addressed.

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY-2024- 2025/26 WSIG PROJECTS

Project Name	Allocated Budget	Expenditure	Physical Progress (%) 2024/25 FY	Narrative Summary on Progress
Replacement Of Asbestos Cement Pipe (AC) In Marapong (Zone 2)	R 46 701 461.01	R 9 554 884.94	13%	Site Establishment Completed. Physical progress 13%. Materials Procured
Replacement Of Asbestos Cement Pipe (AC) In Marapong (Zone 1)	R 42 533 884. 09	R 9 381 325.89	13%	Site Establishment Completed. Physical progress 13%. Materials Procured
Replacement Of Asbestos Cement Pipe (AC) In Onverwacht (Section C)	R 41 392 865.45	R 11 745 844.01	28%	Site Establishment Completed. Physical progress 28%. Materials Procured

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 WSIG PROJECTS CONT...

Project Name	Allocated Budget	Expenditure	Physical Progress (%) 2024/25 FY	Narrative Summary on Progress
Replacement Of Asbestos Cement Pipe (AC) In Onverwacht (Section A)	R 32 199 562.58	R 12 309 155.34	30%	Site handover took place on the 04/09/2025. Contractor Completed Site Establishment
Construction of Marapong Bulk water Supply Project	R 48 021 952.27	R 0	15%	DWS approved revised Technical Report end November 2025. Contractor busy with Site Establishment.
Refurbishment and upgrading of Sewer Pumpstations, Wastewater Treatment Works, Network Pipes and Replacement of AC Pipes	R 15 499 707.91	R 9 919 413.41	95% (Practical Completion Stage)	Refurbishment of Sewer Pump Stations (88%), Replacement/ refurbishment of suction pipes (100%), Electrical and Mechanical (99%). WWTW Access Road (100%), Replacement of Bulk Sewer Lines (100%)

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY - 2025/26 MIG PROJECTS

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25 FY	Narrative Summary on Progress
Extension and Augmentation of Water Supply in Witpoort RWS Phase 6	R 1,102,766.45	R 1,047,628.13	95%	The project is at the final stages. The contractor has completed installation of 26,3km of pipe and installed all 8 elevated tanks and the package plant. Tanks have been filled up with water. Practical handover was conducted on 29 April 2025. Contractor is currently finalizing the snag list. Energizing of 4 boreholes and package plant outstanding, meeting with ESKOM to speed up the energization process. The contractor is busy with box cutting on site. Total length of the Road = 2.6KM • Setting out – 100% • Accommodation of traffic – 100% • Ripping and cut to spoil – 50% • Site clearance – 100% • Road layer works – 0% • Surfacing – 0% • Drainage system – 0% • Road markings – 0% • Road signs – 0%
Letlora Acces Road	R 16,753,120.33	R 2,412,449.33	31%	Practical completion is expected to be conducted on 17 October 2026

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 MIG PROJECTS CONT...

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25	Narrative Summary on Progress
Witpoort Seleka Regional Water Scheme Phase 6	R 1,102,766.45	R 0	0%	The project budget has been reallocated to incomplete and New projects after COGHSTA has advised the technical report for the project needs to be revised as it is outdated and approved during 2015/16 financial year. Project deferred to next financial year 2026/27
30 High mast lights installation at various villages	R 5,503,016.83	R 0	0%	The project budget has been reallocated to incomplete and New projects. The project is deferred for implementation in the next financial year after COGHSTA has advised during the intervention meeting held in July that pending high mast projects must be completed prior commencement with the new project. Project deferred to next financial year 2026/27

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 MIG PROJECTS CONT...

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25 FY	Narrative Summary on Progress
Thabo Mbeki Sewer Network Sanitation Phase 2	R 4,888,809.59	R 4,399,928.63	93%	Physical progress on site is 93%. The contractor is currently completed with 75% of the house connections. A request for extension of time to end March 2026
Installation of 16 High Mast Lights	R 1,978,561.14	R 1,602,634.52	81%	The contractor has installed all the 16 high mast lights. Eight (8) High masts are energised. 8 high mast have been handed to Eskom to electrify. Awaiting Eskom budget quote.

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 MIG PROJECTS CONT...

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25 FY	Narrative Summary on Progress
Installation of 27 High Mast Lights	R 3,216,151.01	R 3,055,343.46	95%	The contractor has installed all 27 high-mast lights. Designs submitted to Eskom and awaiting the approval. LLM received 15 invoices being paid to ESKOM. Awaiting additional 12 invoices from Eskom. Practical completion is expected to be conducted in May 2026. Regular meetings are conducted with ESKOM for updated and to speed up the energizing progress.
Repairs and Maintenance 10% MIG	R 4,924,032.55	R 0	0%	The technical report has been submitted to DWS in May 2025 for approval and still not yet approved.

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 MIG PROJECTS CONT...

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25 FY	Narrative Summary on Progress
Seifithogo Access road	R 16,525,932.15	R 14,212,301.65	95%	

Practical Completion Stage.

Financial progress of 86% is against the total allocated budget of R **34,774,412.99** for the previous and current financial year 2025/26.

The contractor is busy with installation of kerbs on site.

Total length of the Road = **3.7KM**

- Box cutting – 100%
- Blasting (0.8m) – 100%
- Selected Layet – 100%
- Subbase Layer – 100%
- Base/Stabilization – 100%
- Surfacing – 100%
- Road Signs – 100%
- Road Makings – 100%

Practical completion was on the 30 October 2025.

Contractor busy with remedial works

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2025/26 MIG PROJECTS CONT...

PROJECT NAME	Allocated Budget	Expenditure	Physical Progress % 2024/25 FY	Narrative Summary on Progress
Refurbishment of Reuben Mogashwa stadium	R 548,326.78	R 548,326.78	100%	Financial progress of 100% is against the allocated budget of R 10,000,000.00 for the current financial year 2024/25. The contractor completed the works Existing Grandstand – 100%, Athletic Tracks – 100%, Soccer Pitch – 100%, Change rooms – 100%, Ablution Units – 100%, Security Guard house – 100%, Ticket booth – 100%, Tuck-shop – 100%, Combi court – 100%, Borehole – 100% Practical completion is conducted on 05 September 2025. Final handover will be done 30 January 2026.

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- Disaster Recovery Grant Allocation 2025/26 FY

Project Name	Allocated Budget	Expenditure	Physical Progress (%) 2024/25 FY	Narrative Summary on Progress
Re-construction of Ben Matsoma Road from gravel to surfaced road using paving blocks	R7 500 000.00	R 6 544 603.09	87.26%	The Contractor has already established site camp, they are already done with box cutting, laying of the dump rocks and they are also done with the sub-base base. The contractor also completed the installation of kerbs and the laying of paving blocks. Now busy with the snack list.
Rehabilitation of Setateng (Shongoane 1) access road	R6 275 000.00	R 5 534 775.83	88.2%	The contractor has already established the site camp and also removed the old paving blocks and completed the earthworks. The contractor also completed the installation of kerbs and the laying of paving blocks. Now busy with the snack list.

Recovery Grant Allocation 2025/26 FY Cont...

Project Name	Allocated Budget	Expenditure	Progress (%)	Narrative Summary on Progress
Construction of Bangalong Cemetery Low Level Bridge	R 950 000.00	R 832 154.00	87.6%	Establishment 100%, Blinding 100%, Base 100%, Culverts Installation 100%, Wignwall 100%, Roadbed 60%, Road final layer 100%, Concrete layer on top of Culverts 0%
Construction of Mothasedi Cemetery Low Level Bridge	R 950 000.00	R 459 241.00	48.34%	The contractor has already procured box culverts. Setting out done
Construction of Mmatladi Cemetery Low Level Bridge	R 950 000.00	R 832 154.00	87.6%	Establishment 100%, Blinding 100%, Base 100%, Culverts Installation 100%, Wignwall 100%, Roadbed 100%, Road final layer 100%, Concrete layer on top of Culverts 0%
Construction of Nicker Cemetery Low Level Bridge	R 950 000.00	R 459 241.00	38.34%	The contractor has already procured box culverts. Setting out done.

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- Disaster Recovery Grant Allocation

2025/26 FY Cont...

Project Name	Allocated Budget	Expenditure	Progress (%)	Narrative Summary on Progress
Construction of Kgobagodimo Cemetery Low Level Bridge	R 950 000.00	R 459 241.00	48.34%	The Contractor procured Box Culverts. Setting out done.
Construction of Ga-Phahladira Cemetery Low Level Bridge	R 950 000.00	R 832 154.00	87.6%	Establishment 100%, Blinding 100% Base 100%, Culverts Installation 100%, Wignwall 100%, Roadbed 100%, Road final layer 100%, Concrete layer on top of Culverts 0%

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY - Electrification Projects (DMRE)

Project Name	Allocated Budget	Expenditure	Progress (%)	Narrative Summary on Progress
Energy Efficiency and Demand Side Management	R 4 000 000.00	R 1 749 252.10	95%	419 Street Lights Retrofitted with LED Lights. 12 high mast lights have been retrofitted in various villages (Kauletsi, Ga-Seleka, Mothasedi and Kgobagodimo)

Key Priority Projects for 2025/26 FY

Projects Planned over MTEF-OWN Funding Capital Projects

PROJECT NAME	Allocated Budget	Narrative Summary on Progress
1 Purchase and installation of telematics system	R 500 000.00	Specification Completed, Budget, Adjusted to R1 million
2 Establishment of 2 Transfer stations (stalled)	R 1 000 000.00	Misa Finalised Technical Assessment Report of the project in December 2025. LLM in process to appoint PSP to review the Designs
3 Jet Patcher	R 6 500 000.00	Procured, and delivered
4 Grader	R 4 500 000.00	Procured, and delivered
5 Compactor	R 1 500 000.00	Procured, and delivered
6 Resealing of roads in Town, Onverwacht and Marapong	R 4 500 000	Project has been Completed (Resealing of Relebogile Street in Marapong)
7 Replacement of switchgears	R 0	N/A (Budget Not Allocated)
8 Technical report for construction of King Bird line and substation 4	R 1 000 000.00	Specification Approved. Tender Advertised and was none responsive. Tender to be Readvertised.
9 Installation of Statistical meters at all distribution points	R 1,200,000.00	The Service Provider has been appointed. Project in progress

Key Priority Projects for 2025/26 FY

Projects Planned over MTEF-OWN Funding Capital Projects

	PROJECT NAME	Allocated Budget	Narrative Summary on Progress
10	Review Water and Conservation and Water Management Strategy	R 1 500 000.00	The Service provider has been appointed. Project in progress
11	Installation of palisade fencing for Storage facilities and Pump Stations	R 500 000.00	Specification Completed and Approved. Tender Advertised and closed on 16 January 2026.
12	8 Ton Towing Truck	R 1 500 000.00	Specification Approved. RT57 Contracting on procurement process

Service delivery Stalled Projects

Project name	MIG registered Funds	Year Stalled	Reasons for stalled	Comments
Establishment of 2 transfer stations in the rural areas Seleka andmoong	R 41,500,000.00	Dec 2020	The consultant was demanding a variation, and the municipality has declined the request. The engineer abandoned site after the municipality declined the request for additional funding which would have doubled the professional fees from 5 million to 10 million	MISA completed assessment report in December 2025 and submitted to LLM. The Municipality in process to appoint the consultant to review the Designs of the project.
Thabo Mbeki sewer reticulation Phase 1	R 40 311 716.70	Dec 2024	Mabule Rail JV Amawakawaka was terminated and sub-contractor was imposed (Rapidus Construction) to complete the outstanding work which comprises of main pump station, boreholes and fencing.	The project is planned for completion end March 2026

INFRASTRUCTURE TO ENABLE SERVICE DELIVERY- 2026/27 MIG PROJECTS COMMITMENT

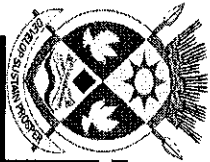
Project name	MIG Form ID No.	MIG Registered funds	Budgeted amount	Comments/Challenges
Upgrading of Kgobagodimo Access Road	N/A	R 30,945,075.00	R 21 352 589,65	Not registered
Letlora access road	537579	R 27,600,000.00	R 11,930,303.10	Registered
Witpoort and Seleka Regional Water Scheme	347293	R 13,166,148.75	R 13,166,148.75	To be re-registered (Technical Report submitted to the Municipality- Presentation by the consultant on the submission to be conducted on 19 Jan 2026 prior to submission to DWS)
Construction of VIP toilets in various villages	N/A	R 19,500,000.00	R 2,707,608.5	Technical report submitted to DWS for approval/recommendation.
Maintenance Costs	N/A			Not Registered
		R 5,223,000.00	R 5,223,000.00	
PMU COST	N/A	N/A	R 2 586 350.00	N/A

SPENDING ON CAPITAL PROJECTS 2026/27 FINANCIAL YEAR

- Spending on MIG projects is 41,5% in the 2nd quarter of the allocated budget, and 78,7% of the transferred budget.
- Spending on WSIG projects is 110% in the 2nd quarter of the allocated budget
- Spending on EEDSM projects is 60% in the 2nd quarter of the allocated budget. Retrofitting of 515 streetlights and highmast light completed
- Forward planning by way of technical report, appointment of consultants for designs and appointment of contractors, acceleration of Projects and Oversight by management.
- The Municipality already submitted Business cases for implementation of projects for water extensions and construction of VIP toilets in the rural villages next financial year.
- Application has been submitted for MIG Grants for 2026/27 Financial year
- Implementation of Project management system
- LLM has been granted approval to participate in the transversal contracts for acquisition of the yellow plant. The yellow plant is procurement process and will be delivered in Q3 of the 2025/26 financial year.

WATER PROJECTS 2026/27 MIG/MYSIG

Witpoort seleka regional water scheme	R 1 102 766.45				
Repairs and maintenance 10%	R 4 924 032.55				
Water reticulation inspection	R 1 500 000				
Operational costs of water treatment plants	R 150 000	R 50 000	R 50 000 000	R 50 000 000	
Construction of Water Treatment Works and Bulk Water Pipeline from Town to Rural Villages	R 250 000 000		R 150 000 000	R 100 000 000	



Circular 88 Reporting./ B2B Reporting

CIRCULAR 88 REPORTING

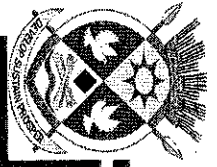
- Section 71 reporting done correctly
- All quarterly circular 88 reporting done
- Circular 88 Indicators for national reporting envisaged for future reporting

BACK TO BASICS REPORTING

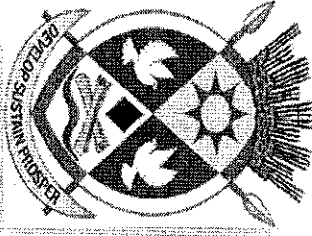
Quarterly reporting done timeously

Engagements sessions attended

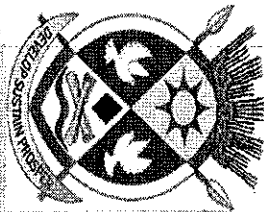
Resolutions implemented



THANK YOU



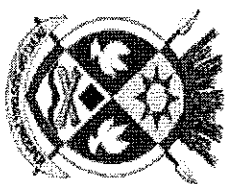
THANK YOU



PP3

**ATTENDANCE
REGISTERS**

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY



LEPHALALE
MUNICIPALITY

A vibrant City and the Energy Hub

MEETING FOR MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT
2024/25 FY DATE: 11/03/2026 VENUE: ROMAN CATHOLIC CHURCH (IN LEPHALALE
TOWN) TIME: 10H00 AM.

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
1. Annika Tabodi	Ward Community	0639480611	AnnikaTabodi@gmail.com	
2. Phuti Nqope	Ward Community	0715374963	NqopePhuti31@gmail	
3. Dikeledi Sefuwa	Secretary	0786055997	Sefuwa Dikeledi	
4. Mavis Mngotane	Altona	060652135	Mngotane Mavis	
5. Kuvana Mosele	Chaplain	0684513528	MoseleKuvana03922@gmail	
6. Flora Makata	Member	0713686012		

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

	Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
7.	Maledi Tshwenelo		0750478650	maleditshwenelo	
8.	Sibini Nicumwoti	LCM	0826863799	Sibini Nicumwoti@edaphic.co.za	
9.	Khosini Motlale	LCM	0797345129	khosini.motlale@edaphic.co.za	
10.	Lucy Motore	LCM	0782399078		
11.	Lina Ranthetoga	ward committee	0798190756		
12.	SELE MOSE KQOSANA		0734365727		
13.	Klaas Sepe	ward committee	076021977	N/A	
14.	Cathrine Mabele	Kqosana	0897423991	N/A	
15.	MASHABANE M.D	Kqosana	0783345177	N/A	
16.	Mucky Moshina	Kqosana	0728292578	N/A	
17.	William Isalap	Khuthathana	06318830745	Mabedl'iseu William Isalap@gmail.com	
18.	Afevane W	S.S.S	0147621537	walter1190mutho@gmail.com	
19.	Sibusiso Mogané		0727882697	Smogane905@gmail.com	

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
20. Mosby-Spury	CLU	0790794589	Samuelsen@equinox.co.uk	
21. Mearns Constance	Chairperson	0827116657	Shengone@equinox.co.uk	
22. Moynihan	Chairperson	0739277578	Shengone@equinox.co.uk	
23. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	
24. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	
25. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	
26. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	
27. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	
28. Moberly's	Headman	0767019980	radmoberly@equinox.co.uk	

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
29. Mathodi Molepa	RNC	0790619639	mathodi.molepa@gmail.com	
30. Sarah Mphahlele	CLIK	015230477	apulegse@gmail.com	
31. J. Masekela	SSS	0765692886	—	
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ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

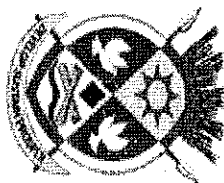
Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
41. NOTHUNENG, Felix	Headman	073 825 2271		IMP NOTHUNENG
42. Jacob Tjapala	Chairperson	083 7657475		R. J.
43. S. Mphahlela	Member	081 834 6624		[Signature]
44. Nkomo, Mphahlela	W. Chair	012 4977260	imphahlela@mpac.org.za	[Signature]
45. Mphahlela, S. Mphahlela	P. Chair	07118 62969	imphahlela@mpac.org.za	[Signature]
46. Sarah, Mphahlela	P. Chair	07152 30477	mpahlela@gmail.com	[Signature]
47. Marcus Mphahlela	MPAC Chairperson	072 6155 018	marcus.mphahlela@gmail.com	[Signature]
48. Phobgette RA	Mayor	073 661 6962	79@mpac.org.za	[Signature]
49.				

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
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ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY



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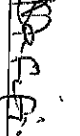
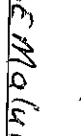
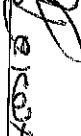
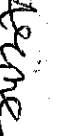
A vibrant City and the Energy Hub

MEETING FOR MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT
2024/25 FY DATE: 11/03/2026 VENUE: ROMAN CATHOLIC CHURCH (IN LEPHALALE
TOWN) TIME: 10H00 AM.

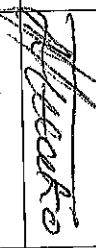
Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
1. Pauline Sekanya	ward-committee	0837615876	—	M. Sekanya
2. Alliman -Coko	ward-committee	0717375944	—	K. Coko
3. Nkele DITSELA	ward-committee member	0715164174	ditsele.nkele@gmail.com	N. DITSELA
4. Phumani Louisina	ward-committee	0734000000	—	Phumani
5. Clifford Mphahlele	ward-committee	—	—	S. Mphahlele
6. Dick Mchabea	ward-committee	0898867	—	D. Mchabea

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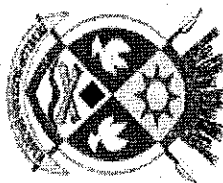
ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contact No.	E-mail address	Signature
20. Josephine Laica	ABOTSPOORT Tribal office	0181107789	Laikammabatho @ gmail.com	
21. Mogeeli Mafifi	Ndlovu Tribal authority	063 760 8890	ndlovu150plie@gmail.com	
22. S.E. Maluleke	Maetetelejo	0765318263	P.O. x 243	
23. Moses Leso	Maetetelejo	0718381134	PO Box 243	
24. Solomon Mhondo	Shongarene	0723470159	see	
25. Ericiel Leroto	Maetetelejo	083 763 2585	see	
26. Thulane Maria	Namatadi Shongarene	0712836285	see	
27. Seshie Sara	Maratadi Shongarene	0665780491	see	
28. Pauline Mosiu	Dipenpena	0726901893	see	

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
29. UNUISE HUKO MOUINDA		0780079801	N/A	
30. Margaret Mokoro		073 3929570	N/A	
31.				
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ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY



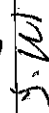
LEPHALALE
MUNICIPALITY

A vibrant City and the Energy Hub

MEETING FOR MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT
2024/25 FY DATE: 11/03/2026 VENUE: ROMAN CATHOLIC CHURCH (IN LEPHALALE
TOWN) TIME: 10H00 AM.

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
1. Alfred Mocheko	Secretary, Ward Council	0605204419	Tshoko Mocheko@G.Com	
2. LCPENG Mase	Secretary	0839840074	—	
3. KIM Semengye	Secretary	0795908448	—	
4. M.P. Mokoetse	Ward Council	0786542428	machodimoko@gmail.com	
5. S.K. Kgogeng		0711158051		
6. T. Mokoetse	Secretary	01962180	thetank@G.L.S	

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
7. JD NOL	LM	079 298 1301	nejjelephalele@gmail.com	
8. M.J. Mokuena	Secretary	066 385 3172		
9. MABISO MABALE	LM	083 312 6741	100528@lephalele.gov.za	
10. Piet Tseudi	Khudutheng	060 823 1650		
11. MARSIN MABASE	Khudutheng	083 63 1332		
12. MISA Alpha	Heerema	-		
13. Mokuena & Khudutheng		083 242 9808	Mokuena@gmail.com	
14. Monyeki S.S	Chairperson	064 974 505	senegoranoce@gmail.com	
15. Morceti M.M	Khudutheng	0780039007		
16. DITJE M-J	Khudutheng	083 617 4905	Mokuena@lephalele.gov.za	
17. SEIPONE MOSUKU	Sec	064 985 2886	klasmetsothi@gmail.com	
18. BIKOEDI RATHU	LM	0949 59 0611	Rathu@lephalele.gov.za	
19. DZ MABASOMA	LM	072 743 8187	100528@lephalele.gov.za	

ATTENDANCE REGISTER MPAC PUBLIC PARTICIPATION ON DRAFT ANNUAL REPORT 2024/25 FY

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
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ANNEXURE

PUBLIC HEARING
REPORT



**LEPHALALE
MUNICIPALITY**

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MPAC Public Hearing- 2024/25 Draft Annual Report

Notice is hereby given in terms of Section 21A of the Municipal Systems Act No. 32 of 2000, and section 130 of the Municipal Finance Management Act, No. 56 of 2003, that a public hearing on 2024/25 Draft Annual Report as well as other financial management and governance issues covering the period (2025/26 financial year) will be held as follows: -

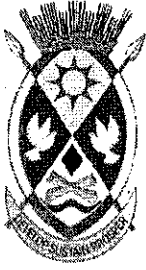
Date : 18 & 19 March 2026
Time : 10H00
Venue : Council Chamber (Civic Centre)

Members of the Public, Stakeholders and Media are invited to tune into **Facebook Live Stream** for Public Hearing as **Observers**; when the Executives and Administration will be responding to questions submitted to the Office of the Mayor and Municipal Manager by the Municipal Public Accounts Committee. For more information, please contact Conscious Chiloane on 078 725 1020 or Elsie Seema on 014 763 1580 or 061 545 7750.

PF Nogilana Raphela
Municipal Manager

04/03/2026

Date



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Tel: +27 14 763 2193/+27 14 762 1400
E-Mail: munic@lephalale.gov.za
Website: <http://www.lephalale.gov.za>

Private Bag X136
LEPHALALE
0555

Our Ref: 3/4/9/1 (39753)

Your Ref:

Enquiries: D RATLOU

Attention of:

25 February 2026

THE SECRETARY
LANGA TRIBAL OFFICE
MORKURUNYANE
0555

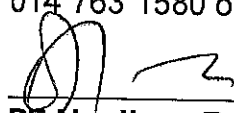
Dear Sir/Madam

INVITATION TO ATTEND MEETING FOR DRAFT MUNICIPAL ANNUAL REPORT 2024/25

You are hereby invited in terms of Section 21A of the Municipal Systems Act No. 32 of 2000, and section 130 of the Municipal Finance Management Act, No. 56 of 2003, that a public hearing on 2024/25 Draft Annual Report as well as other financial management and governance issues covering the period (2025/26 financial year) will be held as follows:

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PF Nogilana Raphaela
Municipal Manager

04/03/2026
Date



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E-Mail: munic@lephalale.gov.za
Website: <http://www.lephalale.gov.za>

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Our Ref: 3/4/9/1 (39753)

Your Ref:

Enquiries: D RATLOU

Attention of:

25 February 2026

THE SECRETARY
SHONGOANE TRIBAL OFFICE
SHONGOANE
0555

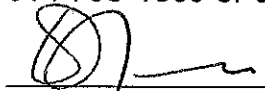
Dear Sir/Madam

INVITATION TO ATTEND MEETING FOR DRAFT MUNICIPAL ANNUAL REPORT 2024/25

You are hereby invited in terms of Section 21A of the Municipal Systems Act No. 32 of 2000, and section 130 of the Municipal Finance Management Act, No. 56 of 2003, that a public hearing on 2024/25 Draft Annual Report as well as other financial management and governance issues covering the period (2025/26 financial year) will be held as follows:

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PF Nogilana Raphela
Municipal Manager

04/03/2026
Date



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0555

Our Ref: 3/4/9/1 (39753)

Your Ref:

Enquiries: D RATLOU

Attention of:

25 February 2026

THE SECRETARY
SELEKA TRIBAL OFFICE
GA-SELEKA
0555

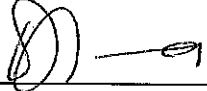
Dear Sir/Madam

INVITATION TO ATTEND MEETING FOR DRAFT MUNICIPAL ANNUAL REPORT 2024/25

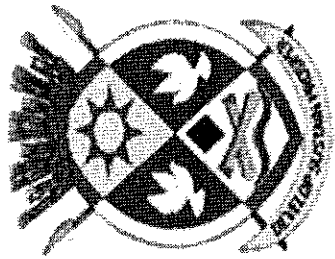
You are hereby invited in terms of Section 21A of the Municipal Systems Act No. 32 of 2000, and section 130 of the Municipal Finance Management Act, No. 56 of 2003, that a public hearing on 2024/25 Draft Annual Report as well as other financial management and governance issues covering the period (2025/26 financial year) will be held as follows:

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PF Nogilana Raphela
Municipal Manager

04/03/2026
Date



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1. PURPOSE

To report to council on the MPAC Public Hearing, which was held on the 18 & 19 March 2026, where Executives and Administration were verbally responding to questions submitted to their offices on the 2024/25 Draft Annual Report.

2. BACKGROUND

Council referred the 2024/25 Draft Annual Report to MPAC on the 29 January 2026 to further scrutinise and report back to Council.

*As per section 44 of the Municipal Systems Act, No. 32 of 2000 and Regulations.
"A municipality, in a manner determined by its council, must make known, both internally and to the general public, the key performance indicators and performance targets set by it for purposes of its performance management system".*

Section 41(1) of Local Government: Municipal Systems Act, No.32 of 2000 and Regulations. The municipality is required to:

- (a) Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan.
- (b) Take steps to improve performance with regard to those developments, priorities and objectives where performance targets are not met, and
- (c) Establish a process of regular reporting to –
 - I. The council, other political structures, political office bearers and staff of the municipality; and
 - II. The public and appropriate organs of state.

3. QUESTIONS AND RESPONSES

The committee submitted the written questions on the 2024/25 Draft Annual Report to the office of the Hounarable Mayor and Municipal Manager

Question 1

Emphasis of matter

Water Losses

Paragraph 8 As disclosed in note 61 to the financial statements, material water losses of R15 845 542 (2024: R12 511 298) were incurred, which represents 42.3% (2024: 36,5%) of total water purchased. The water losses were due to leakages and the ageing infrastructure.

a. What is management doing regarding the issue of leakages and aging infrastructure?

Follow up Questions

b. How much water loss was due to human error?

c. When are the remaining 64km of old Asbestos cement pipes going to be completed?

Management Response

Management has implemented the following mechanisms in place regarding the issue of leakage and aging infrastructure

- Replacement of Old Asbestos Cement Pipes with HDPE pipes (56km out of 120km of Old Asbestos Cement Pipes replaced to date). The projects are in progress to replace the remaining 64km in Marapong and Onverwacht.
- Replacement of malfunctioning water meters- to date we have replaced 1066 water meters
- Identification and disconnection of visible illegal connections
- Roll out Community awareness campaigns on water conservation measures (Placing and publishing of pamphlets and flyers on social media)
- Repair network water leaks (pipes and valves) – Water leaks and pipe bursts are repaired as and when they arise due to emergencies
- Strategies to reduce water losses were presented to the committee.

Management Response

b. Management stated that they can't specify the exact number of the water losses as the volume is quantified as one volume.

	c. The contractors are currently on site for 8 months. The project started last year (2025) and will be completed by the end of June 2026.
Question 2 <u>Electricity Losses</u> Paragraph 9 As disclosed in note 61 to the financial statements, material electricity losses of R19 963 700 (2024: R14 177 103) were incurred, which represents 10.9% (2024 9%) of total electricity purchased. The electricity losses were due to illegal connections and aging infrastructure. a. It was noted that electricity losses were due to illegal connections, what are the measures put in place regarding the issue of illegal connections? <u>Follow up Questions</u> b. When is regular audit inspection done for illegal connection c. How many illegal connections have been identified after installing the smart metres?	<u>Management Response</u> a. The Municipality acknowledges that a portion of the electricity losses reported in Note 61 of the financial statements is attributed to illegal electricity connections and aging network infrastructure. In response, the Electricity Department has implemented and continues to strengthen the following measures to address illegal connections and reduce electricity losses: • Roll-out of Smart Prepaid Metering Systems The Municipality is progressively rolling out smart prepaid electricity meters to customers who have not been converted to smart metering and installing statistical bulk meters across the distribution network. These meters allow real-time monitoring of electricity consumption and assist in identifying abnormal consumption patterns, energy imbalances, and potential illegal connections. • Installation of Statistical / Check Metering Points 113 Bulk supply points, feeders, and strategic distribution points have been equipped with statistical meters to enable

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d. How many penalties were issued in 2025/26 financial year.	comparison between electricity received and electricity billed. This allows the Municipality to isolate areas where losses occur and target illegal connections. • Regular Electricity Network Audits and Inspections The Electricity Department conducts routine inspections and network audits, including physical verification of connections, to identify illegal connections and unauthorized network modifications. • Disconnection and Enforcement Operations Identified illegal connections are removed and disconnected, and where applicable, enforcement actions are taken in accordance with the Municipality's Electricity Supply By-Laws and Credit Control Policy. • Community Awareness and Education Campaigns The municipality to start in April 2026 with public awareness campaigns to educate communities on the dangers and legal consequences of illegal connections, including risks of electrocution, fires, and damage to municipal infrastructure. • Collaboration with Law Enforcement and Community Structures The Municipality to work with law enforcement agencies, ward councilors, and community leaders to support the identification and reporting of illegal connections.
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	• Municipality has installed smart electrical metres which detect illegal connections or bridging. Penalty is imposed for illegal connection. See attached report on recovery strategy Annexure A b. Management states that regular inspection is done on quarterly basis to maintain electrical connections. c. Management states that they don't have the exact number, however fines of R6000 were imposed in 2024/25 after the installation of metres. d. There are no illegal connections identified in 2025/26.
Question 3 Paragraph 10 As disclosed in note 38 to the financial statements, material impairment of R96 616 439 (2024: R93 401 794) was provided for because of irrecoverable debtors a. What are the mechanisms put in place to ensure that the debt collector adheres to the task and collects what	Management Response a. The service provider has signed the SLA agreement with the Municipality, and the measurement of their performance is based on the collectable debt on the handover file. b. The Management holds a monthly meeting with the debt collector to interrogate the collection report. The debt collector

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is due considering that the performance is unsatisfactory as the previous debt collector? b. What is done to monitor performance of the service providers? <u>Follow up Questions</u> c. Management to elaborate what uncollectable debts refer to	is paid on a commission basis according to the amount collected in a month. Management has implemented an internal and external debt collection report and the debt analysis report with revenue enhancement pillars to track the performance of the service Provider. <u>Response</u> Uncollectable debts refer to monetary amounts owed to a creditor that is unlikely to be paid, for example indigent accounts or liquidated business, hence the municipality write off these kinds of debts.
<u>Question 4</u> <u>Paragraph 11 Material Underspending of conditional grants</u> As disclosed in note 18 to the financial statements, the municipality materially underspent conditional grants by R18 838 575 (2024: R12 907 488). a. What caused the underspending of conditional grants? b. What are the mechanisms put in place to accelerate spending on conditional grants?	<u>Response from management</u> a. The underspending was due to delayed electrification process by ESKOM on electrical projects (electrification of houses and high mast lights). b. The following mechanism was put in place to accelerate spending of conditional grants: • Late appointment of the contractors (Sefitlhogo contractor was appointed at the end of the second term of the FY.

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<u>Follow up Questions</u> c. When will the remaining conditional grants be spent	• Electrification process will be delt with during the commencement of the projects • Regular site meeting with consultants and contractors to assess the progress (monthly and weekly on struggling projects • Monthly meetings between recently established PSC (which comprises of MM, CFO, DIS, End users and other relevant divisions), Consultants, Contractors to access the progress • Regulars site visits by project managers and technicians Management Response c.The remaining conditional grants will be spent in this financial year.
<u>Question 5</u> <u>Annual financial statements</u> Paragraph 14- The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial	<u>Management Response</u> a. Management has prepared and implemented the SOP for preparations of Annual Financial Statements. Refer annexure 1&A b. Management has prepared interim 6- & 9-months Financial Statements to address the findings and improve the quality of the AFS in line with the SOP (AFS presented to the committee)

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statements that are free from material misstatement, whether due to fraud or error. Paragraph 15- In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so. Paragraph 33 - The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. a. Management to provide the SOP's on Annual Financial Statements and Performance Report. b. Management to provide progress report on the SOP's and action plan to date.	The Action plan was developed, reviewed and approved by Council and is updated on the National Treasury Portal. Audit steering committee are held weekly to ensure the findings are addressed.
Question 6 <u>KPA 2: Basic service delivery and infrastructure and development</u> <u>M2188 - Percentage of Potholes in the municipal roads fixed per quarter, YTD (year to date)</u>	Management response a. Adequate processes have not been established due to the lack of a formalized monitoring, verification, and reporting system for pothole repairs within the Roads and Infrastructure

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Paragraph 24 Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100% for the potholes fixed in the municipal roads per quarter, YTD. There is insufficient evidence to support the calculations underlying the reported achievements. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. a. Why adequate process had not been established to measure and report the achievement of this indicator? b. Who informed the municipality to remove this finding/indicator of potholes on paragraph 24? <u>Follow up Question</u> c. Why can't the municipality fix the potholes given that there are materials in place?	Unit. The municipality relied largely on operational reports and manual records from maintenance teams, which were not consistently standardized or consolidated for performance reporting purposes. b. The End user, PMS and the internal Auditor can only remove the indicator as it is not measurable. c. Management states that these materials are procured for other activities, however they will investigate other alternatives to fix these potholes
<u>Question 7</u> <u>Target of key indicators not achieved</u>	<u>Management Response</u> <u>ACTION PLAN PROGRESS OF INDICATORS</u>

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Paragraph 27, The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report. Service delivery and infrastructure development a. Management to provide updated action plan including progress on the implementation of the plan in paragraph 27 of the audit report. Below are the indicators: -M401 A - Number households connected with basic level of electricity by municipality on Eskom licensed area from 1 July 2024 to 30 June 2025, planned 800 achieved 174. - M218 - Number of villages in which access roads are bladed per quarter, planned 39 achieved 28. -M2188 - Percentage of potholes in the municipal roads fixed per quarter, YTD planned 100% achieved 88%.	• -M401 A - Eskom has been engaged and a total of 577 households have been electrified. 800 targets have been overstated in the SDBIP. • - M218 - Grader Breakdowns encountered. The budget has been allocated to procure a grader in the 2025/2026 financial year. • - M2188 - The KPA is unmeasurable and not smart, therefore has been removed from the SDBIP • - M21-The Municipality initiated a meeting to engage with Eskom monthly to fast-track electrification on projects. The panel of consultants and contractors appointed to speed up the procurement process. • - M400 A - The 0% indicates that there were no new households' connections for the quarter in question. The wastewater quality report for the last month of the quarter was obtained in July 2025 as per the sampling schedule. • - M758 - The wastewater quality report for the last month of the quarter was obtained in July 2025 as per the sampling schedule • - M399 A- The 0% indicates that there were no new households' connections for the quarter in question. • - M81- The replacement of Old AC pipes is in progress, 54km out of 120km of AC pipes replaced to date. • ISW 6-The delay was due to manufacturing of the steel tanks. The materials for both tanks delivered on site. One tank has been installed. • -ISW11 This is the progress prior termination of the previous contractor. The project has been resuscitated and is now on construction stage.
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- M21- Percentage budget spent on MIG projects by the municipality for 2024/25 FY per Quarter YTD planned 100% achieved 99%. - M400 A - Percentage of households connected with access to sanitation in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025, planned 100% achieved 0%. - M758 - Number of monthly wastewater quality monitoring reports conducted by municipality per quarter YTD (cumulative), planned 12 achieved 11. - M399 A - Percentage of households connected with access to water in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025, planned 100% achieved 0%. - M81 - Percentage of water losses per quarter, YTD, planned 14% achieved 41% - ISW 6 - Percentage of Marapong bulk water supply storage completed, planned 100% achieved 64% -ISW11 - Percentage of Marapong bulk water supply pipeline completed, planned 100% achieved 62% -ISW 32 - Number of boreholes equipped and energized at Madibeng village, planned 1 achieved 0.	• ISW 32 The borehole transformer has recently been installed. The COC has been issued. Awaiting delivery of electrical cable to equip the borehole. • ISW 43 Insufficient budget. 11 tanks we procured instead of target of 12 • ISW 44 -The tender was advertised numerous times and non-responsive. Service providers did not meet the tender requirements. • -ISR/P47 - The project is multiyear. At the end of the financial year, it was still incomplete. But it has now been completed on practical completion. • ISS4 - The project is a multiyear and was not complete. It is completed and on practical completion stage • -ISS24 The tender was advertised numerous times and non-responsive. Service providers did not meet the tender requirements. • -ISE9 Eskom has been engaged and a total of 577 households have been electrified. 800 target has been overstated in the SDBIP • -ISE12 - All 27 high masts were installed and not energized. 14 out of 27 high masts energized to date. LLM engages Eskom monthly to expedite the process. • -ISE15 The Solar Technical Report has been compiled and completed. Submitted to council for approval to proceed with the appointment of IPP. • ISE18 The tender was advertised and readvertised numerous times and non-responsive • -SS61 - The project has been completed
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-ISW 43 -Number of JOJO tanks installed in various villages in Lephalale Local Municipality, planned 12 achieved 11. -ISW 44 -Zeeland Water Treatment Works- appointment of transactional advisor, planned 1 achieved 0 -ISR/P47 - Number of kilometers of access road upgraded from gravel to asphalt-paved road at Seftlhogo village YTD, planned 3,8 achieved 0 -ISS4 - Percentage of sewer pump stations upgraded, and network pipes replaced with AC pipes per quarter YTD, planned 100% achieved 85% -ISS24 - Grey water from Paarl wastewater treatment works- appointment of transactional advisor, planned 1 achieved 0 -ISE9 - Number of new households electrified in villages around Lephalale, planned 800 achieved 174 -ISE12 - Number of high mast light installed and energize in various villages YTD, planned 27 achieved 0 -ISE15 - Number of solar technical report compiled, planned 1 achieved 0	• LED number of jobs created through municipal LED , While the Municipality has achieved strong budget expenditure performance, job creation outcomes remain below target due to the capital-intensive nature of projects and timing of labour absorption. Corrective measures are being implemented to improve labour intensity and align spending with employment outcomes. External Dependencies: • LED number of jobs created through strategic partners Job creation through strategic partners depends on their project implementation schedules. • Delays in partner-led projects have temporarily reduced the number of local jobs realized. ○ High budget spend reflects project delivery progress, but timing and nature of expenditure caused a lag in actual jobs created. ○ Corrective actions include accelerating labor-intensive phases and ensuring future budgets are targeted for direct employment creation. c. Yes, the municipality is holding monthly meetings with Eskom. Since the meetings started in 2024 all the 577 households connected with basic level of electricity by municipality on Eskom licensed area, have been ENERGISED. The 800 target was overstated in the SDBIP. The actual target was 577. During the audit only 174 happy letters were
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-ISE18 - Number of switch gears replaced on the substation, planned 2 achieved 0 -SS61 - Percentage resealing of testing ground, planned 100% achieved 73% b. Why is there 94 % budget spent however the target reached is 50%, Management to provide clarity. c. Did management have any engagements with Eskom regarding the application of energization?	received from customers as most of the households were empty, because owners work outside Lephalale.
Question 8 <u>Material misstatements</u> Paragraph 28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery, infrastructure development and Local economic development key performance areas. Management did not correct all the misstatements, and AG reported material findings in this regard. a. Why did management not correct all the misstatements made regarding the misstatements?	<u>Management Response</u> a. There were no sufficient measures for review and currently developing SOP for AR.

Question 9Annual financial statements and performance report

Paragraph 33- *The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.*

- a. What has caused the recurrence of this finding for the past five years?
- b. What measures is the municipality implementing to prevent recurrence of this finding?
- c. How does the municipality ensure that there are proper processes put in place to avoid overreliance on External audit to identify and correct misstatements.

Management Response

- a. The BTO structure did not address the in-house preparation of the AFS There was also not sufficient time for self-review for quality AFS.
 - Lack of a robust internal review and quality assurance process before submission.
 - Over-reliance on year-end adjustments instead of continuous accounting.
 - Strengthening financial reporting processes.
- b. The Municipality has prepared standard operating procedures for preparing AFS.
 - The BTO structure has been reviewed to address the inhouse preparation of AFS and the department has been capacitated with the divisional Manager and accountant.
 - Staff are attending CaseWare training, GRAP training, developing SOPs, Review of policies to address Audit Findings
 - Development and implementation of a detailed AFS preparation plan with clear timelines and role allocation
 - Use of AFS GRAP-compliant templates and checklists

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	c. The standard operation procedure has been developed and the checklist for the audit file has been implemented. • Quarterly preparation for AFS • Early preparation Interims for 6 & 9 months prepared to early detect, and reconciliation are performed to ensure credibility of data. Technical queries to Office of Accountant General on an ad hoc basis, staff attend GRAP workshops and formal training. The municipality is upgrading CaseWare from GRAP to MSCOA compliant
<u>Question 10</u> <u>Procurement and Contract Management</u> <i>Paragraph 35-Sufficient appropriate audit evidence could not be obtained that the performance of some contractors or providers was monitored monthly as required by section 116(2) of the MFMA.</i> a. Why was the performance of contractors not monitored on monthly basis? b. Who is responsible for monitoring the performance of contractors?	<u>Management Response</u> a. Contractors 's progress on site is being monitored via monthly site meetings and a Project Steering Committee has since been established whereby the consultant and contractor are invited for presentation. b. The contract management policy with Contact Monitoring and contractors monitoring templates has been implemented to monitor contractors, after AGSA's findings and as part of audit action plan. The template is developed and effective from 01 of March 2026.

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c. What are the measures put in place to monitor the performance of contractors monthly?	c. Professional Service providers (Resident engineer) are responsible for daily monitoring of the contractors with assistance from PMU, End user and the Contract Specialist. Project Steering Committee (consisting of MM, CFO, DIS, End Users and other relevant divisions) has since been established to monitor the performance of site via monthly meetings. Contractor Monitoring template has been developed and implemented to monitor contractors on monthly basis. The Steering Committee project has also been implemented to ensure contracts are completed on time.
<u>Question 11</u> <u>Consequence management</u> Paragraph 36&37 Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. a. Why did the municipality not conduct investigations to identify liable transgressors?	<u>Management Response</u> a. The report for the financial misconduct board was presented to Council in Q2. Responsible officials were called upon for consequence management. Training of Bid Committees was done on the 2nd of March 2026. b. The municipality has issued letters of recovery of Fruitless and wasteful expenditures to the transgressors. The amount of fruitless and wasteful expenditure will be recovered in March 2026 payroll.

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b. How is management going to recover the irregular and Fruitless and wasteful expenditure incurred from liable transgressors?	The report will be presented in Q3 Council Meeting for processing in terms of section 32 of MFMA.
Question 12 <u>Expenditure management</u> Paragraph 38- Reasonable steps were not taken to prevent unauthorized expenditure amounting to R49 398 000, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the unauthorized expenditure was caused by debt impairment, bad debts, depreciation, impairment, and amortization, which are non-cash items. a. What are the reasons for not implementing reasonable steps to prevent unauthorized expenditure? b. What are the measures in place to prevent recurrence?	Management Response a. The biggest contributing factors of Unauthorized is due to non-cash items Expenditure were debt impairment, bad debts written off, depreciation, impairment and amortisation of assets b. The municipality has implemented Budget Control to prevent Unauthorized Expenditure. Budget confirmation from EMS has been implemented prior loading of requisition in the system.
Question 13 <u>Internal Control deficiency</u>	Management Response a. Strengthening financial reporting processes:

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Paragraph 45- <i>The accounting officer did not adequately review the financial statements and performance information before submitting them for audit, as a result material misstatements were identified.</i> Paragraph 46. <i>Management did not prepare regular, accurate and complete financial statements and performance reports that supported and evidenced by reliable information.</i> a. What measures did the accounting officer and the relevant departments put in place to adequately review the financial statements and performance information before submitting them for audit?	• The BTO structure has been reviewed to address the inhouse preparation of AFS and the department has been capacitated with the divisional Manager and accountant • Staff are attending CaseWare training, GRAP training, developing SOPs, Review of policies to address Audit Findings • The standard operation procedure has been developed and the checklist for the audit file has been implemented. • Development and implementation of a detailed AFS preparation plan with clear timelines and role allocation with the AFS GRAP-compliant templates and checklists. • Early preparation Interims for 6 & 9 months prepared to early detect, and reconciliation are performed to ensure credibility of data. • Technical queries to Office of Accountant General on an ad hoc basis, staff attend GRAP workshops and formal training. • The municipality is upgrading CaseWare from GRAP to MSCOA compliant to ensure automated loading of AFS (Case flow and segment reporting
Question 14	Management Response

Paragraph 48- <i>The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective. The action plan did not ensure that root causes that resulted in material findings are adequately addressed.</i> a. Has the municipality reviewed the action plan which addresses internal and external audit findings to ensure that controls/actions are effective?	Management has reviewed and received input from AGSA, Audit committee, Coghsta, Treasury and Internal Audit on the AGSA action plan a. Management has reviewed and received input from AGSA, Audit committee, Coghsta, Treasury and Internal Audit on the AGSA action plan. The MM is closely monitoring the internal audit findings for implementation by the respective directors. Yes, the municipality has developed an audit action plan which was reviewed by Coghsta and LPT and council approved audit action plan. The audit action plan is monitored through audit steering committee. Furthermore, the municipality is implementing the FMCMM123 Tool (Financial Management Capability Maturity Model) to address internal control deficiencies. The tools are designed to assess and improve the level of financial management maturity and capabilities within municipalities. They aim to: • Provide information that would assist management to implement changes to address shortcomings. • Improve and develop practices for good financial management. • Identify risks prevalent in the system and introduce mitigation measures to address them.
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	• Help to sustain procedures and processes for effective and efficient financial management. Serve as a proactive mechanism that would support improvements in financial management and contribute towards better audit outcomes
Question 15 <u>Commitments made by the municipal manager regarding delayed projects</u> Improve backlog on delayed projects to improve service delivery to the citizens of Lephalale Municipality, list of delayed projects below: ➤ Strong Room ➤ Construction Thabo Mbeki Sewer Network - Phase 1 ➤ Construction of Thabo Mbeki Sewer Network- Phase 2 ➤ Construction of Water Network System Refurbishment (Seleka 4 & Maletswai) ➤ Witpoort and Seleka RWS Phase 5 ➤ Construction of Shongoane & Mokurunyane RWS Phase 5 ➤ Construction of 4 high masts in Phahladira ➤ Construction for Extension and augmentation of water Supply in Seleka Phase 6	<u>Management Response</u> a. The following projects progress report for detail refer annexure 2 & 3 attached to the management responses and detailed report submitted to the committee ➤ Strong Room (Installation of lift in progress) ➤ Construction Thabo Mbeki Sewer Network - Phase 1 ➤ Construction of Thabo Mbeki Sewer Network- Phase 2 (Contractor in process installing yard connections, repair of mnbvcc embraane at maturation ponds completed, fencing of the sewerage ponds) ➤ Construction of Water Network System Refurbishment (Seleka 4 & Maletswai) -(Boreholes transformers installed, Mmaletswai Operational, Seleka 4 pumpstation vandalised) ➤ Witpoort and Seleka RWS Phase 5 (Technical report revised, project to be completed 2026/27 financial year) ➤ Construction of Shongoane & Mokurunyane RWS Phase 5 (LLM made available 7,9million in 2024/2025 financial year,

➤ 16 High mast in villages ➤ Installation of 27 high mast ➤ Construction of 2X 3ML steel tank reservoirs – Marapong ➤ Construction for Refurbishment of Thabo Mbeki Stadium a. Management to provide progress to date regarding delayed projects above. b. What is the root cause delaying these projects? c. Management to provide minutes, agenda and reports of these delayed projects. d. Management to provide engagements had with stakeholders and service providers regarding these delayed projects. e. Management to give indication if they will continue with these delayed projects.	Only Kiti Steel Tank and Bangalong Could not be completed and requires additional 4,5million) ➤ Construction of 4 high masts in Phahladira (Project Completed and Energized) ➤ Construction for Extension and augmentation of water Supply in Seleka Phase 6 (Project on practical completion stage, 2 boreholes have been energized. The contractor is busy electrifying the remaining 4 boreholes and package plant. LLM holding monthly meetings with Eskom. Project to be completed on or before 30 June 2026) ➤ 16 High mast in villages (out 16 high masts energized, awaiting Eskom quotation) – Management resolved that electrification of the 16 high mast lights should be done by Eskom and not the service provider. 8 high mast lights have been energized. Eskom is busy with the remaining 8. ➤ Installation of 27 high masts (Management resolved that electrification of the 27 high mast lights should be done by Eskom and not the service provider. 9 high mast lights have been energized. Eskom busy energizing 5. The municipality to reallocate MIG funds to energize the remaining 13 in the 2026/27 FY) ➤ Construction of 2X 3ML steel tank reservoirs – Marapong (One 3ML steel tank installed, the second tank in progress)
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	b. Delayed electrification and energization of Boreholes, High Mast Lights, Sewerage and Water Pumpstations and Package plant by Eskom. Refer annexure 4 . c. PSC meetings are held monthly with consultants, contractors and Eskom to discuss progress of the active projects. See attached Eskom Connections Report Annexure 5
<u>Question 16</u> <u>Overall Internal Audit and Audit Committee Report on Annual Report</u> <u>The committee noted the following:</u> ➤ The controls relating to the preparations of the annual report are inadequate and ineffective. ➤ AG action plan not included as part of the draft annual report as required by the section 121 of the MFMA and MFMA circular 63 this was due to that the compilation of the AG action plan still has not yet finalized. a. Why is the annual report not prepared on time? b. Why is there recurrence of the same findings on the Report?	<u>Management Response</u> a. The Annual Report was submitted on time for internal auditing and tabling to council, however the delays on submission from the departments does not allow for ample time to review fully. b. The short time for reviewing by the compiling department does not help to remove all the findings, for future reporting timelines for reporting will be based on the approved process plan for reporting. c. PMS unit under Strategic support Services, coordinates the compilation of the Annual Report and all departments are involved on the compilation. d. The AG action plan was delayed inputs from the AGSA, and the detailed finding was submitted late to BTO hence the late completion.

c. Who is responsible for the compilation of the draft annual report internally? d. Why was the AG action plan not finalized in time?	Question 17 <i>The following AC inputs not corrected prior submission of the Annual Report 2024/25 FY to council</i> ➤ Page 21, figure 2 not corrected ➤ Table contents page numbers not aligned with the content pages (example AFS are on page 225 but listed to be on page 230?) ➤ The below not corrected, "Root" still omitted, page 29 a. What are the reasons for not incorporating all AC inputs? ➤ Page 24 and 25, refer to July billed and collected amounts? b. How did the municipality be able to collect more revenue than what is billed for example in July 2024, customers were billed R32M and collected R38 M, Management to clarify and check all the months. ➤ The AFS is still on page 225, Not addressed, it was noted that the Annual Financial Statements are included
	<u>Management Response</u> a. AC inputs were incorporated before tabling of the Annual Report 2024/25. b. Typo and revenue tables were corrected. c. Yes, The Signed and AGSA audited AFS is attached as Volume II of the Report and fully accessible on the report d. The Audit Action was subsequently Attached after it has gone through all the required stages of verification by all parties involved <u>Management Responses - BTO</u> a. The AFS was attached as a link on the annual report. The AFS attached signed by the Accounting Officer b. The collection rate were higher that the billed amount due to the acceleration credit controls and debt collection measures. The payment recorded in the month of June also include payment for the previous months.i.e debt over 30 days. c. The signed, audited Annual Financial Statements do form of the Annual Report. The AR produced on a soft copy hence attached it is attached as link which can be easily accessed. Her the AR is printed as a hard copy the AFS will be presented in Full.

in the Annual Report only as a link to the AFS. Given the requirements of MFMA sections 121 and 122,

- c. Can management confirm whether this approach constitutes full compliance, and provide assurance that the signed, audited Annual Financial Statements form an integral part of the Annual Report rather than a separate or referenced document?

Chapter 6 circular 63 MFMA regarding remedial actions How did management ensure compliance with above section in a manner that ensures transparency to the users of Annual Financial Statements

- d. The Audit Action plan was developed and reviewed by Stakeholders which include treasury, Coghsta and the Audit committee. The action plan was approved by council and is monitored weekly through the Audit steering Committee.



Question 18

PAGE 22 - 1.3 SERVICE DELIVERY OVERVIEW

The Municipality provided communities with potable water and sanitation. The water and sanitation systems are operated and maintained according to the blue and green drop requirements. The Municipality is committed to achieve blue and green drop status in future.

- a. **Why is the municipality stated that they are operating in terms of blue and green drop requirements whereas they are also committed to achieving it in future?**
- b. **What are the blue and green drop requirements specifically?**

Management Response

- a. The municipality states that currently they have not scored 95% on blue drop and 90% on green drop during the previous audits, which is the criteria set by the DWS for municipalities to be Green and Blue Drop Certified.
- b. Requirements for Blue and Green Drop Certification
The certification process, managed by the Department of Water and Sanitation, evaluates 5–6 key performance areas:
 - **Water Safety Plan (WSP) or Wastewater risk Abatement Plan (W2RAP):** Evidence of risk assessment and implementation of mitigation plans for catchment, treatment, and distribution.
 - **Process Control & Management:** Proof of registered, skilled staff (process controllers/supervisors) and updated operational manuals.
 - **Water Quality Compliance:** Compliance with SANS 241 standards, typically requiring >99% microbiological compliance.
 - **Wastewater Quality Compliance:** Compliance with Water Use License, typically requiring >99% microbiological compliance.
 - **Monitoring Programmes:** Credible water sample analysis conducted by SANAS-accredited laboratories, with results submitted to DWS.

	• Incident Management & Reporting: Documented for managing and responding to water and effluent quality failures.
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Question 19

Page 24 and 25, refer to October billed R50m and collected amount R22m

- a. Why is there such a high fluctuation between billed versus collection in October?

Management Response

- a. Typo, collection report has been updated,

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Question 20

Page 24- Institutional performance of the Municipality and Summary of indicator performance briefly in the Annual Performance Report 2023-24 for comparison with the 2024-25 Annual Performance Report scores, this tabulated score depicts a 10% decline in overall performance as compared to the previous year's performance.

a. What caused the 10% decline in performance?

Management Response

- a. Relatively speaking, in the 2023/24 financial year most of the capital projects were achieved and completed yielding a total performance of 76% as compared to project completion in the 2024/25 Financial year where a portion of the MIG Allocation was reversed, the expenditure on MIG was 99.63% but as per planned projects, the implementation was reduced yielding a total performance of 66%.

Question 21

Creditors

Page-26 The Municipality has a creditor's book of Revenue is monitoring payment to creditors to be within 30 days as legislated. There is a manual invoice tracker implemented to adhere to 30 days payment. This is also done to prevent any fruitless and wasteful expenditure caused by potential interest charges for late payments.

a. What is the process of the municipality in implementing the invoice tracker?

Management Response

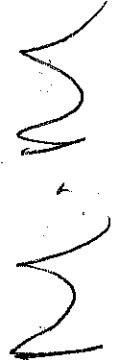
- a. All the invoices are stamped at records and are submitted to Expenditure management, Through the invoice tracker Expenditure department for monitoring and to ensure invoices are paid within 30 days.
- b. The were only delays in invoices for DWS, due schedule 6b payment where payments are made once money is received.

b. Were there any delayed payments if yes, what is the root cause of these delayed payments? c. Management to provide the list of these late payments d. What is management doing to ensure that delayed payments do not occur in future?	C. List provided – 4 service providers -paid within 30 days – for replacement of AC pipes d. The invoices for schedule 6b will now be captured within 3 days after submission of Copies to DWS.
<u>Question 22</u> <u>Page 29 &30 Challenges</u> • Huge backlog on gravel roads. • Ageing assets/infrastructure, for water reticulation and sanitation • Vandalism and theft – Municipal Assets • Illegal connections for services water and electricity. • Project completion is not on schedule. • Revenue collection is low than standard. • Huge backlog on fixing potholes. • Inadequate and inconsistent water supply. • High level of informal settlements mushrooming rapidly which add to the already housing. • High water losses in the institution. a. Does the municipality have strategies in place to resolve challenges above?	<u>Management Response</u> a. Huge backlog on gravel roads- the backlog is continually addressed through implementation of projects utilizing MIG funding e.g. Sefithogo Access Road Completed, Letlora Access Road in Construction Phase, Kgobagodimo 1 and 2 Access Road they are on appraisal stage. The consultant is appointed on risk to conduct feasibility study and detailed designs for rural access roads in various villages- Morwe, Botshabelo, Moong, Segale, Botsalanong, Kopanong, Kgobagodimo, Ga-Seleka and Tshelamaake • Management have commenced with the replacement of Old Water and

	Sewer AC pipes, and refurbishment of sewerage Pumpstations to address ageing infrastructure for water and sanitation. • A substantial budget is allocated every financial year to provide fencing of water and sewer pumpstation, and we have also installed security cameras at some of sewer pump stations to prevent theft and vandalism • Water-The visible illegal water connections are disconnected and fines are imposed to defaulters or those tampering with the water network. • Electricity- Identified illegal connections are removed and disconnected, and where applicable, enforcement actions are taken in accordance with the Municipality's Electricity Supply By-Laws and Credit Control
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	Policy. • Project completion is not on schedule. (delays are a result of sourcing of materials, energisation by ESKOM and unfavourable weather conditions) • Sessions are in place to assist the contractors to source materials from the suppliers • Regular meetings with ESKOM to Fastrack the process. • Contractors submitted the recovery plans and progress is monitored via site and PSC meetings monthly/weekly • The revenues collection is very and more prevalent in Marapong Township- We are currently improving the state of infrastructure network in the area and providing adequate storage capacity. The plan is to pilot smart metering.
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	• providing adequate storage capacity. The plan is to pilot smart metering project to enhance revenue collection. • The Municipality procured Jet Patcher which has recently been delivered and will assist to fast-track patching of potholes • Inadequate and inconsistent water supply is due to frequent major pipe bursts on the main line from Eskom Matimba Power Station. The replacement of AC pipes also contributes as we have interrupted water supply to allow connections and installation of temporary supply of water pipes. • High water losses due to ageing infrastructure • This will be reduced once all the AC pipes have been replaced and the malfunctioning water meters are replaced in our service areas.
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Question 23

Page-27 Capital and operating expenditure

The Municipality is upgrading its infrastructure through new projects funded by grants. Also, a portion of operating expenditure is allocated for repairs and maintenance. Insurance is also taken on infrastructure assets to ensure that any form of repairs caused by damages is attended to.

a. What infrastructure assets are being insured?

Management Response

- a. All municipal infrastructure assets appearing on the Fixed Asset Register are insured against damages and losses.

Which includes immovable and movable assets

- Land
- Transport Assets
- Electrical Infrastructure
- Water Supply Infrastructure
- Sanitation Infrastructure
- Solid Waste Infrastructure
- Machinery and Equipment
- Furniture and Office Equipment
- Computer Equipment
- Information and Communication & Infrastructure

<u>Question 24</u> <u>Page-27 Distribution losses</u> <i>The Municipality has reported significant losses in the prior and current year. A long-term plan of reducing water losses by implementing projects of replacing asbestos pipes with PVC pipes is currently underway. Electricity losses are also reduced by implementation of prepaid electricity metering.</i> - How many households have been converted to prepaid and how many still not converted? - Does the municipality have time frame as to when the remaining consumers will be converted to prepaid? - What are the mechanisms put in place for consumers who are liable for outstanding amounts prior conversion?	- Roads Infrastructure - Storm water Infrastructure - Community Assets - Buildings Claim register, the insurance covers theft, loss and damages. <u>Management Response</u> - Management states that there is 99.2% (7 141) of electricity smart meters that are connected to the communication system. 5 426 electricity meters have been switched to prepaid system as of 31 July 2025, and the remaining clients that are postpaid keep their accounts up-to date every month, The remaining postpaid customers will be converted on or before the 2026/27 FY - The municipality is implementing 30% blocking (if a customer buys R100 of electricity, R30 is used to settle old debt) on total top-up prepaid to settle old debt.
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<u>Question 25</u> <u>Organisational Development Overview</u> <i>Page 27- The Lephalale Local Municipality has not conducted the Annual Individual Performance Evaluations for the financial years of 2024/25: Out of 530 positions, 07 are vacant & 423 are filled.</i> a. Management to clarify the relevance of the above statement regarding the Annual individual performance evaluations is it for Executive managers or all staff?	<u>Management Response</u> a. The Annual individual performance evaluation will be conducted after the adoption of the overside report.
<u>Question 26</u> <i>Page-29 The table illustrates the top 5 risks, the root causes, and mitigating factors.</i> a. What were the progress made from the previous financial year to the current financial year	<u>Management Response</u> a. Inadequate road infrastructure network • Resealing of roads in town, Marapong and Onverwacht – The resealing projects has been completed, Relebogile Street in Marapong has been resealed. • Develop technical report for Marapong storm water- The technical report for stormwater in Marapong has been developed. We have also appointed the consultant at risk to conduct detailed

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	feasibility study and designs for construction of tared roads in Marapong. • Engagement with various stakeholders- We have engaged Exxaro to assist with procurement of yellow plant and to repair some of the roads and streets in Marapong. • Monitoring and the maintenance of roads. b. Insufficient provision of sanitation services • Refurbishment of Paarl 6ML/d the project is currently on 90% physical progress • Terms of Reference for the Appointment of a Consultant at Risk for the Upgrading of Zongesien and Paarl WWTWs completed awaiting to be presenting to Bid Specification Committee. • Technical Report for Refurbishment of Sanitation Components is awaiting approval by DWS. c. Inadequate internal electrical infrastructure network.
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	• Ring circuits were closed during the 2024/25 FY. Closed, and project to continue in the 2026/27 FY. • Copper cables are being replaced with aluminum cables in rural areas as and when they are vandalized. • Replacement of the switch gear- switch gear procured and will be installed as soon as it is delivered in 2026. • Training on cable fault detector - Training is conducted in-house by Technicians. • Implement the maintenance plan – Maintenance strategy developed and approved by council. Busy reviewing the maintenance plan in line with the strategy. d. Insufficient water provision • The replacement of AC pipes is in progress (To date 56km out of 120km replaced) • The technical assessment reports for water extensions in Shongoane & Ga-Seleka Schemes in the rural villages have been completed and submitted to DWS for approval of funding.
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Question 27

Page 42- 2.1 By laws

COMMENT ON BY-LAWS PERFORMANCE OVERALL

MSA S11 (3) (m) provides municipal Council with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation, no new by laws were processed in the 2023-24 financial years.

- a. Are the 2023/24 by-laws outdated?
- b. Why are there any by-laws processed in the 2024/2025 financial year?
- c. Are there any bylaws still to be passed to council and if so, what is the progress to date?

Management Response

- a. Existing by-laws remain in force and are aligned with the Constitution, National and Provincial legislation. These by-laws are outdated per say, however there is a need for ongoing review and compliance.
- b. Yes, they were processed by law in 2024/25 financial year.
- c. Yes, the public nuisance by law followed all processes and will serve in the next Ordinary council meeting for approval. Water, Sanitation and Electricity bylaws under review.

Question 28

Page 43- 2.1 Public satisfaction with municipal services

Customer satisfaction survey was not conducted for the financial 2024/ 25 due to lack of capacity and budget; there were sporadic incidences of service delivery protests from communities in rural villages. The Municipality has Customer Care Complaints system that is functional and all the complaints are addressed.

- a. ***Is the municipality stating that there are no complaints? And when is the Municipality intending to conduct customer satisfaction survey?***

- a. The Customer satisfaction survey does not have a budget and it's not implemented, however the Customer care complaints management system is available and functional.
We have also put suggestions boxes in all strategic areas or sites for members of the community, who cannot access the

N.M

<u>Question 29</u> <u>Page 45- Bulk Water Infrastructure</u> <i>Water is pumped from the Mokolo dam to the Wolvefontein storage dam, from where it gravitates down to Zeeland water purification plant and the purification plant at Matimb power station. Bulk raw water gravitates down to the Grootegeluk mine and Eskom's power station.</i> a. What plans does the municipality have in place to secure additional bulk water resources for future expansions such as power generation? b. What plans do the municipality in place ensure continuous supply from mokolo dam?	customer care line to also assist us in terms of service delivery issues and how they can assist in improving our services. 3 traditional offices, Mokurunyane MPC, Lesedi MPC, Traffic, library at civic centre, Workshop and Marapong library. <u>Management Response</u> a. The department of water and sanitation is the custodian of water resources, and the Mokolo Crocodile Water Augmentation Project Phase 2 is underway, which will provide water for industrial development, mines and power stations. b. The municipality is utilizing MCWAP Phase 1 for domestic purposes- The Municipality's water use license will be reviewed on completion of the project and the current quota will be increased.
<u>Question 30</u> <u>Page 45 Water infrastructure</u> a. Management to provide a breakdown of reservoirs according to the wards as how many are operational?	<u>Management Response</u> a. See attached water Report - Annexure 6

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b. Out of 121 reservoirs with 38 villages Is the municipality accommodating all residents. And what are the plans in future to ensure that these reservoirs are serving their purpose? c. Does the municipality conduct a study before they drill boreholes to ensure that they are effective? d. How many boreholes are inside the river? e. Why is the column of remarks empty on some line items?	b. No, the municipality does not accommodate all residents, we acknowledge that the water supply does not meet the current demand in rural villages due to rapid growth and expansion (Increasing Backlog). Management stated that their Future plans is the need to develop water sources, install additional storage facilities and water networks to improve the level of service from RDP standard to yard connections. c. Yes, geohydrological investigation is done to establish water availability and capacity prior drilling. d. There are thirteen (13) boreholes inside the river and three (3) boreholes along Lephalale riverbank. e. It means there are no comments to be raised or additional information to be recorded against the item.
Question 31 Water availability in Rural Areas Page 46 -Paragraph 2 The ground water from the boreholes is generally low due poor yields and unacceptable water quality (class 3 or 4); however, this does not necessarily pose a health risk to communities. Water from well field type boreholes ha	Management response a. Yes, management states that they do have specifications that details how borehole must be

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however, higher yields and acceptable quality. The surety of the current water supply at boreholes is not known. It is also not known what the actual volume of water is provided to the community. The Municipality has commissioned a study on water volumes provided to rural villages. a. Is there any provision from the municipality that specifies that they should drill how metres for boreholes? b. Has the study on water volumes in rural areas returned, if so, what is the response?	drilled and constructed. However, until the geohydrological investigation is done it is not clear the n set at what depth the required water capacity will be found. Normally we estimate drilling from 120m depth depending on the depth of the area in the area. b. The technical assessment reports for Ga-Sel Water Scheme have been completed.
Question 32 Page 47- paragraph 1 According to the water service development plan "starter requirements" approximately 22.6% of the rural population has access to water that must be carried/carted 0-200m, 20.5% of the population has access to water that is 200-500m away from the point of use. This implies that 35.6% of the rural population does not have water that falls within RD standard of maximum cartage distance of 200m from point of use (i.e., resident/house). a. Management to clarify the percentages used above as they don't add up to 100%	Management response a. The water services development plan (WSDP) is outdated (2011) and needs to be reviewed. The Municipality concluded an agreement with DBSA to review the Plan
Question 33 Page 47-48 paragraph 3-under 3.2 Wastewater(sanitation) provision Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practically, to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl	Management response a. The capacity is not sufficient. Terms of Reference for the Appointment of a Consultant at Risk for the

sewage treatment works. <i>The treatment works have been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML, and currently there are 38 pump stations.</i> a. Management to clarify if there is enough capacity for the municipality to adhere to its mandate.	Upgrading of Zongesien and Paarl WWTWs completed awaiting to be presenting to Bid Specification Committee.
<u>Question 34</u> <u>Current Status of Sanitation in Rural Areas</u> <i>Page 48 paragraph 2</i> The technical assessment and feasibility study has been completed in the 2025/26 financial year for provision of ventilated improved pit latrines (VIP) and eradication of sanitation backlog in the Lephalale various rural villages. The technical report has been submitted to the department of water and sanitation for approval of funding to commence with the implementation of the proposed projects effective from 2026/27 financial year.	<u>Management response</u> a. Technical assessment report is completed and technical report submitted to DWS for funding.
a. Management to clarify completion period of technical assessment. <u>Question 35</u> <u>Waste water (sanitation) provision</u> <u>Page 48 paragraph 3</u> Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds capacity and immediate upgrading of this treatment works is also required. <i>The municipality is currently busy with the upgrading to a 1.5 ML/day for a conventional wastewater treatment plant. A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadia</i>	<u>Management Response</u> a. Terms of Reference for the Appointment of a Consultant at Risk for the Upgrading of Zongesien and Paarl WWTWs completed

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(PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d wastewater treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached, and a consulting engineering firm was appointed to do feasibility study. a. Management to provide progress on upgrading to oxidation pond. b. Management to provide progress on feasibility study relating to agreement with Ledjadja coal pty ltd.	awaiting to be presenting to Bid Specification Committee. b. The feasibility study relating to agreement with Ledjadja Coal has not been concluded, since they've been awaiting finalization of their Water Use Licence application with DWS
<u>Question 36</u> <u>Page 49 household access to sanitation</u> a. Management to specify the column of other above.	<u>Management Response</u> a. Open defecation
<u>Question 37</u> a. Management to clarify 2-line columns stated as expenditure and other	<u>Management Response</u> a. other expenditure covers administrative operational expenditures that are not included in employees, repairs and maintenance such as travelling, accommodation etc.
<u>Question 38</u> <u>Household access to electricity</u> a. Management to clarify the column named other.	<u>Management Response</u> a. Other: gas, paraffin stoves
<u>Question 39</u>	Management Response

Page 51- Free basic services

- a. Management to provide a breakdown of how many individuals from urban and rural areas are provided with free basic services.

Follow up question

- b. Management to provide a breakdown for 2758

Follow up Question

- c. Do people who qualify for free services can apply?

Question 40

Page 50 Financial Performance sanitation and PG 51 Financial Performance Electricity are the same

- a. Management to clarify the duplicated financial performance.

Question 41

Waste Management

Page 52- paragraph 4 A total of 22 community-based waste recycling programs is established as a way of meeting the targets of the National Waste management strategy. Exxaro appointed engineers to undertake studies and designs required to the establishment of the Material Recovery Facility. The tender for establishment of Material Recovery Facility is advertised, and the contractor will be appointed to construct Material Recovery Facility in the landfill site. **There is a great reliance on private contractors and community-based waste recovery cooperatives for recovery of recyclables.**

- a. 2758 individuals from urban and rural who are provided with free basic services.
b. The Final indigent register 2025-2026 and item to council was presented to the committee.
b. Yes, they can apply. Management further elaborates that they in final stage with the service provider to assist with road shows in April to reach the target of 5000 indigents and councilors need to assist in this regard.

Management Response

- a. The duplicated financial performance was due to Typo errors, duplications to be dealt with.

The information will be updated for final printing.
Management to implement SOP to review the annual report.

Management Response

- a. A total of 48 waste education and awareness campaigns were conducted in all early childhood development centres, primary and secSchool, Matlhakung Ellisras

waste processing and converting companies such as Nampak, Consol, and M pact, Transpaco, Collect-a-can and Consol have contracted various waste brokers for the re of K4 box, cans, plastic bottles, clear and mixed plastics, white paper, and glass. There informal waste pickers in the landfill site recovering recyclables for further processing. - How many waste management campaigns have been conducted? And where were these campaigns conducted? - How often does management offer awareness campaigns regarding waste removal? - Out of 38 villages, which communities are supported by the waste recycling program? - What is the plan for the villages not included in the total of 22 community-based waste recycle program <u>Follow up Questions</u> - Is the private recycling facilities open to everyone and not only villages? - How do these companies (Ardagh, Collect-a-can, Fibre, METPAC, Polycy and PETCO) help the municipality in these campaigns?	Circuit, Palala North and South, Lephale town businesses, taxi ranks, Informal street trading at the back of Boxer Supermarket, tribal councils, Witpoort Hospital taxi rank, Shongoane 1 taxi rank, Marapong taxi rank, informal street trading along the old Marapong clinic, informal street trading in front of Marapong SPAR, Groblersbridge street trading, Marapong library, Informal settlement next to Ditheku Primary School, Mathakung informal settlement, Phahladira Mall and Street trading at Lephale TVET college. Various LSM groups and settlements. - Management states that they conduct weekly waste awareness campaigns and a total of 4 months. - The municipality assists private recycling facilities in Maletswai, Shongoane1, Steve Biko, Letlora, Kgobagodimo, Selek 2, Marapong, Sefitlhogo and Phahladira with
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	business registration, market development, training and bulk bags. d. The plan is to scale-up community waste recycling through community recycling awareness raising in collaboration and partnership with Producer Responsibility Organizations such as Ardragh, Collect-a-can, Fibre, METPAC, Polyco and PETCO. Portfolio of evidence to the committee to be provided Management Response e. Management states that these campaigns offer equal support to recycling around town and not only villages f. These companies provide support and assist with awareness campaigns Management Response
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Question 42

Page 52- paragraph 7

The division has a serious challenge of littering and illegal dumping of waste in Marapong, villages and informal settlements. The available resources are also not adequate to deal with population growth. Street cleaners are not enough available to deal with the generated street litter. There are no waste drop-off facilities for temporary storage of green and general waste, and as well as promoting reverse logistics in sustainable consumption and production. There are no waste disposal or storage facilities in the rural areas, and as well as inadequate waste storage receptacles in both rural and urban areas.

b. What mechanisms does the municipality have in place to resolve challenges faced by waste management as stated above?

- a. The municipality plans are to establish 4 x waste transfer stations with material recovery facilities in the villages. Eskom Matimba Power Station to donate 500 drums (what's the expectation timelines and how will the schedule be affected?) to be installed on the streets and used as bins.
- Acquisition of 3 x compactor trucks, 1 x TLB and Tipper Truck to assist with household removal and cleaning of all identified illegal dumping spots or sites. Issue compliance notices to all violators of the by-laws and spot fines for littering.
- Intensify community waste education and awareness campaigns to change the littering behavior. Appoint 2 x Operators to assist with cleaning of illegal dumping spots. Pilot kerbside refuse removal in 10 villages and increases number of EPWP Participants and establish partnership with

<u>Question 43</u> <u>Refuse Removal</u> <i>Page 53- paragraph 2 -The Municipality has no drop-off, garden sites, transfer station, material recovery facilities and buy-back centers for recycling. The Municipality is relying on private companies and community programmed for recovery of the recyclables. The municipality has a challenge of providing refuse removal service to the rural community. Refusing removal of general waste is initiated by the municipality has a municipality in 33 x villages. The serious challenge of illegal dumping of garden waste in areas such as Marapong and Onverwacht, in those garden sites are needed in the mentioned areas.</i> a. Was the by-law enforced regarding illegal dumping? And when was the last reviewed by law and implemented? b. Management to provide progress on additions of garden waste removal and drop-off centers. <u>Follow up Questions</u> c. Have there been notices served to institutions that do not comply?	the Community Works Program to assist with litter Management Response Management response a. Notices of compliance with waste management by-laws on illegal dumping of waste were issued to Eskom, Exxaro and Pontes Properties. Notice of compliance with the provision of waste management by-laws on storage of waste were distributed to all businesses in town, Onverwacht and Marapong. Waste Management By-laws were promulgated in 2011 after the promulgation of the National Environmental Management: Waste Act no 59 of 2008.
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<u>Question 44</u> <u>Page 53-Paragraph 3 Waste Transport and Transfer</u> The Municipality has 3 x 12 cubic meter, 6 x 20.6 or HC250 compactor trucks, 3 x Skip loader truck, 2 x Roll-on Roll-off trucks and 2 x 4- ton trucks for refuse removal and street cleaning, servicing seven collection routes on Monday and Tuesday and eight collection routes on Wednesday, Thursday, and Friday in the urban area. The Municipality has no transfer station and Roll-on-Roll-off system is used for temporary storage of waste in areas that are situated 30 to 35 kilometers from the landfill site. Skip bins are being placed at specific central collection point and collected on a weekly basis. The Municipality is establishing 2 x waste transfer stations in the village a. When is management planning to conclude /finalize the establishment of the 2 waste transfer stations?	b. The municipality only collects a maximum of 2 bags of garden waste per household as in line with the Municipal Waste management by-laws to reduce potent methane gas emissions attributed by the anaerobic decomposition of garden waste disposed in. <u>Management Response</u> a. The municipality 's plan is to resuscitate the project at the beginning of 2026/2027 financial year. The completion date of the project is end of April 2027.
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<u>Question 45</u> <u>Page 53-Paragraph 4 Waste Storage</u> <i>The Municipality has inadequate refuse receptacles for refuse storage. The municipality using 1, 75 and 6 cubic meter skip bins for waste storage. In the central business district seven to ten shops are sharing one or two 1, 75 or 6 cubic meter bins and the capacity enough. There are inadequate refuse receptacles on the streets of Lephalale town.</i> a. How many skip bins are in circulation and where are the skip bin located? b. Is there any progress from removing skip bins from areas where businesses are not complying with by laws?	<u>Management Response</u> a. Total of 124 skip bins are distributed in all schools, government offices, health institutions, businesses in town, Onverwacht and Marapong, Afguns farm and informal settlements b. Yes, follow up, have notices have been issued to businesses who do not comply with the by-laws. Skipping bins were removed where notices issued were not complied with. There are skip bins not in an enclosure, and where notices have been given, POE to be provided.
<u>Question 46</u> <u>Page 53- paragraph 5 Waste Education</u> <i>The Municipality has a formal waste education programme called waste-wise- education competition and school recycling competition. The Municipality in collaboration with Eas Africa initiated environmental clubs in both rural and urban areas that are educating the</i>	<u>Management Response</u> a. Management has conducted 48 waste education events repetitively.

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community about good waste management practices in line with the National Waste Management Strategy, Municipal Waste Management by-law, NEMA: Waste Act and other waste legislations. The municipality is also supporting the provincial sustainability school's competition that is implemented by Lapalala Nature Reserve. b. How many waste education events have the municipality conducted?	Question 47 <u>Page 54- Waste Disposal</u> <i>The Municipality has one permitted waste disposal facility. Exxaro appointed Impact Catalyst to undertake feasibility studies for beneficiation and monetization of waste through Material Recovery Facility and Buy-back centre. Exxaro appointed a service provider for the designs of Material Recovery Facility.</i> a. How far is the municipality with the feasibility study and designs materials facilities?
<u>Management Response</u> a. Feasibility study and designs of the material recovery facility project is completed Done be Exxaro in consultations with Lephalale Local Municipality, regular meetings are held	<u>Management Response</u> a. The target timeline for 100% coverage is end of 2026/2027 financial year. The municipality extended refuse removal services to 33 villages through roll-on roll-off containers, and the current backlog is 7 villages. The service provider is [appointed to procure 10 bins, and the plan is to
<u>Question 48</u> <u>Page 54 - Household access to refuse removal</u> <i>Only 90% of the households in Lephalale Local Municipality have access to acceptable refuse removal service level. The Municipality is still faced with the challenge of illegal dumping of waste in Marapong, especially next to illegal settlement areas and parts of Onverwacht as well rural areas.</i> a. What is the target timeline to reach 100% coverage and what interventions are planned to achieve this?	<u>Management Response</u> a. The target timeline for 100% coverage is end of 2026/2027 financial year. The municipality extended refuse removal services to 33 villages through roll-on roll-off containers, and the current backlog is 7 villages. The service provider is [appointed to procure 10 bins, and the plan is to

b. What immediate measures are implemented to reduce these environmentally harmful practices? c. Management to clarify others on the table above.	distribute to the remaining villages after delivery of the bins. b. Management has the following mechanisms in place to reduce harmful practices: • Procure additional bins and distribute them to other villages and augment the current waste collection system with a pilot kerbside waste collection project in 10 villages. • Increase number of EPWP participants in the villages • Collaborating with the Community Works Program for litter picking in the villages
Question 49 Page 55- paragraph 3 Lephalale Development Nodes Exxaro is in a process to establish approximately 3000 residential erven. Eskom is having a two-fold approach which includes the purchase of erven from private sector and establishment of housing for Marapong Extension 5 on their own land which is still in a process. The Provincial Government has allocated 1.2 billion on a three-year basis for the establishment of 5000 erven in Altoostyd farm. a. What process has Exxaro made in relation to 3000 residential erven?	Management Response The township establishment application has been submitted on behalf of Exxaro while for Elisras x86 is yet to be proclaimed. a. Progress on Exxaro: 3000 Residential Erven

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b. What process has Eskom made with purchase of land for residential purposes? c. Management to provide update on the 1.2 billion for 5000 erven at Altoostyd? d. What is the municipality doing to address the high volume of empty asbestos houses in Onverwacht? <u>Follow up Question</u> a. When was the notice letter sent to Eskom?	Overview Exaro committed to the development of approximately 3,000 residential erven as part of its socio-economic and workforce accommodation strategy. Progress Assessment Based on standard development processes and municipal coordination, progress can be assessed across the following stages: Land Identification and Acquisition • Suitable land parcels identified in proximity to mining operations and existing settlements. • Engagement with the municipality on land use alignment and spatial integration. Planning and Approvals • Township establishment applications initiated in terms of SPLUMA.
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	• Environmental Impact Assessments (EIA) not completed. • Rezoning and land use applications to be submitted to the municipality. Engineering Services Design • Bulk infrastructure requirements (water, sanitation, electricity, roads) assessed. • Engagement with municipal technical departments on service capacity. Servicing of Erven • Partial servicing may have commenced in phases. • Installation of internal infrastructure (roads, water reticulation, sewer networks) still needs to be taken place. Key Constraints • Bulk infrastructure capacity (especially water and sanitation) • Regulatory approval timelines
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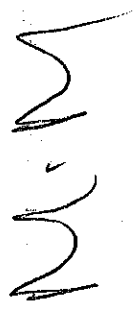
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	• Coordination with municipal IDP and SDF priorities Summary Status • Planning & approvals at advanced stage • Servicing: Phased implementation underway • Full delivery: Dependent on bulk infrastructure and approvals b. Progress on Marapong Extension 5 (Eskom-Owned Land) Land Status • Eskom owns land earmarked for development in Marapong Extension 5 Township Establishment Process • Application processes initiated in terms of SPLUMA
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	• Environmental approvals required (EIA process) Planning and Design • Layout planning for residential units underway • Engineering services planning in progress Current Status • Planning phase: Ongoing • Approvals: In progress • Servicing: Not yet fully commenced Key Constraints • Approval processes (environmental and planning) • Bulk infrastructure availability • Coordination with municipality and province c. The roll out is in phases, RDP, mixed use dev (BNG, Medium housing financial assistance FLIPS, social dev (shops, school)
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	the delays are caused by limited funds, there was no total d. LLM has written a notice letter to ESKOM given that Asbestos houses have surpassed their intended structural and material life. <u>Management Response</u> a. The notice was sent to Eskom about a month ago. POE to be provided.						
<u>Question 50</u> <u>Page 56 Total housing backlog</u> Types of dwellings a. Management to clarify other in the table above.	<u>Management Response</u> a. Despite significant housing delivery since 2001, the municipality is experiencing a growing housing backlog driven by rapid urbanisation and economic migration, with informal settlements expanding at a faster rate than formal housing provision. b. DATA INTERPRETATION (2001–2016) Total Dwellings Growth <table><tr><td>2001:</td><td>20,305</td></tr><tr><td>2011:</td><td>29,879</td></tr><tr><td>2016:</td><td>42,054</td></tr></table> Interpretation on Growth (2001–2016): +21,749 dwellings (+107%)	2001:	20,305	2011:	29,879	2016:	42,054
2001:	20,305						
2011:	29,879						
2016:	42,054						



	This reflects rapid urbanisation and in-migration, likely linked to: 1. Mining and energy expansion (e.g. Medupi) 2. Economic pull factors in Lephalale c. STRATEGIC RECOMMENDATION Develop a Lephalale Housing Strategy Framework including: • Housing demand model (to 2035) • Informal settlement upgrading plan • Social housing pipeline • Public-private partnerships (PPP housing) • Employer-assisted housing (mining sector)
Question 51 Page 57 paragraph 3 The total average basic service backlog is about 18%. Page 57 -3.6 Free basic services and indigent support a. Management to provide total number of indigents receiving free electricity b. What are the requirements for beneficiaries to receive free electricity? c. What are the guidelines followed to determine the threshold of indigents? d. Management to provide a breakdown for 2758 e. How many from rural areas, how many from town?	Management Response a. The total number of indigents receiving free electricity is 2768. b. The following requirements for beneficiaries' indigent subsidies include free electricity • The applicant/person must be over eighteen (18) years of age.

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f. Management to provide a breakdown according to the villages g. Has the municipality made progress on reducing the 18% basic services backlog? h. Does the municipality monitor indigent accounts or confirm whether someone still qualifies as indigent after a period?	• The total household income per month must be less than R4 600.00, subject to annual adjustment by council. • The applicant/person must have an active services account with the Municipality for those residing in Marapong, Onverwacht, Town and Thabo Mbeki. • The applicant/person must occupy the site legally and be a full-time occupant of the property concerned. • The applicant must not own any other property in or out of the parameters of the Municipality.
	c. Guidelines followed to determine the threshold of indigents- (Refer to the above. d. Breakdown for 2758 was presented to the committee. e. Final indigent register presented to the committee. f. Management to provide a breakdown according to the villages Refer to the attached

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<u>Question 52</u> <u>Page 58 3.7 Roads</u> a. Management to provide any feedback from the department of public works in terms of handing over the district roads to the municipality? b. How many access roads paved at 38 villages and management to clarify which roads are still intact? c. Management to provide maintenance plan for the access roads at the villages. <u>Question 53</u>	g. Yes, management has made progress on reducing the 18% basic services backlog. h. The municipality is the process of appointing service provide to Fastrack the indigent registration process withing the municipal Boundaries. This process will reduce the backlog. The Municipality will vet the approved Indigents twice through the indigent system in a financial year to verify if the register is credible. <u>Management Response</u> a. Management states that the district hasn't responded in terms of handing over the district roads to the municipality. b. Management clarified that 13 villages roads were paved and all of them are still intact. c. Grader programme to grade those roads, deploy maintenance team to remove sand that piles on the constructed pavement. <u>Management response</u>
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Page 59 Storm water status quo a. Since the previous financial year has the municipality improved the roads and storm water status quo? Question 54 Page 60 - 3.8 Transport paragraph 3, If the planned and envisaged additional power stations and potential coal mining materializes, it will be a large stimulus for development in the area. Depending on what developments materialize in the area, between 16 000 and 37 000 additional housing units will be required for the next 20 years or so. In the development of future coal mines and power stations, care should be taken that residential settlements are located as close as possible to these work opportunities, to reduce travel time and the cost of transport. a. What potential power stations planned could materialize? Question 55 Page 60 Licensing a. Has the municipality resumed the testing of learners and driver's license, if not when they are planning to resume? b. What are the traffic officers doing to ensure that revenue from collection increases?	a. Yes, the paving road has been constructed Marapong- Phuthaditshaba, Alfred Nzo and Rebone Streets and Ben Matsoma Road including the V-drains and stormwater daylight in Marapong extension 4. <u>Management Response</u> a. The reference is to renewable energy projects and new mining projects <u>Management Response</u> a. No, the municipality has not resumed testing. We are targeting beginning of May 2026. b. We are in the process to ensure that our fines are on the eNatis system which will ensure that those with outstanding fines are
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c. Does the municipality have capacity in terms of the administration of operating those three testing stations? <u>Follow up questions</u> a. Has the municipality updated the community regarding the resumption of testing? <u>Question 56</u> Page 61- Transport Modes Management to clarify not applicable on the above table	unable to renew licenses countrywide and thus be compelled to settle fines. c. We only have one testing station and we don't have capacity as our employees were arrested for undergoing legal processes with the justice system. <u>Management Response</u> a. No management has not updated the community regarding the resumption of testing. <u>Management Response</u> a. Not Applicable refers to individuals who do not undertake regular daily travel, including unemployed persons, children not attending school, pensioners, and individuals engaged in home-based activities. This category is excluded from peak transport demand modelling
<u>Question 57</u> Page 61 Public Transport Facilities There are four formal, and three informal taxi ranks in Lephalale, two bus terminals and several lay byes built along D3110 road. One landing strip is available for chartered light passenger planes.	<u>Management Response</u> a. The national department of transport is in the consultative process with IPTN which involves refurbishment of transport facilities including Bus

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a. What is the municipality doing to ensure that the three informal taxi stations are formalized? Question 58 <u>Page 61 Challenges</u> • Poor road surface and infrastructure. • Inadequate facilities such as taxi ranks, bus terminals, laybys etc. Our facilities are also not user-friendly to people with disabilities. • Disintegrated and unscheduled public transport system impact negatively on kind of services offered. • Too many pick-up points along the route increase the travel time. • Limited subsidies from Government results in people having to spend a significant percentage of their income on transport. The situation is further compounded by the fact that public transport is in the hands of private owners and that makes it difficult to regulate, especially when it comes to tariffs charge. a. What has improved on the above challenges as remained the same as the previous year?	Terminals and Taxi Ranks on strategic routes of the IPTN. <u>Management Response</u> a. The Municipality is continuing to patch the potholes and resealing roads with the limited resources available. The disaster grant is also allocated to alleviate some of the poor road infrastructure challenges encountered in some parts of Marapong (Paved roads) and the rural villages (Low level bridges)
<u>Question 59</u> <u>Page 62 paragraph 1 Law enforcement on freight transport</u> Many heavy vehicles are potentially overloaded and not roadworthy. Law-enforcement is lacking in this regard. There is one boarder post to Botswana to combat overloading by heavy vehicles. The municipality also has got a small weighbridge which is currently dysfunctional. Upgrading the municipal weighbridge and conducting overload programs will assist in enhancing the lifespan of the municipality's road infrastructure.	<u>Management Response</u> a. The Provincial Department of Transport is currently developing a Freight Transport Strategy for the whole province. The strategy will be completed at the end of April. This will guide us on where the weighbridge must be located.

M.M

a. What is the municipality doing to ensure that this weighbridge is operational for revenue enhancement? b. What has the municipality done to improve law enforcement on freight transport? <u>Question 60</u> <u>Page 62 paragraph 2 Transportation of abnormal loads and hazardous materials</u> <i>The current economic development in Lephalale places an increase in responsibility for the municipality as far as regulation of transportation of abnormal loads and hazardous materials are concerned. There is no specific abnormal load route plan available for the municipality. Equally there are no by-laws that regulate movement of dangerous or hazardous materials.</i> a. What progress has been made to establish a specific route for abnormal weight vehicles? b. Does bridge accommodate abnormal weight vehicles? <u>Question 61</u> <u>Page 62 paragraph 3 Consultation with relevant stakeholders</u> <i>No formal consultation takes place between the municipality and stakeholders in the road freight industry. Establishment of a freight transport consultative body</i>	b. We have developed a by-law which is currently being reviewed by the Magistrate. <u>Management Response</u> a. The By-Law will address this. b. Yes, the way bridges accommodate the abnormal weight vehicles. <u>Management Response</u> a. No, but the Transport Forum is in place.
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M.M

(FTCB) is necessary to promote more efficient and cost-effective freight transport in Lephalale. The Municipality is in the process of developing a By-law on Public Transport and freight Transportation. - Has the freight transport consultative body (FTCB) been established? - In terms of the law enforcement, are the traffic officers doing their duties to ensure that trucks don't pack at the privately owned entities? - Why no by-laws? And Management to provide timelines in drafting and approving the bylaws? Question 62 Page 63 first paragraph- Storm water backlog in the rural area is unknown but the area on the Southern part of Thabo Mbeki and Seleka Wyk 2 (Mmatshwana) is frequently flooded during heavy rainy seasons by Palala river when it overflows. Storm water backlog in Marapong is still under investigation. The appointed service provider estimates the costs to be around R2.6 billion. - Has there been any improvement in the storm water channel backlog in town? - What progress has the municipality made to relocate communities away from the flood line? - Has the municipality done anything to address the fact that the storm water backlog in the villages is unknown.	- This question is not understood. Trucks are allowed to park at privately owned entities. - The by-law is with the magistrate to approve appropriate fines Management Response - Management states that there hasn't been any improvement in the water storm due to financial constraints. - The municipality has tried to move the communities from the flood instance in Thabo Mbeki by demolishing houses that are near the floods and moving them at the upper area, however there are some community members who are still affected by the floods - Yes, the Municipality conducted the integrated infrastructure master plan which incorporates stormwater management in the rural villages. The Municipality further concluded an agreement with DBSA to
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<u>Question 63</u> a. Why are the actual figures for 2023/24 different from what was reported in the annual report for 2023/24?	compile the Roads and Stormwater Master Plan. <u>Management Response</u> a. Due to the difference between the Audited outcome figures in 2024/25 Annual report and the unaudited figures updated in 2023/24.
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MIN

Question 64 <u>Page 64- 3.1 Local Economic Development</u> Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. Medupi project has already started demobilising staff on completed projects. The coal to liquid project that was investigated by Sasol and currently placed on hold could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal & Petrochemical, secondly red meat and thirdly Tourism. Lephalale is currently in the final stage of considerable public sector investment, estimated at R140 billion over six years, for the construction of Medupi power station. One of government's key priorities is to increase economic growth and to promote social inclusion. a. What is the municipality doing to ensure that the remaining positions at Medupi stations are occupied by local people to reduce unemployment?	<u>Management Response</u> a. Lephalale's challenge is a classic post-construction transition which is moving away from a labor-intensive mega-project i.e. Medupi into a sustainable, locally inclusive economy. The municipality does not directly employ at Medupi, but it plays a critical coordination and regulatory role to ensure locals benefit from remaining and future opportunities.
Question 65 <u>Page 66-3.12 Community and Social Services (Libraries)</u> Libraries play a central role in the social, educational, cultural and economic life of communities. a. Is there any way in which the municipality can extend operating hours and days to cover weekends?	<u>Management Response</u> a. Management states that the library services are the responsibility of the Department of Sports, Arts, Culture & Recreation.

<u>Question 66</u> <u>Page 69 Compare with one for last year</u> a. Management to clarify why the financial performance of the library is duplicated from the previous financial year?	<u>Management Response</u> a. The information will be updated for final printing. Management to implement SOP to review the annual report.
<u>Question 67</u> <i>Page 70- Social and Security Services – Childcare and old age social grants</i> a. Management to provide clarity as to why three drop-in centers are not funded. b. Management to provide a breakdown of the 8 drop-in centers.	<u>Management Response</u> a. The municipality has never funded any of these organizations as it is purely the function of the Department of Social Services. b. Management cannot provide the breakdown of the 08 drop-in centres based on the response given in (a).
<u>Question 68</u> <i>Page 70 Air Quality</i> The environmental features that are found in the municipal area are affected by natural environmental challenges inter alia, ozone depletion, global warming, solid and hazardous wastes, the endangerment of biological diversity and land degradation. Environmental degradation in the form of soil erosion, overgrazing, deforestation, over exploitation and habitat destruction should be prevented to effect economic development negatively. Air quality management by-laws should be	<u>Management Response</u> a. Draft Air Quality Management by Laws developed in February 2026.

M.M

<i>developed for non-compliance to the air quality standards. There should be capacity in terms of human resources for the execution of related duties.</i> a. What has the municipality done to develop relevant air quality by laws? Question 69 <u>Page 71 Air Quality analysis</u> a. Has there been any new air quality analysis done?	<u>Management Response</u> a. No, Limpopo Department of Economic Development Environment and Tourism appointed a Service Provider to review Air Quality Management Plan for the District. The appointed Service Provider will update the Air Quality Analysis.
Question 70 Page 72-Tree planting project, Projects implemented in this focus area aim at promoting the transition to sustainable and integrated management of land resources. The deliveries in this category include: •Greening by tree planting •Education and awareness The social services Department has a parking division which deals with landscaping; however, this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concern of the owner.	<u>Management Response</u> a. Total number of trees planted is 4805 • Sefithogo – 520 in April 2025 • Motlhasedi– 520 in April 2025 • Ga-Mocheko – 520 in April 2025 • Ga-Monyeki – 520 in April 2025 • Hlagalakwena– 520 in April 2025

M.M

- a. How many trees have been planted and where?
- b. Management to provide portfolio of evidence of education and awareness that has been undertaken.
- c. Has there been any developments with Eskom and Exxaro regarding the upkeep of unoccupied properties

Question 71

Page 74 Ambulance Services

The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the district. There are two Ambulance centres in the municipality, located and based at the two hospitals within the municipal boundaries. The service centres are in Onverwacht at the Lephalale hospital and satellite service centre at Witpoort Hospital.

- a. Management to provide feedback regarding mobile clinics
- b. Which are the monitoring controls been put in place to ensure the adequacy and performance of the five clinics and mobile units?
- c. How does management monitor the performance of ambulances services provided by the department of health particularly with time response in rural areas?
- d. Management to provide average response time?

- Thabo Mbeki Primary, Witpoort Hospital, Seleka Clinic, Ellisras hospital, Sedibeng Special School and Lerekhureng Primary - 105

- Letlora - 550 November 2025

- Thabo Mbeki - 550 November 2025

Management Response

- a. The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the district. This function is not controlled by Local Lephalale Municipality, hence further questions cannot be answered to.

<u>Question 72</u> <u>Police Page 75 paragraph 1</u> There has been alarming number of fatal and serious road accidents within the Lephalale Local Municipality which amongst others were triggered by lack of traffic policing due to insufficient Traffic personnel. Nonetheless Municipal Traffic Police and Provincial Traffic Police continuously conduct joint operations with a view of mitigating the causal factors of fatal road accidents. a. What has the municipality done to address the alarming number of fatal and serious road accidents?	<u>Management Response</u> a. An additional 8 traffic officers have been recruited and are undergoing training to reinforce the current complement.
<u>Question 73</u> <u>Page 75- 3.21 Fire- paragraph 2</u> Although we have a Local Disaster Management centre, that is funded by District and managed by Local Municipality, we believe with the current resources we will not be able to manage all challenges that will be come as results of industrialization natural disasters. We believe more resources should be directed to Municipality to assist in upgrading the Local Disaster Management centre. Municipality need more development strategies an effective communication system. We need fully equipped management centre. a. Has the municipality engaged with district regarding the scares resources and updating of the disaster management centers?	<u>Management Response</u> a. Management states that budget has been allocated for two resources for Disaster, and two vehicles has been purchased.
<u>Question 74</u> <u>Financial Performance: Capital Projects – Disaster Management Services</u>	<u>Management Response</u> a. Project Completed. (100% expenditure) within the DMRE timeline. The scope was changed to paving instead of graveling

a. Has there been any changes in financial performance relating to capital projects/disaster management centre?	
Question 75 <i>Page 76 Sports and recreation facilities</i> a. Can the municipality decrease the charge rates for the stadium in Seleka to be affordable for the community to utilize? b. Why is the municipality unable to maintain the Thabo Mbeki Gym? c. Management to clarify if the Thabo gym is doing well in terms of revenue.	Management Response a. The management is currently considering various financially sustainable maintenance model architectures for our fleet of public amenities including Seleka Stadium. The objective is to achieve a balance between the user pay principle advocated by national treasury and accessibility of public amenities to all members of the public. b. Public amenities like stadiums, public parks and Thabo Mbeki gym compete for financial resources with basic services like the provision of water and electricity. When budgets are tight, it is often morally unacceptable to allocate resources for maintenance of recreational facilities. c. Thabo Mbeki gym is not doing well in terms of revenue.

M.M

Question 76

Page 76 Disaster management

The following regarded as Disaster Management challenges:

- *Potential risk of some households in rural villages which are in the flood line area.*

a. Do the municipality have any measures in place in the events of floods?

Question 77

Page 78 EXCO and Council meetings

a. What is the plan to reduce overreliance on special council meetings?

Management Response

- a. Lephalale Municipality has established emergency report team comprising of local stakeholders to swiftly evacuate affected households during floods. Municipality has also approved the establishment of Disaster Management unit to effectively deal with disaster incidents. Budget is also allocated for disaster responses

Management Response

- a. The Municipality does not necessarily rely on Special Council meetings; Special Council meetings are only arranged when there are urgent matters that requires resolutions from Council. However, to reduce the number of Special Council meetings the municipality can enforce adherence

<u>Question 78</u> Financial performance for financial services a. Why are the 2024/25 actual figures of the above financial performance same as what was reported in the annual report for 2023/24?	to the approved municipal calendar for official meetings. <u>Management Response</u> a. Typo and the information will be updated for final printing. Management to implement SOP to review the annual report.
<u>Question 79</u> <u>Page 81 Component J: miscellaneous</u> <i>Paragraph 2- Lephalale airfield is an uncertified and unmanned aerodrome posing high risk to passengers and aircraft currently utilizing the aerodrome. The reality is that the situation is paramount to an accident or major disaster waiting to happen if no immediate intervention is found.</i> a. What has the municipality done to ensure the situation regarding the airstrip remedy?	<u>Management Response</u> a. Management declared that they will engage with relevant stakeholders.
<u>Question 80</u> <u>MMs Office</u> <u>Page 83 challenges</u>	<u>Management Response</u> The finding that was not resolved relates to the external assessment for Internal Audit

• Performance information has received a qualified audit opinion in the AG management report. • 2 out of 3 AGSA findings resolved in 2024/ 25 FY. • 3 out of 4 Internal Audit findings are not addressed. a. Is there any progress in addressing the above challenges?	division, the assessment is now planned for 2026/27 financial year • Progress on testing of Business continuity Plan: Budget for review and testing Business Continuity Plan has been requested and it will be implemented in the next financial year. • The Security Policy has served before GAI & BTO Portfolio Committee, and it will also serve in the next Council meeting. The finding for Security Access Control has been addressed. <u>Management Response</u> a. Management has worked harder to resolve the internal audit findings and the risk mitigation. The Implementation AG findings are done and monitored biweekly through the Audit Steering Committee. The Imbizos are to be conducted as planned and approved by the council in the IDP process Plan.
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Question 81

Page 92 Strategic Support Services

Challenges

- Not all the Internal Audit findings are addressed.
- Not all Risks are addressed.
- Not all AG findings were resolved.
- Municipal Imbizo for the last quarter was not conducted.

a. Is there any progress in addressing the above challenges?

Question 82

Page 103 Corporate Support Services

Challenges

- High vacancies at Directors management positions.
- Not all Internal Audit findings are resolved.
- Not all Risks mitigations are addressed.

a. Is there any progress in addressing the above challenges?

CSS-2 a target of 100% was not achieved, 50% of Office equipment and furniture were procured.

b. Management to provide progress regarding furniture target.

M23- It was noted all Complaints received on the electronic system attended to.

c. What electronic system is the municipality referring to?

a. Out of 7 Senior Managers positions, five (5) are filled.

✓ The outstanding finding was not resolved due to budget constraints to train SHE reps and Supervisors to do daily OHS assessment.

✓ Some of the mitigations were not addressed due to budget constraints (e.g. the development of an HR strategy), the department has seen an improvement in addressing/resolving all the mitigations and continues to work hard to address all of them.

b. The appointed service provider delivered incorrect furniture which was not according to the Specifications, and it was then returned. However, the error has since been corrected, and we are currently at 100%.

c. The municipality is referring to Customer Care Management system (Mun Comp System).

M.M

Question 83 <u>Development planning</u> Page 113- Challenges - Urban sprawl and informal settlements, Mmamojela park along R510, - Mahlakung on Chris Hani Avenue encroachment to the District Hospital - Non-compliance with building control regulations at Marapong township and Onverwacht by residents - Extension at Rural villages not adhering to the local SDF. - The Process of re-establishment of the Municipal Planning Tribunal for Municipal readiness experiences delays - The review of the Lephalale Municipal SDF is in progress (Milestones attached to Phase 1 to Phase 4 presented to IGR PSC) - 3 phases remaining. - Review is progressing in accordance with the Project Work Plan (divided into 6 phases). Phase 1 complete, Phase 2 and 3 in progress. - Phase 4, 5 and 6 not yet started. Development Planning: out of the Twenty-seven (27) indicators, one (1) applicable, nine (9) achieved, four (4) over-achieved and thirteen (13) performed target. A score of 50% for the department is achieved and 2 projects are progress. a. Is there any progress in addressing the above challenges? b. What was the reason for each of the 13 indicators being below target?	<u>Management Response</u> a. Management states that there is progress in Addressing the Identified Challenges There has been measurable but uneven progress across the key development planning challenges: 1. Urban Sprawl & Informal Settlement Encroachment Mmamojela Park (R510) and Mahlakung (Chris Hani Avenue near the District Hospital): - Ongoing land use monitoring and enforcement initiatives have been initiated. - Engagements with Human Settlements and traditional leadership are underway to formalise and relocate high-risk encroachments.
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M.M

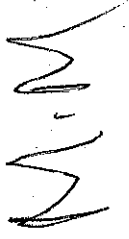
	oPreliminary planning for in-situ upgrading and incremental services provision is being explored. oHowever, continued influx and demand for housing are slowing containment efforts. Non-Compliance with Building Regulations (Marapong & Onverwacht) • Increased building inspections and compliance notices issued. • Implementation of awareness campaigns on building plan approvals. • Capacity constraints within Building Control Units continue to limit enforcement consistency. • Consideration being given to digitisation of plan approvals to improve compliance tracking. 3. Non-Adherence to SDF in Rural Villages
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M. M.

- Strengthened traditional authority engagements to align developments with the SDF.
- Introduction of land use management awareness programmes in rural areas.
- However, customary land allocation practices remain a structural challenge affecting compliance.

4. Municipal Planning Tribunal (MPT) Re-establishment Delays

- Draft Terms of Reference and panel composition developed.
- Delays mainly due to:
 - Administrative approval processes
 - Alignment with legislative requirements (e.g., SPLUMA compliance)
- Interim measures include referral of applications to alternative decision-making structures.



	Spatial Development Framework (SDF) Review Progress • The SDF review is on track overall, with: ◦Phase 1: Completed ◦Phases 2 & 3: In progress ◦Phases 4–6: Not yet initiated Progress aligns with the approved Project Work Plan, although time slippage risks exist due to stakeholder consultation delays. b Reasons for the 13 Indicators Performing Below Target The underperformance is attributed to a combination of institutional, financial, technical, and external pressures, summarised below: 1. Capacity Constraints • Shortage of technical personnel (planners, building inspectors, GIS specialists) • High workload vs limited staffing
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M. M

	• Delays in filling critical vacancies 2. Budget Limitations • Insufficient funding for: ◦ Land use enforcement ◦ Informal settlement upgrading ◦ SDF implementation programmes • Competing municipal priorities impacting allocations 3. Rapid Population Growth & In-Migration • Increased demand for: ◦ Housing ◦ Land ◦ Services • Particularly driven by economic activity (e.g., mining and energy sectors in Lephalale) 4. Legislative & Institutional Delays • Delays in: ◦ Re-establishment of the Municipal Planning Tribunal
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	- oApproval of planning instruments • Compliance requirements under SPLUMA slowing implementation 5. Community Non-Compliance • Unauthorized developments: - oBuilding without approved plans - oLand invasions • Limited deterrence due to enforcement capacity constraints 6. Traditional Land Governance Dynamics • Misalignment between: - oMunicipal planning frameworks (SDF/LUMS) - oTraditional land allocation practices • Limited regulatory control in communal areas 7. Project Implementation Delays • Some projects are still in progress, affecting indicator achievement • Delays due to:
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M.M

oProcurement processes oContractor performance issues oIntergovernmental coordination challenges 8. Data & Monitoring Limitations • Inadequate real-time data systems for: - oTracking compliance - oMonitoring spatial growth • Weak integration between departments 9. External Dependencies • Reliance on: - oProvincial departments (Human Settlements, COGHSTA) - oState-owned entities and private sector developments • Misalignment of timelines impacting municipal targets Conclusion	
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M.M

<u>Question 84</u> <i>Pg 115 LM_HS3 Target was 4 socio economic surveys and only 2 socio economic surveys conducted, target not achieved due to lack of support on logistic coordination by Ward Committees where the Surveys are required.</i> a. Management to provide progress to date.	While progress has been made in addressing spatial planning and development control challenges, systemic constraints particularly rapid urbanization, institutional capacity, and governance complexities continue to impact performance. Targeted interventions focusing on capacity strengthening, enforcement, intergovernmental coordination, and accelerated SDF implementation are required to improve performance outcomes. <u>Management Response</u> a. Management acknowledges the underperformance against the annual target, which was primarily due to inadequate logistical coordination and limited support from Ward Committees during the initial implementation phase. To address this, the Department has strengthened coordination mechanisms by
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M.M

<u>Question 85</u> <u>Page 121 M 667</u> <i>Target was 100% and only 58% achieved, it was noted that the other challenge not to achieve the target was due to lack of Municipal land for development and a GIS which not linked the municipal financial system.</i> a. How far is the municipality in resolving the above challenges and management to provide deadlines? b. What electronic system is the municipality referring to?	engaging Ward Councilors and Committees, clarifying roles, and introducing a centralized planning approach to survey implementation. The outstanding socio-economic survey has been prioritized and is scheduled for completion within the current quarter. Management is confident that the revised approach will ensure full achievement of the annual target and improve future performance <u>Management Response</u> a. The Municipality has made measurable progress in addressing the identified constraints through the initiation of a land audit and the development of a GIS-financial system integration plan. Key milestones have been set for completion of the land audit by June 2026
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M.M

	and full system integration by December 2026. GIS Financial System Integration Progress to Date: • Current State Assessment Completed: Identified gaps between GIS spatial data and billing/valuation systems • System Integration Plan Developed: Scope includes: 1) Linking property data (GIS) with billing records 2) Improving revenue management and planning • Service Provider Engagement: Technical support being sourced for system integration Deadlines: 1. Appointment of Service Provider: May 2026
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M. M.

Question 86 <i>M_688A - Target 1000 jobs and only 3 jobs created target not achieved</i> <i>The variance of 997 Jobs through strategic partners was as a result that the municipality and its stakeholders face significant challenges in creating sufficient minimum jobs due to less economic activities</i> a. Management to provide progress to date.	2. System Design & Configuration: June – August 2026 3. Pilot Integration (Selected Wards): September 2026 4. Full System Integration Rollout: December 2026 b. The electronic system relates to the integration of the Municipality's Geographic Information System with its financial and revenue management system to enhance planning, billing accuracy, and land management. <u>Management Response</u> a. The target was met, however the strategic partners failed to provide the POE based on the adjustments that was made with only 3 POEs as the indicator requires portfolio of evidence. Management acknowledges significant underperformance against the job creation target. Corrective measures have been implemented, including strengthened stakeholder engagement,
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M.M

<u>Question 87</u> M_691 Target 100 and the department addressed 69% of council resolutions target not achieved, 27 out of 39 council resolutions were implemented, and 12 resolutions are outstanding. Challenges for not achieving the target is that the Community Residential Unit (CRU) is still under construction in Marapong and still yet to be completed by COGSTA for the resolutions to be implemented where the property management services provider must be appointed by the municipality. a. Management to provide progress to date and deadlines for finalizing this project.	expansion of public employment programmes, and activation of local economic development projects. While immediate large-scale job creation remains constrained by limited economic activity. <u>Management Response</u> Current Status • Construction of the Community Residential Units (CRU) is in progress. • Regular project monitoring meetings are being held between the municipality and Limpopo Department of Cooperative Governance, Human Settlements and Traditional Affairs. • Bulk service connections (water, sanitation, and electricity) are being coordinated to ensure readiness for occupation once construction is completed. Remaining Work 1. Completion of residential units
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M.M

2. Final inspections and compliance certification 3. Formal handover to the municipality Expected Deadline • Construction completion: September 2026 Handover to Municipality a. The Municipality continues to engage with Limpopo Department of Cooperative Governance, Human Settlements and Traditional Affairs to ensure timely completion and handover of the units. b. Once construction is finalized, the Municipality will immediately proceed with the procurement process for appointing a property management services provider to operationalize the facility and ensure that the remaining Council resolutions are implemented.	
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M.M.

Question 88

Finance

Page 124 Challenges

- Revenue collection rate is lower at 88% than the prescribed norm of 95%.
- The general poor economic conditions make it difficult for consumers to make full payments on their accounts hence under collection by 7% compared to National Treasury requirement of 95%.
- Cost coverage is 181% by end of the year.
- Capital budget Expenditure for the institution is 82% which translates from R 189 870 333.83 against the budget of R 231 862 200.00

a. Is there any progress in addressing the above challenges?

Management Response

- a. The management is implementing the following strategies regarding the above challenges:
- Disconnection of electricity for non-paying customers
 - Early payment incentive is offered to the customers that pay their accounts regularly
 - 30% is deducted from prepaid electricity purchases for customers that owe more than 30 days
 - Customers that come forth to make payment arrangement are offered reversal of 24 months interest and interest free debt for the duration of their arrangement term
 - Municipal employees that owe municipal services for more than 90 days, are forced to make payment through monthly salary deductions.

Management Response

Question 89

Page 133 Social Services

M. M.

<i>The committee noted that there are no challenges documented within social services department.</i> a. Management to confirm that indeed there are no challenges experienced within social services. <u>Question 90</u> <i>M27- Target 100% and 64 % of Internal audit findings were addressed, target not achieved, some challenges documented include lack of queue management system in the directorate, and the municipality does not have an environmental officer as required. Unavailability of examiners as incumbents are on suspension.</i> a. management to provide progress to date. <u>Question 91</u> <i>SS_4- Target 6 x Walk behind Lawn mowers to be procured and only 4 x Walk behind Lawn mowers were procured target not achieved.</i>	a. Management stated that they do experience challenges. Portfolio of Evidence to be provided. <u>Management Response</u> a. Management declared that the queue system is in place and fully ready to be in operation although the département still waiting for HR to uplift the suspension of the identified operator of the system, environmental officer is appointed and examiners are still on suspension and the department is in engagement with the municipality to second another personnel to the municipality, 1 examiner started the beginning of march 2026 and the other supervisor will start in April 2026. <u>Management Response</u> a. Instead of procuring two additional walks behind mowers, we identified the need for s ride On mower,
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a. management to provide progress to date. <u>Question 92</u> <u>Infrastructure</u> Page 142 -Challenges • Slow progress on implementation of internal audit findings and risk mitigations. • 13 projects are not completed for 2024/ 25 FY. • Water loss is at 41% average in the financial year 2024-25. • 28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages. a. Is there any progress in addressing the above challenges? b. Are there any measures taken to improve on indicators below target?	and we are currently awaiting the finalization of the tendering process to procure. <u>Management Response</u> a. Yes, there has been progress in addressing the above challenges. b. Measures taken to improve the indicators below target. • Slow progress on implementation of internal audit findings and risk mitigations- Completion of projects earmarked to address the IA and Risk mitigations. • 13 projects are not completed for 2024/ 25 FY- Some projects were multiyear projects, and the projects were delayed for completion due to outstanding electrification. LLM engages Eskom monthly to speed up the process, Contractors have submitted the catchup plans and encouraged to increase resources on site. The sessions are processed
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M.M

<u>Question 93</u> M758 -Target 12 wastewater quality reports and only 11 wastewater quality reports were concluded, target not achieved, challenges documented include delays in the appointment of the Service provider. a. management to provide progress to date.	to assist service providers to procure materials on time. PSC meetings held monthly to track the progress of works on projects. • Water loss is at 41% average in the financial year 2024-25 – As a result of major pipe bursts, the projects for replacement of Old AC pipes in progress • 28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages – It was due to grader breakdowns, the Municipality in process to procure a grader in 2025/2026 financial year. <u>Management Response</u> a. The service provider (Muratho Laboratory) has been appointed to conduct wastewater sampling and analysis.
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Question 94

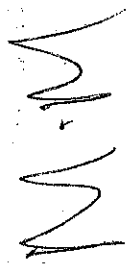
M27- target 100% and only 23 % of Internal audit findings were addressed, target not achieved, some challenges documented include:

- The water and sewer projects are still in progress.
- The electrical switches and Cables were procured but used for repairs at Shongoane Stadium due to vandalism.
- Drivers do not complete logbooks and trip authorizations forms.
- Lack of budget to procure fire extinguishers, spare wheels.

a. management to provide progress to date.

Management Response

- a. The water and sewer projects are still in progress. The following projects are Completed:
- Three AC pipes projects Completed,
 - Thabo Mbeki Stadium Completed,
 - Sefitlhogo Access Roads on practical Completion Stage,
 - Energy Efficiency Completed,
 - Closing of the ring circuits Completed,
 - Extension and Augmentation Witpoort Phase 6 on practical Completion Stage.
 - Refurbishment of sewer pumpstations on practical Completion Stage. **For more details See attached progress report as Annexure A, B&C**
- b. The electrical switches and Cables were procured but used for repairs at Shongoane Stadium due to vandalism.
- c. Drivers not completing logbooks and trip authorisation forms-The fleet manager workshopped the drivers and they are now



<u>Question 95</u> <i>INFR-11, Target 3.8 km Access Road upgraded from gravel to asphalt paved road at Sefitlhogo village constructed and actual 0 km, challenges documented include delays with the delivery of asphalts.</i> a. Is there any progress regarding this indicator? <u>Question 96</u> <i>M_348, Target 100%, actual 96 % target not achieved, out of 888 Payments, 864 paid within 30 days, and 24 not paid within 30 days due to the funds were transferred</i>	completing and submitting the logbooks and trip authorisations d. Lack of budget to procure fire extinguishers, spare wheels-The vehicle accessories are procured in small quantities due to budgetary constraints. <u>Management Response</u> a. 3.8km of the road have been completed and surfaced with continuously graded asphalt. The contractor is currently working on additional works which includes managing the stormwater surface runoff. The additional works are expected to be completed by the end of April 2026. <u>Management Response</u> a. The DWS has been engaged but still we encounter challenges as there are no
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M.M

late to the Municipality by the DWS, and misplacement of invoices for Voltex and Bell. a. Management to provide progress to date and improved controls in place to prevent this anomaly. <u>Question 97</u> <i>INFR-13, 1 Inspection camera delivered on 10 December 2024</i> a. Where are the inspection cameras installed? <u>Question 98</u> <i>INFR-21- Target 1 Transactional advisor report for Grey Water from Paarl Wastewater Water Treatment Works to be completed and 0 achieved, target not achieved</i> a. management to provide progress to date.	improvements on delayed transfer of funds. Management have also centralized submission of invoices in the PMU unit to avoid delays for processing of payments. <u>Management Response</u> a. Pipeline Inspection Camera is movable tool. Which is utilized when there are blockages. Currently stored at workshop offices for safe keeping. <u>Management Response</u> a. Management stated that the Consultant has been appointed.
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M.M

<u>Question 99</u> <i>INFR-16 Target 800 of new households to be electrified in the villages around Lephalale and actual only 174 of new households were electrified, target not achieved.</i> a. management to provide progress to date. <u>Question 100</u> <i>INFR-19- Target 1 Solar Technical Report and 0 solar technical report concluded target not achieved and challenges documented includes Late appointment of the service provider had a major impact in the conclusion of the technical report</i> a. management to provide progress to date and what were the reasons for appointing the service provider late?	<u>Management Response</u> a. A total of 577 households have been electrified. The total of 800 H/H has been overstated on the SDBIP. <u>Management Response</u> a. Solar Technical report finalized and approved by council on 29 January 2026: Item A05/2026[1].
<u>Question 101</u> <i>Page 160(Turnover and vacancies)</i> a. Why is the 2023/24 approved post quantity different from what was reported from 2023/24 annual report? <i>Page 162 injuries, sickness and suspensions</i> b. Why is the table for injuries on duty duplicated from the previous year?	<u>Management Response</u> a. Typo for page 160 & 162, management to correct all the tables.
<u>Question 102</u> <i>Page 163 Sick Leave</i> a. What was the reason for increase in sick leave costs?	<u>Management Response</u> a. The increase in Sick leave costs was due to increased sick leave days taken for the year under review

<u>Question 103</u> <i>Page 180 Basic services and Infrastructure Backlogs</i> b. What did the municipality use to determine backlog percentages? <u>Mid-year performance report</u> <u>Question 104</u> <u>Table 3.1.1 Institutional performance</u> <i>The overall performance is reported at 70%, which reflects a 2% improvement from Quarter 1 while Infrastructure services reported a 31% performance mid-year means.</i> a. How does management reconcile the 70% overall score with the significant underperformance in Infrastructure Services (31%)? The score means that: • Capital projects are severely delayed • Service delivery likely compromised b. What percentage is realistically achievable by year-end? c. Management to provide monthly implementation milestones to improve performance in Quarter 3 and Quarter 4? <u>Question 105</u> <u>Finance</u> <i>M_33: The Municipality scored 84% against the target of 95 % in Q2 of 2025/2026</i>	<u>Management Response</u> a. Stats SA Households Survey as an official document <u>Management Response</u> a. The overall 70% is the total performance of the institution, therefore the 31% of the Infrastructure Services contributed to the overall, the department is responsible for KPA 2 where the bulk of the budget and capital projects are based. b. 70% is the realistic achievable by end of financial year. c. Management have implemented Project steering committee for monitoring progress and addressing delays on projects. <u>Management Response</u> a. The management is implementing cut-off / disconnecting of electricity in addition to
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(Target not achieved) The Mid-Year Performance Report reflects that the revenue collection rate achieved in Quarter 2 was 84% against the National Treasury benchmark of 95%, resulting in a 16% shortfall. a. What monthly recovery targets have been set for Quarter 3 and Quarter 4 to meet the benchmark of 95% by year end?	30% percentage blocking and payment arrangements that the customers make with the municipality. b. The debt collector is also fast tracking the collection processes at Marapong and Thabo Mbeki where the Municipality is not licensed to provide electricity. The target for next 6 to 18 Months is 90%.
Question 106 Under 4.1 challenges Percentage of Municipal Financial Management Grant spent is at 44%, instead of 50%, YTD a. Provide a detailed month-by-month grant spending plan to improve the spending by end of the year. b. Management to clarify the delay of recruiting interns.	<u>Management Response</u> a. Report attached. b. All the interns have been absorbed and position for Interns has been advertised. They are all registering for MFMP reporting and spending 100% at YE. There has been a delay in the recruitment process from HR side on verification process. 4 interns registered for MFMP. All grand funding will be spent.

Question 107

M25 target 2 and actual 2 Quarterly Financial report submitted to Council meeting of the 29th of July and 30th October 2025, and the comment noted to be not achieved.

- a. **Management to provide clarity (Target not achieved)**

Question 108**MM's office**

out of the Twenty-four (24) indicators, fourteen (14) achieved, three (3) exceeded, and one (1) performed below target, and six (6) are not applicable. A score of 94% for the department is achieved and 2 projects are at advertisement stage.

- a. **Management to provide progress to date with the two projects that were previously re-advertised.**

Question 109**Corporate support services**

Page 9: challenges:

- Out of a total of 416 employees, 253 have signed their Performance Agreements, while 163 employees have yet to complete this requirement.
- All 3 Internal Audit findings not addressed

- a. **What disciplinary or consequence management is applied for non-compliance?**
b. **When will 100% compliance be achieved?**

Management Response

- a. Management states that this was a typo error and it was corrected with the PMS Office.

Management Response

- a. Installation of CCTV cameras at sewer pumps station were installed. Project completed. Supply delivery and installation of security guard houses. Project has been delivered and completed.

Management Response

The total percentage for the year under review is 83% with a remainder of 17%.

- a. In terms of the Performance Management Development System (PMDS) policy as well as the Municipal Staff Regulations,

c. How do management intend to enforce performance when agreements are unsigned? d. Why were the three internal findings not addressed?	Non-compliance to signing of performance agreement is disciplinary actions against those that did not sign; however, HR division took initiative to first engage the 17% of individuals that did not sign by providing additional support and trainings. b. Management has made budget provisions to fund the position of PMDS Officer. c. For 2026/2027 financial year, all managers shall be allocated KPI's to ensure the signing of PMDS in their respective divisions. d. A risk assessment template was developed, managers were trained in OHS, ESS, and we also installed VPN to assist in approving leaves on the ESS
Question 110 <u>Social services</u> page 21 M_708 Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system (non-cumulative) target 33 and actual 16, target not achieved, It was documented that this KPI will be revised during the 2025/	<u>Management Response</u> a. Factors such as daily waste generation and recycling rate were the determining factors in adjusting the collection schedule.

26 FY Adjustment SDBIP from weekly to monthly refuse removal to be able to collect large volumes of recyclables. a. How does reducing refuse removal from weekly to monthly align with the Municipality's obligation to provide basic services and protect community health? b. Why is the corrective action focused on revising the KPI rather than addressing the operational constraints that caused the underperformance? c. Has community consultation been undertaken regarding the proposed change in service level, and what was the outcome?	Increase in the recovery or collection of recyclables from the bins by the recycling entrepreneurs in the villages compelled the municipality to review the collection schedule in some of the villages, it is therefore impractical to collect the bins that are not full weekly as all valuable waste resources are separated, sorted and sold by the private waste enterprises to the recycling companies. Weekly collection of empty bins is not cost-reflective, and as such incompatible with municipal cost-containment strategy. b. The monthly collection of bins is due to the increase in waste material recycling and low waste generation in the villages and not the operational constraints. c. The community was not consulted as the proposed changes are still aligned with the national norms and standards of waste collection in the Republic of South Africa
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M. N.

<u>Question 111</u> <i>M170- Removal of Invasive tree species</i> a. Why are the actual total hectors of invasive plant species removed in Q1 AND Q2 the same? b. What invasive plant species were removed and from where?	vividly state that "a bin can be collected within 48 hours of being reported to be full". <u>Management Response</u> a. Management states that they use excavators to eradicate, which is often borrowed by other divisions, the goal is to cover over 2.5 hectares. Upon reaching this target, the municipality assists other divisions. b. <i>Cryptostegia grandiflora</i> from the Rubber Vine was the invasive plant species that were removed.
<u>Question 112</u> <i>Page 25 ss8 Establishment of 2 Transfer stations (stalled) and the challenge includes insufficient Budget.</i> a. How far is MISA with the assessment report? b. What is the plan for the provision of budget?	<u>Management Response</u> a. MISA completed and submitted their assessment report on the Transferer Stations b. Since the total expenditure on the amounted to R8.5 million, including construction and consulting costs, MISA recommended that the municipality commits in writing to co-fund (R8.5million) the project with Coghsta prior to reregistration with MIG for implementation.

Question 113

Page 26 SS83 Acquisition of Slasher x2

- a. What slashes were procured at a total cost of R 130 000?

Question 114

Page 27 ISF01 Acquire 2x Sedan vehicles for Traffic Division

- a. Management to provide progress to date?

Question 115

Infrastructure

Page 28-Challenges

- Water loss is at 33.03% average YTD.
- 15 villages access roads were bladed YTD.
- 41.50% of the MIG budget is spent YTD.
- Slow progress on implementation of Infrastructure projects.
- Not all Council resolutions implemented, out of 12 resolutions, 11 implemented and 1 in progress.

Management Response

- a. 1.8m tractor drawn slashers for grass cutting.

Management Response

- a. A strategic decision was taken to abandon the procurement of the two sedans as they would not resolve mobility problems in Traffic. Instead, funds were redirected and traffic officers were allocated travelling allowances. A budget adjustment in this regard was passed and the SDBIP is being adjusted.

Management Response

- a. Yes, there has been discussions on improving addressing internal audit findings.
- b. Water loses 33.03% - Replacement of Old AC pipes in progress and malfunctioning water meters

M. M.

➤ 12% Internal Audit findings addressed, out of 44 Internal Audit findings, 4 resolved, and 12 not yet due. ➤ Not all payment to creditors were paid within 30 days, out of 243 payments, 237 paid within 30 days. a. Has there been any discussions on improving addressing Internal Audit findings? b. What steps were taken to fast track the challenges?	• 15 villages access roads were bladed YTD- Currently operating with one Grader. Grader breakdown, municipality is awaiting bell to assess the second grader for repairs.. • The Municipality is in process to procure a new Grader 41.50% of the MIG budget is spent YTD – Challenges included delays by ESKOM to energise the projects; however, the municipality is conducting regular meetings with ESKOM to Fastrack the process. • Some of the reasons include adverse weather conditions which makes it difficult for contractors to work under such conditions. • Late payments - SCHEDULE 6B payments whereby payments are being processed/delayed by DWS into the municipal accounts and
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	again into the SP's account after invoices are submitted. • Slow progress on implementation of Infrastructure projects – The projects progress is monitored and tracked through monthly PSC meetings and projects site meetings. • Not all Council resolutions implemented, out of 12 resolutions, 11 implemented and 1 in progress – The outstanding resolution is regarding the AC pipes projects which have not yet been completed. • 12% Internal Audit findings addressed, out of 44 Internal Audit findings, 4 resolved, and 12 not yet due – As a result of incomplete projects (See attached projects Progress report as Annexure AB&C) • Not all payment to creditors were paid within 30 days, out of 243 payments, 237 paid within 30 days
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<u>Question 116</u> <i>Page 30 M758 Green Drop System quality monitoring (Sanitation)</i> a. What was the outcome of each green drop test? b. How is a green drop test conducted?	– We Still encountering delays for late transfer of funds from DWS to process payments. <u>Management response</u> a. The Municipality didn't get certified in the last audit that took place 2021 b. DWS conduct audit against their set criteria which assess different KPA- We must obtain a score of 90% to pass the assessment
<u>Question 117</u> <i>M218 Maintenance and blading of access roads in rural villages, target 10 and actual 4 rural villages in which access roads are maintained and bladed target not achieved.</i> a. Which villages were bladed in Q1 and Q2? b. What is the municipality doing to pick up the pace regarding blading villages? c. Does the municipality have plans in place to purchase new graders?	<u>Management Response</u> a. 1st QUARTER • 1 Madibaneng • Lebu • Ga-Seleka • Kopanong • Mokuruanyane • Maletswai

	• Thapaleborethe • Witpoort • Kauletsi • Motsweding • Lethlora • Mmatladi • Bangalong 2nd QUARTER • Kauletsi • Phahladira • Ga-Mocheko • Shongoane 1 b. The municipality is in the progress of purchasing a new grader. c. The Municipality has appointed the Service provider for the Supply and Delivery of a new grader.
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M.M

<u>Question 118</u> Page 32 M27 target 50% and actual 12% of Internal Audit findings resolved, this Infrastructure Findings could not be resolved due to budgetary constraints a. What led to budgetary constraints? b. Management to provide progress regarding internal findings?	<u>Management Response</u> a. Management stated that they have limited resources to adequately address the internal audit findings. b. Management is continuously engaging contractors to increase resources on site to complete projects timeously. Limited budget is allocated to provide security and fencing for safeguarding of Municipal Asset. We have also finalised specifications for appointment of service providers to implement projects that are linked to address some of the findings, such as fleet etc. The technical reports have also been finalised and submitted to DWS for approval of funding. <u>Management Response</u>
<u>Question 119</u> Page 33 M348 Payment of creditors	

M.M.

a. Are there any mechanisms in place to improve payment of creditors? b. Is there any interest incurred? if yes, is the interest recovered from responsible officials? <u>Question 120</u> MM667 Risk mitigations implemented target 50% and actual 69%, Out of 54 Risks, 37 addressed and 17 not addressed (Target Over- achieved) a. Management to clarify the statement above? <u>Question 121</u> M691 Implementation of council resolution Out of 12 Council resolutions, 11 implemented, and 1 in progress target not achieved.	a. Daily creditors aging analysis report are being drawn to expedite invoices to paid with 30 days. b. Management has implemented the debit order system for Eskom payment effective from 1 February 2026. This will ensure that no interest is incurred. The amount of interest incurred on late payment will be recovered in end of March 2026. <u>Management Response</u> a. The above statement indicates that we have managed to exceed the set target of 50% and achieved 69% as 37 risk mitigations have been implemented out of 54 risks. <u>Management Response</u> Management states that the outstanding resolution is regarding the AC pipes projects which have not yet been completed.
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M.N.

a. Management to provide clarity as to why the council resolution is not implemented. Question 122 Page 35-36 Isw20, ISW22, ISW26, ISW27, target for these projects not achieved a. What steps were taken to ensure the projects are back on schedule as they have fallen behind?	<u>Management Response</u> a. The main delay in the implementation of the replacement of the AC pipes was a result of sourcing of the required materials (HDPE pipes and fittings) LLM has since assisted the contractors with the cession agreements between them and the suppliers. Contractors submitted the recovery plans and progress is being monitored in line with their submissions on monthly basis via site meetings and PSC meetings. Projects are expected to be completed by 30 June 2026 as per the recovery plans.
Question 123 ISW31 Page 36 Installation of Palisade fencing for storage facilities and pump stations a. Management to provide progress to date.	<u>Management Response</u> a. Management states that the tender must be readvertised as No submission was received.

<u>Question 124</u> Page 38 ISR/P16 Upgrading of Letlora Access road a. Management to provide progress to date and will the municipality conclude this project within committed timelines?	<u>Management response</u> a. The contractor is currently on site, and the progress is sitting at 36%, Box cutting and Roadbed completed. The contractor is sourcing material from the nearby borrow pit to complete the outstanding layers works. • Some of the delays on the projects were due to adverse weather conditions and unavailability of the suitable materials to be used on the layer works. (also see the attached projects progress report). • The contractor has submitted the recovery plan, and the project is expected to be completed by 30 June 2026 • Regular meetings are being held between the LLM, Consultants and
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M.M.

<u>Question 125</u> Page 39, ISRP/P 49 Acquisition of 1x Grader a. Why was the tender not advertised?	the contractor to access the progress. <u>Management Response</u> a. The Municipality has procured a grader through RT57 contract, and an appointment has been done, waiting for the delivery.
<u>Question 126</u> Page 41 ISF_3 Acquire 10x of LDV's for Service Delivery and ISF_4 Acquisition of 8 Ton Towing Truck x1 target not achieved due to the delays in procurement processes. a. What are the delays in procurement processes?	<u>Management Response</u> a. The RT57 Contracting on National Treasury Data base is followed to procure these vehicles. The order has been placed. We are now awaiting delivery of the vehicles.
<u>Question 127</u> <u>Development and Planning</u> M668 Job Creation through municipal projects	<u>Management Response</u> a. Yes, management has taken steps to promote the inclusion of people with disabilities in municipal

a. Out of the 22 jobs created did management consider people with disabilities?	job creation initiatives, however, participation remains limited. Current Status: During recruitment for municipal projects (including EPWP-type initiatives), people with disabilities were encouraged to apply through: • Ward-based mobilisation • Community notices A limited number of people with disabilities were considered, however Uptake was low.
<u>Overall General review of Mid-Year performance assessment and SDBIP</u> <u>Question 128</u> <i>The committee noted that the Misalignment between Schedule C and data string especially on the cash flow statement. These inconsistencies raise serious concerns regarding the credibility, accuracy and reliability of the financial data submitted for reporting purposes.</i> a. What are measures in place to ensure alignment of figures between the budget Schedules (A, B & C)?	<u>Management Response</u> a. Ensure compliance with the requirements of Municipal Budget Reporting regulations (MBRR) and Municipal Finance

Min

b. How does the municipality intend to monitor the quality of data when submitting to ensure correctness and accuracy? Question 129 <i>Non – compliance with MFMA Sec 65 (2) (e), which states that creditors must be paid within 30 days of receiving the invoice or statement.</i>	management Act (MFMA) and ensure that all schedules are fully completed. The municipality has implemented the month-end procedures to ensure that ensure that the data string and schedule are aligning before submission to Treasury Portal. Road map has been implemented to ensure all issues raised are addressed to ensure compliance to MSCOA reforms b. The standard operating Procedure and month end closing has been implemented to ensure correct balance sheet budgeting and transacting in the Ems system. c. Have budget controls in place to guard against transacting on no budget segments and review reports prior submission to ensure accurate and complete reporting. Training has also been arranged <u>Management Response</u>
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M.M

a. What strategies does the municipality have to ensure compliance with this Act as it increases the Fruitless and wasteful expenditure?

Question 130

High debtors which increase at an alarming rate despite irrecoverable debts written off.

a. What strategies do the municipality have in place to:

- ensure reduction of the debtor's book?
- ensure that long outstanding debts are dealt with?
- How often does the municipality update its indigent register and policy?
- Does the municipality implement the credit control and debt collection policy?
- Did the municipality conduct data cleansing to ensure the correctness of billing?

a. No response provided.

Management Response

- a. Management analysis the age analysis to determine the collectability of the debt book, implement Credit Control and Debt Collection Policy through disconnection of electricity, applying 30% percentage, offering incentives to customers that pay their accounts regularly, deducting money on municipal employees' salaries for officials that have municipal services debt, and recommend debt write-off for deceased accounts, sequestrated and liquidated customers.

The Indigent Register and Indigent Policy are updated annually. The Indigent Register for 2025/2026 was approved by Council in October 2025. Indigent Policy

	was updated and taken to Council with the Budget related policies in May 2025. The data cleansing is done on an ongoing basis, water and electricity meters are updated on the Financial System as an when there are changes, contact details of customers are updated when clients make enquiries and the debt collector provides the latest customer information for updating on the Financial System
Question 131 <i>Low collection rate due to a culture of non-payment by residence.</i> a. What strategies does the municipality intend to implement to improve the collection rate to the acceptable norm of 95%?	<u>Management Response</u> Management is implementing the following strategies: • Disconnection of electricity for non-paying customers • Early payment incentive is offered to the customers that pay their accounts regularly • 30% is deducted from prepaid electricity purchases for customers that owe more than 30 days

M.A.M

- Customers that come forth to make payment arrangement are offered reversal of 24 months interest and interest free debt for the duration of their arrangement term
- Municipal employees that owe municipal services for more than 90 days, are forced to make payment through monthly salary deductions.
- Exxaro being one of the major clients has taken all the accounts from its tenants and pays 100% of the billed amount every month, and Eskom has also been engaged to do the same with its tenants (officials), the move will assist in timeous collection of revenue.

M. M.

Question 132

The municipality has not managed to submit progress on the revenue enhancement strategy.

- a. What challenges does the municipality have in submitting the revenue enhancement progress report to relevant stakeholders (Treasury & CoGHSTA)?
- b. Is the municipality implementing the revenue enhancement strategy? If yes
Why is the collection rate not improving

Management Response

- a. Management states that there is no challenge in submitting the progress report, the Q2 (2025/2026) report has been submitted to Treasury on 20 February 2026.
- b. The Municipality is implementing the Revenue Enhancement Strategy; the implemented strategies are helping the municipality to maintain the status quo and make gradual improvements on collection. The Revenue Enhancement Committee has been established, and first meeting was held on 4 March 2026, and it is expected that the committee will assist in improving the collection processes and value chain and to increase the revenue base via implementation of the Revenue improvement plans and Investment summit packages.

M.M

Question 133

Differences between the GVR and billing system

- a. Does the municipality perform reconciliation of the GVR and the billing system?

Question 134

High distribution losses on water which is at 44% and is more than the norm of 15% – 30%

- a. How is the management dealing with aged infrastructure?
b. What are the strategies to mitigate high distribution losses?

Management Response

- a. Yes, the reconciliation of GVR and billing system is done quarterly on the Provincial Treasury Tool and is submitted to Treasury on the portal.

Management Response

- a. The technical assessment has been done and approved for implementation by DWS to replace Old AC pipes to curb water losses.
- b. Strategies to mitigate high distribution losses are follows:
- Replacement of Old Asbestos Cement Pipes with HDPE pipes (56km out of 120km of Old Asbestos Cement Pipes replaced to date), The projects are in progress to replace the remaining 64km in Marapong and Onverwacht.
 - Replacement of malfunctioning water meters- to date we have replaced 1066 water meters.

M. N.

<u>Question 135</u> <i>Ongoing reliance on consultants/contractors. The ratio was 8% which was above the acceptable norm (2% - 5%).</i> a. What are the strategies put in place to ensure that: • There is a reduction in reliance on consultants. • That transfer of skill is taken place.	• Identification and disconnection of visible illegal connections. • Roll out Community awareness campaigns on water conservation measures (Placing and publishing of pamphlets and flyers on social media) • Repair network water leaks (pipes and valves) – Water leaks and pipe bursts are repaired as and when they arise due to emergencies. <u>Management Response</u> a. Management has the following strategies in place: • The municipality has implemented the consultant reduction strategy and is conducting gap analysis on specification of consultants • The municipality has a skill transfer program in place for transfer of skills and
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<u>Question 136</u> The committee noted Inadequate Review of The Mid-Year Performance Report and the following root causes were identified: ➤ Accepting unreviewed reports from directorates by PMS staff. ➤ Limited time to review the performance report by the PMS Manager and DSSS due to late submissions of the reporting templates by directorates. ➤ Limited/Unrealistic timelines for quarterly reporting. a. What consequences are in place against directorates not reviewing their reports prior submission? b. What are the steps taken against directorates for late reporting? c. Did management review Limited/Unrealistic Timelines for quarterly reporting?	structures are being reviewed to reduce reliance e.g. BTO <u>Management Response</u> No response from management
<u>Question 137</u> Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report The committee noted that Management committed to ensure the following as per the IA mid-year performance report:	<u>Management Response</u> Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report

W.M

➤ that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation. ➤ The misalignments will be corrected during the adjustment of the SDBIP. a. Management to provide progress of the above was committed to be finalized by end of March and May 2026 respectively. Question 138 SS_81-The committee noted that the reported expenditure of R 105 000 for Brush cutters project is not substantiated by the evidence of the work carried out and it is also not aligned with the actual progress of the project as disclosed in the Midyear performance report. ➤ It was reported that this was due to an error in the financial system whereby the expenditure was voided on the financial system, however it still reflects on	The committee noted that Management committed to ensure the following as per the IA mid-year performance report: a. that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation. b. The misalignments will be corrected during the adjustment of the SDBIP. c. Management to provide progress of the above was committed to be finalized by end of March and May 2026 respectively. Management Response a. The budget of R105k allocated and the End user raise a requisition for 5 Brush cutter was raised. The ensure 6 brush cutters were supposed to be voided. Inzalo
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M.M

the system as though it was not voided, and the CFO committed to engage with Inzalo to attend to the matter as soon as possible by end of January 2026. ➤ <i>Expenditure disclosed as per the Mid-year performance report./ Expenditure disclosed as per BTO budget and expenditure report was R5000 instead of Approximately R35 600,00 Expected Expenditure based on the activities that transpired.</i> a. The committee is concerned about the validity, accuracy, reliability and completeness of the current financial system and management to provide progress to the issue above. b. What are the plans in place to prevent this inconsistency in future? <u>Question 139</u> <u>SDBIP 2024/2025</u>	developers were engaged to resolve the transaction. b. Procurement process is underway for the procurement of 5 brush cutters
<u>Management Response</u> a. The irrecoverable debts are written off against Bad Debt Irrecoverable, and the reversal of debt impairment is recorded against Provision for debt impairment. The statement was intended to indicate that the debt write-off will reduce the provision for debt impairment loss - the reduced debt book because of debt write-off will automatically reduce provision for debt impairment Page 21, Irrecoverable debt written off: There is a statement that reads as follows: <i>"The municipalities will record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off".</i> a. Management to confirm whether the correct accounting treatment for irrecoverable debts is to write them off against the accumulated provision for debt impairment, rather than recording a reversal of impairment?	

M. M.

Question 140

Page 22 Under interest on outstanding debts, there is a statement that: "Data Cleaning Project is in progress". This has been the case since or before 2024.

- a. When will the cleansed data be formally migrated into the live billing system and fully operational for billing purposes?
- b. What is the total cost incurred on the data cleansing exercise since inception in 2024, and what additional costs are anticipated until full implementation?

Management Response

- a. The data cleansing is done on an ongoing basis, water and electricity meters are updated on the Financial System as an when there are changes, contact details of customers are updated when clients make enquiries, and the debt collector provides the latest customer information for updating on the Financial System, property transfers are downloaded from Deeds Office website and transfers of ownership are captured monthly, Supplementary Valuation Roll (SVR) are caused as an when required and the changes are effected on the system in the month that the SVR's are received.
- b. Data cleansing is done in-house on an ongoing basis and there are no costs incurred.

M.M

Question 141

Page 23 under Agency Fees there is statement below:

"Municipality is performing the services (License and permits) for Department of Transport Strategies will be implemented to improve the revenue collection of the same"

- a. What is the current monthly revenue collected from License and Permit services on behalf of the Department of Transport?
- b. What is the projected increase in revenue once the strategies are implemented, and from which date will this improvement reflect?

Management Response

- a. In terms of the agreement the municipality retains 20% of the gross receipts collected on behalf of the Department of Transport.
- b. The strategy to enhance revenue collection involves full restoration of services that were suspended when some of our employees were arrested. We project that this would return our revenues to the pre-arrest era.
The collection rate is R3million per month.

Question 142

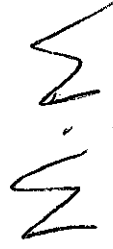
Page-16 under 2.1 budget summary it was stated that the Capital expenditure is R224 million which includes R30m Own capital Funded and R194m National Grant Funded Projects.

Page 33- under operating budget it was stated that The Capital expenditure is R231 million which includes R37m Own capital Funded and R195 m National Grant Funded Projects.

- a. Why do these statements contradict each other?

Management Response

- a. Management states that the statements were due to change of implementation plan and additional funding for water project.



4. FINDINGS

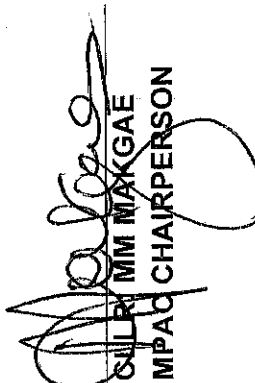
- i. Majority of responses provided by Management in writing were not addressing the questions asked by the MPAC committee and some of the questions were not responded upon submission and it was concluded that all other questions to be noted that will be corrected when the final annual report is finalised.
- ii. Management responses were not submitted timeously as required.
- iii. Appropriate actions are not taken against officials where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and crime proceedings 6(8)
- iv. Slow progress on cases referred to Financial Misconduct Board.
- v. Non-payment of services by community members.
- vi. Average collection rate from consumer debtors is still below the 95 percent acceptable norm.
- vii. Projects implemented beyond the contractual period and continuous extension of contract periods.
- viii. Lack of consequence management against nonperforming contractors.
- ix. Slow implementation of projects.
- x. Lack of monitoring by municipal officials on all projects
- xi. Water losses due to illegal connections and aging infrastructure.
- xii. Inconsistency in reporting.
- xiii. Delay in electrification of projects.
- xiv. Non proofreading of the documents before submission to Council and Council committees.
- xv. Annual actual performance is not valid, accurate and/or complete.
- xvi. Most of the performance targets not met.

M. 87

5. RECOMMENDATIONS

- i. That the Accounting Officer to develop standard operating procedures to strengthen the internal review processes in order to improve in the current year and to avoid recurring audit findings.
- ii. That the Accounting Officer to proofread all reports prior to being tabled before the Council Committees and Council to avoid unnecessary errors.
- iii. That the Accounting Officer to enhance the quality, reliability, accuracy and completeness of this document given the fact that it is a public document, Proof reading, grammar, editing and formatting should be proper to ensure that the Annual Report document includes the relevant correct information, and that the overall document is drafted in line with the relevant annual reporting frameworks as issued by the National Treasury.
- iv. That the Accounting Officer to ensure that appropriate actions are taken against officials where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and crime proceedings 6(8)
- v. That the Accounting Officer to intervene and ensure that all cases referred to Financial Misconduct Board are finalised as soon as possible and those reports to further be referred to MPAC.
- vi. That the municipality should embark on revenue collections strategies to ensure that revenues are collected in areas where services were rendered.
- vii. That The Accounting Officer to ensure that all water projects be prioritized for implementation to resolve the water challenges in the villages/Marapong.
- viii. That the Accounting Officer should ensure that consequence management is applied to anyone failed to comply with the SCM Regulations and MFMA Act and should further develop the consequence management policy.
- ix. That the accounting Officer should ensure that the project of good quality is implemented to compliment the financial management of the institution.
- x. That the Accounting Officer should ensure that projects are properly managed, monitored closely by municipal officials and also consequence management is implemented then the monthly reporting for implementation to be reported to MPAC.
- xi. That tender defaulting register for non-performing contractors is in place and management to impose penalties for non-performing contractors.

- xii. 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.
- xiii. Management to establish the performance assessment committee to deal with nonperforming contractors as there is a trend of contracts beyond reasonable period of time.
- xiv. That The Accounting Officer should ensure that bylaws on illegal connections are implemented.
- xv. That the Accounting Officer should ensure that stringent monitoring mechanisms are implemented during projects implementation to eliminate the continuous extension of projects.
- xvi. That The Accounting Officer to ensure that the municipality is providing reliable information when compiling 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.
- xvii. That The Accounting Officer to ensure quarterly monitoring of achievement of indicators is sharpened, and all audited performance quarterly reports be presented to council and referred to MPAC respectively.
- xviii. That The Accounting Officer to ensure that all errors to be rectified prior to finalizing the Annual Report.

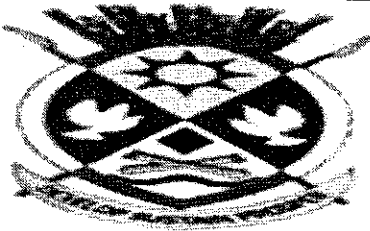

SULE M. MAKGALE
MPAC CHAIRPERSON

25-03-2025
DATE

PH2

ANNEXURE

**QUESTIONS FROM
MPAC
TO
EXECUTIVES AND
ADMINISTRATION**



LEPHALALE MUNICIPALITY

INTERVAL MEMO MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Date: 12 March 2026

Memo Ref: 3/4/9/2

QUESTIONS TO MANAGEMENT

TO : MAYOR
C.C : MUNICIPAL MANAGER
FROM : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
DATE : 12 MARCH 2026
SUBJECT : QUESTIONS ON DRAFT ANNUAL REPORT OF THE
LEPHALALE LOCAL MUNICIPALITY

1. Lephalale Local Municipality managed to get unqualified audit outcome for the financial statements and the committee appreciated the audit opinion as the municipality did not redress, the committee has a concern regarding the municipal reported performance information was not supported. The identified issues were mainly due to insufficient appropriate audit evidence for the reported achievements, lack of accurate, incomplete records, and the reported achievements reported could not be confirmed by alternative means.
2. Herein please find a list of questions concerning the financial and non-financial performance of the municipality and you are therefore requested to respond to the questions submitted to your office in writing on or before **the 17th of March 2026 at 15:00PM.**

You are further invited to attend the **Public Hearing on the 18th and 19th of March 2026, at 10:00AM Municipal Council Chamber (Civic Centre).** In terms of section 129 (2) (a) of the Municipal Finance Management Act No. 56 of 2003 and the Provincial Treasury Guidelines for legislative Oversight through Annual Reports, the Accounting Officer must attend Council and Committee meetings where the Annual Report is discussed, for the purpose of responding to questions concerning the report.

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AG REPORT

Question 1

Emphasis of matter

Water Losses

Paragraph 8 As disclosed in note 61 to the financial statements, material water losses of R15 845 542 (2024: R12 511 298) were incurred, which represents 42.3% (2024: 36,5%) of total water purchased. The water losses were due to leakages and the ageing infrastructure.

- a. What is management doing regarding the issue of leakages and aging infrastructure?

Question 2

Electricity Losses

Paragraph 9 As disclosed in note 61 to the financial statements, material electricity losses of R19 963 700 (2024: R14 177 103) were incurred, which represents 10.9% (2024 9%) of total electricity purchased. The electricity losses were due to illegal connections and aging infrastructure.

- a. It was noted that electricity losses were due to illegal connections, what are the measures put in place regarding the issue of illegal connections?

Question 3

Paragraph 10 As disclosed in note 38 to the financial statements, material impairment of R96 616 439 (2024: R93 401 794) was provided for as a result of irrecoverable debtors

- a. What are the mechanisms put in place to ensure that the debt collector adhere to the task and collect what is due considering that the performance is unsatisfactory as the previous debt collector?
- b. What is done to monitor performance of the service providers?

Question 4

Paragraph 11 Material Underspending of conditional grants

As disclosed in note 18 to the financial statements, the municipality materially underspent conditional grants by R18 838 575 (2024: R12 907 488).

- a. What caused the underspending of conditional grants?
- b. What are the mechanisms put in place to accelerate spending of conditional grants?

M.M.

Question 5

Annual financial statements

Paragraph 14- The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and

DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Paragraph 15- In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Paragraph 33 - The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

- a. Management to provide the SOP's on Annual Financial Statements and Performance Report.
- b. Management to provide progress report on the SOP's and action plan to date.

Question 6

KPA 2: Basic service delivery and infrastructure and development

M2188 - Percentage of Potholes in the municipal roads fixed per quarter, YTD (year to date)

Paragraph 24 Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100% for the potholes fixed in the municipal roads per quarter, YTD. There is insufficient evidence to support the calculations underlying the reported achievements. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.

- a. Why adequate process had not been established to measure and report the achievement of this indicator?
- b. Who informed the municipality to remove this finding/indicator of potholes on paragraph 24?

Question 7

Target of key indicators not achieved

Paragraph 27, The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved

M.M

as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report.

Service delivery and infrastructure development

Targets achieved: 50%		
Budget spent 94,70%		
Key indicators not achieved	Planned target	Reported achievement
Number of stadiums refurbished	1	0
M401 A - Number households connected with basic level of electricity by municipality on Eskom licensed area from 1 July 2024 to 30 June 2025	800	174
M218 - Number of villages in which access roads are bladed per quarter	39	28
M2188 - Percentage of potholes in the municipal roads fixed per quarter, YTD	100%	88%
M21- Percentage budget spent on MIG projects by the municipality for 2024/25 FY per Quarter YTD	100%	99%
M400 A - Percentage of households connected with access to sanitation in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025	100%	0%
M758 - Number of monthly wastewater quality monitoring reports conducted by municipality per quarter YTD (cumulative)	12	11
M399 A- Percentage of households connected with access to water in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025	100%	0%
M81 - Percentage of water losses per quarter, YTD	14%	41%
ISW 6 - Percentage of Marapong bulk water supply storage completed	100%	64%
ISW11 - Percentage of Marapong bulk water supply pipeline completed	100%	62%
ISW 32 - Number of boreholes equipped and energized at Madibeng village	1	0
ISW 43 -Number of JOJO tanks installed in various villages in Lephalale Local Municipality	12	11
ISW 44 -Zeeland Water Treatment Works-appointment of transactional advisor	1	0
ISR/P47 - Number of kilometers of access road	3,8	0

upgraded from gravel to asphalt-paved road at Sefitlhogo village YTD		
ISS4 - Percentage of sewer pump stations upgraded, and network pipes replaced with AC pipes per quarter YTD	100%	85%
ISS24 - Grey water from Paarl wastewater treatment works- appointment of transactional advisor	1	0
ISE9 - Number of new households electrified in villages around Lephalale	800	174
ISE12 - Number of high mast light installed and energize in various villages YTD	27	0
ISE15 - Number of solar technical report compiled	1	0
ISE18 - Number of switch gears replaced on the substation	2	0
SS61 - Percentage resealing of testing ground	100%	73%

Local economic development

Targets achieved: 60%

Budget spent 80,39%.

Key indicators not achieved	Planned target	Reported achievement
Number of jobs created through municipal LED initiatives and capital projects per quarter (from municipal budget)	440	132
Number of jobs created through strategic partners in the municipal boundaries per quarter YTD	1 000	621

- Management to provide updated action plan including progress on the implementation of the plan in paragraph 27 of the audit report.
- Why is there 94 % budget spent however the target reached is 50%, Management to provide clarity.
- Did management have any engagements with Eskom regarding the application of energisation?

Question 8

Material misstatements

Paragraph 28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the

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reported performance information for service delivery, infrastructure development and Local economic development key performance areas. Management did not correct all of the misstatements, and AG reported material findings in this regard.

- a. **Why did management not correct all the omissions made on the misstatements?**

Question 9

Annual financial statements and performance report

Paragraph 33-The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of non-current assets, current assets, liabilities, disclosure items

identified by the auditors in the submitted financial statement were subsequently corrected and,

resulting in the financial statements receiving an unqualified audit opinion.

- a. **What causes the recurrence of this finding for the past five years?**
- b. **What measures is the municipality implementing to prevent recurrence of this finding?**
- c. **How does the municipality ensure that there are proper processes put in place to avoid over reliance on External audit to identify and correct misstatements.**

Question 10

Procurement and Contract Management

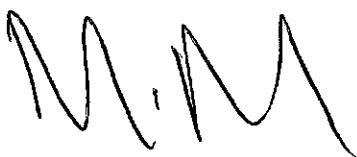
Paragraph 35-Sufficient appropriate audit evidence could not be obtained that the performance of some contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA.

- a. **Why was the performance of contractors not monitored on monthly basis?**
- b. **Who is responsible for monitoring the performance of contractors?**
- c. **What are the measures put in place to monitor the performance of contractors monthly?**

Question 11

Consequence management

Paragraph 36&37 Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.



- a. Why did the municipality not conduct investigations to identify liable transgressors?
- d. How is management going to recover the irregular and Fruitless and wasteful expenditure incurred from liable transgressors?

Question 12

Expenditure management

Paragraph 38- Reasonable steps were not taken to prevent unauthorised expenditure amounting to R49 398 000, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by debt impairment, bad debts, depreciation, impairment, and amortisation, which are non-cash items.

- a. What are the reasons for not implementing reasonable steps to prevent unauthorised expenditure?
- b. What are the measures in place to prevent recurrence?

Question 13

Internal Control deficiency

Paragraph 45- The accounting officer did not adequately review the financial statements and performance information before submitting them for audit, as a result material misstatements were identified.

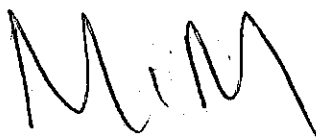
Paragraph 46. Management did not prepare regular, accurate and complete financial statements and performance reports that supported and evidenced by reliable information.

- a. What measures did the accounting officer and the relevant departments put in place to adequately review the financial statements and performance information before submitting them for audit?

Question 14

Paragraph 48- The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective. The action plan did not ensure that root causes that resulted in material findings are adequately addressed.

- a. Has the municipality reviewed the action plan which addresses internal and external audit findings to ensure that controls/actions are effective?



General AG Findings

Question 15

Commitments made by the municipal manager regarding delayed projects

Improve backlog on delayed projects to improve service delivery to the citizens of Lephalale Municipality, list of delayed projects below:

- Strong Room
- Construction Thabo Mbeki Sewer Network - Phase 1
- Construction of Thabo Mbeki Sewer Network- Phase 2
- Construction of Water Network System Refurbishment (Seleka 4 & Maletswai)
- Witpoort and Seleka RWS Phase 5
- Construction of Shongoane & Mokurunyane RWS Phase 5
- Construction of 4 high masts in Phahladira
- Construction for Extension and augmentation of water Supply in Seleka Phase 6
- 16 High mast in villages
- Installation of 27 high mast
- Construction of 2X 3ML steel tank resevoirs – Marapong
- Construction for Refurbishment of Thabo Mbeki Stadium

- a. Management to provide progress to date regarding delayed projects above.
- b. What is the root cause delaying these projects?
- c. Management to provide minutes, agenda and reports of these delayed projects.
- d. Management to provide engagements had with stakeholders and service providers regarding these delayed projects.
- e. Management to give indication if they will continue with these delayed projects.

Question 16

Overall Internal Audit and Audit Committee Report on Annual Report

The committee noted the following:

- The controls relating to the preparations of the annual report are inadequate and ineffective.
- AG action plan not included as part of the draft annual report as required by the section 121 of the MFMA and MFMA circular 63 this was due to that the compilation of the AG action plan still not yet finalised.

- a. Why is the annual report not prepared on time?
- b. Why is there recurrence of the same findings on the Report?
- c. Who is responsible for the compilation of the draft annual report internally?
- d. Why was the AG action plan not finalized in time?



Question 17

The following AC inputs not corrected prior submission of the Annual Report 2024/25 FY to council

- Page 21, figure 2 not corrected

3. Delete empty cells

Population group

NAME	FREQUENCY	%
BLACK AFRICAN	105 576	81.3%
COLOURED	409	0.4%
INDIAN/ASIAN	844	0.5%
WHITE	22 388	17.6%
OTHER	456	0.4%



- Table contents page numbers not aligned with the content pages (example AFS are on page 225 but listed to be on page 230?)
- The below not corrected, "Root" still omitted, page 29

5. See tracked changes below and correct them

2.6. RISK MANAGEMENT

RISK MANAGEMENT

Municipality Finance Management Act, SECTION 62(1) (c) (i) states that the Accounting Officer must ensure that department has and maintains effective, efficient, and transparent systems of financial and risk management and internal control and that risk assessments are conducted regularly to identify emerging risks of the institution.

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions.

The following are the top identified 5 risks for Lephalale for Lephalale Municipality. The table below illustrates the top 5 risks, the root causes, and mitigating factors.

The table below illustrates the top 5 risks, the root causes, and mitigating factors.

Risk No	Risks/Threat	Root Cause	Current control	Mitigation measure/ Action Plans
SRD1	Financial Unsustainability	1 Decline in revenue streams 2 Loadshedding 3 High unemployment rate 4 Adverse economic conditions 5 Lack enforcement of debt and credit control	1 Full implementation of credit control and debt collection Policies 2 A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of Municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources.	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings. Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (interest relief) 3. monitoring of the current implementation of revenue collection and return of funds to the Municipality

a. What are the reasons for not incorporating all AC inputs?

- Page 24 and 25, refer to July billed and collected amounts?

b. How did the municipality being able to collect more revenue than what is billed for example in July 2024, customers were billed R32M and collected R38 M, Management to clarify and check all the months.

- The AFS still on page 225, Not addressed it was noted that the Annual Financial Statements are included in the Annual Report only as a link to the AFS. Given the requirements of MFMA sections 121 and 122,

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- c. Can management confirm whether this approach constitutes full compliance, and provide assurance that the signed, audited Annual Financial Statements form an integral part of the Annual Report rather than a separate or referenced document?
- d. Chapter 6 circular 63 MFMA regarding remedial actions How did management ensure compliance with above section in a manner that ensures transparency to the users of Annual Financial Statements?

The Draft Annual Report 2024/25 FY

Question 18

PAGE 22 - 1.3 SERVICE DELIVERY OVERVIEW

The Municipality provided communities with potable water and sanitation. The water and sanitation systems are operated and maintained according to the blue and green drop requirements. The Municipality is committed to achieve blue and green drop status in future.

- a. Why is the municipality stating that they are operating in terms of blue and green drop requirements whereas they are also committed to achieving it in future?
- b. What is the blue and green drop requirements specifically?

Question 19

Page 24 and 25, refer to October billed R50m and collected amount R22m

- a. Why is there such a high fluctuation between billed versus collection in October?

Question 20

Page 24- Institutional performance of the Municipality and Summary of indicator performance briefly in the Annual Performance Report 2023-24 for comparison with the 2024-25 Annual Performance Report scores, this tabulated score depicts a 10% decline in overall performance as compared to the previous year's performance.

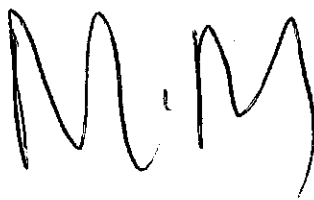
- a. What caused the 10% decline in performance?

Question 21

Creditors

Page-26 The Municipality has a creditor's book of Revenue is monitoring payment to creditors to be within 30 days as legislated. There is a manual invoice tracker being implemented to adhere to 30 days payment. This is also done to prevent any fruitless and wasteful expenditure caused by potential interest charges for late payments.

- a. What is the process of the municipality in implementing the invoice tracker?



- b. Were there any delayed payments if yes, what is the root cause of these delayed payments?
- c. Management to provide the list of these late payments
- d. What is management doing to ensure that delayed payments does not occur in future?

Question 22

Page 29 &30 Challenges

- Huge backlog on gravel roads.
- Ageing assets/infrastructure, for water reticulation and sanitation
- Vandalism and theft – Municipal Assets
- Illegal connections for services water and electricity.
- Project completion is not on schedule.
- Revenue collection is low than standard.
- Huge backlog on fixing of potholes.
- Inadequate and inconsistent water supply.
- High level of informal settlements mushrooming rapidly which add to the already housing.
- High water losses in the institution.

- a. Does the municipality have strategies in place to resolve challenges above?

Question 23

Page-27 Capital and operating expenditure

The Municipality is upgrading its infrastructure through new projects funded by grants. Also, a portion of operating expenditure is allocated for repairs and maintenance. Insurance is also taken on infrastructure assets to ensure that any form of repairs caused by damages is attended to.

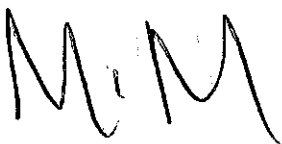
- a. What infrastructure assets are being insured?

Question 24

Page-27 Distribution losses

The Municipality has reported significant losses in the prior and current year. A long-term plan of reducing water losses by implementing projects of replacing asbestos pipes with PVC pipes is currently underway. Electricity losses are also reduced by implementation of prepaid electricity metering.

- a. How many households have been converted to prepaid and how many still not converted?
- b. Does the municipality have time frame as to when the remaining consumers will be converted to prepaid?



- c. What are the mechanisms put in place for consumers who are liable for outstanding amounts prior conversion?

Question 25

Organisational Development Overview

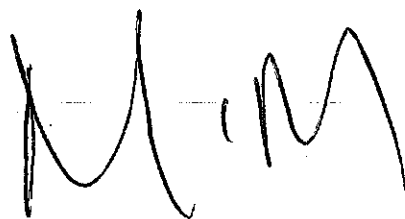
Page 27- *The Lephalale Local Municipality has not conducted the Annual Individual Performance Evaluations for the financial years of 2024/25: Out of 530 positions, 07 are vacant & 423 are filled.*

- a. Management to clarify the relevance of the above statement regarding the Annual individual performance evaluations is it for Executive managers or all staff?

Question 26

Page-29 *The table below illustrates the top 5 risks, the root causes, and mitigating factors.*

- a. What were the progress made from the previous financial year to the current financial year

A handwritten signature in black ink, consisting of stylized, overlapping loops and curves, positioned at the bottom center of the page.

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
SR01	Financial Unsustainability	1. Decline in revenue streams 2. Loadshedding. 3. High unemployment rate 4. Adverse economic conditions. 5. Lack enforcement of debt and credit control	1. Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of Municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources. 5. Full implementation of cash and investment monitoring policy. 6.. Monthly cut of accounts in arrears and entering to payment arrangement with customers with pending accounts.	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings, Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (Interest relief) 3. monitoring of the project implementation and procurement plan to avert return of funds to NT (interest on investment). 4. Bring on board DBSA to assist with revenue enhancement 5. Switch consumers from post-paid to prepaid. 6. Develop business case for water smart metering.
SR02	Inadequate road infrastructure network	1. Road congestion 2. Lack of forward planning 3. Aging infrastructure. 4. Lack of implementation of maintenance plan.	1. Storm water by-law 2. 2. Intergrated Infrastructure master plan. 3. Maintenance plan for repair of potholes and storm water system.	1. Resealing of roads in town; Marapong and Onverwacht. 2. Develop technical report for Marapong storm water. 3. Engagement with various stakeholders. 4. Monitoring and the maintenance of roads.
SR03	Insufficient provision of sanitation services.	1. Current Sewer system capacity is not sufficient to accommodate the current population. 2. Aging infrastructure (Sewer AC Pipes).	1. Refurbishment and upgrading of sewerage network re-engineering. 2. Approved sanitation technical report 3. Water supply and sanitation services by-law. 4. Integrated Master Plan.	1. Refurbishment of the WWTW. 2. Replace old AC pipes and install new sewer line from PS25 to Zongesien 3. Develop technical report for the provision VIPs to rural areas.

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Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
			5. Usage of honey sucker to address sewer spillages	4. Continue with the operation and maintenance of sewer network
SR04	Inadequate internal electrical infrastructure network.	1. Overloading of the internal overhead lines. 2. Illegal connections. 3. Cable Theft and vandalism. 4. Inability to detect high voltage fault currents.	1. Monitoring, maintenance and upgrading of electrical network. 2. Replace copper cables with aluminium cables in rural areas 3. Integrated Infrastructure Master plan 4. Cable detector in place	1. Conduct technical assessment. 2. Replacement of copper cables with aluminium cables in the rural areas. 3. Training on cable fault detector 4. Closing of the ring circuit 5. Implement the maintenance plan. 6. Replacement of the switch gear
SR05	Insufficient provision of water	1. Illegal water connections 2. Ageing Infrastructure 3. Climate change 4. Theft and vandalism of municipal infrastructure. 5. Loadshedding	1. Disconnection of illegal water connections 2. Replacement of AC to UPVC water pipes 3. WC/WDM programme 4. Replaced copper taps with plastic taps. 5. Supply water with water tankers to areas vulnerable to drying of boreholes.	1. Enforcement of water By-Laws (Secure by in from stakeholders) 2. Continue with designs and construction to replace AC pipes 3. Construction of bulk pipeline from Zeeland Water Treatment Works to Marapong. 4. Conduct technical assessment

Question 27

Page 42- 2.1 By laws

COMMENT ON BY-LAWS PERFORMANCE OVERALL

MSA S11 (3) (m) provides municipal Council with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation, no new by laws were processed in the 2023-24 financial years.

- a. Are the 2023/24 by-laws outdated?
- b. Why there any by-laws processed in the 2024/2025 financial year?
- c. Are they any bylaws still to be passed to council and if so, what is the progress to date?

Question 28

Page 43- 2.1 Public satisfaction on municipal services

Customer satisfaction survey was not conducted for the financial 2024/ 25 due to lack of capacity and budget; there were sporadic incidences of service delivery protests from communities in rural villages. The Municipality has Customer Care Complaints system that is functional and all the complaints are addressed.

- a. Is the municipality stating that there are no complains? And when is the Municipality intending to conduct customer satisfaction survey?

Question 29

Page 45- Bulk Water Infrastructure

Water is pumped from the Mokolo dam to the Wolvefontein storage dam, from where it gravitates down to Zeeland water purification plant and the purification plant at Matimba power station. Bulk raw water gravitates down to the Grootegeluk mine and Eskom's Matimba power station.

- a. What plans does the municipality have in place to secure additional bulk water resources for future expansions such as power generation?
- b. What plans does the municipality in place to ensure continuous supply from mokolo dam?

Question 30

Asset Type	Unit Measured	Quantity	Remarks
Boreholes	Number	138	
Reticulation Pipelines	Length(m)	424,973	286,311m of uPVC pipes and 136,702m of AC pipes 1,960m of HDPE pipes
Bulk pipelines	Length(m)	34,693	28,593m of uPVC pipes and 6,046m of AC pipes

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Asset Type	Unit Measured	Quantity	Remarks
Reservoirs	Number	121	
Water Treatment works	Number	2	Witpoort and Maletswai
Pump Stations	Number	38	

Page 45 Water infrastructure

- Management to provide a breakdown of reservoirs according to the wards as how many are operational?
- Out of 121 reservoirs with 38 villages Is the municipality accommodating all residents? And what are the plans in future to ensure that these reservoirs are serving its purpose?
- Does the municipality conduct a study before they drill boreholes to ensure that they are effective?
- How many boreholes are inside the river?
- Why is the column of remarks empty on some line items?

Question 31

Water availability in Rural Areas

Page 46 -Paragraph 2 *The ground water from the boreholes is generally low due to poor yields and unacceptable water quality (class 3 or 4); however, this does not necessarily pose a health risk to communities. Water from the well field type boreholes has however higher yields and acceptable quality. The surety of the current water supply from boreholes is not known. It is also not known what the actual volume of water is provided to the community. The Municipality has commissioned a study on water volumes provided to rural villages.*

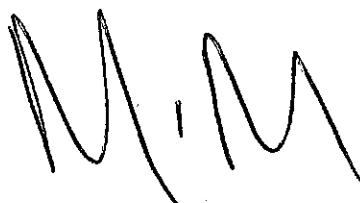
- Is there any provision from the municipality that specifies that they should drill how metres for boreholes?
- Has the study on water volumes in rural areas returned if so, what is the response?

Question 32

Page 47- paragraph 1

According to the water service development plan "starter requirements" approximately 22.6% of the rural population has access to water that must be carried/carted 0-200m, while 20.5% of the population has access to water that is 200-500m away from the point of use. This implies that 35.6% of the rural population does not have water that falls within RDP standard of maximum cartage distance of 200m from point of use (i.e., resident/house).

- Management to clarify the percentages used above as they don't add up to 100%.



Question 33

Page 47-48 paragraph 3-under 3.2 Waste water(sanitation) provision

Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works. **The treatment works has been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML, and currently there are 38 pump stations.**

- a. Management to clarify if there is enough capacity for the municipality to adhere to its mandate.

Question 34

Current Status of Sanitation in Rural Areas

Page 48 paragraph 2 The technical assessment and feasibility study has been completed in the 2025/26 financial year for provision of ventilated improved pit latrines (VIP) and eradication of sanitation backlog in the Lephalale various rural villages. The technical report has been submitted to the department of water and sanitation for approval of funding to commence with the implementation of the proposed projects effective from 2026/27 financial year.

- a. Management to clarify completion period of technical assessment.

Question 35

Waste water (sanitation) provision

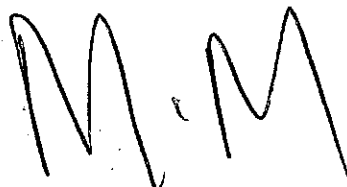
Page 48 paragraph 3

Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. **The municipality is currently busy with the upgrading to a 1.5 ML/day for a conventional wastewater treatment plant.** A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadja coal (PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale town has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d wastewater treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached, and a consulting engineering firm was appointed to do feasibility study.

- a. Management to provide progress on upgrading to oxidation pond.
- b. Management to provide progress on feasibility study relating to agreement with Ledjadja coal pty ltd.

Question 36

Page 49 household access to sanitation



Flush toilet connected to public sewer system	Flush toilet connected to a septic tank or conservancy tank	Chemical toilet	Pit latrine toilet with ventilation pipe	Pit latrine/ toilet without ventilation pipe	Ecological toilet (e.g., urine diversion; envirolo; etc)	Bucket toilet	Bucket toilet (emptied by household)	Other	None
18536	859	952	8326	10054	99	-	74	520	3582

a. Management to specify the column of other above.

Question 37

Financial Performance sanitation

Financial Performance 2024/25: Sanitation R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 43 827 892	R 61 654 844	R 61 654 844	R 43 827 892	R 17 826 952
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 14 672 473	R 15 453 735	R 16 453 735	R 14 672 473	R 1 781 262
Repairs and Maintenance	R 907 458	R 6 138 255	R 6 138 255	R 907 458	R 5 230 797
Other	R 1 778 490	R 7 703 150	R 7 703 150	R 1 778 490	R 5 924 660
Total Operational Expenditure	R 17 358 421	R 29 295 140	R 30 295 140	R 17 358 421	R 12 936 719
Net Operational (Service) Expenditure	R 26 469 471	R 32 359 704	R 31 359 704	R 26 469 471	R 4 890 233

a. Management to clarify 2 line columns stated as expenditure and other.

Question 38

Household access to electricity

In-house conventional meter	In-house prepaid meter	Connected to another household which pays for	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity
18 536	16 798	393	1 174	199	22	-	1 855	4 418

- a. Management to clarify the column named other above.

Question 39

Page 51- Free basic services

- a. Management to provide a breakdown of how many individuals from urban and rural are provided with free basic services.

Question 40

Page 50 Financial Performance sanitation and PG 51 Financial Performance Electricity are the same

- a. Management to clarify the duplicated financial performance.

Question 41

Waste Management

Page 52- paragraph 4 **A total of 22 community-based waste recycling programs is established as a way of meeting the targets of the National Waste management strategy. Exxaro appointed engineers to undertake studies and designs required prior to the establishment of the Material Recovery Facility.** The tender for establishment of the Material Recovery Facility is advertised, and the contractor will be appointed to construct Material Recovery Facility in the landfill site. **There is a great reliance on private companies and community-based waste recovery cooperatives for recovery of the recyclables.** The waste processing and converting companies such as Nampak, Consol, and M pact, Transpaco, Collect-a-can and Consol have contracted various waste brokers for the recovery of K4 box, cans, plastic bottles, clear and mixed plastics, white paper, and glass. There are informal waste pickers in the landfill site recovering recyclables for further processing.

- a. How many waste management campaigns have been conducted? and where were these campaigns conducted?

M.M

- b. How often does management offer awareness campaigns regarding waste removal?
- c. Out of 38 villages, which communities are supported by the waste recycling program?
- d. What is the plan for the villages not included in the total of 22 community-based waste recycle program?

Question 42

Page 52- paragraph 7

The division has a serious challenge of littering and illegal dumping of waste in Marapong, villages and informal settlements. The available resources are also not adequate to deal with population growth. The available street cleaners are not enough to deal with the generated street litter. There are no waste drop-off facilities for temporary storage of green and general waste, and as well as promoting reverse logistics in sustainable consumption and production. There are no waste disposal or storage facilities in the rural areas, and as well as inadequate waste storage receptacles in both rural and urban areas.

- a. What mechanisms does the municipality have in place to resolve challenges faced by waste management as stated above?

Question 43

Refuse Removal

Page 53- paragraph 2 -The Municipality has no drop-off, garden sites, transfer station, material recovery facilities and buy-back centres for recycling. The Municipality is relying on private companies and community programmes for recovery of the recyclables. The municipality has a challenge of providing refuse removal service to the rural community. Refuse removal of general waste is initiated by the municipality has a municipality in 33 x villages. The serious challenge of illegal dumping of garden waste in areas such as Marapong and Onverwacht, in that garden sites are needed in the mentioned areas.

- a. Was the by-law enforced regarding illegal dumping? And when last was the by law reviewed and implemented?
- b. Management to provide progress on additions of garden waste removal and drop off centres.

Question 44

Page 53-Paragraph 3 Waste Transport and Transfer

The Municipality has 3 x 12 cubic meter, 6 x 20.6 or HC250 compactor trucks, 3 x Skip loader truck, 2 x Roll-on Roll-off trucks and 2 x 4- ton trucks for refuse removal and street cleaning,

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servicing seven collection routes on Monday and Tuesday and eight collection routes on Wednesday, Thursday, and Friday in the urban area. The Municipality has no transfer station and Roll-on-Roll-off system is used for temporary storage of waste in areas that are situated at 30 to 35 kilometres from the landfill site. Skip bins are being placed at specific central collection point and collected on a weekly basis. The Municipality is establishing 2 x waste transfer stations in the villages.

- a. When is management planning to conclude /finalise the establishment of the 2 waste transfer stations?**

Question 45

Page 53-Paragraph 4 Waste Storage

The Municipality has in-adequate refuse receptacles for refuse storage. The municipality is using 1, 75 and 6 cubic meter skip bins for waste storage. In the central business district about seven to ten shops are sharing one or two 1, 75 or 6 cubic meter bins and the capacity is not enough. There are in-adequate refuse receptacles on the streets of Lephalale town.

- a. How many skip bins are in circulation and where are the skip bin located?**
b. Is there any progress from removing skip bins from areas where businesses are not complying with by laws?

Question 46

Page 53- paragraph 5 Waste Education

The Municipality has a formal waste education programme called waste wise- education competition and school recycling competition. The Municipality in collaboration with Earth life Africa initiated environmental clubs in both rural and urban areas that are educating the community about good waste management practices in line with the National Waste Management Strategy, Municipal Waste Management by-law, NEMA: Waste Act and other waste legislations. The municipality is also supporting the provincial sustainability school's competition that is implemented by Lapalala Nature Reserve.

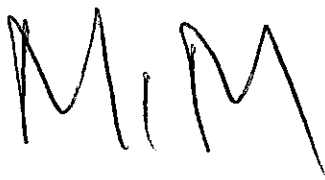
- a. How many waste education events has the municipality conducted?**

Question 47

Page 54- Waste Disposal

The Municipality has one permitted waste disposal facility. Exxaro appointed Impact Catalyst to undertake feasibility studies for beneficiation and monetization of waste through Material Recovery Facility and Buy-back centre. Exxaro appointed a service provider for the designs of Material Recovery Facility.

- a. How far is the municipality with the feasibility study and designs materials facilities?**

A handwritten signature in black ink, appearing to be 'MIM' or similar, located at the bottom of the page.

Question 48

Page 54 - Household access to refuse removal

Removed by local authority/ private company /community members once a week	Removed by local authority /private company/ community members less often than a week	Communal refuse dump	Communal container/ central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total H/H
38 779	349	1575	7135	9 806	4335	102 3	43 002

Only 90% of the households in Lephalale Local Municipality have access to acceptable refuse removal service level. The Municipality is still faced with the challenge of illegal dumping of waste in Marapong more especially next to illegal settlement areas and parts of Onverwacht as well rural areas.

- What is the target timeline to reach 100% coverage and what interventions are planned to achieve this?
- What immediate measures is management implementing to reduce this environmentally harmful practices?
- Management to clarify other on the table above.

Question 49

Page 55- paragraph 3 Lephalale Development Nodes

Exxaro is in a process to establish approximately 3000 residential erven. Eskom is having a two-fold approach which includes the purchase of erven from private sector and establishment of housing for Marapong Extension 5 on their own land which is still in a process. The Provincial Government has allocated 1.2 billion on a three-year basis for the establishment of 5000 erven in Altoostyd farm.

- What process has Exxaro made in relation to 3000 residential erven?
 - What process has Eskom made with purchase of land for residential purposes?
 - Management to provide update on the 1.2 billion for 5000 erven at Altoostyd?
 - What is the municipality doing to address the high volume of empty asbestos houses in Onverwacht?
- 

Question 50

Page 56 Total housing backlog

Types of dwellings

YEAR	2001	2011	2016
House on separate stand	14459	22816	28647
Traditional dwelling	2296	408	422
Flat in block of flats	203	849	1309
Town/cluster/semi-detached house	126	271	428
House/flat/room in back yard	510	340	558
Informal dwelling/shack in back yard	893	2098	3032
Informal dwelling/shack elsewhere	1428	2456	6768
Room/ flat let on shared property	275	321	408
Caravan/ tent	87	74	64
None/homeless	4	-	-
Other	24	246	418
Total no of dwelling	20305	29879	42054

- a. Management to clarify other in the table above.

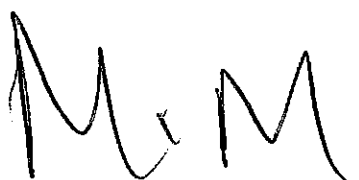
Question 51

Page 57 paragraph 3 The total average basic service backlog is about 18%.

Page 57 -3.6 Free basic services and indigent support

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES					
Water	Sewerage & Sanitation	Electricity	Refuse removal	Total households served	Total households served as %
2 758	2 758	2 758	2 758	2 758	4,8%

- a. Management to provide total number of indigents receiving free electricity
- b. What are the requirements for beneficiaries to receive free electricity?
- c. What are the guideless followed to determine the threshold of indigents?
- d. Management to provide a breakdown for 2758



- e. How many from rural areas, how many from town?
- f. Management to provide a breakdown according to the villages
- g. Has the municipality made progress on reducing the 18% basic services backlog?
- h. Does the municipality monitor indigent accounts or confirm whether someone still qualifies as indigent after a period?

Question 52

Page 58 3.7 Roads

- a. Management to provide any feedback from the department of public works in terms of handing over the district roads to the municipality?
- b. How many access roads paved at 38 villages and management to clarify which roads are still intact?
- c. Management to provide maintenance plan for the access roads at the villages.

Question 53

Page 59 Storm water status quo

- a. Since the previous financial year has the municipality improved the roads and storm water status quo?

Question 54

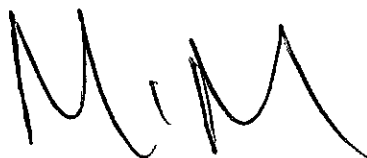
Page 60 - 3.8 Transport paragraph 3, *If the planned and envisaged additional power stations and potential coal mining materializes, it will be a large stimulus for development in the area. Depending on what developments materialize in the area, between 16 000 and 37 000 additional housing units will be required for the next 20 years or so. In the development of future coal mines and power stations, care should be taken that residential settlements are located as close as possible to these work opportunities, to reduce travel time and the cost of transport.*

- a. What potential power stations planned could materialise?

Question 55

Page 60 Licensing

- a. Has the municipality resumed the testing of learners and driver's license, if not when are they planning to resume?
- b. What are the traffic officers doing to ensure that revenue collection increases?
- c. Does the municipality have capacity in terms of the administration of operating those three testing stations?



Question 56

Page 61- Transport Modes

MODE	NO. OF PEOPLE	PERCENTAGE
Foot/bicycle	51084	45%
Private vehicle	12525	11%
Bus	7800	7%
Taxis	10380	10%
Not applicable	30806	27%

- a. Management to clarify not applicable on the above table.

Question 57

Page 61 Public Transport Facilities

There are four formal, and three informal taxi ranks in Lephalale, two bus terminals and several lay byes built along D3110 road. One landing strip is available for chartered light passenger planes.

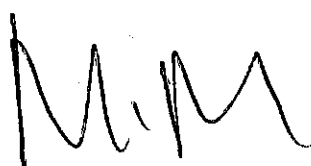
- a. What is the municipality doing to ensure that the three informal taxi stations are formalised?

Question 58

Page 61 Challenges

- Poor road surface and infrastructure.
- Inadequate facilities such as taxi ranks, bus terminals, laybys etc. Our facilities are also not user-friendly to people with disability.
- Disintegrated and unscheduled public transport system impact negatively on the kind of services offered.
- Too many pick-up points along the route increase the travel time.
- Limited subsidy from Government result in people having to spend a significant percentage of their income on transport. The situation is further compounded by the fact that public transport is in the hands of private owners and that makes it difficult to regulate, especially when it comes to tariffs charge.

- a. What has improved on the above challenges as remained the same as the previous year?



Question 59

Page 62 paragraph 1 Law-enforcement on freight transport

Many heavy vehicles are potentially overloaded and not roadworthy. Law-enforcement is lacking in this regard. There is one boarder post to Botswana to combat overloading by heavy vehicles. The municipality also has got a small weighbridge which is currently dysfunctional. Upgrading the municipal weighbridge and conducting overload programs will assist in enhancing the lifespan of the municipality's road infrastructure.

- a. What is the municipality doing to ensure that this weighbridge is operational for revenue enhancement?
- b. What has the municipality done to improve law enforcement on freight transport?

Question 60

Page 62 paragraph 2 Transportation of abnormal loads and hazardous materials

The current economic development in Lephalale places an increase responsibility on the municipality in as far as regulation of transportation of abnormal loads and hazardous materials are concerned. There is no specific abnormal load route plan available for the municipality. Equally there are no by-laws that regulate movement of dangerous or hazardous materials.

- a. What progress has been made to establish a specific route for abnormal weight vehicles?
- b. Does the way bridge accommodates the abnormal weight vehicles?

Question 61

Page 62 paragraph 3 Consultation with relevant stakeholders

No formal consultation takes place between the municipality and stakeholders in the road freight industry. Establishment of a freight transport consultative body (FTCB) is necessary to promote more efficient and cost-effective freight transport in Lephalale. The Municipality is in the process of developing a By-law on Public Transport and freight Transportation.

- a. Has the freight transport consultative body (FTCB) been established?
- b. In terms of the law enforcement, are the traffic officers doing their duties to ensure that trucks don't pack at the private owned entities?
- c. Why no by-laws? and Management to provide timelines in drafting and approving the bylaws?

Question 62

Page 63 first paragraph- Storm water backlog in the rural area is unknown but the area on the Southern part of Thabo Mbeki and Seleka Wyk 2 (Mmatshwana) is frequently flooded during heavy rainy seasons by Palala river when it overflows. Storm water backlog in



Marapong is still under investigation. The appointed service provider estimates the costs to be around R2.6 billion.

- Has there been any improvement on the storm water channel backlog in town?
- What progress has the municipality made to relocate communities away from the flood line?
- Has the municipality done anything to address the fact that the storm water backlog in the villages are unknown.

Question 63

Page 64 Financial Performance: Planning Services

Financial Performance 2024-25: Planning Services R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 353 847	R 3 688 972	R 3 688 972	R 1 494 227	R 2 194 744
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 14 291 214	R 20 495 856	R 20 495 856	R 16 845 357	R 3 650 500
Repairs and Maintenance	R 14 583	R 72 821	R 72 821	R 12 986	R 45 376
Other	R 2 407 910	R 3 749 259	R 2 174 651	R 955 359	R 1 219 091
Total Operational Expenditure	R 16 641 707	R 24 317 936	R 22 743 328	R 17 813 702	R 4 914 967
Net Operational (Service) Expenditure	R-16 287 860	R-20 628 964	R-19 054 356	R-16 319 475	R-2 720 223

- Why are the actual figures for 2023/24 different from what was reported in the annual report for 2023/24?

Question 64

Page 64- 3.1 Local Economic Development

Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. Medupi project has already started demobilising staff on completed projects. The coal to liquid project that was investigated by Sasol and currently placed on hold could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal & Petrochemical, secondly red meat and thirdly Tourism. Lephalale is currently in the final stage of considerable public sector investment, estimated at

M.M

R140 billion over six years, for the construction of Medupi power station. One of government's key priorities is to increase economic growth and to promote social inclusion.

- a. What is the municipality doing to ensure that the remaining positions at Medupi stations are occupied by local people to reduce unemployment?

Question 65

Page 66-3.12 Community and Social Services (Libraries)

Libraries play a central role in the social, educational, cultural and economic life of communities.

- a. Is there any way in which the municipality can extend operating hours and days to cover weekends?

Question 66

Page 69 Compare with one for last year

Financial Performance 2024/ 25: Library					R'000
Details	2023/ 24	2024/ 25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational Revenue (excluding tariffs)	R 27 557	R 12 775	-	-	-
Expenditure:	-	R 55 200.17	-	R 13 956.46	R 41 243.70
Employees	R 7 485 611	R 9 455 073	-	R 8 631 327.71	R 823 745.20
Materials and supplies	R 6 969	R 25 549	R 17 244	R 7 825	R 17 724
Other		R 066	-	R 5 207	R 859
Total operational Expenditure	R 7 558 775	R 273 386	-	R 81 662.83	R 191 723.10

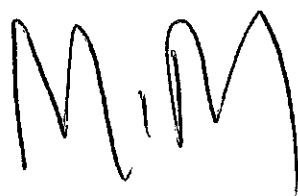
- a. Management to clarify why the financial performance of the library is duplicated from the previous financial year?

Question 67

Page 70- Social and Security Services – Childcare and old age social grants

ECD's Identifi ed	Unregiste red	Unqualifi ed	Register ed	Fund ed	Not fund ed	Basic service availabi lity
89	9	31	76	43	42	Water, toilets & electricity available. Most structures do not meet EHP criteria while others are conditional in the sense that they must improve to comply
Drop-in Centre			8	5	3	Shared services with service center for the Aged
Home Community Based Care			1	1	0	Shared services
Victim Empowerment Programme			4	4	0	Shared services with SAPS
Service Centre for Elderly People			4	4	0	Basic services
Child and family			1	1	0	Basic service

- a. Management to provide clarity as to why three drop-in centre not funded.
- b. Management to provide a breakdown of the 8 drop in centre.



Question 68

Page 70 Air Quality

The environmental features that are found in the municipal area are affected by natural environmental challenges inter alia, ozone depletion, global warming, solid and hazardous wastes, the endangerment of biological diversity and land degradation. Environmental degradation in the form of soil erosion, overgrazing, deforestation, over exploitation and habitat destruction should be prevented to effect economic development negatively. **Air quality management by-laws should be developed for non-compliance to the air quality standards. There should be capacity in terms of human resources for the execution of related duties.**

- a. What has the municipality done to develop relevant air quality by laws?

Question 69

Page 71 Air Quality analysis

Municipality	Industrial emission	Domestic fuel	Vehicle emissions	PM10	SO2	NO2
Lephalale	95.9%	19.1%	24.1%	86.2%	95.4%	94.3%
Bela-Bela	0.0%	4.8%	17.0%	0.4%	0.02%	1.0%
Mookgopong	0.0%	3.5%	6.1%	0.2%	0.01%	0.3%
Thabazimbi	3.6%	10.9%	28.1%	0.8%	4.5%	1.6%
Mogalakwena	0.4%	52.0%	13.2%	11.7%	0.05%	2.2%
Modimolle	0.0%	9.6%	11.4%	0.6%	1.8%	0.6%

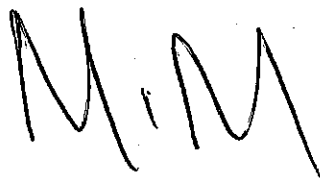
- a. Has there been any new air quality analysis done?

Question 70

Page 72-Tree planting project; Projects implemented in this focus area aim at promoting the transition to sustainable and integrated management of land resources. The deliverables in this category include:

- Greening by tree planting
- Education and awareness

The Department social services have a parks division which deals with landscaping; however, this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concerned of the owner.



- a. How many trees has been planted and where?
- b. Management to provide portfolio of evidence of education and awareness that has been undertaken.
- c. Has there been any developments with Eskom and Exxaro regarding the upkeep of unoccupied properties?

Question 71

Page 74 Ambulance Services

The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the district. There are two Ambulance centres in the municipality, located and based at the two hospitals within the municipal boundaries. The service centres are in Onverwacht at the Lephale hospital and satellite service centre at Witpoort Hospital.

- a. Management to provide feedback regarding the mobile clinics
- b. Which are the monitoring controls been put in place to ensure the adequacy and performance of the five clinics and mobile units?
- c. How does management monitor the performance of ambulances services provided by the department of health particularly with time response in rural areas?
- d. Management to provide average response time?

Question 72

Police Page 75 paragraph 1

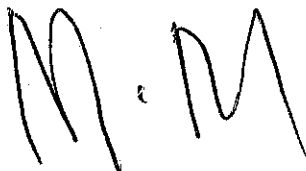
There has been alarming number of fatal and serious road accidents within the Lephale Local Municipality which amongst others were triggered by lack of traffic policing due to insufficient Traffic personnel. Nonetheless Municipal Traffic Police and Provincial Traffic Police continuously conduct joint operations with a view of mitigating the causal factors of fatal road accidents.

- a. What has the municipality done to address the alarming number of fatal and serious road accidents?

Question 73

Page 75- 3.21 Fire- paragraph 2

Although we have a Local Disaster Management centre, that is funded by District and managed by Local Municipality, we believe with the current resources we will not be able to manage all challenges that will be come as results of industrialization and natural disasters. We believe more resources should be directed to Municipality to assist in upgrading the Local Disaster Management centre. Municipality need more development strategies an effective communication system. We need fully equipped management centre.



- a. Has the municipality engaged with district regarding the scares resources and updating of the disaster management centres?

Question 74

Financial Performance: Capital Projects – Disaster Management Services

Disaster type	Project Name	Budget (expenditure)
Floods and Road damages	Design and construction (Regravelling) of Roads within Lephalale (Marapong	R7600 000 (R 1 789 543)

- a. Has there been any changes in financial performance relating to capital projects/disaster management centre?

Question 75

Page 76 Sports and recreation facilities

- a. Can the municipality decrease the charge rates for the stadium in Seleka to be affordable for the community to utilise?
- b. Why is the municipality unable to maintain the Thabo Mbeki Gym?
- c. Management to clarify if the thabo gym is doing well in terms of revenue.

Question 76

Page 76 Disaster management

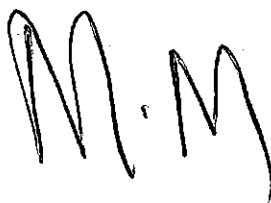
The following regarded as Disaster Management challenges:

- Potential risk of some households in rural villages which are in the flood line area.

- a. Do the municipality have any measures in place in the events of floods?

Question 77

Page 78 EXCO and Council meetings



Dates for 2024-25 Financial Year	Ordinary EXCO	Ordinary Council Meeting	Special EXCO	Special Council
30 July 2024	1	1	0	0
08 August 2024			1	1
16 and 29 October 2024	1	1	1	1
29 January 2025	1	1	0	0
25 and 28 February 2025	0	0	2	2
27 March 2025			1	1
09 and 30 May 2025	1	1	1	1
Total	4	4	6	6

a. What is the plan to reduce over reliance on special council meetings ?

Question 78

Financial performance for financial services

Financial Performance 2024/ 25: BTO					
///R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 15 586 822	R 101 295 130	R 128 105 887	R 15 586 822	R 112 519 065
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 19 607 620	R 23 714 435	R 24 204 435	R 19 607 620	R 4 596 815
Repairs and Maintenance	R 418 889	R 8 326 298	R 10 126 298	R 418 889	R 9 707 409
Other	R 8 909 402	R 9 178 289	R 9 089 769	R 8 909 402	R 180 367
Total Operational Expenditure	R 28 935 910	R 41 219 022	R 43 420 502	R 28 935 910	R 14 484 592
Net Operational (Service) Expenditure	R -13 349 088	R 60 076 108	R 84 685 385	R -13 349 088	R 98 034 473

a. Why are the 2024/25 actual figures of the above financial performance same as what was reported in the annual report for 2023/24?

Question 79

Page 81 Component J: miscellaneous

Paragraph 2- Lephalale airfield is an uncertified and unmanned aerodrome posing high risk to passengers and aircraft currently utilizing the aerodrome. The reality is that the situation is

paramount to an accident or major disaster waiting to happen if no immediate intervention is found.

- a. What has the municipality done to ensure the situation regarding the airstrip remedy?**

Question 80

MMs Office

Page 83 challenges

- *Performance information has received a qualified audit opinion in the AG management report.*
- *2 out of 3 AGSA findings resolved in 2024/ 25 FY.*
- *3 out of 4 Internal Audit findings are not addressed.*

- a. Is there any progress in addressing the above challenges?**

Question 81

Page 92 Strategic Support Services

Challenges

- *Not all the Internal Audit findings are addressed.*
- *Not all Risks are addressed.*
- *Not all AG findings were resolved.*
- *Municipal Imbizo for the last quarter was not conducted.*

- a. Is there any progress in addressing the above challenges?**

Question 82

Page 103 Corporate Support Services

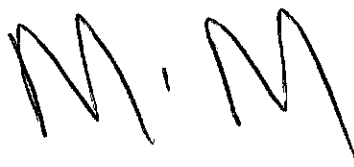
Challenges

- *High vacancies at Directors management positions.*
- *Not all Internal Audit findings are resolved.*
- *Not all Risks mitigations are addressed.*

- a. Is there any progress in addressing the above challenges?**

CSS-2 a target of 100% was not achieved, 50% of Office equipment and furniture were procured.

- b. Management to provide progress regarding furniture target.**

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M23- It was noted all Complaints received on the electronic system attended to.

c. What electronic system is the municipality referring to?

Question 83

Development planning

Page 113- Challenges

- Urban sprawl and informal settlements, Mmamojela park along R510, Mahlakung on Chris Hani Avenue encroachment to the District Hospital
- Non -compliance with building control regulations at Marapong township and Onverwacht by residents
- Extension at Rural villages not adhering to the local SDF.
- The Process of re-establishment of the Municipal Planning Tribunal for Municipal readiness experiences delays
- The review of the Lephalale Municipal SDF is in progress (Milestones attached to Phase 1 to Phase 4 presented to IGR PSC) - 3 phases remaining.
- Review is progressing in accordance with the Project Work Plan (divided into 6 phases). Phase 1 complete, Phase 2 and 3 in progress. Phase 4,5 and 6 not yet started.

Development Planning: out of the Twenty-seven (27) indicators, one (1) not applicable, nine (9) achieved, four (4) over-achieved and thirteen (13) performed below target. A score of 50% for the department is achieved and 2 projects are still in progress.

- a. Is there any progress in addressing the above challenges?
- b. What was the reason for each of the 13 indicators being below target?

Question 84

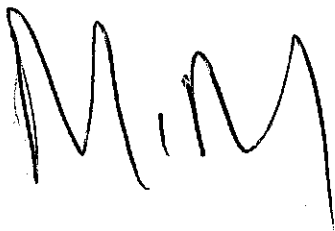
Pg 115 LM_HS3 Target was 4 socio economic surveys and only 2 socio economic surveys conducted, target not achieved due to lack of support on logistic coordination by Ward Committees where the Surveys are required.

- a. Management to provide progress to date.

Question 85

Page 121 M 667

Target was 100% and only 58% achieved, it was noted that the other challenge not to achieve the target was due to lack of Municipal land for development and a GIS which not linked the municipal financial system.

A handwritten signature in black ink, appearing to be 'M. M.', is located at the bottom center of the page.

- a. How far is the municipality in resolving the above challenges and management to provide deadlines?
- b. What electronic system is the municipality referring to?

Question 86

M_688A - Target 1000 jobs and only 3 jobs created target not achieved

The variance of 997 Jobs through strategic partners was as a result that the municipality and its stakeholders face significant challenges in creating sufficient minimum jobs due to less economic activities

- a. Management to provide progress to date.

Question 87

M_691 Target 100 and the department addressed 69% of council resolutions target not achieved, 27 out of 39 council resolutions were implemented, and 12 resolutions are outstanding.

Challenges for not achieving the target is that the Community Residential Unit (CRU) is still under construction in Marapong and still yet to be completed by COGSTA for the resolutions to be implemented where the property management services provider must be appointed by the municipality.

- a. Management to provide progress to date and deadlines for finalising this project.

Question 88

Finance

Page 124 Challenges

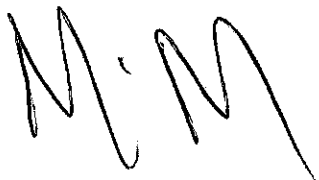
- Revenue collection rate is lower at 88% than the prescribed norm of 95%.
- The general poor economic conditions make it difficult for consumers to make full payments on their accounts hence under collection by 7% compared to National Treasury requirement of 95%.
- Cost coverage is 181% by end of the year.
- Capital budget Expenditure for the institution is 82% which translates from R 189 870 333.83 against the budget of R 231 862 200.00

- a. Is there any progress in addressing the above challenges?

Question 89

Page 133 Social Services

The committee noted that there are no challenges documented within social services department.



- a. Management to confirm that indeed there are no challenges experienced within social services.**

Question 90

M27- Target 100% and 64 % of Internal audit findings were addressed, target not achieved, some challenges documented include lack of queue management system in the directorate, and the municipality does not have an environmental officer as required. Unavailability of examiners as incumbents are on suspension.

- a. management to provide progress to date .**

Question 91

SS_4- Target 6 x Walk behind Lawn mowers to be procured and only 4 x Walk behind Lawn mowers were procured target not achieved.

- a. management to provide progress to date.**

Question 92

Infrastructure

Page 142 -Challenges

- Slow progress on implementation of internal audit findings and risk mitigations.
- 13 projects are not completed for 2024/ 25 FY.
- Water loss is at 41% average in the financial year 2024-25.
- 28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages.

- a. Is there any progress in addressing the above challenges?**
b. Are there any measures taken to improve on indicators below target?

Question 93

M758 -Target 12 wastewater quality reports and only 11 wastewater quality reports were concluded, target not achieved, challenges documented includes delays in the appointment of the Service provider.

- a. management to provide progress to date.**

Question 94

M27- target 100% and only 23 % of Internal audit findings were addressed, target not achieved, some challenges documented include:

- *the water and sewer projects are still in progress.*
- *The electrical switches and Cables were procured but used for repairs at Shongoane Stadium due to vandalism.*
- *Drivers not completing logbooks and trip authorisation forms.*



- *Lack of budget to procure fire extinguishers, spare wheels.*

- a. management to provide progress to date.**

Question 95

INFR-11, Target 3.8 km Access Road upgraded from gravel to asphalt paved road at Sefitlhogo village constructed and actual 0 km, challenges documented includes delays with the delivery of asphalts.

- a. Is there any progress regarding this indicator?**

Question 96

M_348, Target 100% , actual 96 % target not achieved, out of 888 Payments, 864 paid within 30 days, and 24 not paid within 30 days due to the funds were transferred late to the Municipality by the DWS, and misplacement of invoices for Voltex and Bell.

- a. Management to provide progress to date and improved controls in place to prevent this anomaly.**

Question 97

INFR-13, 1 Inspection camera delivered on 10 December 2024

- a. Where is the inspection cameras installed?**

Question 98

INFR-21- Target 1 Transactional advisor report for Grey Water from Paarl Wastewater Water Treatment Works to be completed and 0 achieved, target not achieved

- a. management to provide progress to date.**

Question 99

INFR-16 Target 800 of new households to be electrified in the villages around Lephalale and actual only 174 of new households were electrified, target not achieved.

- a. management to provide progress to date.**

Question 100

INFR-19-Target 1 Solar Technical Report and 0 solar technical report concluded target not achieved and challenges documented includes Late appointment of the service provider had a major impact in the conclusion of the technical report

- a. management to provide progress to date and what were the reasons for appointing the service provider late?**

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Question 101

Page 160(Turnover and vacancies)

- a. Why is the 2023/24 approved post quantity different from what was reported from 2023/24 annual report?

Page 162 injuries, sickness and suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only		11	69 %	20.5	R 109 210.88
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	41	11	69%	20.5	R 109 210.88

- b. Why is the table for injuries on duty duplicated from the previous year?

Question 102

Page 163 Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band/ level	Total sick leave Days	Proportion of sick leave days without medical certification	Employees using sick leave. No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
All employees	3483	162	222	422	1568 days	R 4 870 338.85

* - Number of employees in post at the beginning of the year

- a. What was the reason for increase in sick leave costs?



Question 103

Page 180 Basic services and infrastructure Backlogs

- b. What did the municipality use to determine backlog percentages?

Mid-year performance report

Question 104

Table 3.1.1 Institutional performance

The overall performance is reported at 70%, which reflects a 2% improvement from Quarter 1 while Infrastructure services reported a 31% performance mid-year means.

- a. How does management reconcile the 70% overall score with the significant underperformance in Infrastructure Services (31%)? The score means that:
- Capital projects are severely delayed
 - Service delivery likely compromised
- b. What percentage is realistically achievable by year-end?
- c. Management to provide monthly implementation milestones to improve the performance in Quarter 3 and Quarter 4?

Question 105

Finance

M_33: The Municipality scored 84% against the target of 95 % in Q2 of 2025/2026 (Target not achieved)

*The Mid-Year Performance Report reflects that the revenue collection rate achieved in Quarter 2 was **84% against the National Treasury benchmark of 95%**, resulting in a 16% shortfall.*

- a. What monthly recovery targets have been set for Quarter 3 and Quarter 4 to meet the benchmark of 95% by year end?

Question 106

Under 4.1 challenges Percentage of Municipal Financial Management Grant spent is at 44%, instead of 50%, YTD

- a. Provide a detailed month-by-month grant spending plan to improve the spending by end of the year.
- b. Management to clarify the delay of recruiting interns.



Question 107

M25 target 2 and actual 2 Quarterly Financial report submitted to Council meeting of the 29th of July and 30th October 2025 and the comment noted to be not achieved.

- a. Management to provide clarify (Target not achieved)**

Question 108

MM's office

out of the Twenty-four (24) indicators, fourteen (14) achieved, three (3) exceeded, and one (1) performed below target, and six (6) are not applicable. A score of 94% for the department is achieved and 2 projects are at advertisement stage.

- a. Management to provide progress to date with the two projects that were previously re-advertised.**

Question 109

Corporate support services

Page 9: challenges :

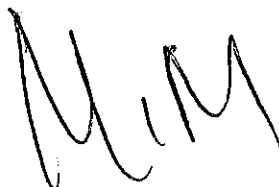
- *Out of a total of 416 employees, 253 have signed their Performance Agreements, while 163 employees have yet to complete this requirement.*
 - *All 3 Internal Audit findings not addressed*
- a. What disciplinary or consequence management is applied for non-compliance?**
- b. When will 100% compliance be achieved?**
- c. How do management intend to enforce performance when agreements are unsigned?**
- d. Why were the three internal findings not addressed?**

Question 110

Social services

page 21 M_708 Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system (non-cumulative) target 33 and actual 16, target not achieved, It was documented that this KPI will be revised during the 2025/26 FY Adjustment SDBIP from weekly to monthly refuse removal to be able to collect large volumes of recyclables.

- a. How does reducing refuse removal from weekly to monthly align with the Municipality's obligation to provide basic services and protect community health?**



- b. Why is the corrective action focused on revising the KPI rather than addressing the operational constraints that caused the underperformance?
- c. Has community consultation been undertaken regarding the proposed change in service level, and what was the outcome?

Question 111

M170- Removal of Invasive tree species

- a. Why are the actual total hectares of invasive plant species removed in Q1 AND Q2 the same?
- b. What invasive plant species were removed and from where?

Question 112

Page 25 ss8 Establishment of 2 Transfer stations (stalled) and the challenge includes insufficient Budget.

- a. How far is MISA with the assessment report?
- b. What is the plan for the provision of budget?

Question 113

Page 26 SS83 Acquisition of Slasher x2

- a. What slashes were procured at a total cost of R 130 000?

Question 114

Page 27 ISF01 Acquire 2x Sedan vehicles for Traffic Division

- a. Management to provide progress to date?

Question 115

Infrastructure

Page 28-Challenges

- Water loss is at 33.03% average YTD.
- 15 villages access roads were bladed YTD.
- 41.50% of the MIG budget is spent YTD.
- Slow progress on implementation of Infrastructure projects.
- Not all Council resolutions implemented, out of 12 resolutions, 11 implemented and 1 in progress.
- 12% Internal Audit findings addressed, out of 44 Internal Audit findings, 4 resolved, and 12 not yet due.
- Not all payment to creditors were paid within 30 days, out of 243 payments, 237 paid within 30 days.

- a. Has there been any discussions on improving addressing Internal Audit findings?
- b. What steps were taken to fast track the challenges?

Question 116

Page 30 M758 Green Drop System quality monitoring (Sanitation)

- a. What was the outcome of each green drop test?
- b. How is a green drop test conducted?

Question 117

M218 Maintenance and blading of access roads in rural villages, target 10 and actual 4 rural villages in which access roads are maintained and bladed target not achieved.

- a. Which villages were bladed in Q1 and Q2?
- b. What is the municipality doing to pick up the pace regarding bladding villages?
- c. Does the municipality have plans in place to purchase new graders?

Question 118

Page 32 M27 target 50% and actual 12% of Internal Audit findings resolved, this Infrastructure Findings could not be resolved due to budgetary constraints

- a. What led budgetary constraints?
- b. Management to provide progress regarding internal findings?

Question 119

Page 33 M348 Payment of creditors

- a. Are there any mechanisms in place to improve payment of creditors?
- b. Is there any interest incurred? if yes, are the interest recovered from responsible officials?

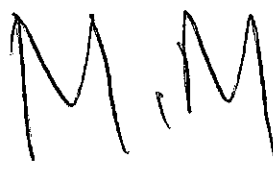
Question 120

MM667 Risk mitigations implemented target 50% and actual 69%, Out of 54 Risks, 37 addressed and 17 not addressed(Target Over- achieved)

- a. Management to clarify the statement above?

Question 121

M691 Implementation of council resolution Out of 12 Council resolutions, 11 Implemented, and 1 in progress target not achieved.



- a. Management to provide clarify as to why the council resolution not implemented?

Question 122

Page 35-36 Isw20, ISW22, ISW26, ISW27, target for this projects not achieved

- a. What steps were taken to ensure the projects are back on schedule as they have fallen behind?

Question 123

ISW31 Page 36 Installation of Palisade fencing for storage facilities and pump stations

- a. Management to provide progress to date.

Question 124

Page 38 ISR/P16 Upgrading of Letlora Access road

- a. Management to provide progress to date and will the municipality conclude this project within committed timelines?

Question 125

Page 39, ISR/P 49 Acquisition of 1x Grader

- a. Why was the tender not advertised?

Question 126

Page 41 ISF_3 Acquire 10x of LDV's for Service Delivery and ISF_4 Acquisition of 8 Ton Towing Truck x1 target not achieved due to the delays in procurement processes.

- a. What delays in procurement processes?

Question 127

Development and Planning

M668 Job Creation through municipal projects

- a. Out of the 22 jobs created did management consider people with disabilities?

M. M

Overall General review of Mid-Year performance assessment and SDBIP

Question 128

The committee noted that the Misalignment between Schedule C and data string especially on the cash flow statement. These inconsistencies raise serious concerns regarding the credibility, accuracy and reliability of the financial data submitted for reporting purposes.

- a. What are measures in place to ensure alignment of figures between the budget Schedules (A, B & C)?**
- b. How does the municipality intend to monitor the quality of data when submitting to ensure correctness and accuracy?**

Question 129

Non – compliance with MFMA Sec 65 (2) (e), which states that creditors must be paid within 30 days of receiving the invoice or statement.

- a. What strategies does the municipality have to ensure compliance with this Act as it increases the Fruitless and wasteful expenditure?**

Question 130

High debtors which increase at an alarming rate despite irrecoverable debts written off.

- a. What strategies do the municipality have in place to:**
 - ensure reduction of the debtor's book?**
 - ensure that long outstanding debts are dealt with?**
 - How often does the municipality update its indigent register and policy?**
 - does the municipality implement the credit control and debt collection policy?**
 - Did the municipality conduct data cleansing to ensure the correctness of billing?**

Question 131

Low collection rate due to a culture of non-payment by residence.

- a. What strategies does the municipality intend to implement to improve the collection rate to the acceptable norm of 95%?**

Question 132

The municipality has not managed to submit progress on the revenue enhancement strategy.

MIM

- a. What challenges does the municipality have in submitting the revenue enhancement progress report to relevant stakeholders (Treasury & CoGHSTA)?
- b. Is the municipality implementing the revenue enhancement strategy? If yes
Why is the collection rate not improving

Question 133

Differences between the GVR and billing system

- a. Does the municipality perform reconciliation of the GVR and the billing system?

Question 134

High distribution losses on water which is at 44% and is more than the norm of 15% – 30%

- a. How is the management dealing with aged infrastructure?
- b. What are the strategies to mitigate high distribution losses?

Question 135

Ongoing reliance on consultants/contractors. The ratio was at 8% which above the acceptable norm (2% - 5%).

- a. What are the strategies put in place to ensure that:
 - There is a reduction in reliance on consultants.
 - That transfer of skill is taken place.

Question 136

The committee noted Inadequate Review of The Mid-Year Performance Report and the following root causes were identified:

- *Accepting unreviewed reports from directorates by PMS staff.*
- *Limited time to review the performance report by the PMS Manager and DSSS due to late submissions of the reporting templates by directorates.*
- *Limited/Unrealistic timelines for quarterly reporting.*

- a. What consequences are in place against directorates not reviewing their reports prior submission?
- b. What are the steps taken against directorates for late reporting?
- c. Did management review Limited/Unrealistic timelines for quarterly reporting?

M. M

Question 137

Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report

The committee noted that Management committed to ensure the following as per the IA mid year performance report:

- *that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation.*
- *The misalignments will be corrected during the adjustment of the SDBIP.*

- a. Management to provide progress of the above as was committed to be finalized by end of March and May 2026 respectively.**

Question 138

SS_81-The committee noted that the reported expenditure of R 105 000 for Brush cutters project is not substantiated by the evidence of the work carried out and it is also not aligned with the actual progress of the project as disclosed in the Midyear performance report,

- *It was reported that this was due to an error in the financial system whereby the expenditure was voided on the financial system, however it still reflects on the system as though it was not voided, and the CFO committed to engage with Inzalo to attend to the matter as soon as possible by end of January 2026.*
- *Expenditure disclosed as per the Mid-year performance report./ Expenditure disclosed as per BTO budget and expenditure report was R5000 instead of Approximately R35 600,00 Expected Expenditure based on the activities that transpired.*

- a. The committee is concerned about the validity, accuracy, reliability and completeness of the current financial system and management to provide progress to the issue above.**
- b. What are the plans in place to prevent this inconsistency in future?**

Question 139

SDBIP 2024/2025

Page 21, Irrecoverable debt written off: There is a statement that reads as follows:

"The municipalities will record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off".

- a. Management to confirm whether the correct accounting treatment for irrecoverable debts is to write them off against the accumulated**

M. M

provision for debt impairment, rather than recording a reversal of impairment?

Question 140

Page 22 Under interest on outstanding debts, there is a statement that: "**Data Cleaning Project is in progress**". This has been the case since or before 2024.

- a. When will the cleansed data be formally migrated into the live billing system and fully operational for billing purposes?
- b. What is the total cost incurred on the data cleansing exercise since inception in 2024, and what additional costs are anticipated until full implementation?

Question 141

Page 23 under Agency Fees there is statement below:

"Municipality is performing the services (License and permits) for Department of Transport Strategies will be implemented to improve the revenue collection of the same"

- a. What is the current monthly revenue collected from License and Permit services on behalf of the Department of Transport?
- b. What is the projected increase in revenue once the strategies are implemented, and from which date will this improvement reflect?

Question 142

Page-16 under **2.1 budget summary** it was stated that the Capital expenditure is R224 million which includes R30m Own capital Funded and R194m National Grant Funded Projects.

Page 33- under operating budget it was stated that The Capital expenditure is R231 million which includes R37m Own capital Funded and R195 m National Grant Funded Projects.

- a. Why do these statements contradict each other?


MM MAKGAE
MPAC CHAIRPERSON

12/03/26
DATE

PH3

ANNEXURE

RESPONSES

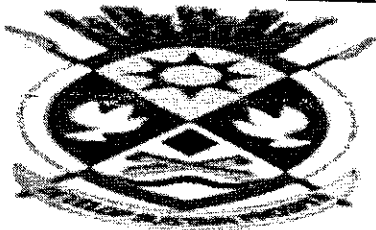
FROM

EXECUTIVES AND

ADMINISTRATION

TO

MPAC



LEPHALALE MUNICIPALITY

Date: 18 March 2026

Memo Ref: 3/4/9/2

MANAGEMENT RESPONSES TO MPAC

TO : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
C.C : MAYOR
FROM : MUNICIPAL MANAGER
DATE : 18 MARCH 2026
SUBJECT : ANSWERS ON DRAFT ANNUAL REPORT OF THE
LEPHALALE LOCAL MUNICIPALITY

AG REPORT

Question 1

Emphasis of matter

Water Losses

Paragraph 8 As disclosed in note 61 to the financial statements, material water losses of R15 845 542 (2024: R12 511 298) were incurred, which represents 42.3% (2024: 36,5%) of total water purchased. The water losses were due to leakages and the ageing infrastructure.

- a. What is management doing regarding the issue of leakages and aging infrastructure?

Management Response

- Replacement of Old Asbestos Cement Pipes with HDPE pipes (56km out of 120km of Old Asbestos Cement pipes replaced to date), The projects are in progress to replace the remaining 64km in Marapong and Onverwacht.
- Replacement of malfunctioning water meters- to date we have replaced 1066 water meters
- Identification and disconnection of visible illegal connections

R/A

- d. Roll out Community awareness campaigns on water conservation measures (Placing and publishing of pamphlets and flyers on social media)
- e. Repair network water leaks (pipes and valves) – Water leaks and pipe bursts are repaired as and when they arise due to emergencies.
- f. The municipality has an approved businesses case for installation of Smart water meters. The contract has been appointed for the installation of smart water meters, and the budget has been allocated during adjustment budget.

Question 2

Electricity Losses

Paragraph 9 As disclosed in note 61 to the financial statements, material electricity losses of R19 963 700 (2024: R14 177 103) were incurred, which represents 10.9% (2024 9%) of total electricity purchased. The electricity losses were due to illegal connections and aging infrastructure.

- a. It was noted that electricity losses were due to illegal connections, what are the measures put in place regarding the issue of illegal connections?

Management Response

The Municipality acknowledges that a portion of the electricity losses reported in Note 61 of the financial statements is attributed to illegal electricity connections and aging network infrastructure. In response, the Electricity Department has implemented and continues to strengthen the following measures to address illegal connections and reduce electricity losses:

- a. Roll-out of Smart Prepaid Metering Systems
The Municipality is progressively rolling out smart prepaid electricity meters to customers who have not been converted to smart metering and installing statistical bulk meters across the distribution network. These meters allow real-time monitoring of electricity consumption and assist in identifying abnormal consumption patterns, energy imbalances, and potential illegal connections.
- b. Installation of Statistical / Check Metering Points
113 Bulk supply points, feeders, and strategic distribution points have been equipped with statistical meters to enable comparison between electricity received and electricity billed. This allows the Municipality to isolate areas where losses occur and target illegal connections.
- c. Regular Electricity Network Audits and Inspections
The Electricity Department conducts routine inspections and network audits, including physical verification of connections, to identify illegal connections and unauthorized network modifications.
- d. Disconnection and Enforcement Operations
Identified illegal connections are removed and disconnected, and where

applicable, enforcement actions are taken in accordance with the Municipality's Electricity Supply By-Laws and Credit Control Policy.

e. Community Awareness and Education Campaigns

The municipality to start in April 2026 with public awareness campaigns to educate communities on the dangers and legal consequences of illegal connections, including risks of electrocution, fires, and damage to municipal infrastructure.

f. Collaboration with Law Enforcement and Community Structures

The Municipality to work with law enforcement agencies, ward councillors, and community leaders to support the identification and reporting of illegal connections.

g. The municipality has installed smart electrical meters which detect illegal connection or bridging. Penalty is imposed for illegal connection.

Question 3

Paragraph 10 As disclosed in note 38 to the financial statements, material impairment of R96 616 439 (2024: R93 401 794) was provided for as a result of irrecoverable debtors

a. What are the mechanisms put in place to ensure that the debt collector adhere to the task and collect what is due considering that the performance is unsatisfactory as the previous debt collector?

b. What is done to monitor performance of the service providers?

Management Response

The service provider has signed the SLA agreement with the Municipality and the measurement of their performance is based on the collectible debt on the handover file.

The Management holds a monthly meeting with the debt collector to interrogate the collection report. The debt collector is paid on a commission basis according to the amount collected in a month.

a. The service provider has signed the SLA agreement with the Municipality and the measurement of their performance is based on the collectible debt on the handover file.

b. The Management holds a monthly meeting with the debt collector to interrogate the collection report. The debt collector is paid on a commission basis according to the amount collected in a month.

Management has implemented an internal and external debt collection report and the debt analysis report with revenue enhancement pillars to track the performance of the service Provider and reports presented to the committee.

RA

Question 4

Paragraph 11 Material Underspending of conditional grants

As disclosed in note 18 to the financial statements, the municipality materially underspent conditional grants by R18 838 575 (2024: R12 907 488).

- a. What caused the underspending of conditional grants?
- b. What are the mechanisms put in place to accelerate spending of conditional grants?

Management Response

- a. i) Delayed electrification process by ESKOM on electrical projects (electrification of houses and high mast lights)
ii) Late appointment of the contractors (Sefitlhogo contractor was appointed at the end of the second term of the FY).
- b. i) Electrification process will be dealt with during the commencement of the projects
ii) Regular site meeting with consultants and contractors to access the progress (monthly and weekly on struggling projects)
iii) Monthly meetings between recently established PSC (which comprises of MM, CFO, DIS, End users and other relevant divisions), Consultants, Contractors to access the progress
iv) Regular site visits by project managers and technicians.
- a. Under expenditure was mainly due to the disaster response grants which were approved in March 2025.
- b. The municipality has appointed Panel of consultants and contractors as part of forward planning to accelerate conditional grants projects. The municipality has implemented a project steering committee to fast-track the acceleration of project. Disaster project was sitting at 79% at Mid-year.

Question 5

Annual financial statements

Paragraph 14- *The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

RA

Paragraph 15- In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Paragraph 33 - The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

- a. Management to provide the SOP's on Annual Financial Statements and Performance Report.
- b. Management to provide progress report on the SOP's and action plan to date.

Management Response

- a. Management has prepared and implemented the SOP for preparations of Annual Financial Statements. Refer Annexure 1 and A.
- b. Management has prepared interim 6 & 9 months Financial Statements to address the findings and improve the quality of the AFS in line with the SOP (AFS presented to the committee).

the Action plan was developed, reviewed and approved by council and is updated on the National Treasury Portal. Audit steering committee are held weekly to ensure the findings are addressed

Question 6

KPA 2: Basic service delivery and infrastructure and development

M2188 - Percentage of Potholes in the municipal roads fixed per quarter, YTD (year to date)

Paragraph 24 Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100% for the potholes fixed in the municipal roads per quarter, YTD. There is insufficient evidence to support the calculations underlying the reported achievements. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.

- a. Why adequate process had not been established to measure and report the achievement of this indicator?
- b. Who informed the municipality to remove this finding/indicator of potholes on paragraph 24?

Management Response

- a. Adequate processes had not been established due to the lack of a formalised monitoring, verification, and reporting system for pothole repairs within the Roads and Infrastructure Unit. The municipality relied largely on operational reports and manual records from maintenance

RA

- teams, which were not consistently standardised or consolidated for performance reporting purposes
- b. The End user, PMS and the internal Auditor can only remove the indicator as it is not measurable.

Question 7

Target of key indicators not achieved

Paragraph 27, The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report.

Service delivery and infrastructure development

Targets achieved: 50%			
Budget spent 94,70%			
Key indicators not achieved	Planned target	Reported achievement	Action Plan
Number of stadiums refurbished	1	0	
Project Completed		100%	
M401 A - Number households connected with basic level of electricity by municipality on Eskom licensed area from 1 July 2024 to 30 June 2025.	800	174	Eskom has been engaged and a total of 577 households have been electrified. 800 target has been overstated in the SDBIP
M218 - Number of villages in which access roads are bladed per quarter	39	28	Grader Breakdowns encountered. The budget has been allocated to procure a grader in the 2025/2026 financial year.
M2188 - Percentage of potholes in the municipal roads fixed per quarter, YTD	100%	88%	The KPA is unmeasurable and not smart, therefore has been removed from the SDBIP

RA

M21- Percentage budget spent on MIG projects by the municipality for 2024/25 FY per Quarter YTD	100%	99%	The Municipality initiated a meeting to engage with Eskom monthly to fast track electrification on projects. The panel of consultants and contractors appointed to speed up the procurement process.
M400 A - Percentage of households connected with access to sanitation in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025	100%	0%	The 0% indicates that there were no new households' connections for the quarter in question.
M758 - Number of monthly wastewater quality monitoring reports conducted by municipality per quarter YTD (cumulative)	12	11	The wastewater quality report for the last month of the quarter was obtained in July 2025 as per the sampling schedule.
M399 A- Percentage of households connected with access to water in urban areas (Marapong, Onverwacht and Town) from 1 July 2024 to 30 June 2025	100%	0%	The 0% indicates that there were no new households' connections for the quarter in question.
M81 - Percentage of water losses per quarter, YTD	14%	41%	The replacement of Old AC pipes in progress, 54km out of 120km of AC pipes replaced to date.
ISW 6 - Percentage of Marapong bulk water supply	100%	64%	The delay was

R/R

storage completed 1 st Steel installed and completed and the second steel tank is at 45%. The project will be completed by the end of March 2026			due to manufacturing of the steel tanks. The materials for both tanks delivered on site. One tank has been installed.
ISW11 - Percentage of Marapong bulk water supply pipeline completed Initial contractor (Amawakawaka) was terminated due to non- performance, and the new contractor (Bothlabatsatsi) was appointed on the project. The establishment process completed and the project is expected to be completed by the end of November 2026	100%	62%	This is the progress prior termination of the previous contractor. The project has been resuscitated and now on construction stage
ISW 32 - Number of boreholes equipped and energized at Madibeng village	1	0	The borehole transformer has recently been installed. The COC has been issued. Awaiting delivery of electrical cable to equip the borehole.
ISW 43 -Number of JOJO tanks installed in various villages in Lephalele Local Municipality	12	11	Insufficient budget. 11 tanks we procured instead of target of 12
ISW 44 -Zeeland Water Treatment Works- appointment of transactional advisor	1	0	The tender was advertised numerous times and non-responsive. Service providers did not meet the tender requirements.
ISR/P47 - Number of kilometers of access road	3,8	0	The project is multiyear. At

LA

upgraded from gravel to asphalt-paved road at Sefitlhogo village YTD See attached report – 3.8km surfaced using continuously graded asphalt (Contractor finalizing the completion of the additional works which comprise of dealing with stormwater surface runoff.			the end of the financial year, it was still incomplete. But it has now been completed on practical completion
ISS4 - Percentage of sewer pump stations upgraded, and network pipes replaced with AC pipes per quarter YTD Project Completed	100%	85%	The project is a multiyear and was not complete. It is completed and on practical completion stage
ISS24 - Grey water from Paarl wastewater treatment works- appointment of transactional advisor	1	0	The tender was advertised numerous times and non-responsive. Service providers did not meet the tender requirements.
ISE9 - Number of new households electrified in villages around Lephalale	800	174	Eskom has been engaged and a total of 577 households have been electrified. 800 target has been overstated in the SDBIP
ISE12 - Number of high mast light installed and energize in various villages YTD Regular meetings with ESKOM to Fastrack the process. Next meeting will be held on 23 March 2026	27	0	All 27 high masts were installed and not energized. 14 out of 27 high masts energized to date. LLM engages Eskom monthly to expedite the process.
ISE15 - Number of solar technical report compiled	1	0	The Solar Technical Report has

RA

			been compiled and completed. Submitted to council for approval to proceed with the appointment of IPP
ISE18 – Number of switch gears replaced on the substation	2	0	The tender was advertised and readvertised numerous times and non-responsive
E	100%	73% 100%	The project has been completed

Local economic development

Targets achieved: 60% Budget spent 80,39%		
Key indicators not achieved	Planned target	Reported achievement
Number of jobs created through municipal LED initiatives and capital projects per quarter (from municipal budget)	440	132
Number of jobs created through strategic partners in the municipal boundaries per quarter YTD	1 000	621

- Management to provide updated action plan including progress on the implementation of the plan in paragraph 27 of the audit report.
- Why is there 94 % budget spent however the target reached is 50%, Management to provide clarity.
- Did management have any engagements with Eskom regarding the application of energisation?

Management Response

- See the above Table and Projects Progress Report for details are reported under action plan last column.
- While the Municipality has achieved strong budget expenditure performance, job creation outcomes remain below target due to the capital-intensive nature of projects and timing of labour absorption.

RA

Corrective measures are being implemented to improve labour intensity and align spending with employment outcomes.

External Dependencies:

- Job creation through strategic partners depends on their project implementation schedules.
- Delays in partner-led projects have temporarily reduced the number of local jobs realised.
- High budget spend reflects project delivery progress, but timing and nature of expenditure caused a lag in actual jobs created.
- Corrective actions include accelerating labour-intensive phases and ensuring future budgets are targeted for direct employment creation.
- c. Yes, The municipality is holding monthly meetings with Eskom. Since the meetings started in 2024 all the 577 households connected with basic level of electricity by municipality on Eskom licensed area, have been ENERGISED. The 800 target was overstated in the SDBIP. The actual target was 577. During the audit only 174 happy letters were received from customers as most of the households were empty, because owners work outside Lephalale.

Question 8

Material misstatements

Paragraph 28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery, infrastructure development and Local economic development key performance areas. Management did not correct all of the misstatements, and AG reported material findings in this regard.

- a. Why did management not correct all the omissions made on the misstatements?

Management Response

- a. There were no sufficient measures for review and currently developing SOP for AR.

Question 9

Annual financial statements and performance report

Paragraph 33- The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

RA

Material misstatements of non-current assets, current assets, liabilities, disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.

- a. What causes the recurrence of this finding for the past five years?
- b. What measures is the municipality implementing to prevent recurrence of this finding?
- c. How does the municipality ensure that there are proper processes put in place to avoid over reliance on External audit to identify and correct misstatements.

Management Response

- a. The BTO structure was not addressing the inhouse preparation of the AFS. There were also not sufficient time for self-review for quality AFS. Lack of a robust internal review and quality assurance process before submission.
Over-reliance on year-end adjustments instead of continuous accounting.

Strengthening financial reporting processes

- b. The Municipality has prepared a standard operating procedures for preparing AFS, The BTO structure has been reviewed to address the inhouse preparation of AFS and the department has been capacitated with the divisional Manager and accountant

Staff are attending CaseWare training, GRAP training, developing SOPs, Review of policies to address Audit Findings

Development and implementation of a detailed AFS preparation plan with clear timelines and role allocation

Use of AFS GRAP-compliant templates and checklists

- c. The standard operation procedure has been developed and the checklist for the audit file has been implemented .
Quarterly preparation of AFS
Early preparation Interims for 6 & 9 months prepared in order to early detect, and reconciliation are performed to ensure credibility of data.

Technical queries to Office of Accountant General on an adhoc basis, staff attends GRAP workshops and formal training. The municipality is upgrading CaseWare from GRAP to MSCOA compliant

2A

Question 10

Procurement and Contract Management

Paragraph 35-Sufficient appropriate audit evidence could not be obtained that the performance of some contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA.

- a. Why was the performance of contractors not monitored on monthly basis?
- b. Who is responsible for monitoring the performance of contractors?
- c. What are the measures put in place to monitor the performance of contractors monthly?

Management Response

- a. Contractors 's progress on site is being monitored via monthly site meetings and also a Project Steering Committee has since been established whereby the consultant and contractor are invited for presentation.
- b. Professional Service providers (Resident engineer) is responsible for daily monitoring of the contractors with the assistance from PMU, End user and the Contract Specialist.
- c. Project Steering Committee (consisting of MM, CFO, DIS, End Users and other relevant divisions) has since been established to monitor the performance of site via monthly meetings.

Management Response - BTO

- a. The contract management policy with Contact Monitoring and contractors monitoring templates has been implemented to monitor contractors, after AGSA's findings and as part of audit action plan. The template is developed and effective from 01 of March 2026 and presented to the committee.
- b. Project managers or End-user are responsible to monitor performance of contractors
- c. Contractor Monitoring template has been developed and implemented to monitor contractors on monthly basis.
The project Steering Committee has also been implemented to ensure contracts are completed on time.

Question 11

Consequence management

Paragraph 36&37 Irregular and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

RA

- a. Why did the municipality not conduct investigations to identify liable transgressors?
- b. How is management going to recover the irregular and Fruitless and wasteful expenditure incurred from liable transgressors?

Management Response

- a. The report for the financial misconduct board was presented to Council in Q2. Responsible officials were called upon for consequence management.
Training of Bid Committees was done on the 2nd of March 2026
- b. The municipality has issued letters of recovery of Fruitless and wasteful expenditures to the transgressors.
The amount of fruitless and wasteful expenditure will be recovered in March 2026 payroll.
The report will be presented in Q3 Council Meeting for processing in terms of section 32 of MFMA

Question 12

Expenditure management

Paragraph 38- Reasonable steps were not taken to prevent unauthorised expenditure amounting to R49 398 000, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by debt impairment, bad debts, depreciation, impairment, and amortisation, which are non-cash items.

- a. What are the reasons for not implementing reasonable steps to prevent unauthorised expenditure?
- b. What are the measures in place to prevent recurrence?

Management Response

- a. The biggest contributing factors of Unauthorised is due to non-cash items Expenditure were debt impairment, bad debts written off , depreciation, impairment and amortisation of assets
- b. The municipality has implemented Budget Control to prevent Unauthorised Expenditure. Budget confirmation from EMS has been implemented prior loading of requisition in the system.

Question 13

Internal Control deficiency

RA

Paragraph 45- *The accounting officer did not adequately review the financial statements and performance information before submitting them for audit, as a result material misstatements were identified.*

Paragraph 46. *Management did not prepare regular, accurate and complete financial statements and performance reports that supported and evidenced by reliable information.*

- a. What measures did the accounting officer and the relevant departments put in place to adequately review the financial statements and performance information before submitting them for audit?

Management Response

- a. Strengthening financial reporting processes
- The BTO structure has been reviewed to address the inhouse preparation of AFS and the department has been capacitated with the divisional Manager and accountant
 - Staff are attending CaseWare training, GRAP training, developing SOPs, Review of policies to address Audit Findings
 - The standard operation procedure has been developed and the checklist for the audit file has been implemented.
 - Development and implementation of a detailed AFS preparation plan with clear timelines and role allocation with the AFS GRAP-compliant templates and checklists
 - Early preparation Interims for 6 & 9 months prepared in order to early detect, and reconciliation are performed to ensure credibility of data.
 - Technical queries to Office of Accountant General on an adhoc basis, staff attends GRAP workshops and formal training.
- The municipality is upgrading CaseWare from GRAP to MSCOA compliant to ensure automated loading of AFS (Case flow and segment reporting)

Question 14

Paragraph 48- *The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective. The action plan did not ensure that root causes that resulted in material findings are adequately addressed.*

- a. Has the municipality reviewed the action plan which addresses internal and external audit findings to ensure that controls/actions are effective?

Management Response

- a. Management has reviewed and received inputs from AGSA, Audit committee, Coghsta, Treasury and Internal Audit on the AGSA action

RA

plan. The MM is closely monitoring the internal audit findings for implementation by the respective directors.

- b. Yes, the municipality has developed an audit action plan which was reviewed by Cogesta and LPT and council approved audit action plan. The audit action plan is monitored through audit steering committee.

Furthermore, the municipality is implementing the FMCMM123 Tool (Financial Management Capability Maturity Model) to address internal control deficiencies.

The tools are designed to assess and improve the level of financial management maturity and capabilities within municipalities.

They aim to:

- Provide information that would assist management to implement changes to address shortcomings.
- Improve and develop practices for good financial management.
- Identify risks prevalent in the system and introduce mitigation measures to address them.
- Help to sustain procedures and processes for effective and efficient financial management; and
- Serve as a proactive mechanism that would support improvements in financial management and contribute towards better audit outcomes.

General AG Findings

Question 15

Commitments made by the municipal manager regarding delayed projects

Improve backlog on delayed projects to improve service delivery to the citizens of Lephalale Municipality, list of delayed projects below:

- Strong Room
- Construction Thabo Mbeki Sewer Network - Phase 1
- Construction of Thabo Mbeki Sewer Network- Phase 2
- Construction of Water Network System Refurbishment (Seleka 4 & Maletswai)
- Witpoort and Seleka RWS Phase 5 (
- Construction of Shongoane & Mokuruanyane RWS Phase 5
- Construction of 4 high masts in Phahladira
- Construction for Extension and augmentation of water Supply in Seleka Phase 6
- 16 High mast in villages
- Installation of 27 high mast
- Construction of 2X 3ML steel tank reservoirs – Marapong
- Construction for Refurbishment of Thabo Mbeki Stadium

- a. Management to provide progress to date regarding delayed projects above.

RA

- b. What is the root cause delaying these projects?
- c. Management to provide minutes, agenda and reports of these delayed projects.
- d. Management to provide engagements had with stakeholders and service providers regarding these delayed projects.
- e. Management to give indication if they will continue with these delayed projects.

Management Response

- a. The following Projects Progress Report for details and refer Annexure 2,&3 and detailed report submitted to the committee.
 - ✓ Strong Room (Installation of lift in progress)
 - ✓ Construction of Thabo Mbeki Sewer Network- Phase 2 (Contractor in process installing yard connections, repair of membrane at maturation ponds completed, fencing of the sewerage ponds)
 - ✓ Construction of Water Network System Refurbishment (Seleka 4 & Maletswai)-(Boreholes transformers installed, Mmaletswai Operational, Seleka 4 pumpstation vandalised)
 - ✓ *Witpoort and Seleka RWS Phase 5 (Technical report revised, project to be completed 2026/27 financial year)*
 - ✓ Construction of Shongoane & Mokuruanyane RWS Phase 5 (LLM made available 7,9million in 2024/2025 financial year, Only Kiti Steel Tank And Bangalong Could not be completed and requires additional 4,5million)
 - ✓ *Construction of 4 high masts in Phahladira (Project Completed and Energised)*
 - ✓ Construction for Extension and augmentation of water Supply in Seleka Phase 6 (Project on practical completion stage, 2 boreholes have been energised. The contractor busy electrifying the remaining 4 boreholes and package plant. LLM holding monthly meetings with Eskom. Project to be completed on or before 30 June 2026)
 - ✓ *16 High mast in villages (out 16 high masts energised, awaiting eskom quotation) – Management resolved that electrification of the 16 high mast lights should be done by Eskom and not the service provider. 8 high mast lights have been energised. Eskom busy with the remaining 8.*
 - ✓ Installation of 27 high mast (Management resolved that electrification of the 27 high mast lights should be done by Eskom and not the service provider. 9 high mast lights have been energised. Eskom busy energising 5. The municipality to reallocate MIG funds to energising the remaining 13 in the 2026/27 FY)
 - ✓ *Construction of 2X 3ML steel tank reservoirs – Marapong (One 3ML steel tank installed, the second tank in progress)*
 - ✓ Construction for Refurbishment of Thabo Mbeki Stadium

RJA

- b. Delayed electrification and energisation of Boreholes, High Mast Lights, Sewerage and Water Pumpstations and Package plant by Eskom. **See attached Annexure 4**
- c. PSC meetings are held monthly with consultants, contractors and Eskom to discuss progress of the active projects. **See attached Eskom Connections Report Annexure 5**

Question 16

Overall Internal Audit and Audit Committee Report on Annual Report

The committee noted the following:

- The controls relating to the preparations of the annual report are inadequate and ineffective.
 - AG action plan not included as part of the draft annual report as required by the section 121 of the MFMA and MFMA circular 63 this was due to that the compilation of the AG action plan still not yet finalised.
- a. Why is the annual report not prepared on time?
 - b. Why is there recurrence of the same findings on the Report?
 - c. Who is responsible for the compilation of the draft annual report internally?
 - d. Why was the AG action plan not finalized in time?

Management Response

- a. The Annual Report was submitted on time for internal auditing and tabling to council, however the delays on submission from the departments does not allow for ample time to review fully.
- b. the short time for reviewing by the compiling department does not help to remove all the findings, for future reporting timelines for reporting will be based on the approved process plan for reporting.
- c. PMS unit under Strategic support Services, coordinates the compilation of the Annual Report and all departments are involved on the compilation
- d. The AG action plan was delayed inputs from the AGSA, and the detailed finding was submitted late to BTO hence the late completion.

Question 17

The following AC inputs not corrected prior submission of the Annual Report 2024/25 FY to council

- Page 21, figure 2 not corrected

2A

3. Delete empty cells

Population group

NAME	FREQUENCY	%
BLACK AFRICAN	108 576	91,2%
COLOURED	439	0,4%
INDIAN/ASIAN	644	0,5%
WHITE	22 600	17,6%
OTHER	498	0,4%

- Table contents page numbers not aligned with the content pages (example AFS are on page 225 but listed to be on page 230?)
- The below not corrected, "Root" still omitted, page 29

5. See tracked changes below and correct them

2.6. RISK MANAGEMENT

RISK MANAGEMENT

Municipality Finance Management Act, SECTION 62(1) (a) (i) states that the Accounting Officer must ensure that department has and maintains effective, efficient, and transparent systems of financial and risk management and internal control and that risk assessments are conducted regularly to identify emerging risks of the institution.

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions.

The following are the top identified 5 risks for Lapholale-let-Lapholale Municipality. The table below illustrates the top 5 risks, the root causes, and mitigating factors.

The table below illustrates the top 5 risks, the root causes, and mitigating factors.

Risk No.	Risks/Threat	Root Cause	Current control	Mitigation measure/ Action Plans
SR01	Financial Unsustainability	1 Decline in revenue streams 2. Loadshedding 3. High unemployment rate 4. Adverse economic conditions 5. Lack enforcement of debt and credit control	1 Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of Municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources.	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings. Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (interest relief) 3. Monitoring of the on-site implementation of the debt collection strategy over 12 months 4. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings. Monthly review of cash book and taking corrective actions

a. What are the reasons for not incorporating all AC inputs?

- Page 24 and 25, refer to July billed and collected amounts?

b. How did the municipality be able to collect more revenue than what is billed for example in July 2024, customers were billed R32M and collected R38 M, Management to clarify and check all the months.

- The AFS still on page 225, Not addressed it was noted that the Annual Financial Statements are included in the Annual Report only as a link to the AFS. Given the requirements of MFMA sections 121 and 122,

c. Can management confirm whether this approach constitutes full compliance, and provide assurance that the signed, audited Annual Financial Statements form an integral part of the Annual Report rather than a separate or referenced document?

d. Chapter 6 circular 63 MFMA regarding remedial actions How did management ensure compliance with above section in a manner that ensures transparency to the users of Annual Financial Statements?

RA

Management Response

a. AC inputs were incorporated before tabling of the Annual Report 2024/25

Draft Annual Report 2024-25 (FY IMPAC) Public Saved

File Home Insert Draw Design Layout References Mailings Review View Help Table Design Table Layout

Navigation

Headings Pages Reports

1.2 MUNICIPAL FUNCTIONS, POPULATION A...

1.3 SERVICE DELIVERY OVERVIEW

1.4 FINANCIAL HEALTH OVERVIEW

1.5 ORGANISATIONAL DEVELOPMENT OVERV...

1.6 AUDITOR GENERAL REPORT

1.7 STATUTORY ANNUAL REPORT PROCESS

CHAPTER 2 - GOVERNANCE

2.1 POLITICAL AND ADMINISTR

2.2 ADMINISTRATIVE GOVERNANCE

COMPONENT 3: INTERGOVERNMENTAL RELA...

2.3 INTERGOVERNMENTAL RELATIONS

COMPONENT C: PUBLIC ACCOUNTABILITY AN...

2.4 PUBLIC MEETINGS

2.5 IDP PARTICIPATION AND ALIGNMENT

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

2.7 ANTI-CORRUPTION AND FRAUD

2.8 SUPPLY CHAIN MANAGEMENT

The following are the top identified 5 risks for Lophatle Local Municipality. The table below illustrates the top 5 risks, the root causes, and mitigating factors.

The table below illustrates the top 5 risks, the root causes, and mitigating factors.

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
SR01	Financial Unsustainability	1. Decline in revenue streams 2. Loadshedding 3. High unemployment rate 4. Adverse economic conditions 5. Lack enforcement of debt and credit control	1. Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debts. 3. Frequent awareness campaigns on payments of Municipal rates and services 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources 5. Full implementation of cash	1. Monitor the performance of the debt collector for accounts over 30 days through monthly meetings. Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (interest relief) 3. monitoring of the project implementation and procurement plan to avert return of funds to NT (interest on investment).

LEPHATLE LOCAL MUNICIPALITY DRAFT ANNUAL REPORT 2024/ 2025

Page 33 of 225 29400 words English (South Africa) Font Prediction: On

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1:433 2024/03/17

b. Revenues table corrected as per screen shot below.

Document1 - Word Public

File Home Insert Draw Design Layout References Mailings Review View Help Table Design Table Layout

Navigation

Headings Pages Reports

1.2 MUNICIPAL FUNCTIONS, POPULATION A...

1.3 SERVICE DELIVERY OVERVIEW

1.4 FINANCIAL HEALTH OVERVIEW

1.5 ORGANISATIONAL DEVELOPMENT OVERV...

1.6 AUDITOR GENERAL REPORT

1.7 STATUTORY ANNUAL REPORT PROCESS

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COMPONENT C: PUBLIC ACCOUNTABILITY AN...

2.4 PUBLIC MEETINGS

2.5 IDP PARTICIPATION AND ALIGNMENT

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

2.7 ANTI-CORRUPTION AND FRAUD

2.8 SUPPLY CHAIN MANAGEMENT

Revenues table corrected as per screen shot below.

JULY 2024 - JUNE 2025 REVENUE CALCULATIONS		
Revenue collection		
Revenue		178 491 224.00
July		14 582 119.05
August		14 013 371.26
September		14 719 971.13
October		14 184 212.28
November		14 887 819.00
December		17 416 802.87
January		13 014 206.70
February		10 089 467.55
March		10 139 466.41
April		14 127 566.00
May		10 501 351.10
June		10 000 759.17
Total revenue collected		141 535 105.69
Revenue		141 535 105.69
July		14 582 119.05
August		14 013 371.26
September		14 719 971.13
October		14 184 212.28
November		14 887 819.00
December		17 416 802.87
January		13 014 206.70
February		10 089 467.55
March		10 139 466.41
April		14 127 566.00
May		10 501 351.10
June		10 000 759.17
Percentage		100.00

Page 1 of 1 120 words English (South Africa) Font Prediction: On

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1:433 2024/03/17

c. Yes , The Signed and AGSA audited AFS is attached as Volume II of the Report and fully accessible on the report

d. The Audit Action was subsequently Attached after it has gone through all the required stages of verification by all parties involved

RA

Management Responses - BTO

- a. The AFS was attached as a link on the annual report. The AFS attached signed by the Accounting Officer
- b. The collection rate were higher than the billed amount due to the acceleration credit controls and debt collection measures. The payment recorded in the month of June also include payment for the previous months.i.e debt over 30 days.
- c. The signed, audited Annual Financial Statements do form of the Annual Report .The AR produced on a soft copy hence attached it is attached as link which can be easily accessed. Her the AR is printed as a hard copy the AFS will be presented in Full.
- d. The Audit Action plan was developed and reviewed by Stakeholders which include treasury, Coghsta and the Audit committee. The action plan was approved by council and is monitored weekly through the Audit steering Committee

The Draft Annual Report 2024/25 FY

Question 18

PAGE 22 - 1.3 SERVICE DELIVERY OVERVIEW

The Municipality provided communities with potable water and sanitation. The water and sanitation systems are operated and maintained according to the blue and green drop requirements. The Municipality is committed to achieve blue and green drop status in future.

- a. Why is the municipality stating that they are operating in terms of blue and green drop requirements whereas they are also committed to achieving it in future?
- b. What is the blue and green drop requirements specifically?

Management Response

- a. Because currently municipality have not scored 95% on Blue drop and 90% on Green drop during the previous audits which is the criteria set by the DWS for municipalities to be Green and Blue Drop Certified.
- b. Requirements for Blue and Green Drop Certification
The certification process, managed by the Department of Water and Sanitation, evaluates 5–6 key performance areas:
 - Water Safety Plan (WSP) or Wastewater risk Abatement Plan (W2RAP): Evidence of risk assessment and implementation of mitigation plans for catchment, treatment, and distribution.
 - Process Control & Management: Proof of registered, skilled staff (process controllers/supervisors) and updated operational manuals.

RA

- **Water Quality Compliance:** Compliance with SANS 241 standards, typically requiring >99% microbiological compliance.
- **Wastewater Quality Compliance:** Compliance with Water Use License, typically requiring >99% microbiological compliance.
- **Monitoring Programmes:** Credible water sample analysis conducted by SANAS-accredited laboratories, with results submitted to DWS.
- **Incident Management & Reporting:** Documented protocols for managing and responding to water and effluent quality failures.

Question 19

Page 24 and 25, refer to October billed R50m and collected amount R22m

- a. **Why is there such a high fluctuation between billed versus collection in October?**

Management Response

- a. **The attached collection report has been updated, and the MPAC question will not be valid.**

RA

JULY 2024 - JUNE 2025 REVENUE CALCULATIONS

Revenue collection percentage

REFERENCE

Total revenue billed	576 495 728.09
July	44 982 119.65
August	49 013 377.26
September	47 276 957.79
October	50 194 427.29
November	34 887 849.68
December	47 646 852.87
January	51 614 886.70
February	50 689 467.55
March	50 539 486.41
April	48 587 586.62
May	50 561 957.10
June	50 500 759.17

Total revenue collected	504 535 105.60
July	59 978 652.20
August	28 841 965.08
September	34 263 603.94
October	44 606 878.20
November	38 574 747.28
December	32 948 207.31
January	42 067 554.72
February	38 749 328.75
March	43 856 348.16
April	38 505 109.19
May	41 370 163.43
June	60 772 547.34

Percentage $(504\,535\,105.60 / 576\,495\,728.09) \times 100$

88%

M_33

Question 20

Page 24- Institutional performance of the Municipality and Summary of indicator performance briefly in the Annual Performance Report 2023-24 for comparison with the 2024-25 Annual Performance Report scores, this tabulated score depicts a 10% decline in overall performance as compared to the previous year's performance.

a. What caused the 10% decline in performance?

Management Response

- a. Relatively speaking, in the 2023/24 financial year most of the capital projects were achieved and completed yielding a total performance of 76% as compared to project completion in the 2024/25 Financial year where a portion of the MIG Allocation was reversed, the expenditure on

RIA

MIG was 99.63% but as per planned projects , the implementation was reduced yielding a total performance of 66%

Question 21

Creditors

Page-26 The Municipality has a creditor's book of Revenue is monitoring payment to creditors to be within 30 days as legislated. There is a manual invoice tracker being implemented to adhere to 30 days payment. This is also done to prevent any fruitless and wasteful expenditure caused by potential interest charges for late payments.

- a. What is the process of the municipality in implementing the invoice tracker?
- b. Were there any delayed payments if yes, what is the root cause of these delayed payments?
- c. Management to provide the list of these late payments
- d. What is management doing to ensure that delayed payments does not occur in future?

Management Response

- a. All the invoices are stamped at records and are submitted to Expenditure management, Through the invoice tracker Expenditure department for monitoring and to ensure invoices are paid within 30 days.
- b. The were only delay of invoices for DWS, due schedule 6b payment where payment is made once money is received.
- c. List provided – 4 service providers -paid within 30 days – for replacement of AC pipes
- d. The invoices for schedule 6b will now be captured within 3 days after submission of Copies to DWS.

Question 22

Page 29 &30 Challenges

- Huge backlog on gravel roads.
- Ageing assets/infrastructure, for water reticulation and sanitation
- Vandalism and theft – Municipal Assets
- Illegal connections for services water and electricity.
- Project completion is not on schedule.
- Revenue collection is low than standard.
- Huge backlog on fixing of potholes.
- Inadequate and inconsistent water supply.
- High level of informal settlements mushrooming rapidly which add to the already housing.
- High water losses in the institution.

RA

- a. Does the municipality have strategies in place to resolve challenges above?

Management Response

- a. Huge backlog on gravel roads- the backlog is continually addressed through implementation of projects utilising MIG funding e.g Sefitlhogo Access Road Completed, Letlora Access Road in Construction Phase, Kgobagodimo 1 and 2 Access Road they are on appraisal stage. The consultant is appointed on risk to conduct feasibility study and detailed designs for rural access roads in various villages- Morwe, Botshabelo, Moong, Segale, Botsalanong, Kopanong, Kgobagodimo, Ga-Seleka and Tshelamaake
- b. We have commenced with the replacement of Old Water and Sewer AC pipes, refurbishment of sewerage Pumpstations to address ageing infrastructure for water and sanitation.
- c. A substantial budget is allocated every financial year to provide fencing of water and sewer pumpstation, and we have also installed security cameras at some of sewer pump stations to prevent theft and vandalism
- d. Water- The visible illegal water connections are disconnected and fines are imposed to defaulters or those tampering with the water network.
Electricity- Identified illegal connections are removed and disconnected, and where applicable, enforcement actions are taken in accordance with the Municipality's Electricity Supply By-Laws and Credit Control Policy.
- e. Project completion is not on schedule. (delays are a result of sourcing of materials, energisation by ESKOM and unfavourable weather conditions)
- Sessions are in place to assist the contractors to source materials from the suppliers
 - Regular meeting meetings with ESKOM to Fastrack the process.
 - Contractors submitted the recovery plans and progress is monitored via site and PSC meetings monthly/weekly
- f. The revenues collection is very and more prevalent in Marapong Township- We are currently improving the state of infrastructure network in the area and also providing adequate storage capacity. The plan is to pilot smart metering project to enhance revenue collection.
- g. The Municipality procured Jet Patcher which has recently been delivered and will assist to fast-track patching of potholes
- h. Inadequate and inconsistent water supply is due to frequent major pipe bursts on the main line from Eskom Matimba Power Station. The replacement of AC pipes also contributes as we have interrupt water supply to allow for connections and installation of temporary supply water pipes.
- i. High water losses due to ageing infrastructure. This will be reduced once all the AC pipes have been replaced and the malfunctioning water meters replaced in our service areas.

RJA

Question 23

Page-27 Capital and operating expenditure

The Municipality is upgrading its infrastructure through new projects funded by grants. Also, a portion of operating expenditure is allocated for repairs and maintenance. Insurance is also taken on infrastructure assets to ensure that any form of repairs caused by damages is attended to.

- a. What infrastructure assets are being insured?

Management Response

- a. All municipal infrastructure assets appearing on the Fixed Asset Register is insured against damages and losses.

Which includes immovable and movable asset

- Land
- Transport Assets
- Electrical Infrastructure
- Water Supply Infrastructure
- Sanitation Infrastructure
- Solid Waste Infrastructure
- Machinery and Equipment
- Furniture and Office
- Equipment
- Computer Equipment
- Information and Communication & Infrastructure
- Roads Infrastructure
- Storm water Infrastructure
- Community Assets
- Buildings

Question 24

Page-27 Distribution losses

The Municipality has reported significant losses in the prior and current year. A long-term plan of reducing water losses by implementing projects of replacing asbestos pipes with PVC pipes is currently underway. Electricity losses are also reduced by implementation of prepaid electricity metering.

- a. How many households have been converted to prepaid and how many still not converted?
- b. Does the municipality have time frame as to when the remaining consumers will be converted to prepaid?
- c. What are the mechanisms put in place for consumers who are liable for outstanding amounts prior conversion?

RA

Management Response

- a. There is 99.2% (7 141) of electricity smart meters and are connected to the communication system.
- b. 5685 of electricity meters have been switched to prepaid system as at 30 June 2025, and the remaining clients that are on postpaid keep their accounts up-to date every month.
- c. The remaining postpaid customers will be converted on or before the end of 2025/26 FY.
- d. The municipality is implementing 30% blocking (if a customer buys R100 of electricity, R30 is used to settle old debt) on total top-up prepaid to settle old debt.

Question 25

Organisational Development Overview

Page 27- The Lephalale Local Municipality has not conducted the Annual Individual Performance Evaluations for the financial years of 2024/25: Out of 530 positions, 07 are vacant & 423 are filled.

- a. Management to clarify the relevance of the above statement regarding the Annual individual performance evaluations is it for Executive managers or all staff?

Management Response

- a. The Annual individual performance evaluation will be conducted after the adoption of the oversight report.

Question 26

Page-29 The table below illustrates the top 5 risks, the root causes, and mitigating factors.

- a. What were the progress made from the previous financial year to the current financial year Management Responses

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans	Progress
SR01	Financial Unsustainability	1. Decline in revenue streams 2. Loadshedding. 3. High unemployment rate 4. Adverse economic conditions. 5. Lack enforcement of debt and credit control	1. Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of Municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources. 5. Full implementation of cash and investment monitoring policy. 6.. Monthly cut of accounts in arrears and entering to payment arrangement with customers with pending accounts.	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings, Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (Interest relief) 3. monitoring of the project implementation and procurement plan to avert return of funds to NT (interest on investment). 4. Bring on board DBSA to assist with revenue enhancement 5. Switch consumers from post-paid to prepaid. 6. Develop business case for water smart metering.	1. Addressed 2. Addressed 3. Addressed 4. Ongoing and the Revenue enhancement committee has been established. 5. In progress , majority of consumers have been switched from post to prepaid. 6. Addressed.
SR02	Inadequate road infrastructure network	1. Road congestion 2. Lack of forward planning 3. Aging infrastructure. 4. Lack of implementation	1. Storm water by-law 2. 2. Integrated Infrastructure master plan. 3. Maintenance plan for repair of potholes and storm water system.	1. Resealing of roads in town; Marapong and Onverwacht. 2. Develop technical report for Marapong storm water. 3. Engagement	1. Ongoing 2. Addressed 3. Addressed 4. Addressed

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans	Progress
		of maintenance plan.		with various stakeholders. 4. Monitoring and the maintenance of roads.	
SR03	Insufficient provision of sanitation services.	1. Current Sewer system capacity is not sufficient to accommodate the current population. 2. Aging infrastructure (Sewer AC Pipes).	1. Refurbishment and upgrading of sewerage network re-engineering. 2. Approved sanitation technical report 3. Water supply and sanitation services by-law. 4. Integrated Master Plan. 5. Usage of honey sucker to address sewer spillages	1. Refurbishment of the WWTW. 2. Replace old AC pipes and install new sewer line from PS25 to Zongesien 3. Develop technical report for the provision VIPs to rural areas. 4. Continue with the operation and maintenance of sewer network	1. Not Addressed- Refurbishment of Paarl WWTW is in progress 2. Not Addressed. Replace old AC pipes and install new sewer line from PS25 to 3. Addressed 4. Addressed
SR04	Inadequate internal electrical infrastructure network.	1. Overloading of the internal overhead lines. 2. Illegal connections. 3. Cable Theft and vandalism. 4. Inability to detect high voltage fault currents.	1. Monitoring, maintenance and upgrading of electrical network. 2. Replace copper cables with aluminium cables in rural areas 3. Integrated Infrastructure Master plan 4. Cable detector in place	1. Conduct technical assessment. 2. Replacement of copper cables with aluminium cables in the rural areas. 3. Training on cable fault detector 4. Closing of the ring circuit 5. Implement the maintenance plan. 6. Replacement of the switch gear	1. Not addressed- The Service provider was appointed on to conduct the technical assessment for the Kingbird line 2. Not Addressed There was no cable theft during quarter 3. Addressed. 4. Not Addressed- The tender was

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans	Progress
					advertised and closing on the 16th of January 2025. 5. Not Addressed - Maintenance plan not yet implemented due to lack of sufficient budget (mitigation need to be removed) 6. Not Addressed Tender advertised and awaiting evaluation
SR05	Insufficient provision of water	1. Illegal water connections 2. Ageing Infrastructure 3. Climate change 4. Theft and vandalism of municipal infrastructure. 5. Loadshedding	1. Disconnection of illegal water connections 2. Replacement of AC to UPVC water pipes 3. WC/WDM programme 4. Replaced copper taps with plastic taps. 5. Supply water with water tankers to areas vulnerable to drying of boreholes.	1. Enforcement of water By-Laws (Secure by in from stakeholders) 2. Continue with designs and construction to replace AC pipes 3. Construction of bulk pipeline from Zeeland Water Treatment Works to Marapong. 4. Conduct technical assessment	1. Addressed 2. Addressed 3. Addressed 4. Addressed

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
SR01	Financial Unsustainability	1. Decline in revenue streams 2. Loadshedding. 3. High unemployment rate 4. Adverse economic conditions. 5. Lack enforcement of debt and credit control	1. Full implementation of credit control and debt collection Policies. 2. A debt collector has been appointed to assist with collection of long outstanding debtors. 3. Frequent awareness campaigns on payments of Municipal rates and services. 4. Revenue enhancement strategy Committee formed to explore and improve revenue sources. 5. Full implementation of cash and investment monitoring policy. 6.. Monthly cut of accounts in arrears and entering to payment arrangement with customers with pending accounts.	1. Monitor the performance of the debt collector for accounts over 90 days through monthly meetings, Monthly review of cash book and taking corrective actions 2. Offer incentives to customers coming for debt arrangements with accounts over 12 months (Interest relief) 3. monitoring of the project implementation and procurement plan to avert return of funds to NT (interest on investment). 4. Bring on board DBSA to assist with revenue enhancement 5. Switch consumers from post-paid to prepaid. 6. Develop business case for water smart metering.
SR02	Inadequate road infrastructure network	1. Road congestion 2. Lack of forward planning 3. Aging infrastructure. 4. Lack of implementation of maintenance plan.	1. Storm water by-law 2. 2. Integrated Infrastructure master plan. 3. Maintenance plan for repair of potholes and storm water system.	1. Resealing of roads in town; Marapong and Onverwacht. 2. Develop technical report for Marapong storm water. 3. Engagement with various stakeholders. 4. Monitoring and the maintenance of roads.
SR03	Insufficient provision of sanitation services.	1. Current Sewer system capacity is not sufficient to accommodate the current population. 2. Aging infrastructure (Sewer AC Pipes).	1. Refurbishment and upgrading of sewerage network re-engineering. 2. Approved sanitation technical report 3. Water supply and sanitation services by-law. 4. Integrated Master Plan.	1. Refurbishment of the WWTW. 2. Replace old AC pipes and install new sewer line from PS25 to Zongesien 3. Develop technical report for the provision VIPs to rural areas.

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
			5. Usage of honey sucker to address sewer spillages	4. Continue with the operation and maintenance of sewer network
SR04	Inadequate internal electrical infrastructure network.	1. Overloading of the internal overhead lines. 2. Illegal connections. 3. Cable Theft and vandalism. 4. Inability to detect high voltage fault currents.	1. Monitoring, maintenance and upgrading of electrical network. 2. Replace copper cables with aluminium cables in rural areas 3. Integrated Infrastructure Master plan 4. Cable detector in place	1. Conduct technical assessment. 2. Replacement of copper cables with aluminium cables in the rural areas. 3. Training on cable fault detector 4. Closing of the ring circuit 5. Implement the maintenance plan. 6. Replacement of the switch gear- Ring circuits were closed during the 2024/25 FY. Closed, and project to continue in the 2026/27 FY. Copper cables are being replaced with aluminium cables at the rural areas as and when they are vandalised. Replacement of the switch gear- switch gear procured and will be installed as soon as it is delivered in 2026. Training on cable fault detector - Training is conducted in-house by Technicians. Implement the maintenance plan – Maintenance strategy developed and approved

RA

Risk No	Risks/Threat	Cause	Current control	Mitigation measure/ Action Plans
				by council. Busy reviewing the maintenance plan in line with the strategy.
SR05	Insufficient provision of water	1. Illegal water connections 2. Ageing Infrastructure 3. Climate change 4. Theft and vandalism of municipal infrastructure. 5. Loadshedding	1. Disconnection of illegal water connections 2. Replacement of AC to UPVC water pipes 3. WC/WDM programme 4. Replaced copper taps with plastic taps. 5. Supply water with water tankers to areas vulnerable to drying of boreholes.	1. Enforcement of water By-Laws (Secure by in from stakeholders) 2. Continue with designs and construction to replace AC pipes 3. Construction of bulk pipeline from Zeeland Water Treatment Works to Marapong. 4. Conduct technical assessment

Management Response

- a. Inadequate road infrastructure network
 - Resealing of roads in town, Marapong and Onverwacht – The resealing projects has been completed, Relebogile Street in Marapong has been resealed.
 - Develop technical report for Marapong storm water- The technical report for stormwater in Marapong has been developed. We have also appointed the consultant at risk to conduct detailed feasibility study and designs for construction of tared roads in Marapong.
 - Engagement with various stakeholders- We have engaged Exxaro to assist with procurement of yellow plant and also to repair some of the roads and streets in Marapong.
 - Monitoring and the maintenance of roads.
- b. Insufficient provision of sanitation services
 - Refurbishment of Paarl 6ML/d the project is currently on 90% physical progress
 - Terms of Reference for the Appointment of a Consultant at Risk for the Upgrading of Zongesien and Paarl WWTWs completed awaiting to be presenting to Bid Specification Committee.
 - Technical Report for Refurbishment of Sanitation Components is awaiting approval by DWS.

BA

- Technical Report and Business Plan for the construction of VIP toilets submitted to DWS for funding, currently awaiting approval.
- c. Inadequate internal electrical infrastructure network.
 - Ring circuits were closed during the 2024/25 FY. Closed, and project to continue in the 2026/27 FY.
 - Copper cables are being replaced with aluminium cables at the rural areas as and when they are vandalised.
 - Replacement of the switch gear- switch gear procured and will be installed as soon as it is delivered in 2026.
 - Training on cable fault detector - Training is conducted in-house by Technicians.
 - Implement the maintenance plan – Maintenance strategy developed and approved by council. Busy reviewing the maintenance plan in line with the strategy.
- d. Insufficient provision of water
 - The replacement of AC pipes in progress (To date 56km out of 120km replaced)
 - The technical assessment reports for water extensions in Shongoane & Ga-Seleka Schemes in the rural villages have been completed and submitted to DWS for approval of funding.

Question 27

Page 42- 2.1 By laws

COMMENT ON BY-LAWS PERFORMANCE OVERALL

MSA S11 (3) (m) provides municipal Council with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation, no new by laws were processed in the 2023-24 financial years.

- a. Are the 2023/24 by-laws outdated?
- b. Why there any by-laws processed in the 2024/2025 financial year?
- c. Are they any bylaws still to be passed to council and if so, what is the progress to date?

Management Response

- a. Existing by-laws remain in force and are aligned with the Constitution, national and provincial legislation. These by-laws are not outdated per se, however, there is a need for ongoing review and compliance as and when.
- b. Yes.
- c. Yes, the public nuisance By-law followed all processes and will serve in the next Ordinary council meeting for approval.

RA

Management Response

- a. No
- b. Water, Sanitation and Electricity by-laws under review

Question 28

Page 43- 2.1 Public satisfaction on municipal services

Customer satisfaction survey was not conducted for the financial 2024/ 25 due to lack of capacity and budget; there were sporadic incidences of service delivery protests from communities in rural villages. The Municipality has Customer Care Complaints system that is functional and all the complaints are addressed.

- a. *Is the municipality stating that there are no complains? And when is the Municipality intending to conduct customer satisfaction survey?*

Management Response

- a. the Customer satisfaction survey does not have a budget and it's not implemented, however the Customer care complaints management system is available and functional. We have also put suggestion boxes in all strategic areas or sites for members of the community, who cannot access the customer care line to also assist us in terms of service delivery issues, and how they can assist in improving our services. (3 Traditional offices, Mokuruanyane MPC, Lesedi MPC, Traffic, library at civic centre, Workshop, Marapong library)

Question 29

Page 45- Bulk Water Infrastructure

Water is pumped from the Mokolo dam to the Wolvefontein storage dam, from where it gravitates down to Zeeland water purification plant and the purification plant at Matimba power station. Bulk raw water gravitates down to the Grootegeeluk mine and Eskom's Matimba power station.

- a. What plans does the municipality have in place to secure additional bulk water resources for future expansions such as power generation?
- b. What plans does the municipality in place to ensure continuous supply from Mokolo dam?

Management Response

- a. The department of water and sanitation is the custodian of water resources, and the Mokolo Crocodile Water Augmentation Project Phase 2 is underway, which will provide water for industrial development, mines and power stations.

2A

- b. Utilising MCWAP Phase 1 for domestic purposes- The Municipality's water use licence will be reviewed on completion of the project and the current quota will be increased.

Question 30

Page 45 Water infrastructure

Asset Type	Unit Measured	Quantity	Remarks
Boreholes	Number	138	
Reticulation Pipelines	Length(m)	424,973	286,311m of uPVC pipes and 136,702m of AC pipes 1,960m of HDPE pipes
Bulk pipelines	Length(m)	34,693	28,593m of uPVC pipes and 6,046m of AC pipes
Reservoirs	Number	121	
Water Treatment works	Number	2	Witpoort and Maletswai
Pump Stations	Number	38	

- Management to provide a breakdown of reservoirs according to the wards as how many are operational?
- Out of 121 reservoirs with 38 villages Is the municipality accommodating all residents. And what are the plans in future to ensure that these reservoirs are serving its purpose?
- Does the municipality conduct a study before they drill boreholes to ensure that they are effective?
- How many boreholes are inside the river?
- Why is the column of remarks empty on some line items?

Management Response

- See attached water Report - Annexure 6
- No, We acknowledge that the water supply does not meet the current demand in rural villages due to rapid growth and expansion (Increasing Backlog). Future plans- We need to develop water sources, install additional storage facilities and water networks to improve the level of service from RDP standard to yard connections.
- Yes, the geohydrological investigation is done to establish water availability and capacity prior drilling.
- There are thirteen (13) boreholes inside the river and three (3) boreholes along Lephalale riverbank
- It means there are no comments to be raised or additional information to be recorded against the item.

Question 31

RA

Water availability in Rural Areas

Page 46 -Paragraph 2 The ground water from the boreholes is generally low due to poor yields and unacceptable water quality (class 3 or 4); however, this does not necessarily pose a health risk to communities. Water from the well field type boreholes has however higher yields and acceptable quality. The surety of the current water supply from boreholes is not known. It is also not known what the actual volume of water is provided to the community. **The Municipality has commissioned a study on water volumes provided to rural villages.**

- a. Is there any provision from the municipality that specifies that they should drill how metres for boreholes?
- b. Has the study on water volumes in rural areas returned if so, what is the response?

Management Response

- a. Yes, We do have specification that details how borehole must be drilled and constructed. However, until the geo-hydrological investigation is done it is not clear from the n set at what depth the required water capacity will be found. Normally we estimate drilling from 60m to 120m depth depending on the depth of the aquifer in the area.
- b. The technical assessment reports for Ga-Seleka Water Scheme have been completed

Question 32

Page 47- paragraph 1

According to the water service development plan "starter requirements" approximately 22.6% of the rural population has access to water that must be carried/carted 0-200m, while 20.5% of the population has access to water that is 200-500m away from the point of use. This implies that 35.6% of the rural population does not have water that falls within RDP standard of maximum cartage distance of 200m from point of use (i.e., resident/house).

- a. Management to clarify the percentages used above as they don't add up to 100%.

Management Response

- a. The water services development plan (WSDP) is outdated (2011) and needs to be reviewed. The Municipality concluded an agreement with DBSA to review the Plan.

Question 33

Page 47-48 paragraph 3-under 3.2 Waste water (sanitation) provision

Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share.

RA

Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works. **The treatment works has been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML, and currently there are 38 pump stations.**

- a. Management to clarify if there is enough capacity for the municipality to adhere to its mandate.

Management Response

- a. The capacity is not sufficient. Terms of Reference for the Appointment of a Consultant at Risk for the Upgrading of Zongesien and Paarl WWTWs completed awaiting to be presenting to Bid Specification Committee.

Question 34

Current Status of Sanitation in Rural Areas

Page 48 paragraph 2 The technical assessment and feasibility study has been completed in the 2025/26 financial year for provision of ventilated improved pit latrines (VIP) and eradication of sanitation backlog in the Lephalale various rural villages. The technical report has been submitted to the department of water and sanitation for approval of funding to commence with the implementation of the proposed projects effective from 2026/27 financial year.

- a. Management to clarify completion period of technical assessment.

Management Response

- a. Technical assessment report is completed and technical report submitted to DWS for funding.

Question 35

Waste water (sanitation) provision

Page 48 paragraph 3

Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. **The municipality is currently busy with the upgrading to a 1.5 ML/day for a conventional wastewater treatment plant.** A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadja coal (PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale town has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d wastewater treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached, and a consulting engineering firm was appointed to do feasibility study.

- a. Management to provide progress on upgrading to oxidation pond.
- b. Management to provide progress on feasibility study relating to agreement with Ledjadja coal pty ltd.

RA

Management Response

- a. Terms of Reference for the Appointment of a Consultant at Risk for the Upgrading of Zongesien and Paarl WWTWs completed awaiting to be presenting to Bid Specification Committee.
- b. The feasibility study relating to agreement with Ledjadja Coal has not been concluded, since they've been awaiting finalisation of their Water Use Licence application with DWS.

Question 36

Page 49 household access to sanitation

Flush toilet connect ed to public sewer system	Flush toilet connect ed to a septic tank or conservancy tank	Chemical toilet	Pit latrine toilet with ventilation pipe	Pit latrine/ toilet without ventilation pipe	Ecological toilet (e.g., urine diversion; envirolo o; etc)	Bucket toilet	Bucket toilet (emptied by house hold	Other	None
18536	859	952	8326	10054	99	-	74	520	3582

- a. Management to specify the column of other above.

Management Response

- a. Open defaecation

Question 37

Financial Performance 2024/ 25: Sanitation R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 43 827 892	R 61 654 844	R 61 654 844	R 43 827 892	R 17 826 952
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 14 672 473	R 15 453 735	R 16 453 735	R 14 672 473	R 1 781 262

PA

Repairs and Maintenance	R 907 458	R 6 138 255	R 6 138 255	R 907 458	R 5 230 797
Other	R 1 778 490	R 7 703 150	R 7 703 150	R 1 778 490	R 5 924 660
Total Operational Expenditure	R 17 358 421	R 29 295 140	R 30 295 140	R 17 358 421	R 12 936 719
Net Operational (Service) Expenditure	R 26 469 471	R 32 359 704	R 31 359 704	R 26 469 471	R 4 890 233

Financial Performance sanitation

- a. Management to clarify 2-line columns stated as expenditure and other.

Management Response

- a. Other expenditure covers administrative operational expenditures that are not included in employees, repairs and maintenance such as travelling, accommodation etc

Question 38

Household access to electricity

In-house conventional meter	In-house prepaid meter	Connected to another which household pays for	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity
18 536	16 798	393	1 174	199	22	-	1 855	4 418

- a. Management to clarify the column named other above.

Management Response

- a. Other: gas, paraffin stoves

Question 39

Page 51- Free basic services

- a. Management to provide a breakdown of how many individuals from urban and rural are provided with free basic services.

Management Response

51- Free basic services

- a. Management to provide a breakdown of how many individuals from urban and rural are provided with free basic services.

RA

Management Response

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES					
Water	Sewerage & Sanitation	Electricity	Refuse removal	Total households served	Total households served as %
2 758	2 758	2 758	2 758	2 758	4,8%

Final Indigent register 2025-2026 and item to council was presented to the committee.

Question 40

Page 50 Financial Performance sanitation and PG 51 Financial Performance Electricity are the same

- a. Management to clarify the duplicated financial performance.

Management Response

- a. The information will be updated for final printing .Management to implement SOP to review the annual report.

Question 41

Waste Management

Page 52- paragraph 4 **A total of 22 community-based waste recycling programs is established as a way of meeting the targets of the National Waste management strategy. Exxaro appointed engineers to undertake studies and designs required prior to the establishment of the Material Recovery Facility. The tender for establishment of the Material Recovery Facility is advertised, and the contractor will be appointed to construct Material Recovery Facility in the landfill site. There is a great reliance on private companies and community-based waste recovery cooperatives for recovery of the recyclables. The waste processing and converting companies such as Nampak, Consol, and Mpact, Transpaco, Collect-a-can and Consol have contracted various waste brokers for the recovery of K4 box, cans, plastic bottles, clear and mixed plastics, white paper, and glass. There are informal waste pickers in the landfill site recovering recyclables for further processing.**

- How many waste management campaigns have been conducted? and where were these campaigns conducted?
- How often does management offer awareness campaigns regarding waste removal?
- Out of 38 villages, which communities are supported by the waste recycling program?
- What is the plan for the villages not included in the total of 22 community-based waste recycle program?

PA

Management Response

- a. A total of 48 waste education and awareness campaigns were conducted in all early childhood development centres, primary and secondary schools in Ellisras Circuit, Palala North and South, Lephalale town businesses, taxi ranks, Informal street trading at the back of Boxer Supermarket, tribal councils, Witpoort Hospital taxi rank, Shongoane 1 taxi rank, Marapong taxi rank, informal street trading along the old Marapong clinic, informal street trading in front of Marapong SPAR, Groblersbridge street trading, Marapong library, Informal settlement next to Ditheku Primary School, Matlhakung informal settlement, Phahladira Mall and Street trading at Lephalale TVET college.
- b. We conduct weekly waste awareness campaigns and a total of 4 monthly.
- c. We assist private recycling facilities in Maletswai, Shongoane 1, Steve Biko, Letlora, Kgobagodimo, Seleka 2, Marapong, Sefitlhogo and Phahladira with business registration, market development, training and bulk bags.
- d. The plan is to scale-up community waste recycling through community recycling awareness raising in collaboration and partnership with Producer Responsibility Organisations such as Ardragh, Collect-a-can, Fibre, METPAC, Polyco and PETCO.

Question 42

Page 52- paragraph 7

The division has a serious challenge of littering and illegal dumping of waste in Marapong, villages and informal settlements. The available resources are also not adequate to deal with population growth. The available street cleaners are not enough to deal with the generated street litter. There are no waste drop-off facilities for temporary storage of green and general waste, and as well as promoting reverse logistics in sustainable consumption and production. There are no waste disposal or storage facilities in the rural areas, and as well as inadequate waste storage receptacles in both rural and urban areas.

- a. **What mechanisms does the municipality have in place to resolve challenges faced by waste management as stated above?**

Management Response

- a. The plan is to establish 4 x waste transfer stations with material recovery facility in the villages. Eskom Matimba Power Station to donate 500 drums to be installed on the streets and used as bins. Acquisition of

RA

3 x compactor trucks, 1 x TLB and Tipper Truck to assist with household refuse removal and cleaning of all identified illegal dumping spots or sites. Issue compliance notices to all violators of the by-laws and spot fines for littering. Intensify community waste education and awareness campaigns to change the littering behaviour. Appoint 2 x Operators to assist with cleaning of illegal dumping spots. Pilot kerbside refuse removal in 10 villages and increase number of EPWP Participants and establish partnership with the Community Works Program to assist with litter

Question 43

Refuse Removal

Page 53- paragraph 2 -The Municipality has no drop-off, garden sites, transfer station, material recovery facilities and buy-back centres for recycling. The Municipality is relying on private companies and community programmes for recovery of the recyclables. The municipality has a challenge of providing refuse removal service to the rural community. Refuse removal of general waste is initiated by the municipality has a municipality in 33 x villages. The serious challenge of illegal dumping of garden waste in areas such as Marapong and Onverwacht, in that garden sites are needed in the mentioned areas.

- a. Was the by-law enforced regarding illegal dumping? And when last was the by law reviewed and implemented?
- b. Management to provide progress on additions of garden waste removal and drop off centres.

Management Response

- a. Notices of compliance with waste management by-laws on illegal dumping of waste were issued to Eskom, Exxaro and Pontes Properties. Notice of compliance with the provision of waste management by-laws on storage of waste were distributed to all businesses in town, Onverwacht and Marapong. Waste Management By-laws were promulgated in 2011 after the promulgation of the National Environmental Management: Waste Act no 59 of 2008.
- b. The municipality is only collecting a maximum of 2 bags of garden waste per household as in line with the Municipal Waste management by-laws to reduce potent methane gas emissions attributed by the anaerobic decomposition of garden waste disposed in the landfill site. 2 x Garden waste drop-off facilities will be established in Marapong and Onverwacht.

Question 44

Page 53-Paragraph 3 Waste Transport and Transfer

The Municipality has 3 x 12 cubic meter, 6 x 20.6 or HC250 compactor trucks, 3 x Skip loader truck, 2 x Roll-on Roll-off trucks and 2 x 4- ton trucks for refuse removal and street cleaning,

RA

servicing seven collection routes on Monday and Tuesday and eight collection routes on Wednesday, Thursday, and Friday in the urban area. The Municipality has no transfer station and Roll-on-Roll-off system is used for temporary storage of waste in areas that are situated at 30 to 35 kilometres from the landfill site. Skip bins are being placed at specific central collection point and collected on a weekly basis. The Municipality is establishing 2 x waste transfer stations in the villages.

- a. **When is management planning to conclude /finalise the establishment of the 2 waste transfer stations?**

Management response

a. **The project will be resuscitated at the beginning of 2026/2027 financial year. The completion date of the project is end of April 2027.**

Question 45

Page 53-Paragraph 4 Waste Storage

The Municipality has in-adequate refuse receptacles for refuse storage. The municipality is using 1, 75 and 6 cubic meter skip bins for waste storage. In the central business district about seven to ten shops are sharing one or two 1, 75 or 6 cubic meter bins and the capacity is not enough. There are in-adequate refuse receptacles on the streets of Lephalale town.

- a. **How many skip bins are in circulation and where are the skip bin located?**
- b. **Is there any progress from removing skip bins from areas where businesses are not complying with by laws?**

Management Response

- a. **Total of 124 skip bins are distributed in all schools, government offices, health institutions, businesses in town, Onverwacht and Marapong, Afguns farm and informal settlements**
- b. **Yes**

Question 46

Page 53- paragraph 5 Waste Education

The Municipality has a formal waste education programme called waste wise-education competition and school recycling competition. The Municipality in collaboration with Earth life Africa initiated environmental clubs in both rural and urban areas that are educating the community about good waste management practices in line with the National Waste Management Strategy, Municipal Waste Management by-law, NEMA: Waste Act and other waste legislations. The

RA

municipality is also supporting the provincial sustainability school's competition that is implemented by Lapalala Nature Reserve.

- a. How many waste education events has the municipality conducted?

Management Response

- a. A total of 48 waste education and awareness campaigns were conducted in all early childhood development centres, primary and secondary schools in Ellisras Circuit, Palala North and South, Lephalale town businesses, taxi ranks, Informal street trading at the back of Boxer Supermarket, tribal councils, Witpoort Hospital taxi rank, Shongoane 1 taxi rank, Marapong taxi rank, informal street trading along the old Marapong clinic, informal street trading in front of Marapong SPAR, Groblersbridge street trading, Marapong library, Informal settlement next to Ditheku Primary School, Matlhakung informal settlement, Phahladira Mall and Street trading at Lephalale TVET college.

Question 47

Page 54- Waste Disposal

The Municipality has one permitted waste disposal facility. Exxaro appointed Impact Catalyst to undertake feasibility studies for beneficiation and monetization of waste through Material Recovery Facility and Buy-back centre. Exxaro appointed a service provider for the designs of Material Recovery Facility.

- a. How far is the municipality with the feasibility study and designs materials facilities?

Management Response

- a. Feasibility study and designs of the material recovery facility project is completed

Question 48

Page 54 - Household access to refuse removal

<u>Removed by local authority/ private company /community</u>	<u>Removed by local authority /private company/ community members</u>	<u>Communal refuse dump</u>	<u>Communal container/ central collection point</u>	<u>Own refuse dump</u>	<u>Dump or leave rubbish anywhere (no rubbish disposal)</u>	<u>Other</u>	<u>Total H/H</u>

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<u>members once a week</u>	<u>less often than a week</u>						
<u>38 779</u>	<u>349</u>	<u>1575</u>	<u>7135</u>	<u>9 806</u>	<u>4335</u>	<u>1023</u>	<u>43 002</u>

Only 90% of the households in Lephalale Local Municipality have access to acceptable refuse removal service level. The Municipality is still faced with the challenge of illegal dumping of waste in Marapong more especially next to illegal settlement areas and parts of Onverwacht as well rural areas.

- What is the target timeline to reach 100% coverage and what interventions are planned to achieve this?
- What immediate measures is management implementing to reduce this environmentally harmful practices?
- Management to clarify other on the table above.

Management Response

- The target timeline for 100% coverage is end of 2026/2027 financial year. The municipality extended refuse removal services to 33 villages through roll-on roll-off containers, and the current backlog is 7 villages. The service provider is appointed to procure 10 bins, and the plan is to distribute to the remaining villages after delivery of the bins.
- Procure additional bins and distribute to other villages and augment the current waste collection system with a pilot kerbside waste collection project in 10 villages. Increase number of EPWP participants in the villages and collaborate with the Community Works Program for litter picking in the villages

Question 49

Page 55- paragraph 3 Lephalale Development Nodes

Exxaro is in a process to establish approximately 3000 residential erven. Eskom is having a two-fold approach which includes the purchase of erven from private sector and establishment of housing for Marapong Extension 5 on their own land which is still in a process. The Provincial Government has allocated 1.2 billion on a three-year basis for the establishment of 5000 erven in Altoostyd farm.

- What process has Exxaro made in relation to 3000 residential erven?
- What process has Eskom made with purchase of land for residential purposes?
- Management to provide update on the 1.2 billion for 5000 erven at Altoostyd?

RA

- d. What is the municipality doing to address the high volume of empty asbestos houses in Onverwacht?

Management Response

- a.
b.
c. The roll out is in phases, RDP, mixed use dev (BNG, Medium housing financial assistance FLIPS, social dev (shops, school) the delays are caused by limited funds, there was no total
d. LLM has written a notice letter to ESKOM given that Asbestos houses have surpassed their intended structural and material life

Question 50

Page 56 Total housing backlog

Types of dwellings

YEAR	2001	2011	2016
House on separate stand	14459	22816	28647
Traditional dwelling	2296	408	422
Flat in block of flats	203	849	1309
Town/cluster/semi-detached house	126	271	428
House/flat/room in back yard	510	340	558
Informal dwelling/shack in back yard	893	2098	3032
Informal dwelling/shack elsewhere	1428	2456	6768
Room/ flat let on shared property	275	321	408
Caravan/ tent	87	74	64
None/homeless	4	-	-
Other	24	246	418
Total no of dwelling	20305	29879	42054

- a. Management to clarify other in the table above.

Management Response

- a. Despite significant housing delivery since 2001, the municipality is experiencing a growing housing backlog driven by rapid urbanisation and economic migration, with informal settlements expanding at a faster rate than formal housing provision.
b. DATA INTERPRETATION (2001-2016)

RA

Total Dwellings Growth

2001: 20,305

2011: 29,879

2016: 42,054

Interpretation on Growth (2001–2016): +21,749 dwellings (+107%)

This reflects **rapid urbanisation and in-migration**, likely linked to:

1. Mining and energy expansion (e.g. Medupi)
2. Economic pull factors in Lephalale

c. STRATEGIC RECOMMENDATION

Develop a **Lephalale Housing Strategy Framework** including:

- Housing demand model (to 2035)
- Informal settlement upgrading plan
- Social housing pipeline
- Public-private partnerships (PPP housing)
- Employer-assisted housing (mining sector)

Question 51

Page 57 paragraph 3 The total average basic service backlog is about 18%.

Page 57 -3.6 Free basic services and indigent support

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES					
Water	Sewerage & Sanitation	Electricity	Refuse removal	Total households served	Total households served as %
2 758	2 758	2 758	2 758	2 758	4,8%

- a. Management to provide total number of indigents receiving free electricity
- b. What are the requirements for beneficiaries to receive free electricity?
- c. What are the guideless followed to determine the threshold of indigents?
- d. Management to provide a breakdown for 2758
- e. How many from rural areas, how many from town?
- f. Management to provide a breakdown according to the villages
- g. Has the municipality made progress on reducing the 18% basic services backlog?
- h. Does the municipality monitor indigent accounts or confirm whether someone still qualifies as indigent after a period?

Management Response

RA

- a. The total number of indigents receiving free electricity is 2768
- b. The following requirements for beneficiaries indigent subsidies including free electricity
 - The applicant/person must be over eighteen (18) years of age;
 - The total household income per month must be less than R4 600.00, subject to annual adjustment by council.
 - The applicant/person must have an active services account with the Municipality for those residing in Marapong, Onverwacht, Town and Thabo Mbeki.
 - The applicant/person must occupy the site legally and be a full-time occupant of the property concerned.
 - The applicant must not own any other property in or out of the parameters of the Municipality.

Guideless followed to determine the threshold of indigents- (Refer to the above.)

Breakdown for 2758 indigent register and item to council were presented to the committee.

How many from rural areas, how many from town- indigent register and item to council were presented to the committee.

Management to provide a breakdown according to the villages indigent register and item to council were presented to the committee.

The municipality is the process of appointing service provide to fastrack the indigent registration process withing the municipal Boundaries. This process will reduce the backlog.

The Municipality will vet the approved Indigents twice through the indigent system in a Financial year to verify if the register is credible.

Question 52

Page 58 3.7 Roads

- a. Management to provide any feedback from the department of public works in terms of handing over the district roads to the municipality?
- b. How many access roads paved at 38 villages and management to clarify which roads are still intact?
- c. Management to provide maintenance plan for the access roads at the villages.

Management Response

- a. The district hasn't responded.
- b. 13 villages and all of them are still intact
- c. Grader programme.

Question 53

Page 59 Storm water status quo

RA

- a. Since the previous financial year has the municipality improved the roads and storm water status quo?

Management Response

- a. Yes, The paving road has been constructed Marapong- Phuthaditshaba, Alfred Nzo and Rebene Streets and Ben matsoma Road including the V-drains and stormwater daylight in marapong extension 4

Question 54

Page 60 - 3.8 Transport paragraph 3, *If the planned and envisaged additional power stations and potential coal mining materializes, it will be a large stimulus for development in the area. Depending on what developments materialize in the area, between 16 000 and 37 000 additional housing units will be required for the next 20 years or so. In the development of future coal mines and power stations, care should be taken that residential settlements are located as close as possible to these work opportunities, to reduce travel time and the cost of transport.*

- a. What potential power stations planned could materialise?

Management Response

- a. The reference is to renewable energy projects and new mining projects

Question 55

Page 60 Licensing

- a. Has the municipality resumed the testing of learners and driver's license, if not when are they planning to resume?
b. What are the traffic officers doing to ensure that revenue collection increases?
c. Does the municipality have capacity in terms of the administration of operating those three testing stations?

Management Response

- a. No we have not resumed testing. We are targeting beginning of May 2026.
b. We are in the process to ensure that our fines are on the eNatis system which will ensure that those with outstanding fines are unable to renew licenses country wide and thus compelled to settle fines.
c. We only have one testing station and we don't have capacity as our employees were arrested.

Question 56

Page 61- Transport Modes

RA

MODE	NO. OF PEOPLE	PERCENTAGE
Foot/bicycle	51084	45%
Private vehicle	12525	11%
Bus	7800	7%
Taxis	10380	10%
Not applicable	30806	27%

- a. Management to clarify not applicable on the above table.

Management Response

- a. ...

Question 57

Page 61 Public Transport Facilities

There are four formal, and three informal taxi ranks in Lephalale, two bus terminals and several lay byes built along D3110 road. One landing strip is available for chartered light passenger planes.

- a. What is the municipality doing to ensure that the three informal taxi stations are formalised?

Management Response

- a. The national department of transport is in the consultative process with IPTN which involves refurbishment of transport facilities including Bus Terminals and Taxi Ranks on strategic routes of the IPTN.

Question 58

Page 61 Challenges

- *Poor road surface and infrastructure.*
- *Inadequate facilities such as taxi ranks, bus terminals, laybys etc. Our facilities are also not user-friendly to people with disability.*
- *Disintegrated and unscheduled public transport system impact negatively on the kind of services offered.*
- *Too many pick-up points along the route increase the travel time.*
- *Limited subsidy from Government result in people having to spend a significant percentage of their income on transport. The situation is further compounded by the fact that public transport is in the hands of private owners and that makes it difficult to regulate, especially when it comes to tariffs charge.*

- a. What has improved on the above challenges as remained the same as the previous year?

RA

Management Response

- a. The Municipality is continuing to patch the potholes and resealing roads with the limited resources available. The disaster grant is also allocated to alleviate some of the poor road infrastructure challenges encountered in some parts of Marapong (Paved roads) and the rural villages (Low level bridges)

Question 59

Page 62 paragraph 1 Law-enforcement on freight transport

Many heavy vehicles are potentially overloaded and not roadworthy. Law-enforcement is lacking in this regard. There is one boarder post to Botswana to combat overloading by heavy vehicles. The municipality also has got a small weighbridge which is currently dysfunctional. Upgrading the municipal weighbridge and conducting overload programs will assist in enhancing the lifespan of the municipality's road infrastructure.

- a. What is the municipality doing to ensure that this weighbridge is operational for revenue enhancement?
- b. What has the municipality done to improve law enforcement on freight transport?

Management Response

- a. The Provincial Department of Transport is currently developing a Freight Transport Strategy for the whole province. The strategy will be completed end of April. This will guide us on where the weighbridge must be located.
- b. We have developed a by-law which is currently being reviewed by the Magistrate.

Question 60

Page 62 paragraph 2 Transportation of abnormal loads and hazardous materials

The current economic development in Lephalale places an increase responsibility on the municipality in as far as regulation of transportation of abnormal loads and hazardous materials are concerned. There is no specific abnormal load route plan available for the municipality. Equally there are no by-laws that regulate movement of dangerous or hazardous materials.

- a. What progress has been made to establish a specific route for abnormal weight vehicles?
- b. Does the way bridge accommodates the abnormal weight vehicles?

RA

Management Response

- a. The By-Law will address this.
- b. Yes

Question 61

Page 62 paragraph 3 Consultation with relevant stakeholders

No formal consultation takes place between the municipality and stakeholders in the road freight industry. Establishment of a freight transport consultative body (FTCB) is necessary to promote more efficient and cost-effective freight transport in Lephalale. The Municipality is in the process of developing a By-law on Public Transport and freight Transportation.

- a. Has the freight transport consultative body (FTCB) been established?
- b. In terms of the law enforcement, are the traffic officers doing their duties to ensure that trucks don't park at the private owned entities?
- c. Why no by-laws? and Management to provide timelines in drafting and approving the bylaws?

Management Response

- a. No, but the Transport Forum is in place.
- b. This question is not understood. Trucks are allowed to park at privately owned entities.
- c. The by-law is with the magistrate to approve appropriate fines

Question 62

Page 63 first paragraph- *Storm water backlog in the rural area is unknown but the area on the Southern part of Thabo Mbeki and Seleka Wyk 2 (Mmatshwana) is frequently flooded during heavy rainy seasons by Palala river when it overflows. Storm water backlog in Marapong is still under investigation. The appointed service provider estimates the costs to be around R2.6 billion.*

- a. Has there been any improvement on the storm water channel backlog in town?
- b. What progress has the municipality made to relocate communities away from the flood line?
- c. Has the municipality done anything to address the fact that the storm water backlog in the villages are unknown.

Management Response

- a. No, because of financial constraints
- b. Yes, the Municipality conducted the integrated infrastructure master plan which incorporates stormwater management in the rural villages. The Municipality further concluded an agreement with DBSA to compile the Roads and Stormwater Master Plan.

RA

Question 63**Page 64 Financial Performance: Planning Services**

Financial Performance 2024/25: Planning Services R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 353 847	R 3 688 972	R 3 688 972	R 1 494 227	R 2 194 744
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 14 291 214	R 20 495 856	R 20 495 856	R 16 845 357	R 3 650 500
Repairs and Maintenance	R 14 583	R 72 821	R 72 821	R 12 986	R 45 376
Other	R 2 407 910	R 3 749 259	R 2 174 651	R 955 359	R 1 219 091
Total Operational Expenditure	R 16 641 707	R 24 317 936	R 22 743 328	R 17 813 702	R 4 914 967
Net Operational (Service) Expenditure	R-16 287 860	R-20 628 964	R-19 054 356	R-16 319 475	R-2 720 223

- a. Why are the actual figures for 2023/24 different from what was reported in the annual report for 2023/24?

Management Response

- a. Due to the difference between the Audited outcome figures in 2024/25 Annual report and the unaudited figures updated in 2023/24

Question 64**Page 64- 3.1 Local Economic Development**

Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. Medupi project has already started demobilising staff on completed projects. The coal to liquid project that was investigated by Sasol and currently placed on hold could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal & Petrochemical, secondly red meat and thirdly Tourism. Lephalale is currently in the final stage of considerable public sector investment, estimated at R140 billion over six years, for the construction of Medupi power station. One of government's key priorities is to increase economic growth and to promote social inclusion.

- a. What is the municipality doing to ensure that the remaining positions at Medupi stations are occupied by local people to reduce unemployment?

Management Response

RA

- a. Lephalale's challenge is a classic post-construction transition which is the moving away from a labour-intensive mega-project i.e. Medupi into a sustainable, locally inclusive economy. The municipality does not directly employ at Medupi, but it plays a critical coordination and regulatory role to ensure locals benefit from remaining and future opportunities.

Question 65

Page 66-3.12 Community and Social Services (Libraries)

Libraries play a central role in the social, educational, cultural and economic life of communities.

- a. Is there any way in which the municipality can extend operating hours and days to cover weekends?

Management Response

- a. The information will be updated for final printing .Management to implement SOP to review the annual report.

Question 66

Page 69 Compare with one for last year

Financial Performance 2024/ 25: Library					R'000
Details	2023/ 24	2024/ 25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational Revenue (excluding tariffs)	R 27 557	R 12 775	-	-	-
Expenditure:	-	R 55 200.17	-	R 13 956.46	R 41 243.70
Employees	R 7 485 611	R 9 455 073	-	R 8 631 327.71	R 823 745.20
Materials and supplies	R 6 969	R 25 549	R 17 244	R 7 825	R 17 724
Other		R 066	-	R 5 207	R 859
Total operational Expenditure	R 7 558 775	R 273 386	-	R 81 662.83	R 191 723.10

- a. Management to clarify why the financial performance of the library is duplicated from the previous financial year?

Management Response

- The information will be updated for final printing .Management to implement SOP to review the annual report.

RA

Question 67

Page 70- Social and Security Services – Childcare and old age social grants

ECD's Identified	Unregistered	Unqualified	Registered	Funded	Not funded	Basic service availability
89	9	31	76	43	42	Water, toilets & electricity available. Most structures do not meet EHP criteria while others are conditional in the sense that they must improve to comply
Drop-in Centre			8	5	3	Shared services with service center for the Aged
Home Community Based Care			1	1	0	Shared services
Victim Empowerment Programme			4	4	0	Shared services with SAPS
Service Centre for Elderly People			4	4	0	Basic services
Child and family			1	1	0	Basic service

- Management to provide clarity as to why three drop-in centres not funded.
- Management to provide a breakdown of the 8 drop-in centres.

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Management Response

- a. The municipality has never funded any of these organizations as it is purely the function of the Department of Social Services.
- b. Management cannot provide the breakdown of the 08 drop-in centres based on the response given in (a).

Question 68

Page 70 Air Quality

The environmental features that are found in the municipal area are affected by natural environmental challenges inter alia, ozone depletion, global warming, solid and hazardous wastes, the endangerment of biological diversity and land degradation. Environmental degradation in the form of soil erosion, overgrazing, deforestation, over exploitation and habitat destruction should be prevented to effect economic development negatively. Air quality management by-laws should be developed for non-compliance to the air quality standards. There should be capacity in terms of human resources for the execution of related duties.

- a. What has the municipality done to develop relevant air quality by laws?

Management Response

- a. Draft Air Quality Management By-Laws developed in February 2026

Question 69

Page 71 Air Quality analysis

<u>Municipality</u>	<u>Industrial emission</u>	<u>Domestic fuel</u>	<u>Vehicle emissions</u>	<u>PM10</u>	<u>SO2</u>	<u>NO2</u>
<u>Lephalale</u>	<u>95.9%</u>	<u>19.1%</u>	<u>24.1%</u>	<u>86.2%</u>	<u>95.4%</u>	<u>94.3%</u>
<u>Bela-Bela</u>	<u>0.0%</u>	<u>4.8%</u>	<u>17.0%</u>	<u>0.4%</u>	<u>0.02%</u>	<u>1.0%</u>
<u>Mookgopong</u>	<u>0.0%</u>	<u>3.5%</u>	<u>6.1%</u>	<u>0.2%</u>	<u>0.01%</u>	<u>0.3%</u>
<u>Thabazimbi</u>	<u>3.6%</u>	<u>10.9%</u>	<u>28.1%</u>	<u>0.8%</u>	<u>4.5%</u>	<u>1.6%</u>
<u>Mogalakwena</u>	<u>0.4%</u>	<u>52.0%</u>	<u>13.2%</u>	<u>11.7%</u>	<u>0.05%</u>	<u>2.2%</u>
<u>Modimolle</u>	<u>0.0%</u>	<u>9.6%</u>	<u>11.4%</u>	<u>0.6%</u>	<u>1.8%</u>	<u>0.6%</u>

- a. Has there been any new air quality analysis done?

Management Response

RA

- a. No, Limpopo Department of Economic Development Environment and Tourism appointed a Service Provider to review Air Quality Management Plan for the District. The appointed Service Provider will update the Air Quality Analysis.

Question 70

Page 72-Tree planting project, Projects implemented in this focus area aim at promoting the transition to sustainable and integrated management of land resources. The deliverables in this category include:

- Greening by tree planting
- Education and awareness

The Department social services have a parks division which deals with landscaping; however, this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concerned of the owner.

- a. How many trees has been planted and where?
- b. Management to provide portfolio of evidence of education and awareness that has been undertaken.
- c. Has there been any developments with Eskom and Exxaro regarding the upkeep of unoccupied properties?

Management Response

a Total number of trees planted is 4805

- Sefitlhogo – 520 in April 2025
- Motlhasedi– 520 in April 2025
- Ga-Mocheko – 520 in April 2025
- Ga-Monyeki – 520 in April 2025
- Hlagalakwena– 520 in April 2025
- Thabo Mbeki Primary, Witpoort Hospital, Seleka Clinic, Ellisras hospital, Sedibeng Special School and Lerekhureng Primary - 105
- Letlora - 550 November 2025
- Thabo Mbeki - 550 November 2025
- Seleka 4 – 1000 February 2026

RA

Question 71

Page 74 Ambulance Services

The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the district. There are two Ambulance centres in the municipality, located and based at the two hospitals within the municipal boundaries. The service centres are in Onverwacht at the Lephalale hospital and satellite service centre at Witpoort Hospital.

- a. **Management to provide feedback regarding the mobile clinics**
- b. **Which are the monitoring controls been put in place to ensure the adequacy and performance of the five clinics and mobile units?**
- c. **How does management monitor the performance of ambulances services provided by the department of health particularly with time response in rural areas?**
- d. **Management to provide average response time?**

Management Response

- a. **The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the district.**

Question 72

Police Page 75 paragraph 1

There has been alarming number of fatal and serious road accidents within the Lephalale Local Municipality which amongst others were triggered by lack of traffic policing due to insufficient Traffic personnel. Nonetheless Municipal Traffic Police and Provincial Traffic Police continuously conduct joint operations with a view of mitigating the causal factors of fatal road accidents.

- a. **What has the municipality done to address the alarming number of fatal and serious road accidents?**

Management Response

- a. **An additional 10 traffic officers have been recruited and are undergoing training to reinforce the current compliment.**

Question 73

Page 75- 3.21 Fire- paragraph 2

Although we have a Local Disaster Management centre, that is funded by District and managed by Local Municipality, we believe with the current resources we will not be able to manage all challenges that will be come as results of industrialization and natural disasters. We believe more resources should be directed to Municipality to assist in upgrading the Local Disaster Management centre. Municipality need more development strategies an effective communication system. We need fully equipped management centre.

RA

- a. Has the municipality engaged with district regarding the scares resources and updating of the disaster management centres?

Management Response

- Budget has been allocated for 2 resources for Disaster, and 2 vehicle has been purchased

Question 74

Financial Performance: Capital Projects – Disaster Management Services

Disaster type	Project Name	Budget (expenditure)
Floods and Road damages	Design and construction (Regravelling) of Roads within Lephalale (Marapong)	R7600 000 (R 1 789 543)

- a. Has there been any changes in financial performance relating to capital projects/disaster management centre?

Management Response

- a. project has been completed; the scope was changed to paving instead of gravelling

Question 75

Page 76 Sports and recreation facilities

- a. Can the municipality decrease the charge rates for the stadium in Seleka to be affordable for the community to utilise?
- b. Why is the municipality unable to maintain the Thabo Mbeki Gym?
- c. Management to clarify if the thabo gym is doing well in terms of revenue.

Management Response

- a. The management is currently considering various financially sustainable maintenance model architectures for our fleet of public amenities including Seleka Stadium. The objective is to achieve a balance between the user pay principle advocated by national treasury and accessibility of public amenities to all members of the public.
- b. Public amenities like stadia, public parks and Thabo Mbeki gym compete for financial resources with basic services like the provision of water and electricity. When budgets are tight, it is often morally unacceptable to allocate resources for maintenance of recreational facilities if it means compromising the

Question 76

Page 76 Disaster management

RA

Dates for 2024-25 Financial Year	Ordinary EXCO	Ordinary Council Meeting	Special EXCO	Special Council
30 July 2024	1	1	0	0
08 August 2024			1	1
16 and 29 October 2024	1	1	1	1
29 January 2025	1	1	0	0
25 and 28 February 2025	0	0	2	2
27 March 2025			1	1
09 and 30 May 2025	1	1	1	1
Total	4	4	6	6

The following regarded as Disaster Management challenges:

- Potential risk of some households in rural villages which are in the flood line area.

a. Do the municipality have any measures in place in the events of floods?

Management Response

- a. Lephalale Municipality has established emergency report team comprising of local stakeholders to swiftly evacuate affected households during floods. Municipality has also approved the established of Disaster Management unit to effectively deal with disaster incidents. Budget is also allocated for disaster responses

Question 77

Page 78 EXCO and Council meetings

a. What is the plan to reduce over reliance on special council meetings ?

Management Response

- a. The Municipality does not necessarily rely on Special Council meetings; Special Council meetings are only arranged when there are urgent matters that requires resolutions from Council. However, to reduce the number of Special Council meetings the municipality can enforce adherence to the approved municipal calendar for official meetings.

Question 78

Financial performance for financial services

Financial Performance 2024/ 25, BTO

///R 000

Details

2023/24

2024/25

RA

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	R 15 586 822	R 101 295 130	R 128 105 887	R 15 586 822	R 112 519 065
Expenditure:	R 0 00	R 0 00	R 0 00	R 0 00	R 0 00
Employees	R 19 607 620	R 23 714 435	R 24 204 435	R 19 607 620	R 4 596 815
Repairs and Maintenance	R 418 889	R 8 326 298	R 10 126 298	R 418 889	R 9 707 409
Other	R 8 909 402	R 9 178 289	R 9 089 769	R 8 909 402	R 180 367
Total Operational Expenditure	R 28 935 910	R 41 219 022	R 43 420 502	R 28 935 910	R 14 484 592
Net Operational (Service) Expenditure	R -13 349 088	R 60 076 108	R 84 685 385	R -13 349 088	R 98 034 473

- a. Why are the 2024/25 actual figures of the above financial performance same as what was reported in the annual report for 2023/24?

Management Response

- a. The information will be updated for final printing. Management to implement SOP to review the annual report

Question 79

Page 81 Component J: miscellaneous

Paragraph 2- Lephalale airfield is an uncertified and unmanned aerodrome posing high risk to passengers and aircraft currently utilizing the aerodrome. The reality is that the situation is paramount to an accident or major disaster waiting to happen if no immediate intervention is found.

- a. What has the municipality done to ensure the situation regarding the airstrip remedy?

Management Response

- a. ...

Question 80

MMs Office

Page 83 challenges

- Performance information has received a qualified audit opinion in the AG management report.
- 2 out of 3 AGSA findings resolved in 2024/ 25 FY.
- 3 out of 4 Internal Audit findings are not addressed.

RA

a. Is there any progress in addressing the above challenges?

Management Response

1. *The finding that was not resolved relates to the external assessment for Internal Audit division, the assessment is now planned for 2026/27 financial year*
2. Progress on testing of Business continuity Plan: Budget for review and testing Business Continuity Plan has been requested and it will be implemented in the next financial year.
3. The Security Policy has served before GA & BTO Portfolio Committee, and it will also serve in the next Council meeting. The finding for Security Access Control has been addressed.

Question 81

Page 92 Strategic Support Services

Challenges

- Not all the Internal Audit findings are addressed.
- Not all Risks are addressed.
- Not all AG findings were resolved.
- Municipal Imbizo for the last quarter was not conducted.

a. Is there any progress in addressing the above challenges?

Management Response

- a. Management has worked harder to resolve the internal audit findings and the risk mitigation
The Implementation AG findings are done and monitored biweekly through the Audit Steering Committee
The Imbizos are to be conducted as planned and approved by the council in the IDP process Plan.

Question 82

Page 103 Corporate Support Services

Challenges

- High vacancies at Directors management positions.
- Not all Internal Audit findings are resolved.
- Not all Risks mitigations are addressed.

a. Is there any progress in addressing the above challenges?

RA

CSS-2 a target of 100% was not achieved, 50% of Office equipment and furniture were procured.

b. Management to provide progress regarding furniture target.

M23- It was noted all Complaints received on the electronic system attended to.

c. What electronic system is the municipality referring to?

Management Response

- a.
- Out of 7 Senior Managers positions, five (5) are filled.
 - The outstanding finding was not resolved due to budget constraints to train SHE reps and Supervisors to do daily OHS assessment.
 - Some of the mitigations were not addressed due to budget constraints (e.g. the development of an HR strategy), the department has seen an improvement in addressing/resolving all the mitigations and continues to work hard to address all of them.
 - b. The appointed service provider delivered incorrect furniture which was not according to the Specifications, and it was then returned. However, the error has since been corrected, and we are currently at 100%.
 - c. Customer Care Management system (Mun Comp System).

Question 83

Development planning

Page 113- Challenges

- Urban sprawl and informal settlements, Mmamojela park along R510, Mahlakung on Chris Hani Avenue encroachment to the District Hospital
- Non-compliance with building control regulations at Marapong township and Onverwacht by residents
- Extension at Rural villages not adhering to the local SDF.
- The Process of re-establishment of the Municipal Planning Tribunal for Municipal readiness experiences delays
- The review of the Lephalale Municipal SDF is in progress (Milestones attached to Phase 1 to Phase 4 presented to IGR PSC) - 3 phases remaining.
- Review is progressing in accordance with the Project Work Plan (divided into 6 phases). Phase 1 complete, Phase 2 and 3 in progress. Phase 4,5 and 6 not yet started.

Development Planning: out of the Twenty-seven (27) indicators, one (1) not applicable, nine (9) achieved, four (4) over-achieved and thirteen (13) performed below target. A score of 50% for the department is achieved and 2 projects are still in progress.

- a. Is there any progress in addressing the above challenges?

RA

- b. What was the reason for each of the 13 indicators being below target?

Management Response

- a. ...

Question 84

Pg 115 LM_HS3 Target was 4 socio economic surveys and only 2 socio economic surveys conducted, target not achieved due to lack of support on logistic coordination by Ward Committees where the Surveys are required.

- a. Management to provide progress to date.

Management Response

- a. Management acknowledges the underperformance against the annual target, which was primarily due to inadequate logistical coordination and limited support from Ward Committees during the initial implementation phase. To address this, the Department has strengthened coordination mechanisms by engaging Ward Councillors and Committees, clarifying roles, and introducing a centralised planning approach to survey implementation. The outstanding socio-economic survey has been prioritised and are scheduled for completion within the current quarter. Management is confident that the revised approach will ensure full achievement of the annual target and improve future performance

Question 85

Page 121 M 667

Target was 100% and only 58% achieved, it was noted that the other challenge not to achieve the target was due to lack of Municipal land for development and a GIS which not linked the municipal financial system.

- a. How far is the municipality in resolving the above challenges and management to provide deadlines?
b. What electronic system is the municipality referring to?

GIS–Financial System Integration

Progress to Date:

- **Current State Assessment Completed:**
Identified gaps between GIS spatial data and billing/valuation systems
- **System Integration Plan Developed:**
Scope includes:
 - 1) Linking property data (GIS) with billing records

PA

2) Improving revenue management and planning

- **Service Provider Engagement:**

Technical support being sourced for system integration

Deadlines:

1. **Appointment of Service Provider:** May 2026
2. **System Design & Configuration:** June – August 2026
3. **Pilot Integration (Selected Wards):** September 2026
4. **Full System Integration Rollout:** December 2026

Management Response

- a. The Municipality has made measurable progress in addressing the identified constraints through the initiation of a land audit and the development of a GIS–financial system integration plan. Key milestones have been set for completion of the land audit by June 2026 and full system integration by December 2026
- b. The electronic system referred to relates to the integration of the Municipality's Geographic Information System with its financial and revenue management system to enhance planning, billing accuracy, and land management.

Question 86

M_688A - Target 1000 jobs and only 3 jobs created target not achieved

The variance of 997 Jobs through strategic partners was as a result that the municipality and its stakeholders face significant challenges in creating sufficient minimum jobs due to less economic activities

- a. **Management to provide progress to date.**

Management Response

- a. The target was met, however the strategic partners failed to provide the POE based on the adjustments that was made with only 3 POEs as the indicator requires portfolio of evidence.

Management acknowledges significant underperformance against the job creation target. Corrective measures have been implemented, including strengthened stakeholder engagement, expansion of public employment programmes, and activation of local economic development projects. While immediate large-scale job creation remains constrained by limited economic activity.

Question 87

RA

M_691 Target 100 and the department addressed 69% of council resolutions target not achieved, 27 out of 39 council resolutions were implemented, and 12 resolutions are outstanding.

Challenges for not achieving the target is that the Community Residential Unit (CRU) is still under construction in Marapong and still yet to be completed by COGSTA for the resolutions to be implemented where the property management services provider must be appointed by the municipality.

- a. **Management to provide progress to date and deadlines for finalising this project.**

Current Status

- Construction of the **Community Residential Units (CRU)** is in progress.
- Regular project monitoring meetings are being held between the municipality and **Limpopo Department of Cooperative Governance, Human Settlements and Traditional Affairs.**
- Bulk service connections (water, sanitation, and electricity) are being coordinated to ensure readiness for occupation once construction is completed.

Remaining Work

1. Completion of residential units
2. Final inspections and compliance certification
3. Formal handover to the municipality

Expected Deadline

- **Construction completion: September 2026**

Handover to Municipality

Management Response

- a. **The Municipality continues to engage with Limpopo Department of Cooperative Governance, Human Settlements and Traditional Affairs to ensure timely completion and handover of the units.**
- b. **Once construction is finalised, the Municipality will immediately proceed with the procurement process for appointing a property management services provider to operationalise the facility and ensure that the remaining Council resolutions are implemented.**

Question 88

Finance

Page 124 Challenges

RA

- Revenue collection rate is lower at 88% than the prescribed norm of 95%.
- The general poor economic conditions make it difficult for consumers to make full payments on their accounts hence under collection by 7% compared to National Treasury requirement of 95%.
- Cost coverage is 181% by end of the year.
- Capital budget Expenditure for the institution is 82% which translates from R 189 870 333.83 against the budget of R 231 862 200.00

a. Is there any progress in addressing the above challenges?

Management Response

- a. The management is implementing the following strategies:
- Disconnection of electricity for non-paying customers
 - Early payment incentive is offered to the customers that pay their accounts regularly
 - 30% is deducted from prepaid electricity purchases for customers that owe more than 30 days
 - Customers that come forth to make payment arrangement are offered reversal of 24 months interest and interest free debt for the duration of their arrangement term
 - Municipal employees that owe municipal services for more than 90 days, are forced to make payment through monthly salary deductions.

Question 89

Page 133 Social Services

The committee noted that there are no challenges documented within social services department.

- a. Management to confirm that indeed there are no challenges experienced within social services.

Management Response

- b. To be clarified

Question 90

M27- Target 100% and 64 % of Internal audit findings were addressed, target not achieved, some challenges documented include lack of queue management system in the directorate, and the municipality does not have an environmental officer as required. Unavailability of examiners as incumbents are on suspension.

- a. management to provide progress to date .

Management Response

- a. ...

RA

Question 91

SS 4- Target 6 x Walk behind Lawn mowers to be procured and only 4 x Walk behind Lawn mowers were procured target not achieved.

- a. **management to provide progress to date.**

Management Response

- a. **Instead of procuring two additional walk-behind mowers, we identified the need for a ride-on mower, and we are currently awaiting the finalization of the tendering process to procure it.**

Question 92

Infrastructure

Page 142 -Challenges

- Slow progress on implementation of internal audit findings and risk mitigations.
 - 13 projects are not completed for 2024/ 25 FY.
 - Water loss is at 41% average in the financial year 2024-25.
 - 28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages.
- a. **Is there any progress in addressing the above challenges?**
- b. **Are there any measures taken to improve on indicators below target?**

Management Response

- a. **Yes**
- b. **Measures taken to improve the indicators below target.**
- **Slow progress on implementation of internal audit findings and risk mitigations- Completion of projects earmarked to address the IA and Risk mitigations.**
 - **13 projects are not completed for 2024/ 25 FY- Some projects were multiyear projects, and the projects were delayed for completion due to outstanding electrification. LLM engages Eskom monthly to speed up the process, Contractors have submitted the catchup plans and encouraged to increase resources on site. The sessions are processed to assist service providers to procure materials on time. PSC meetings held monthly to track the progress of works on projects.**
 - **Water loss is at 41% average in the financial year 2024-25 – As a result of major pipe bursts, the projects for replacement of Old AC pipes in progress**
 - **28 villages access roads were bladed in 2024/ 25 FY, against the target of 39 villages – It was due to grader breakdowns, the Municipality in process to procure a grader in 2025/2026 financial year.**

Question 93

RA

M758 -Target 12 wastewater quality reports and only 11 wastewater quality reports were concluded, target not achieved, challenges documented includes delays in the appointment of the Service provider.

- a. management to provide progress to date.

Management Response

- a. The service provider (Muratho Laboratory) has been appointed to conduct wastewater sampling and analysis

Question 94

M27- target 100% and only 23 % of Internal audit findings were addressed, target not achieved, some challenges documented include:

- The water and sewer projects are still in progress-*
- The electrical switches and Cables were procured but used for repairs at Shongoane Stadium due to vandalism.*
- Drivers not completing logbooks and trip authorisation forms.*
- Lack of budget to procure fire extinguishers, spare wheels.*

- a. management to provide progress to date.

Management Response

- a. The water and sewer projects are still in progress-The following projects are Completed:
Three AC pipes projects Completed , Thabo Mbeki Stadium Completed, Sefitlhogo Access Roads on practical Completion Stage, Energy Efficiency Completed, Closing of the ring circuits Completed, Extension and Augmentation Witpoort Phase 6 on practical Completion Stage, Refurbishment of sewer pumpstations on practical Completion Stage.
For more details See attached progress report as Annexure A,B&C
- b. The electrical switches and Cables were procured but used for repairs at Shongoane Stadium due to vandalism.
- c. Drivers not completing logbooks and trip authorisation forms-The fleet manager workshopped the drivers and they are now completing and submitting the logbooks and trip authorisations
- d. Lack of budget to procure fire extinguishers, spare wheels-The vehicle accessories are procured in small quantities due to budgetary constraints

Question 95

RA

INFR-11, Target 3.8 km Access Road upgraded from gravel to asphalt paved road at Sefitlhogo village constructed and actual 0 km, challenges documented includes delays with the delivery of asphalts.

- a. Is there any progress regarding this indicator?

Management Response

- a. 3.8km of the road have been completed and surfaced with continuously graded asphalt. The contractor is currently working on additional works which includes managing the stormwater surface runoff. The additional works are expected to be completed by the end of April 2026.

Question 96

M_348, Target 100% , actual 96 % target not achieved, out of 888 Payments, 864 paid within 30 days, and 24 not paid within 30 days due to the funds were transferred late to the Municipality by the DWS, and misplacement of invoices for Voltex and Bell.

- a. Management to provide progress to date and improved controls in place to prevent this anomaly.

Management Response

- a. The DWS has been engaged but still we encounter challenges as there are no improvements on delayed transfer of funds. We have also centralised submission of invoices in the PMU unit to avoid delays for processing of payments.

Question 97

INFR-13, 1 Inspection camera delivered on 10 December 2024

- a. Where is the inspection cameras installed?

Management Response

- a. Pipeline Inspection Camera is movable tool. Which is utilised when there are blockages. Currently stored at workshop offices for safe keeping.

Question 98

INFR-21- Target 1 Transactional advisor report for Grey Water from Paarl Wastewater Water Treatment Works to be completed and 0 achieved, target not achieved

- a. management to provide progress to date.

Management Response

- a. Consultant has been appointed.

Question 99

RA

INFR-16 Target 800 of new households to be electrified in the villages around Lephalale and actual only 174 of new households were electrified, target not achieved.

- a. management to provide progress to date.

Management Response

- a. A total of 577 households has been electrified. The total of 800 H/H has been overstated on the SDBIP

Question 100

INFR-19- Target 1 Solar Technical Report and 0 solar technical report concluded target not achieved and challenges documented includes Late appointment of the service provider had a major impact in the conclusion of the technical report

- a. management to provide progress to date and what were the reasons for appointing the service provider late?

Management Response

- a. Solar Technical report finalised and approved by council on 29 January 2026: Item A05/2026[1].

Question 101

Page 160(Turnover and vacancies)

- a. Why is the 2023/24 approved post quantity different from what was reported from 2023/24 annual report?

Page 162 injuries, sickness and suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only		11	69 %	20.5	R 109 210.88
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	41	11	69%	20.5	R 109 210.88

- b. Why is the table for injuries on duty duplicated from the previous year?

RA

Management Response

No changes from the previous submission

Question 102

Page 163 Sick Leave

Number of days and cost of Sick Leave (excluding injuries on duty)						
Salary band/ level	Total sick leave Days	Proportion of sick leave days without medical certification	Employees using sick leave. No.	Total employe es in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
All employees	3483	162	222	422	1568 days	R 4 870 338.85
* - Number of employees in post at the beginning of the year						

a. What was the reason for increase in sick leave costs?

Management Response

a. The increase in Sick leave costs was due to increased sick leave days taken for the year under review.

Question 103

Page 180 Basic services and infrastructure Backlogs

a. What did the municipality use to determine backlog percentages?

Management Response

a. Stats SA Households Survey as an official document.

Mid-year performance report

Question 104

Table 3.1.1 Institutional performance

The overall performance is reported at 70%, which reflects a 2% improvement from Quarter 1 while Infrastructure services reported a 31% performance mid-year means.

a. How does management reconcile the 70% overall score with the significant underperformance in Infrastructure Services (31%)? The score means that:

- Capital projects are severely delayed

RA

- Service delivery likely compromised
- b. What percentage is realistically achievable by year-end?
- c. Management to provide monthly implementation milestones to improve the performance in Quarter 3 and Quarter 4?

Management Response

- a. The overall 70% is the total performance of the institution, therefore the 31% of the Infrastructure Services contributed to the overall , the department is responsible for KPA 2 where the bulk of the budget and capital projects are based.
- b. 70% is the realistic achievable by end of financial year.
- c. Management have implemented Project steering committee for monitoring progress and address delays on projects ,

Question 105

Finance

M_33: The Municipality scored 84% against the target of 95 % in Q2 of 2025/2026 (Target not achieved)

The Mid-Year Performance Report reflects that the revenue collection rate achieved in Quarter 2 was 84% against the National Treasury benchmark of 95%, resulting in a 16% shortfall.

- a. What monthly recovery targets have been set for Quarter 3 and Quarter 4 to meet the benchmark of 95% by year end?

Management Response

- a. The management is implementing cut-off / disconnection of electricity in addition to 30% percentage blocking and payment arrangements that the customers make with the municipality.
- b. The debt collector is also fast tracking the collection processes at Marapong and Thabo Mbeki where the Municipality is not licensed to provide electricity.
The target for next 6 to 18 Months is 90%.

Question 106

Under 4.1 challenges Percentage of Municipal Financial Management Grant spent is at 44%, instead of 50%, YTD

- a. Provide a detailed month-by-month grant spending plan to improve the spending by end of the year.
- b. Management to clarify the delay of recruiting interns.

Management Response

- a. Report attached .

RA

- b. All the interns have been absorbed and position for Interns has been advertised. They are all register for MFMP reporting and spending will 100% at YE .There has been a delay on recruitment process from HR side on verification process .

Question 107

M25 target 2 and actual 2 Quarterly Financial report submitted to Council meeting of the 29th of July and 30th October 2025, and the comment noted to be not achieved.

- a. Management to provide clarify (Target not achieved)

Management Response

- a. This was a typo error, and it was corrected with the PMS Office.

Question 108

MM's office

out of the Twenty-four (24) indicators, fourteen (14) achieved, three (3) exceeded, and one (1) performed below target, and six (6) are not applicable. A score of 94% for the department is achieved and 2 projects are at advertisement stage.

- a. Management to provide progress to date with the two projects that were previously re-advertised.

Management Response

Installation of CCTV cameras at sewer pumps station were installed. Project completed.

Supply delivery and installation of security guard houses. Project has been delivered and completed.

Question 109

Corporate support services

Page 9: challenges :

- *Out of a total of 416 employees, 253 have signed their Performance Agreements, while 163 employees have yet to complete this requirement.*
 - *All 3 Internal Audit findings not addressed*
- a. What disciplinary or consequence management is applied for non-compliance?
- b. When will 100% compliance be achieved?
- c. How do management intend to enforce performance when agreements are unsigned?

RA

d. Why were the three internal findings not addressed?

Management Response

The total percentage for the year under review is at 83% with a remainder of 17%.

- a. In terms of the Performance Management Development System (PMDS) policy as well as the Municipal Staff Regulations, Non-compliance to signing of performance agreement is disciplinary actions against those that did not sign; however, HR division took initiative to first engage the 17% of individuals that did not sign by providing additional support and trainings.
- b. Management has made a budget provision to fund the position of the PMDS Officer.
- c. For 2026/2027 financial year, all managers shall be allocated KPI's to ensure the signing of PMDS in their respective divisions.
- d. A risk assessment template was developed, managers were trained on OHS, ESS, and we also installed VPN to assist in approving leaves on the ESS.

Question 110

Social services

page 21 M_708 Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system (non-cumulative) target 33 and actual 16, target not achieved, It was documented that this KPI will be revised during the 2025/26 FY Adjustment SDBIP from weekly to monthly refuse removal to be able to collect large volumes of recyclables.

- a. How does reducing refuse removal from weekly to monthly align with the Municipality's obligation to provide basic services and protect community health?
- b. Why is the corrective action focused on revising the KPI rather than addressing the operational constraints that caused the underperformance?
- c. Has community consultation been undertaken regarding the proposed change in service level, and what was the outcome?

Management Response

- a. Factors such as daily waste generation and recycling rate were the determining factors in adjusting the collection schedule. Increase in the recovery or collection of recyclables from the bins by the recycling

RA

entrepreneurs in the villages compelled the municipality to review the collection schedule in some of the villages, it is therefore impractical to collect the bins that are not full weekly as all valuable waste resources are separated, sorted and sold by the private waste enterprises to the recycling companies. Weekly collection of empty bins is not cost-reflective, and as such incompatible with municipal cost-containment strategy.

- b. The monthly collection of bins is due to the increase in waste material recycling and low waste generation in the villages and not the operational constraints.
- c. The community was not consulted as the proposed changes are still aligned with the national norms and standards of waste collection in the Republic of South Africa vividly state that "a bin can be collected within 48 hours of being reported to be full".

Question 111

M170- Removal of Invasive tree species

- a. Why are the actual total hectares of invasive plant species removed in Q1 AND Q2 the same?
- b. What invasive plant species were removed and from where?

Management Response

- a. Quarter 1 we removed 2.79 ha and quarter 2 2.8 ha.

We are using an excavator to eradicate, which is often borrowed by other divisions, our goal is to cover 2.5 hectares. Upon reaching this target, we assist other divisions.

- b. Cryptostegia grandiflora - Rubber Vine

Question 112

Page 25 ss8 Establishment of 2 Transfer stations (stalled) and the challenge includes insufficient Budget.

- a. How far is MISA with the assessment report?
- b. What is the plan for the provision of budget?

Management Response

- a. MISA completed and submitted their assessment report on the Transferer Stations
- b. Since the total expenditure on the amounted to R8.5 million, including construction and consulting costs, MISA recommended that the

RA

municipality commits in writing to co-fund (R8.5million) the project with Coghsta prior to reregistration with MIG for implementation.

Question 112

Page 25 ss8 Establishment of 2 Transfer stations (stalled) and the challenge includes insufficient Budget.

- b. How far is MISA with the assessment report?
- c. What is the plan for the provision of budget?

Management Response

- a. MISA completed and submitted their assessment report on the Transferer Stations
- b. Since the total expenditure on the amounted to R8.5 million, including construction and consulting costs, MISA recommended that the municipality commits in writing to co-fund (R8.5million) the project with Coghsta prior to reregistration with MIG for implementation.

Question 113

Page 26 SS83 Acquisition of Slasher x2

- a. What slashes were procured at a total cost of R 130 000?

Management Response

- a. 1.8 m tractor drawn slashers for grass cutting

Question 114

Page 27 ISF01 Acquire 2x Sedan vehicles for Traffic Division

- a. Management to provide progress to date?

Management Response

- a. A strategic decision was taken to abandon the procurement of the two sedans as they would not resolve mobility problems in Traffic. Instead, funds were redirected and traffic officers were allocated travelling allowances. A budget adjustment in this regard was passed and the SDBIP is being adjusted.

Question 115

Infrastructure

Page 28-Challenges

RA

- Water loss is at 33.03% average YTD.
- 15 villages access roads were bladed YTD.
- 41.50% of the MIG budget is spent YTD.
- Slow progress on implementation of Infrastructure projects.
- Not all Council resolutions implemented, out of 12 resolutions, 11 implemented and 1 in progress.
- 12% Internal Audit findings addressed, out of 44 Internal Audit findings, 4 resolved, and 12 not yet due.
- Not all payment to creditors were paid within 30 days, out of 243 payments, 237 paid within 30 days.

- a. Has there been any discussions on improving addressing Internal Audit findings?
- b. What steps were taken to fast track the challenges?

Management Response

- a. Yes, ...
- b. Water loses 33.03% - Replacement of Old AC pipes in progress and malfunctioning water meters
- c. 15 villages access roads were bladed YTD- Currently operating with one Grader. Grader breakdown, We are awaiting bell to assess the second grader for repairs. The Municipality in process to procure a new Grader
- d. *41.50% of the MIG budget is spent YTD – Challenges included delays by ESKOM to energise the projects; however, the municipality is conducting regular meetings with ESKOM to FastTrack the process.
Some of the reasons include adverse weather conditions which makes it difficult for contractors to work under such conditions.
Late payments - SCHEDULE 6B payments whereby payments are being processed/delayed by DWS into the municipal accounts and again into the SP's account after invoices are submitted.*
- e. Slow progress on implementation of Infrastructure projects – The projects progress is monitored and tracked through monthly PSC meetings and projects site meetings.
- f. Not all Council resolutions implemented, out of 12 resolutions, 11 implemented and 1 in progress – The outstanding resolution is regarding the AC pipes projects which have not yet been completed.
- g. 12% Internal Audit findings addressed, out of 44 Internal Audit findings, 4 resolved, and 12 not yet due – As a result of incomplete projects (See attached projects Progress report as Annexure AB&C)
- h. Not all payment to creditors were paid within 30 days, out of 243 payments, 237 paid within 30 days – We Still encountering delays for late transfer of funds from DWS to process payments.

- a. What was the outcome of each green drop test?
- b. How is a green drop test conducted?

Management Response

- a. The Municipality didn't get certified in the last audit that took place 2021
- b. DWS conduct audit against their set criteria which assess different KPA-
We have to obtain a score of 90% to pass the assessment.

Question 117

M218 Maintenance and blading of access roads in rural villages, target 10 and actual 4 rural villages in which access roads are maintained and bladed target not achieved.

- a. Which villages were bladed in Q1 and Q2?
- b. What is the municipality doing to pick up the pace regarding bladding villages?
- c. Does the municipality have plans in place to purchase new graders?

Management Response

- a. 1st QUARTER,

- 1 Madibaneng
- Lebu
- Ga-Seleka
- Kopanong
- Mokuruanyane
- Maletswai
- Tlhapaleborethe
- Witpoort
- Kauletsi
- Motswedding
- Lethlora
- Mmatladi
- Bangalong

2nd QUARTER

- Kauletsi
- Phahladira
- Ga-Mocheko
- Shongoane 1

- b. Purchasing of a new grader
- c. The Municipality has appointed the Service provider for the Supply and Delivery of a new grader.

RA

Question 118

Page 32 M27 target 50% and actual 12% of Internal Audit findings resolved, this Infrastructure Findings could not be resolved due to budgetary constraints

- a. What led budgetary constraints?
- b. Management to provide progress regarding internal findings?

Management Response

- a. We have limited resources to adequately address the internal audit findings.
- b. We Continuously engage contractors to increase resources on site to complete projects timeously. Limited budget is allocated to provide security and fencing for safeguarding of Municipal Asset. We have also finalised specifications for appointment of service providers to implement projects that are linked to address some of the findings, such as fleet etc. The technical reports have also been finalised and submitted to DWS for approval of funding.

Question 119

Page 33 M348 Payment of creditors

- a. Are there any mechanisms in place to improve payment of creditors?
- b. Is there any interest incurred? if yes, are the interest recovered from responsible officials?

Management Response

- a. Daily creditors aging analysis report are being drawn to expedite invoices to paid with 30 days .
- b. Management has implemented the debit order system for Eskom payment effective from 1 February 2026 .This will ensure that no interest is incurred.
The amount of interest incurred on late payment will be recovered in end of March 2026.

Question 120

MM667 Risk mitigations implemented target 50% and actual 69%, Out of 54 Risks, 37 addressed and 17 not addressed (Target Over- achieved)

- a. Management to clarify the statement above?

Management Response

- a. The above statement indicates that we have managed to exceed the set target of 50% and achieved 69% as 37 risk mitigations have been implemented out of 54 risks.

FA

Management Response – BTO

- a. Human Error - MM667 Risk mitigations implemented target 50% and actual 69%, Out of 54 Risks, 37 addressed and 5 not addressed(Target Over- achieved)

Question 121

M691 Implementation of council resolution Out of 12 Council resolutions, 11 Implemented, and 1 in progress target not achieved.

- a. Management to provide clarify as to why the council resolution not implemented.

Management Response

- a. The outstanding resolution is regarding the AC pipes projects which have not yet been completed.

Management Response-BTO

- a. All 37 Council resolution for BTO were resolved for Midyear

Question 122

Page 35-36 Isw20, ISW22, ISW26, ISW27, target for this projects not achieved

- a. What steps were taken to ensure the projects are back on schedule as they have fallen behind?

Management Response

- a. The main delay in the implementation of the replacement of the AC pipes was a result of sourcing of the required materials (HDPE pipes and fittings)
LLM has since assisted the contractors with the cession agreements between them and the suppliers.
Contractors submitted the recovery plans and progress is being monitored in line with their submissions on monthly basis via site meetings and PSC meetings.
Projects are expected to be completed by 30 June 2026 as per the recovery plans.

Question 123

ISW31 Page 36 Installation of Palisade fencing for storage facilities and pump stations

- a. Management to provide progress to date.

Management Response

RA

- a. The tender must be readvertised as No submission was received

Question 124

Page 38 ISR/P16 Upgrading of Letlora Access road

- a. Management to provide progress to date and will the municipality conclude this project within committed timelines?

Management Response

- a. The contractor is currently on site, and the progress is sitting at 36%, Box cutting and Roadbed completed. The contractor is sourcing material from the nearby borrow pit to complete the outstanding layers works.

Some of the delays on the projects were due to adverse weather conditions and unavailability of the suitable materials to be used on the layer works. (also see the attached projects progress report).

The contractor has submitted the recovery plan, and the project is expected to be completed by 30 June 2026

Regular meeting is being held between the LLM, Consultants and the contractor to access the progress.

Question 125

Page 39 , ISR/P 49 Acquisition of 1x Grader

- a. Why was the tender not advertised?

Management Response

- a. The Municipality has procured a grader through RT57 contract, and an appointment has been done, we are waiting for the delivery.

Question 126

Page 41 ISF_3 Acquire 10x of LDV's for Service Delivery and ISF_4 Acquisition of 8 Ton Towing Truck x1 target not achieved due to the delays in procurement processes.

- a. What delays in procurement processes?

Management Response

- a. The RT57 Contracting on National Treasury Data base is followed to procure this vehicles. The order has been placed. We are now awaiting delivery of the vehicles.

Question 127

Development and Planning

M668 Job Creation through municipal projects

RA

- a. Out of the 22 jobs created did management consider people with disabilities?

Management Response

Yes, management has taken steps to promote the inclusion of people with disabilities in municipal job creation initiatives; however, participation remains limited.

Current Status:

- a. During recruitment for municipal projects (including EPWP-type initiatives), people with disabilities were encouraged to apply through:
- a. Ward-based mobilisation
 - b. Community notices
- b. A limited number of people with disabilities were considered, however:
- a. Uptake was low

Overall General review of Mid-Year performance assessment and SDBIP

Question 128

The committee noted that the Misalignment between Schedule C and data string especially on the cash flow statement. These inconsistencies raise serious concerns regarding the credibility, accuracy and reliability of the financial data submitted for reporting purposes.

- a. What are measures in place to ensure alignment of figures between the budget Schedules (A, B & C)?
- b. How does the municipality intend to monitor the quality of data when submitting to ensure correctness and accuracy?

Management Response

- a. Ensure compliance with the requirements of Municipal Budget Reporting regulations (MBRR) and Municipal Finance management Act (MFMA) and ensure that all schedules are fully completed.
The municipality has implemented the month-end procedures to ensure that ensure that the data string and schedule are aligning before submission to Treasury Portal.
Road map has been implemented to ensure all issues raised are addressed to ensure compliance to MSCOA reforms
- b. The standard operating Procedure and month end closing has been implemented to ensure correct balance sheet budgeting and transacting in the Ems system.
- c. Have budget controls in place to guard against transacting on no budget segments and review reports prior submission to ensure accurate and complete reporting.

RA

d. Training has been arranged

Question 129

Non – compliance with MFMA Sec 65 (2) (e), which states that creditors must be paid within 30 days of receiving the invoice or statement.

- a. **What strategies does the municipality have to ensure compliance with this Act as it increases the Fruitless and wasteful expenditure?**

Management Response

a. ...

Question 130

High debtors which increase at an alarming rate despite irrecoverable debts written off.

- a. **What strategies do the municipality have in place to:**
- ensure reduction of the debtor's book?
 - ensure that long outstanding debts are dealt with?
 - How often does the municipality update its indigent register and policy?
 - does the municipality implement the credit control and debt collection policy?
 - Did the municipality conduct data cleansing to ensure the correctness of billing?

Management Response

- a. **Management analysis the age analysis to determine the collectability of the debt book, implement Credit Control and Debt Collection Policy through disconnection of electricity, applying 30% percentage, offering incentives to customers that pay their accounts regularly, deducting money on municipal employees' salaries for officials that have municipal services debt, and recommend debt write-off for deceased accounts, sequestrated and liquidated customers.**

The Indigent Register and Indigent Policy are updated annually. The Indigent Register for 2025/2026 was approved by Council in October 2025. Indigent Policy was updated and taken to Council with the Budget related policies in May 2025.

The data cleansing is done on an ongoing basis, water and electricity meters are updated on the Financial System as an when there are changes, contact details of customers are updated when clients make

RA

enquiries and the debt collector provides the latest customer information for updating on the Financial System

Question 131

Low collection rate due to a culture of non-payment by residence.

- a. What strategies does the municipality intend to implement to improve the collection rate to the acceptable norm of 95%?

Management Response

a. The management is implementing the following strategies:

- Disconnection of electricity for non-paying customers
- Early payment incentive is offered to the customers that pay their accounts regularly
- 30% is deducted from prepaid electricity purchases for customers that owe more than 30 days
- Customers that come forth to make payment arrangement are offered reversal of 24 months interest and interest free debt for the duration of their arrangement term
- Municipal employees that owe municipal services for more than 90 days, are forced to make payment through monthly salary deductions.
- Exxaro being one of the major clients has taken all the accounts from its tenants and pays 100% of the billed amount every month, and Eskom has also been engaged to do the same with its tenants (officials), the move will assist in timeous collection of revenue.

Question 132

The municipality has not managed to submit progress on the revenue enhancement strategy.

- a. What challenges does the municipality have in submitting the revenue enhancement progress report to relevant stakeholders (Treasury & CoGHSTA)?
- b. Is the municipality implementing the revenue enhancement strategy? If yes
Why is the collection rate not improving

Management Response

- a. There is no challenge in submitting the progress report, the Q2 (2025/2026) report has been submitted to Treasury on 20 February 2026.
- b. The Municipality is implementing the Revenue Enhancement Strategy; the implemented strategies are helping the municipality to maintain the status quo and make gradual improvements on collection. The Revenue Enhancement Committee has been established, and first meeting was

RA

held on 4 March 2026, and it is expected that the committee will assist in improving the collection processes and value chain and to increase the revenue base via implementation of the Revenue improvement plans and Investment summit packages

Question 133

Differences between the GVR and billing system

- a. Does the municipality perform reconciliation of the GVR and the billing system?

Management Response

- a. Yes, the reconciliation of GVR and billing system is done quarterly on the Provincial Treasury Tool and is submitted to Treasury on the portal.

Question 134

High distribution losses on water which is at 44% and is more than the norm of 15% – 30%

- a. How is the management dealing with aged infrastructure?
b. What are the strategies to mitigate high distribution losses?

Management Response

- a. The technical assessment has been done and approved for implementation by DWS to replace Old AC pipes to curb water losses.
b. Strategies to mitigate high distribution losses.
- Replacement of Old Asbestos Cement Pipes with HDPE pipes (56km out of 120km of Old Asbestos Cement pipes replaced to date), The projects are in progress to replace the remaining 64km in Marapong and Onverwacht.
 - Replacement of malfunctioning water meters- to date we have replaced 1066 water meters
 - Identification and disconnection of visible illegal connections
 - Roll out Community awareness campaigns on water conservation measures (Placing and publishing of pamphlets and flyers on social media)
 - Repair network water leaks (pipes and valves) – Water leaks and pipe bursts are repaired as and when they arise due to emergencies.

Question 135

Ongoing reliance on consultants/contractors. The ratio was at 8% which above the acceptable norm (2% - 5%).

RA

- a. What are the strategies put in place to ensure that:
 - There is a reduction in reliance on consultants.
 - That transfer of skill is taken place.

Management Response

- a. The municipality has implemented the consultant reduction strategy and is conducting gap analysis on specification of Consultants
- b. The municipality has a skill transfer programs are in place for transfer of skills and structure are being reviewed to reduce reliance e.g. BTO

Question 136

The committee noted Inadequate Review of The Mid-Year Performance Report and the following root causes were identified:

- Accepting unreviewed reports from directorates by PMS staff.
 - Limited time to review the performance report by the PMS Manager and DSSS due to late submissions of the reporting templates by directorates.
 - Limited/Unrealistic timelines for quarterly reporting.
- a. What consequences are in place against directorates not reviewing their reports prior submission?
 - b. What are the steps taken against directorates for late reporting?
 - c. Did management review Limited/Unrealistic timelines for quarterly reporting?

Management Response

- a. ...

Question 137

Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report

The committee noted that Management committed to ensure the following as per the IA mid-year performance report:

- that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation.
- The misalignments will be corrected during the adjustment of the SDBIP.

- a. Management to provide progress of the above was committed to be finalized by end of March and May 2026 respectively.

Management Response

Inconsistency between the IDP, SDBIP And Quarter Mid-Year Performance Report

RA

The committee noted that Management committed to ensure the following as per the IA mid-year performance report:

- a. that the performance plans within the IDP document are created in line with the SMART criteria and are transferred to the SDBIP for effective monitoring and implementation.**
- b. The misalignments will be corrected during the adjustment of the SDBIP.**
- c. Management to provide progress of the above was committed to be finalized by end of March and May 2026 respectively.**

Question 138

SS_81-The committee noted that the reported expenditure of R 105 000 for Brush cutters project is not substantiated by the evidence of the work carried out and it is also not aligned with the actual progress of the project as disclosed in the Midyear performance report,

- *It was reported that this was due to an error in the financial system whereby the expenditure was voided on the financial system, however it still reflects on the system as though it was not voided, and the CFO committed to engage with Inzalo to attend to the matter as soon as possible by end of January 2026.*
- *Expenditure disclosed as per the Mid-year performance report./ Expenditure disclosed as per BTO budget and expenditure report was R5000 instead of Approximately R35 600,00 Expected Expenditure based on the activities that transpired.*
- a. The committee is concerned about the validity, accuracy, reliability and completeness of the current financial system and management to provide progress to the issue above.**
- b. What are the plans in place to prevent this inconsistency in future?**

Management Response

- a. The budget of R105k allocate and the End user raise a requisition for 5 Brush cutter was raised. The ensure 6 brush cutters supposed to be voided. Izalo developers were engaged to resolve the transaction.**
- b. Procurement process is underway for the procurement of 5 brush cutters**

Question 139

SDBIP 2024/2025

Page 21, Irrecoverable debt written off: There is a statement that reads as follows:

"The municipalities will record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off".

42A

- a. Management to confirm whether the correct accounting treatment for irrecoverable debts is to write them off against the accumulated provision for debt impairment, rather than recording a reversal of impairment?

Management Response

- a. The irrecoverable debts are written-off against Bad Debt Irrecoverable, and the reversal of debt impairment is recorded against Provision for debt impairment.

The statement was intended to indicate that the debt write-off will reduce the provision for debt impairment loss - the reduced debt book as a result of debt write-off will automatically reduce provision for debt impairment.

Question 140

Page 22 Under interest on outstanding debts, there is a statement that: "**Data Cleaning Project is in progress**". This has been the case since or before 2024.

- a. When will the cleansed data be formally migrated into the live billing system and fully operational for billing purposes?
- b. What is the total cost incurred on the data cleansing exercise since inception in 2024, and what additional costs are anticipated until full implementation?

Management Response

- a. The data cleansing is done on an ongoing basis, water and electricity meters are updated on the Financial System as and when there are changes, contact details of customers are updated when clients make enquiries, and the debt collector provides the latest customer information for updating on the Financial System, property transfers are downloaded from Deeds Office website and transfers of ownership are captured monthly, Supplementary Valuation Roll (SVR) are caused as and when required and the changes are effected on the system in the month that the SVR's are received.
- b. Data cleansing is done inhouse on an ongoing basis and there are no costs incurred.

Question 141

Page 23 under Agency Fees there is statement below:

"Municipality is performing the services (License and permits) for Department of Transport Strategies will be implemented to improve the revenue collection of the same"

RA

- a. What is the current monthly revenue collected from License and Permit services on behalf of the Department of Transport?
- b. What is the projected increase in revenue once the strategies are implemented, and from which date will this improvement reflect?

Management Response

- a. In terms of the agency agreement the municipality retains 20% of the gross receipts collected on behalf of the Department of Transport.
- b. The strategy to enhance revenue collection involves full restoration of services that were suspended when some of our employees were arrested. We project that this would return our revenues to the pre-arrest's era.

The collection rate is R3million per month

Question 142

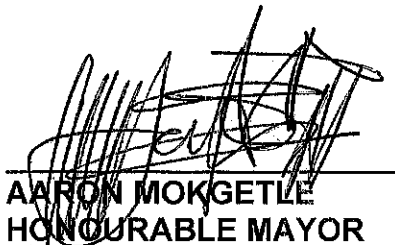
Page-16 under 2.1 budget summary it was stated that the Capital expenditure is R224 million which includes R30m Own capital Funded and R194m National Grant Funded Projects.

Page 33- under operating budget it was stated that The Capital expenditure is R231 million which includes R37m Own capital Funded and R195 m National Grant Funded Projects.

- a. Why do these statements contradict each other?

Management Response

- a. Due to change of implementation plan and additional funding for water project.


AARON MOKGETLE
HONOURABLE MAYOR

18/03/2026
DATE

Annexure J



LEPHALALE
MUNICIPALITY

Standard Operating Procedures on Preparation of Interim & Annual Financial Statements

SOP Number	LLM001SOP
Department	Budget & Treasury Office
Effective Date	To be determined
Review Date	13 March 2026
Prepared By	Financial Services Manager
Version	01

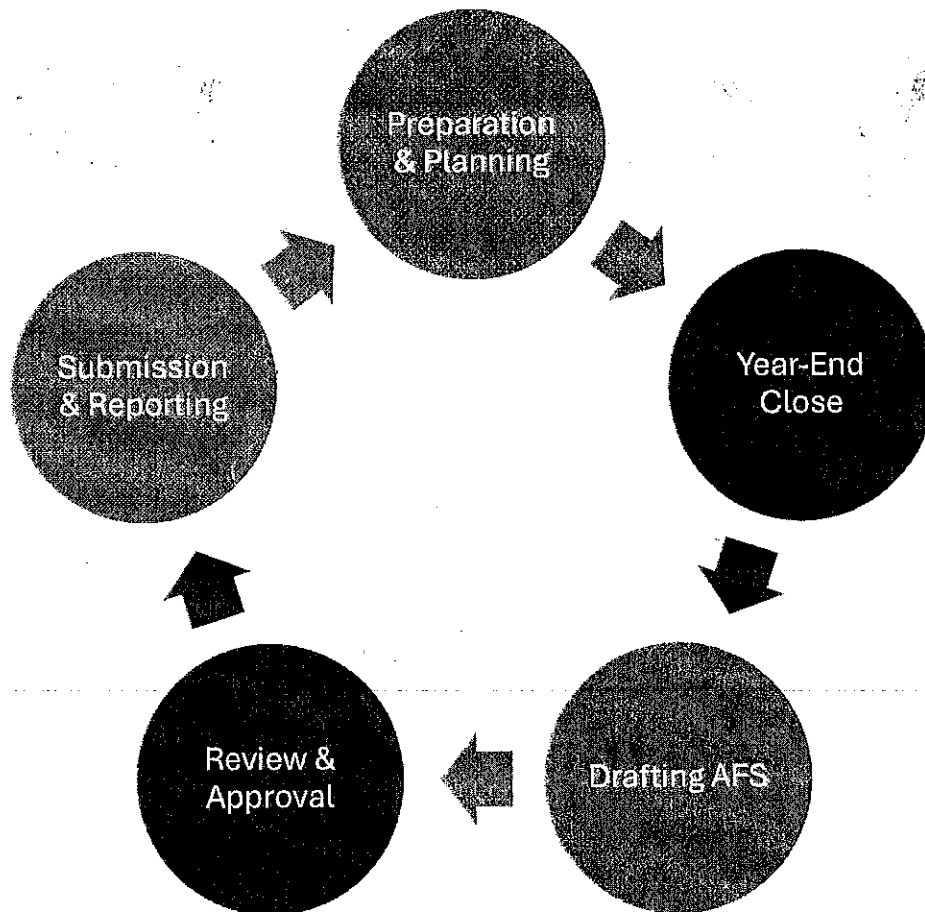
Purpose

To establish a standardized process for preparing accurate, complete, and compliant Interim & Annual Financial Statements in accordance with applicable GRAP standards and MFMA Disclosure requirements.

Scope

This SOP applies to all finance and accounting personnel involved directly or indirectly in the preparation, review, and approval of annual financial statements for the municipality.

Process Overview Snapshot



Roles, Responsibilities, and Stakeholders

Role	Responsibility	Stakeholder Impacted
BTO Managers	Producing a final trial balance, ensuring all accounts are accurate and balanced.	Council
Financial Services Manager & Accountant	Prepares AFS on CaseWare and Audit File	Council
Chief Finance Officer	Oversee the preparation of AFS and ensures compliance	Council
Municipal Manager	Authorizes AFS	Council
Internal Audit/Audit Committee/COGHSTA/PT	Performs reviews	Limpopo Government, Broad Public
Auditor General of S.A	Performs independent audit	South African Public

Inputs and Outputs

Inputs	Outputs
AFS Process Plan Tracker	Audit File
Financial Management System	Trial Balance
CaseWare	Interim/Annual Financial Statements

Procedure(s)

Refer to the attached **Annexure A**



ANNEXURE%20A%20-%20DRAFT%20202

Approvals

Name	Role	Signature	Date

Revision History

Version	Date	Description of Change	Author	Approver

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Amrta

A		B	C	D	E	F
3	No.	Section	Description of task	Target Date	Responsible Person	PROGRESS
84	11.	CONSUMER DEPOSITS				
85			Reconcile consumer deposit sub ledger with general ledger consumer deposit control account			
86	11.1	Consumer deposits	Ensure guarantees register is updated at 30 June 2026 and reconciles to consumer deposit listing			
87			Completeness of consumer deposits (reading of application forms to deposit listing)			
88			Prepare listing of deposits			
89	12.	PROVISIONS				
90			Identify landfill sites to be rehabilitated			
91	12.1	Provision for landfill rehabilitation	Appoint service provider to determine cost of rehabilitation of landfill site			
92			Accounting for landfill site provisions			
93	13.	BORROWINGS				
94			Update Loan register for current year			
95		Borrowings	Reconcile register to the general ledger			
96			Request Bank confirmation of all loans as at 30 June 2026			
97			Determine short-term portion of long-term receivables			
98	14.	FINANCE LEASE LIABILITIES				
99			Rollforward last year leases upto 31 May 2026			
100	14.1	Finance lease	Review new lease agreements to ensure leases have been accounted for correctly			
101			Identify finance leases and capital assets			
102			Compile schedule for disclosure in AFS			
103	15.	ACCUMULATED SURPLUS				
104		Accumulated surplus	Analyse transactions processed against appropriations and process necessary journals			
105			Prepare disclosure note in AFS			
106	16.	SUSPENSE ACCOUNTS				
107	16.1	Salary suspense	Clear and reconcile all salary suspense accounts			
108			Prepare detailed schedules for justifiable balances and disclose as current assets or current liability			
109	17.	REVENUE				
110			Determine cut off date for meter readings			
111	17.1	Service Charges	Calculate distribution losses for electricity and water			
112			Reconcile prepaid electricity and ensure all revenue accounted for in general ledger and other services charges			
113						
114	17.2	Property rates	Prepare reconciliation of property rates for the financial year			
115			Prepare a schedule for disclosure in AFS			
116						
117	17.3	Licensing	Reconcile monies received for licensing revenue to VATIS reports for 11 months			
118			Reconcile monies received for licensing revenue to VATIS reports for 11 months			
119						
120	17.4	Lease revenue	Prepare schedule of leases for 12 months			
121			Straight line lease revenue			
122						
123	17.5	Traffic fines	Reconciliation between the sub module and the general ledger			
124						
125	17.6	Donations revenue	Reconciliation of Trial Balance to Bank Statement (Cash) and Assets received			
126						
127	17.7	Agency fees/Bus Fares	Reconciliation of Bus fares to Trial balance			
128			Reconciliation of amount owing to SANRAL (Agency fee payable)			
129						
130	18.	EXPENDITURE				
131	18.1	Expenditure	Approval of all invoices to be finalised internally			
132						
133	18.2	Payroll	Reconcile monthly payroll to general ledger			
134			Compile following for disclosure in AFS			
135			#Section 57: managers total packages			
136			Other employees			
137			#Councilor's remuneration			
138	19.	REPAIRS & MAINTENANCE				
139	19.1	Repairs & Maintenance	Prepare a schedule for the repairs & maintenance			
140			Process a journal for correction			
141			Prepare a disclosure note			
142	20.					
143	20.1	Complete Audit File	Coordination and compilation of an Audit File			
144						
145	20.2	Trial balance	Verify opening balance to previous years audited AFS			
146			Finalise trial balance for compilation of AFS			
147	20.3	MFMA disclosures	Disclosures in terms of MFMA:			
148			* Contributions to SALGA			
149			* Audit fees			
150			* VAT			
151			* PAYE and UIF			
152			Pension and Medical aid deductions			
153			* Councilor's annual consumer accounts			
154			* Deviation from SCM processes			

A	B	C	D	E	F
3 No.	Section	Description of task	Target Date	Responsible Person	PROGRESS
153		GRAP 24 Preparation			
154		Appropriation statement			
157 20.4	Segment reporting	Ensure that the segment information agrees to the face of the AFS			
158 20.5	Contingent assets/liabilities	Request for contingent assets and liability report			
159		Submission of Contingent assets and liability report			
160		Prepare disclosure note for AFS			
161 20.6	Capital commitments	Compile list of all commitments in respect of capital expenditure approved and contracted for			
162		Prepare disclosure note for AFS			
163 20.7	Related Parties	Compile comprehensive list of all related parties			
164		Prepare disclosure note for AFS			
20.8	Unauthorised irregular/fruitless and wasteful expenditure				
165		Council resolutions on 2025/26 Uf expenditure investigated			
166		Prepare unauthorised expenditure listing/schedule			
168		Prepare irregular expenditure listing/schedule			
169		Prepare fruitless expenditure listing/schedule			
170		Prepare disclosure note for AFS			
171 20.9	Disclosure	To ensure that all the disclosure notes are disclosed as per the GRAP standard and disclosure checklist			
172		Discussion on issues highlighted on the completed disclosure checklist			
20.10	Events after reporting date	Management to assess whether events after reporting date have occurred that will affect the disclosure made in the AFS			
173					
20.11	Distribution losses	Submit schedule for distribution losses for water and electricity			
174					
175					

ANNA

A		B	C	D	E	F
LEPILALE LOCAL MUNICIPALITY ANNUAL FINANCIAL STATEMENTS STANDARD OPERATING PROCEDURE FOR 2026/26						
1	No.	Section	Description of task	Target Date	Responsible Person	PROGRESS
2	1.1	Requests and orders	Notification to department by SCM about the cut-off dates			
3	1.1	Requests and orders	Last day for submission of requisition requests by departments to Supply chain management			
4	1.2	Deliveries, Invoices and Payments	All goods delivered and services rendered			
5	1.2	Deliveries, Invoices and Payments	Cleaning of long outstanding orders			
6	1.2	Deliveries, Invoices and Payments	Submission of invoices for payments			
7	1.2	Deliveries, Invoices and Payments	Processing of year end payments			
8	2	Year end closing	Period 12 closing / year end closing			
9	2.1	Bank	Period 13 closing			
10	3	BANK AND CASH				
11	3.1	Bank	Clear all outstanding items on bank recon, or have reasonable explanations for the items. - Expenditure Transactions			
12	3.1	Bank	Clear all outstanding items on bank recon, or have reasonable explanations for the items. - Revenue Transactions			
13	3.1	Bank	Finalise bank reconciliations for 30 June 2026			
14	3.1	Bank	Reverse all outstanding EFT's older than 6 months			
15	3.1	Bank	Ensure all outstanding EFT's older than 3 days			
16	3.1	Bank	Ensure all banking has been done for 2025/26 receipts			
17	3.1	Bank	Ensure that past 11 months Bank Reconciliation have been signed and filed			
18	3.1	Bank	Clear all reconciling items relating to revenue for 10 months			
19	3.1	Bank	Clear all reconciling items relating to revenue for 12 months			
20	3.1	Bank	Ensure that past 11 months cash float Reconciliation have been signed and filed			
21	3.1	Bank	Ensure that past 12 months cash float Reconciliation have been signed and filed			
22	3.1	Bank	Investigate the negative balances on the TB relating to the cash float			
23	3.1	Bank	Request bank Confirmation for account balances/bank statements as at 30 June 2026			
24	3.2	Cash	Reconcile cashiers cash floats at various points as at 30 June 2026			
25	4	INVENTORIES				
26	4.1	Physical stock count	Notification to stakeholders holders about the stock count and dates			
27	4.1	Physical stock count	Inventory stock counts - Consumables			
28	4.1	Physical stock count	Inventory stock counts - Materials			
29	4.1	Physical stock count	Inventory stock counts - Water inventory data collection			
30	4.1	Physical stock count	Investigation on negative material supplies and issues as indicated Interim AFS			
31	4.1	Physical stock count	Stock sheets to be signed and filed			
32	4.2	Inventory	Inventory reconciliation - Consumables			
33	4.2	Inventory	Inventory reconciliation - Materials			
34	4.2	Inventory	Inventory reconciliation - Water			
35	4.2	Inventory	Obsolete items to be written off			
36	4.2	Inventory	Submit report to council regarding shortages/ surpluses			
37	5	TRADE AND OTHER RECEIVABLES				
38	5.1	Consumer Debtors	Reconcile debtors sub-ledger with general ledger consumer debtors control account			
39	5.1	Consumer Debtors	Discounting of debtors and impairment testing			
40	5.1	Consumer Debtors	Age Analysis of various categories of services should be prepared			
41	5.2	Other receivables	Reconcile other receivables with general ledger			
42	5.2	Other receivables	Discounting and impairment testing			
43	5.2	Other receivables	Age Analysis of other receivables should be prepared			
44	6	INVESTMENTS				
45	6.1	Investments	Reconcile investment register with general ledger			
46	6.1	Investments	Accrue interest receivable as at 30 June 2026			
47	6.1	Investments	Request bank confirmation for all investments account as at 30 June 2026			
48	7	PROPERTY, PLANT AND EQUIPMENT				
49	7.1	Physical verification	Perform asset verification			
50	7.1	Physical verification	Obtain council approval for disposals and account for all asset disposals			
51	7.1	Physical verification	Account for all asset write off and obtain Council approval for write offs			
52	7.1	Physical verification	Prepare list of assets purchased during the year			
53	7.1	Physical verification	Capitalize all additions for the current financial year			
54	7.1	Physical verification	Update FAR and reconcile to TB and AFS - Heritage assets			
55	7.1	Physical verification	Update FAR and reconcile to TB and AFS - Intangible assets			
56	7.1	Physical verification	Update FAR and reconcile to TB and AFS - Land - Investment Property			
57	7.1	Physical verification	Update FAR and reconcile to TB and AFS - Land - Inventory			
58	7.1	Physical verification	Update FAR and reconcile to TB and AFS - Land - PPE			
59	7.1	Physical verification	Identifying assets with zero values and re-assessment of useful lives			
60	7.1	Physical verification	Identifying impairment indicators and impairment testing			
61	7.1	Physical verification	Update FAR and reconcile to TB and AFS - PPE items			
62	7.2	Updated fixed Assets Register(FAR)				
63	7.2	Updated fixed Assets Register(FAR)				
64	7.2	Updated fixed Assets Register(FAR)				
65	7.2	Updated fixed Assets Register(FAR)				
66	7.2	Updated fixed Assets Register(FAR)				
67	7.2	Updated fixed Assets Register(FAR)				
68	7.2	Updated fixed Assets Register(FAR)				

A	B	C	D	E	F
No.	Section	Description of task	Target Date	Responsible Person	PROGRESS
69	8. TRADE AND OTHER PAYABLES				
70	8.1	Reconcile creditors sub-ledger to general ledger creditors control account			
71	8.1	Prepare list of accruals at year end and process journal			
72	8.2	Compile Retention Register as at 30 June 2026			
73	8.3	Appointment of an actuary for Leave, Long service awards, Pension as well as Post medical aid.			
74		Submission of information requested by an actuary			
75		Posting employee provision journals			
76	5.4	Reconciliation as at 30 June 2026			
77					
78	B. VAT				
79	9.1	Confirm VAT 201 forms submitted to SARS			
80	10. UNSPENT CONDITIONAL GRANTS	Reconcile VAT 201 forms to general ledger VAT (reconciliation)			
81	10.1	Verify all grants receipts to DoRA			
82		Preparation grant register and unspent condition grant schedule			
83					

ANN-A

A		B	C	D	E	F
3	No.	Section	Description of task	Target Date	Responsible Person	PROGRESS
176	20.12	AFS finalisation	Date for processing final journals			
177			Finalisation of prior year journals, reviewed and included on the audit file			
178	20.13	Compile AFS	Compile annual financial statement			
179			1st draft AFS			
180			Review of 1st draft AFS			
181			2nd draft AFS			
182			Review of 1st draft AFS			
183			Submission of the AFS to Internal Audit/Audit Committee/COG-IST/Provincial Treasury for review and AFS reviewer			
184			Technical committee meeting			
185			Audit committee meeting			
186			Address internal audit & CFO - AFS review notes			
187			Final AFS Review			
188			Submit AFS to AGSA			
209						

Annexure 2 MPAC Oversight Summary
Electricity and Energy Infrastructure – 2024/25

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
Electricity losses due to illegal connections and aging infrastructure	AG Report – Para 9	Revenue loss and network integrity	Electricity losses of R19,963,700 (10.9%) recorded. Measures implemented include: • Rollout of smart prepaid meters • Installation of 113 statistical meters across feeders and bulk supply points • Network inspections and illegal connection removal • Enforcement under Electricity Supply By-Laws • Community awareness campaign starting April 2026 • Collaboration with law enforcement and ward councillors.	INFRA	1. Develop Electricity Loss Reduction Strategy . 2. Submit quarterly loss monitoring reports to Council. 3. Accelerate smart prepaid metering programme .
Electrification of households in Eskom licensed areas	M401 A ISE9	Service delivery performance	Municipality holds monthly coordination meetings with Eskom. • 577 households electrified and energised. • Original target of 800 households overstated in the SDBIP. • Only 174 happy letters obtained during audit due to absentee owners.	INFRA	1. Correct SDBIP electrification targets . 2. Maintain Eskom electrification coordination register . 3. Improve documentation of beneficiary confirmations .
Number of switch gears replaced on the substation	ISE18 - Number of switch gears		Switchgear procured for installation in 2026	INFRA	Complete switchgear replacement programme

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
	<i>replaced on the substation</i>				
Solar Technical Report	Indicator list – ISE15	Renewable energy planning and energy diversification	Solar Technical report finalised and approved by council on 29 January 2026: Item A05/2026[1]	INFRA	1. Commission Municipal Solar Technical Feasibility Study . 2. Integrate findings into Electricity Master Plan and Energy Master Plan . 3. Identify PV opportunities for municipal facilities and rural electrification .
High Mast Lights – Phahladira	Delayed Projects section	Public lighting service delivery	4 High Mast Lights installed and energised in Phahladira. Delay caused by Eskom energisation approvals .	INFRA	1. Improve coordination with Eskom on energisation approvals . 2. Establish project commissioning checklist for electrification projects.
Household access to electricity statistics	Page 50	Energy access planning risk	Household electricity access table presented. Clarification requested regarding “Other” energy sources . Management clarified that Other refers to gas and paraffin stoves .	INFRA	1. Conduct updated household energy access survey . 2. Integrate data into Electricity Master Plan and Energy Plan (to be developed) .
High Mast Lights – Villages (16 units)	Delayed Projects section	Public safety and lighting infrastructure	Municipality resolved that Eskom would undertake electrification . • 8 high mast lights energised . • Remaining 8 awaiting Eskom energisation due to design approval delays.	INFRA	1. Develop joint implementation programme with Eskom . 2. Monitor energisation progress monthly.
High Mast Lights – Installation of 27 units	Delayed Projects section	Infrastructure completion risk	Municipality resolved that electrification must be done by Eskom. • 9 high mast lights energised	INFRA	1. Secure MIG funding allocation for energisation . 2. Implement project completion monitoring dashboard .

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
			• 5 currently being energised • Remaining 13 to be funded through MIG in 2026/27.		
Construction for Extension and augmentation of water Supply in Seieka Phase 6	Delayed Projects section	Water supply infrastructure and electrification risk	Progress reported: • 2 boreholes energised • Contractor currently electrifying 4 remaining boreholes and package plant. • Municipality holding monthly meetings with Eskom. • Project expected completion before 30 June 2026. • Delays caused by Eskom design approvals.	INFRA	1. Maintain joint Eskom project monitoring meetings. 2. Establish technical escalation channel with Eskom. 3. Report progress to Council quarterly.
Electrical infrastructure risk (Strategic Risk SR04)	Page 29	Infrastructure reliability	Risks identified: • Overloaded overhead lines • Illegal connections • Cable theft and vandalism HV fault detection challenges. Progress: • Ring circuits closed during 2024/25 FY. • Copper cables replaced with aluminium cables in rural areas. • Technicians trained on fault detection equipment. • Electrical maintenance strategy approved by Council.	INFRA	1. Implement Electrical Infrastructure Maintenance Plan 2025–2028 . 2. Complete switchgear replacement programme . 3. Expand cable theft prevention measures.

Street Lighting Infrastructure

High mast lighting projects currently underway:

Project	Units	Status
Phahladira High Mast Lights	4	Completed and energised
Village High Mast Lights	16	8 energised, 8 pending Eskom
Village High Mast Lights	27	9 energised, 5 in progress, 13 to be funded



Lephalale Local municipality

4.1.1. PROJECTS NAME: REHABILITATION OF ROAD SURFACING AT LEPHALALE TESTING STATION

Date visited :

Projects Location : Lephalale Traffic Testing Station (Town)

Issues	Finding
1. Progress (Previous) Reports from PMU Council	Contractor completed the resurfacing of 4350m ² with a asphalt and road markings
2. Service Delivery Budget Implementation Plan /IDP/Budget	R 2 955 880.38
3. Projects Starting date	24 April 2025
4. Projects Scope	Recycling existing bituminous materials with an average depth not existing 150mm thickness and resurfacing the total area of 4350m ² with an asphalt base surfacing continuously graded 30mm thick 60/70 penetration road grade-bitumen) tack coat 30% stable grade emulsion
5. progress on Site (Physical & Financials)	Physical Progress (Overall = 100%) Practical handover was conducted on the 30 June 2025 Financial Progress: R 2 955 880.38 Inc Vat
6. Variation orders if any	Yes (R 60 276.00)
7. Initial Completion date	24 July 2025
8. Revised Completion Date if any	None
9. Completion Date	23 June 2025
10. Date for handing over	30 June 2025
11. Rentention Period	12 Months
12. Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes

Lephalale Local municipality



13. Was there any social facilitation arranged?	No
14. Was there any sub-contraction for local contractors in the project?	Yes (Road markings)
15. Payments of laborers	Yes
16. Relationship between contractor and engineer/client	Good
17. Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	The contractor completed the project on time.
18. Challeges	None
19. Mitigation	None
20. Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.2. PROJECTS NAME: EXTENSION AND AUGMENTATION OF WATER SUPPLY IN WITPOORT RWS 6

Date visited :

Projects Location : 9 Villages (Botsalanong, Kgobagodimo 1 & 2, Segale, Senoela, Tlapaleborethe and Lerupurupung)

Issues	Finding
1.Progress (Previous) Reports from PMU Council	Contractor completed the installation of 26.3 km of pipeline, all tanks installed, package plant. Two out 6 boreholes were energized. Four boreholes still need to be energized by ESKOM
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 30,957,069.53
3.Projects Starting date	2 nd January 2023
4.Projects Scope	The scope being implemented on the project entails Refurbishment of 2 existing boreholes construct 5 boreholes and install 1 containerized portable water purification (package plant)install 10,9km of 63mm diameter , 4,1km of 75mm diameter, 3km of 90mm dia,6,6km of 110 mm diameter, 3,6km of 160mm diameter uPVC pipes and 330m of 100mm diameter galvanized steel pipe and install elevated steel tank of capacity: 160kl,100kl, 260kl, 200kl, 320kl; 2- 120kl install 90 standpipes at 200m radius or satisfying the 25 – 50 house hold.
5. Progress on Site (Physical & Financials)	Physical Progress (Overall = 95%)

Lephalale Local municipality



	Practical handover was conducted, and the outstanding works comprises of Electrification of 4 out of 6 boreholes and a package plant Financial Progress: R 31 464 632.94 Inc Vat
6.Variation orders if any	R 846,268.61
7.Initial Completion date	30 June 2023
8.Revised Completion Date if any	29 April 2025 (Practical Handover)
9.Completion Date	29 April 2025 (Practical Handover)
10.Date for handing over	TBA
11.Rentention Period	12 Months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	The project is practically completed. Outstanding items comprises of energizing of 4 boreholes
18.Challeges	Electrification of 4 out of 6 boreholes and a package plant.
19.Mitigation	The municipality is actively interacting with ESKOM fast-track the process

Lephalale Local municipality



20. Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.3 (A) PROJECTS NAME: THABO MBEKI SEWER NETWORK PHASE 1

Date visited :

Projects Location : Thabo Mbeki Village

Issues	Finding
1. Progress (Previous) Reports from PMU/Council	- Site establishment – 100% - Site clearing – 100% - Pipejacking – 100% - Excavation of pipeline – 80% - Delivery of steel pipes on site – 100% - Construction of valve chambers Outstanding works: Testing of the pipeline and electrification
2. Service Delivery Budget Implementation Plan /IDP/Budget	R 35,765,282.70 VAT Incl.
3. Projects Starting date	24-May-16
4. Projects Scope	- Connection from the transformer to the pump station, the supply and install 50KVa transformer at mini pump station 1 and the main pump station and the ponds; - Procure and install a cable at mini pump station 2 - Procure and install pumps and pipework at the main pump station. - Installation of the geomembrane at the ponds, testing and commissioning.
5. Progress on Site (physical & Financials)	Physical progress (Overall = 88%) - Site establishment - 100%

Lephalale Local municipality



	- Site clearing - 100% - Two (2) mini pump stations – 71% - Main booster pump station – 97% - Sewer ponds – 79% Financial Progress: 99.5% R 39 382 563.99 Inc Vat
6.Variation orders if any	R 794 245-39 Incl Vat
7.Initial Completion date	30-Jun-23
8.Revised Completion Date if any	28-Nov-25
9.Completion Date	28-Nov-25
10.Date for handing over	28-Nov-25
11.Rentention Period	12 Months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Laboure's	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes, Labourers were paid
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/Contractor/COGHSTA on the work being done	Progress on site is slow. The contractor is currently finalizing the house connections and pumping water from the manholes
18.Challeges	- Distribution Box (DB) at main pump station was vandalized. - Slow rate of progress
19. Mitigation	The contractor is being monitored through the resident engineer and regular

Lephalale Local municipality



	meetings are being held to check on the progress
20. Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests were conducted out on site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.3(B) PROJECTS NAME: THABO MBEKI SEWER NETWORK PHASE 2

Date visited :

Projects Location : Thabo Mbeki Village

Issues	Finding
1.Progress (Previous) Reports from PMU/Council	Outstanding of works consists of finalizing of laying of pipes, installation of damaged geo-membrane, and concrete works at the ponds. Installation of the fence around the ponds
2.Service Delivery Budget Implementation Plan /IDP/Budget	R 38 508 509.88 VAT Incl.
3.Projects Starting date	4 November 2021
4.Projects Scope	construction of artificial wetlands, installation of internal house connections, upgrading of toilet facilities, installation of 110KV standby generator at the main pump station, construction of water reticulation to sewage ponds, installation of 2,5kl elevated Jojo tank, drilling and equipping of monitoring borehole at the sewage ponds, decommissioning of existing septic tanks and decommissioning of existing sewage ponds
5.Progress on Site (Physical & Financials)	Physical Progress (Overall = 75%) Outstanding works: installation of damaged geomembrane, and concrete works at the ponds. Installation of the fence around the ponds Financial Progress: 93% R 36 194 423.39 Inc
6.Variation orders if any	Yes (R 794 245.39 + R 2 913 042.00)

Lephalale Local municipality



7.Initial Completion date	24-Oct-22
8.Revised Completion Date if any	31 March 2026
9.Completion Date	31 March 2026
10.Date for handing over	TBA
11.Rentention Period	12 Months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Laboure's	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes, Labourers were paid
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	Progress on site is slow due to the delay in electrical connections by ESKOM
18.Challeges	Poor performance of the contractor and delays in energizing the project
19. Mitigation	The contractor is monitored through the resident engineer and regular meetings are being held to check on the progress
20.Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests were conducted out on site and submitted to the engineer for approval
21.Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.4(A). PROJECTS NAME: INSTALLATION OF 16 HIGH MAST LIGHTS IN VARIOUS VILLAGES

Date visited :

Projects Location :

ISSUES	FINDING
1.Progress (Previous) Reports from PMU/Council	All the 16 highmast lights are installed and waiting for ESKOM connections/energizing
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 9 879 326.61
3.Projects Starting date	17 November 2023
4.Projects scope	Installation of 16 Highmast lights in various villages
5.progress on Site (Physical & Financials)	Physical Progress (Overall = 90%) The contractor has installed all the 16 high mast lights. Eight (8) High masts energized, three (3) designs were approved and invoices, two (2) invoices received by LLM for payment and three (3) applications loaded on the system awaiting approvals and invoices. Financial Progress: 84.4% R 8 335 775.89 Inc Vat
6.Variation orders if any	None
7.Initial Completion date	28 November 2025
8.Revised Completion Date if any	30 June 2026
9.Completion Date	30 June 2026

Lephalale Local municipality



10.Date for handing over	TBA
11.Rentention Period	12 months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	We are experiencing challenges with ESKOM for issuing invoices in time and energizing the projects
18.Challeges	We are experiencing challenges with ESKOM for energizing the projects
19.Mitigation	We are liaising with Eskom to Fastrack energizing of projects. A report on developments from Eskom is available. Seven (7) invoices were received from ESKOM and in process of payment. Meeting was held with ESKOM on 10 February 2026
20.Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	



Municipality Manager

Date

Lephalale Local municipality



4.1.4 (B) PROJECTS NAME: INSTALLATION OF 27 HIGH MAST LIGHTS IN VARIOUS VILLAGES

Date visited :

Projects Location : Bangalong, Maeteletsa, Abbospoort

ISSUES	FINDING
1.Progress (Previous) Reports from PMU/Council	All the 27 highmast lights are installed and waiting for ESKOM connections/energizing
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 16 678 901.5
3.Projects Starting date	13 June 2024
4.Projects scope	Installation of 27 Highmast lights in various villages
5.progress on Site (Physical & Financials)	Physical Progress (Overall = 95%) The contractor has installed all 27 high-mast lights. LLM paid 14 invoices to ESKOM. Seven (7) invoices received from ESKOM and in process of payment. Awaiting additional 6 invoices from ESKOM. Regular meetings are conducted with ESKOM for updated and to speed up the energizing progress. Meeting was held with ESKOM on 10 February 2026 for updates on electrification. Financial Progress: 87.4% R 14 572 967.23 Inc Vat
6.Variation orders if any	None

Lephalale Local municipality



7.Initial Completion date	24 December 2025
8.Revised Completion Date if any	30 June 2026
9.Completion Date	30 June 2026
10.Date for handing over	TBA
11.Rentention Period	12 months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	We are experiencing challenges with ESKOM for energizing the projects
18.Challeges	We are experiencing challenges with ESKOM for energizing the projects
19.Mitigation	We are liaising with Eskom to Fastrack energizing of projects. A report on developments from Eskom is available. Seven (7) invoices were received from ESKOM and in process of payment. Meeting was held with ESKOM on 10 February 2026

Lephalale Local municipality



20. Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.5 PROJECTS NAME: REFURBISHMENT OF THABO MBEKI STADIUM

Date visited :

Projects Location : **Thabo Mbeki Village**

ISSUES	FINDING
1.Progress (Previous) Reports from PMU/Council	1) Site handover to the contractor was conducted on Thursday, 23 January 2025. 2) Contractor is in the process of submitting Contractual Documentations (Guarantee and Insurance submitted) 3) Cession agreement documentation in progress.
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 9 933 315.04
3.Projects Starting date	16-Jan-25
4.Projects scope	1) Installation of Synthetic Athletics on the soccer field 2) Refurbishment to the Ticket Booth 3) Refurbishment to the Ablutions 4) Upgrading of the borehole 5) Refurbishment to the Grandstand 6) Refurbishment of athletic tracks
5.progress on Site (Physical & Financials)	Physical Progress (Overall = 100%) 1) Installation of Synthetic Athletic on the soccer field – 100% 2) Refurbishment to the Ticket Booth- 100% 3) Refurbishment to the Ablutions- 100% 4) Upgrading of the borehole- 100%

Lephalale Local municipality



	5) Refurbishment to the Grandstand - 100% 6) Refurbishment of athletic tracks - 100% Financial Progress: R 8 463 778.04 Inc Vat
6.Variation orders if any	R 22 971.00 VAT Incl. (Installation of a damaged electric cable)
7.Initial Completion date	30 June 2025
8.Revised Completion Date if any	05 September 2025 (Practical Handover)
9.Completion Date	27 January 2026
10.Date for handing over	TBA
11.Rentention Period	12 months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes
16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	No major challenges were encountered on the project.
18.Challeges	N/A
19.Mitigation	N/A

Lephalale Local municipality



20. Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.6 PROJECTS NAME: LETLORA ACCESS ROAD

Date visited :

Projects Location : Letlora Village

Issues	Finding
1. Progress (Previous) Reports from PMU/Council	- Site establishment = 100% - Setting out completed = 100% - Box-cutting = 100% - Roadbed layer = 20% - Cession agreement in process - Letter of intend from the supplier submitted.
3. Service Delivery Budget Implementation Plan /IDP/Budget	R 26 573 119.02
3. Projects Starting date	28 August 2025
4. Projects scope	1) Construction of 2.7km length of surfaced road 2) Construction of Layer work 3) Kerbing 4) Installation of Concrete Culverts 5) Surfacing with 30mm Asphalt 6) Construction of Concrete Drains 7) Finishing
5. Progress on Site (Physical & Financials)	Physical Progress (Overall = 31%) 1) Site establishment = 100% 2) Setting out completed = 100% 3) Box-cutting – 100% 4) Roadbed layers – 70% 5) Kerbing – 0% 6) Priming – 0% 7) Surfacing – 0% 8) Road Markings – 0%

Lephalale Local municipality



	9) Concrete drains – 0% Financial Progress: 25% R 6 718 861.03 Inc Vat
6.Variation orders if any	N/A
7.Initial Completion date	26 May 2026
8.Revised Completion Date if any	N/A
9.Completion Date	26 May 2026
10.Date for handing over	TBA
11.Rentention Period	12 months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of labourers	Yes
16.Relationship between contractor and engineer	Good
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	Damage caused by rainwater
18.Challeges	- Progress on road 1 was delayed as construction had to stop from 22 nd October to 22 nd November 2025 during matric exams due to noise from construction equipment.

Lephalale Local municipality



	- Erosion of earthworks due to heavy rain.
19.Mitigation	The contractor need to implement strategies to accelerate the project timeline.
20.Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21. Overall comments by the committee	

Municipality Manager

Date

Lephalale Local municipality



4.1.7 PROJECTS NAME: SEFIHLOGO ACCESS ROAD

Date visited :

Projects Location : Sefithlogo Village

Issues	Finding
1.Progress (Previous) Reports from PMU/Council	1) The contractor completed the site establishment = 95% 2) Setting out completed = 100% Box-cutting = 81% Roadbed layer = 52% 3) Removal of excess overburden commenced at the borrow pit. 4) Cession agreement in process - Letter of intend from the supplier submitted.
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 32 781 974.69
3.Projects Starting date	28 November 2024
4.Projects scope	1) Construction of 3.7k length of surfaced road 2) Construction of Layer work 3) Kerbing 4) installation of Concrete Culverts 5) Surfacing with 30mm Asphalt 6) Construction of Concrete Drains 7) Finishing
5.progress on Site (Physical & Financials)	Physical Progress (Overall = 99.4%) 1) The contractor completed the site establishment = 100% 2) Setting out completed = 100% 3) Box-cutting – 100% 4) Roadbed layers – 100%



	5) Kerbing – 100% 6) Priming – 100% 7) Surfacing – 100% 8) Road Markings – 95% 9) Concrete drains – 100% ADDITIONAL WORKS: R 2 589 381.80 - Concrete Work (Drainage and drifts) street 2 & 4. - Gabions at street 4. - Box-culvert at street 6 Financial Progress: 88.2% R 28 898 136.04 Inc Vat (Excl Additional work)
6.Variation orders if any	Yes (R 2 589 381.80 pending approval)
7.Initial Completion date	29 August 2025
8.Revised Completion Date if any	31 March 2026
9.Completion Date	31 March 2026
10.Date for handing over	TBA
11.Rentention Period	12 months
12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes

Lephalale Local municipality



16.Relationship between contractor and engineer	Fair
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	Damage caused by rainwater
18.Challenges	Damage caused by rainwater
19.Mitigation	Additional scope for concrete drains, drifts, gabions and box culverts.
20.Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21Overall comments by the committee	

Municipality Manager

Lephalale Local municipality



4.1.8 PROJECTS NAME: ELECTRIFICATION OF HOUSES IN VARIOUS VILLAGES IN THE ESKOM SUPPLY AREA WITHIN LEPHALALE LOCAL MUNICIPALITY

Date visited :

Projects Location : Lerupurupung, Steve Biko, Sevendelaang, Hlagalakwena,
Botshabelo, Kauletsi and Himini

Issues	Finding
1.Progress (Previous) Reports from PMU/Council	N/A
3.Service Delivery Budget Implementation Plan /IDP/Budget	R 11 572 866.18
3.Projects Starting date	24 February 2023
4.Projects scope	Construction of MV and LV overhead electrical network for the electrification of 577 stands in the following villages: Lerupurupung – 12, Steve Biko Ext 4 – 5, Sevendelaang – 279, Hlagalakwena Ext 2 – 45, Botshabelo Ext 3 – 15, Kauletsi – 165 and Himini – 56
5.progress on Site (Physical & Financials)	Physical Progress (Overall = 100%) Financial Progress: 100%
6.Variation orders if any	No
7.Initial Completion date	24 August 2023
8.Revised Completion Date if any	08 July 2025
9.Completion Date	08 July 2025
10.Date for handing over	08 July 2025
11.Rentention Period	N/A (Infrastructure handed over to ESKOM)

Lephalale Local municipality



12.Participation of communities through (ward Cllr, CLO, PSC, TL & Labourers	Yes
13.Was there any social facilitation arranged?	No
14.Was there any sub-contraction for local contractors in the project?	Yes
15.Payments of laborers	Yes
16.Relationship between contractor and engineer	Good
17.Comments from PMU/PSC/Engineer/contractor/COGHSTA on the work being done	Delays by transferring scope of work and energizing the household
18.Challenges	Delays were mainly due to scope transfer from other villages which were executed by ESKOM. Re-design had to be done, and change controls submitted for approval by municipality. Delays were caused also by booking for energizing.
19.Mitigation	ESKOM energize the last household by July 2025
20.Workmanship (quality of service delivered as reported by resident engineer)	Quality control tests are conducted out on-site and submitted to the engineer for approval
21Overall comments by the committee	



Annexure 4 MPAC Oversight Summary
Electricity and Energy Infrastructure – 2024/25

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
Electricity losses due to illegal connections and aging infrastructure	AG Report – Para 9	Revenue loss and network integrity	Electricity losses of R19,963,700 (10.9%) recorded. Measures implemented include: • Rollout of smart prepaid meters • Installation of 113 statistical meters across feeders and bulk supply points • Network inspections and illegal connection removal • Enforcement under Electricity Supply By-Laws • Community awareness campaign starting April 2026 • Collaboration with law enforcement and ward councillors.	INFRA	1. Develop Electricity Loss Reduction Strategy . 2. Submit quarterly loss monitoring reports to Council. 3. Accelerate smart prepaid metering programme .
Electrification of households in Eskom licensed areas	M401 A ISE9	Service delivery performance	Municipality holds monthly coordination meetings with Eskom. • 577 households electrified and energised. • Original target of 800 households overstated in the SDBIP. • Only 174 happy letters obtained during audit due to absentee owners.	INFRA	1. Correct SDBIP electrification targets . 2. Maintain Eskom electrification coordination register . 3. Improve documentation of beneficiary confirmations .
Number of switch gears replaced on the substation	ISE18 - Number of switch gears		Switchgear procured for installation in 2026	INFRA	Complete switchgear replacement programme

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
	<i>replaced on the substation</i>				
Solar Technical Report	Indicator list – ISE15	Renewable energy planning and energy diversification	Solar Technical report finalised and approved by council on 29 January 2026: Item A05/2026[1]	INFRA	1. Commission Municipal Solar Technical Feasibility Study . 2. Integrate findings into Electricity Master Plan and Energy Master Plan . 3. Identify PV opportunities for municipal facilities and rural electrification .
High Mast Lights – Phahladira	Delayed Projects section	Public lighting service delivery	4 High Mast Lights installed and energised in Phahladira. Delay caused by Eskom energisation approvals .	INFRA	1. Improve coordination with Eskom on energisation approvals . 2. Establish project commissioning checklist for electrification projects.
Household access to electricity statistics	Page 50	Energy access planning risk	Household electricity access table presented. Clarification requested regarding “Other” energy sources . Management clarified that Other refers to gas and paraffin stoves .	INFRA	1. Conduct updated household energy access survey . 2. Integrate data into Electricity Master Plan and Energy Plan (to be developed) .
High Mast Lights – Villages (16 units)	Delayed Projects section	Public safety and lighting infrastructure	Municipality resolved that Eskom would undertake electrification . • 8 high mast lights energised . • Remaining 8 awaiting Eskom energisation due to design approval delays.	INFRA	1. Develop joint implementation programme with Eskom . 2. Monitor energisation progress monthly.
High Mast Lights – Installation of 27 units	Delayed Projects section	Infrastructure completion risk	Municipality resolved that electrification must be done by Eskom. • 9 high mast lights energised	INFRA	1. Secure MIG funding allocation for energisation . 2. Implement project completion monitoring dashboard .

Question / Issue	Page No.	Risk Area	Management Response	Responsible Department	Recommended Follow-up Action
			• 5 currently being energised • Remaining 13 to be funded through MIG in 2026/27.		
Construction for Extension and augmentation of water Supply in Seleka Phase 6	Delayed Projects section	Water supply infrastructure and electrification risk	Progress reported: • 2 boreholes energised • Contractor currently electrifying 4 remaining boreholes and package plant. • Municipality holding monthly meetings with Eskom. • Project expected completion before 30 June 2026. • Delays caused by Eskom design approvals.	INFRA	1. Maintain joint Eskom project monitoring meetings. 2. Establish technical escalation channel with Eskom. 3. Report progress to Council quarterly.
Electrical infrastructure risk (Strategic Risk SR04)	Page 29	Infrastructure reliability	Risks identified: • Overloaded overhead lines • Illegal connections • Cable theft and vandalism HV fault detection challenges. Progress: • Ring circuits closed during 2024/25 FY. • Copper cables replaced with aluminium cables in rural areas. • Technicians trained on fault detection equipment. • Electrical maintenance strategy approved by Council.	INFRA	1. Implement Electrical Infrastructure Maintenance Plan 2025–2028. 2. Complete switchgear replacement programme. 3. Expand cable theft prevention measures.

Street Lighting Infrastructure

High mast lighting projects currently underway:

Project	Units	Status
Phahladira High Mast Lights	4	Completed and energised
Village High Mast Lights	16	8 energised, 8 pending Eskom
Village High Mast Lights	27	9 energised, 5 in progress, 13 to be funded



LEPHALALE LOCAL MUNICIPALITY MINOR & MAJOR PROJECTS WITHIN ESKOM LICENCE

AREA: 05 DECEMBER 2025

PRESENTATION OUTLINE

- 1. LOAD REDUCTION IN MARAPONG TOWNSHIP**
- 2. CAPACITY PROBLEM IN MARAPONG**
- 3. MARAPONG CRU**
- 4. NOTIFIED MAXIMUM DEMAND (NMD) DOWNGRADING**
- 5. BOREHOLES - SELF BUILD PROJECTS AND CHALLENGES**
- 6. SEWAGE PUMP STATIONS – SELF BUILD PROJECTS**
- 7. HIGHMAST LIGHTS**
- 8. ELECTRIFICATION OF VARIOUS VILLAGES**

LOAD REDUCTION IN MARAPONG TOWNSHIP

- To ensure a sustainable solution, Eskom and the municipality will conduct community education initiatives, and residents are encouraged to cooperate with Eskom during the audit process.
- Community education initiatives have not been done yet. To be completed in February 2026.

CAPACITY CHALLENGES IN MARAPONG

- LLM is not able to electrify households in Marapong due to bulk electricity capacity challenges.
- Eskom concluded the procurement process to appoint a supplier of a 20MVA transformer to replace the Marapong 10MVA transformer.

MARAPONG CRU

- COGHSTA is currently in the process of building 514 CRUs (community rental units) in Marapong.
- LLM made an application to ESKOM on 28 October 2024 for a new supply of 1MVA for the CRU project.
- Coghsta has paid the cost estimate letter fee of R 451 369(+ VAT = R 519 074.35) after which Eskom will issue a budget quote and once accepted by the municipality on behalf of Coghsta, the construction of the infrastructure to supply Marapong CRU with 1MVA will commence.
- CRA approved and budget released, Network Engineering to prepare Budget Quotation inputs once finalized, BQ will be sent to pricing department for vetting.

Notified Maximum Demand (NMD) Downgrading

- In order for the municipality to downgrade its Notified Maximum demand (NMD) from 40MVA, the municipality must give Eskom a bank guarantee of R10 000 000.
- The municipality is disputing this proposed amount because there is an existing guarantee of R6 300 000.
- Quotation send to LLM on 12/02/2025. LLM submitted letter on the 08/05/2025 requesting guarantee reduction & response letter sent to Municipality on 27/05/2025 to pay R10 000 000.00 deposit.
- The municipality is still looking into the matter and weighing its options as the municipality may not be able to raise the required capital.

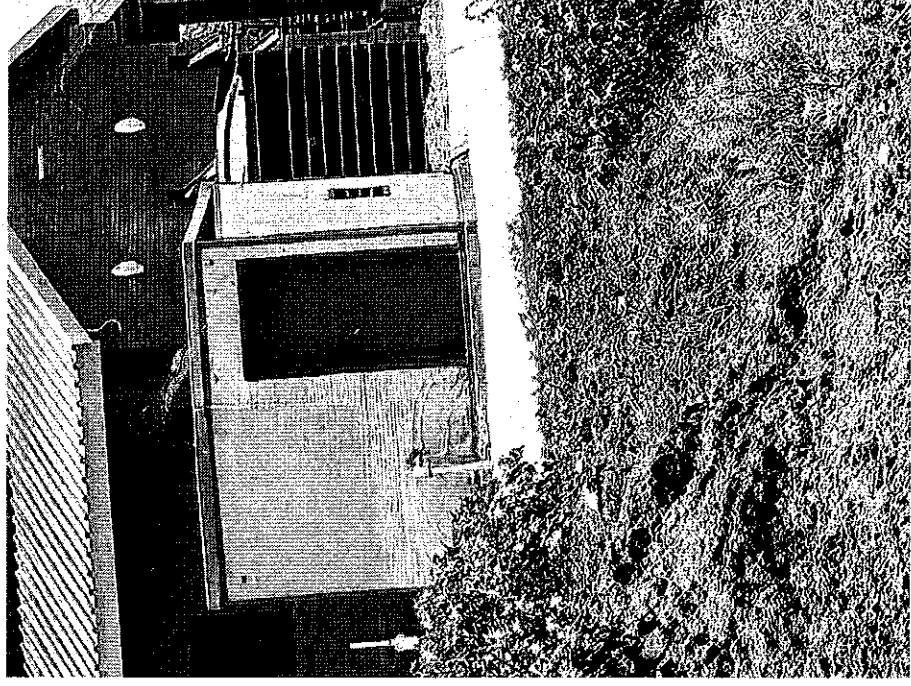
Boreholes - self build projects and challenges

PROJECT AREA	PROJECT NO.	ACCOUNT NUMBER	BOLE NUMBER	SCOPE OF WORK	PROGRESS AS AT 2025/09/10
THABO MBEKI VILLAGE BOREHOLE – PACKAGE PLANT	SEL:830961500	7007761734	VNB427/10/6A	Build a 30m, 22kV MV line from between the existing pole VNB427/10/8 and VNB427/10/9 to the new pole VNB427/10/8/1, install 25kVA SPU meters at pole VNB427/10/8/1.	Contractor started with the Work in November 2025.
THABO MBEKI VILLAGE BOREHOLE (2 boreholes with shared transformer)	SEL:793647927	9420493869	VNB427/10/5/3	Build a 279m, 22kV MV line from the pole VNB427/10/5/3 to the new pole VNB427/10/5/3.	Energised on the 6 th of March 2025
THABO MBEKI VILLAGE BOREHOLE	SEL:830961515	5727746941	VNB427/10/6	Build a 154m, 22kV MV line from the pole VNB427/10/6 to the new pole VNB427/10/6/4/1	Contractor started with the Work in November 2025.

Boreholes - self build projects and challenges - continued

	PROJECT AREA	PROJECT NO.	ACCOUNT NUMBER	POLE NUMBER	SCOPE OF WORK	PROGRESS AS AT 2025/09/30
4	THABO MBEKI VILLAGE BOREHOLE	SEL:830961505	6013721172	VNB427/10/6	Build a 35m, 22kV MV line from the pole VNB427/10/6 to the new pole VNB427/10/6/1	Contractor started with the Work in November 2025.
5	THABO MBEKI VILLAGE BOREHOLE	SEL:830961510	6580613108	VNB427/10/6	Build a 190m, 22kV MV line from the pole VNB427/10/6 to the new pole VNB427/10/6/3/1	Contractor started with the Work in November 2025.
6	THABO MBEKI VILLAGE BOREHOLE	SEL:830961518	9527446122	VNB427/10/6	Build a 154m, 22kV MV line from the pole VNB427/10/6 to the new pole VNB427/10/6/6	Contractor started with the Work in November 2025.

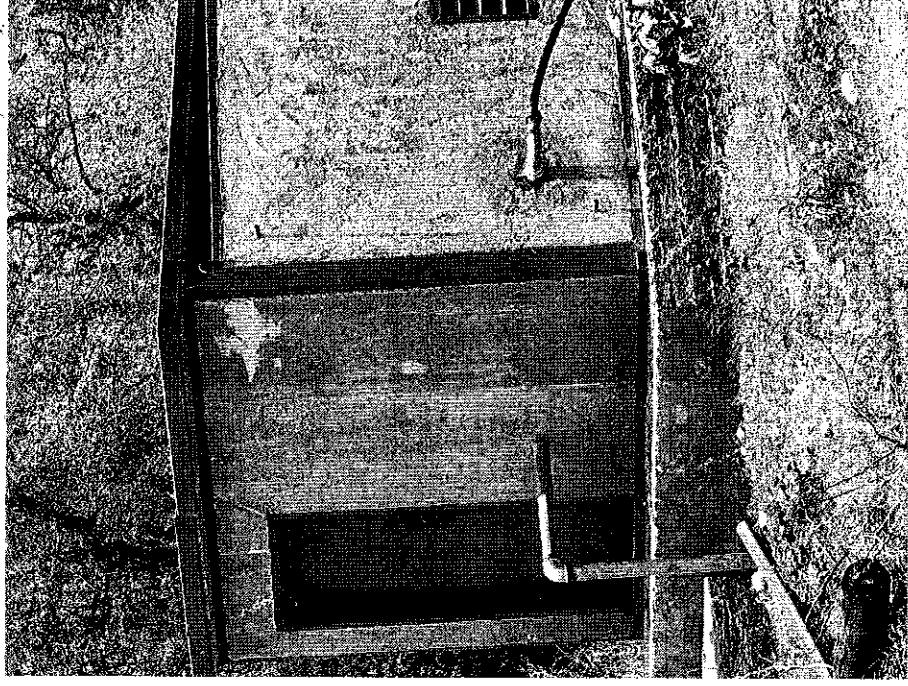
Borehole 1-not energised



Borehole 2-not energised



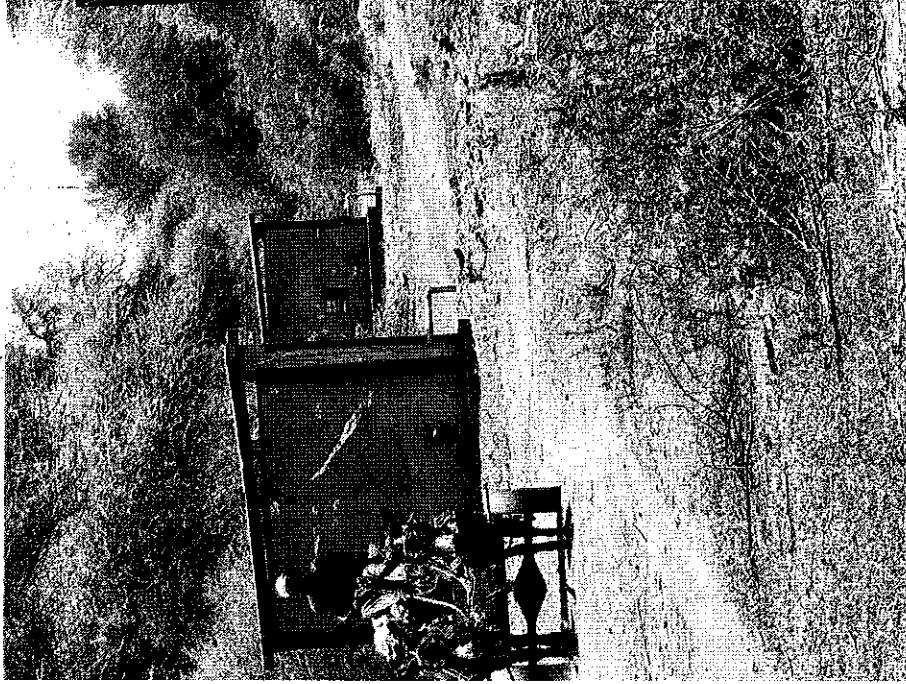
Borehole 3-not energised



Borehole 4-not energised



Boreholes 5 & 6 (Energised on 06 March 2025)



BOREHOLES 1-6 and Package plant

- Construction of a closing span was done on 06 March 2025 (BH 5&6).
- Transformers were installed 06 March 2025 (BH 5&6).
- Energization was done on 06 March 2025 (5&6).
- Powerline is under reconstruction for (BH 1-4 and the package plant). Eskom has approved the designs.

Sewage pumpstations – Self build projects

PROJECT AREA	REF. NO.	ACCOUNT NUMBER	POLE NUMBER	PROGRESS AS AT 2025/09/10
THABO MBEKI VILLAGE PUMPSTATION 1	796782510	9406446683	VNB427/10/10/27/24/1	Energized (completed)
THABO MBEKI VILLAGE PUMPSTATION 3-MAIN	796782512	8558299136	VNB427/10/10/27/21/8/3	Energized on the 5 th of March 2025 (completed)
THABO MBEKI VILLAGE PUMPSTATION 2	796782517	8964332867	VNB427/10/10/27/45/4	Energized (completed)

Sewage pumpstations – self build projects

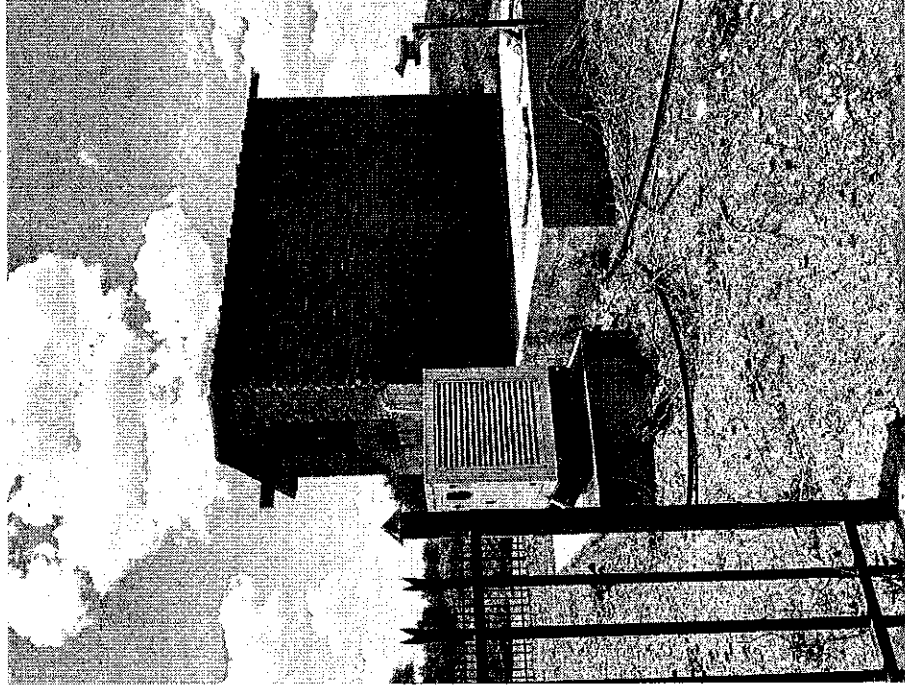
SEWAGE PUMPSTATIONS

- One main pumpstation and 2 minor pump stations with submersible pumps were constructed.
- Designs have been approved
- Powerlines have been constructed and 3X16KVA transformers have been installed.
- COCs for both pumpstation 1&2 were issued on 28 March 2025.
- Energization of all the pumpstations has been completed.

Main pumpstation - Energised



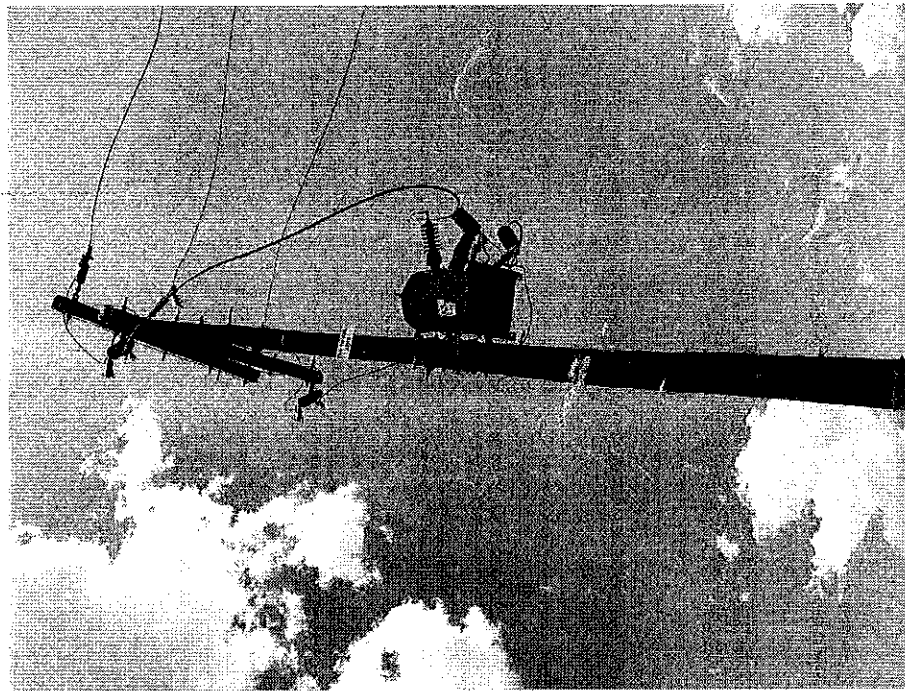
Main pumpstation - Energized



Minor pumpstation 1 - energized



Minor pumpstation 1 - energized



Minor pumpstation 2 - energised



Minor pumpstation 2 - energized



Electrification of various villages 2022/2023 FY Project

PROJECT	NUMBER OF CONNECTIONS	VILLAGES	STATUS
ELECTRIFICATION: TERUPURUPUNG EXT 2 PHASE 2	12	GA-SELEKA	ENERGISED
ELECTRIFICATION: STEVE BIKO EXT 4 PHASE 2	5	SHONGOANE	ENERGISED – Post connections done by Eskom
ELECTRIFICATION: SEVEN DELAANGE EXT 2 PHASE 2 AND MARIKANA	160	SHONGOANE	ENERGISED
ELECTRIFICATION: HLAGALAKWENA EXT 2	45	SHONGOANE	ENERGISED ON 18 FEBRUARY 2025
ELECTRIFICATION: BOTSHABELO EXT 3	15	GA-SELEKA	ENERGISED ON 18 FEBRUARY 2025
ELECTRIFICATION: KAULETSI	165	GA-SELEKA	ENERGISED ON 06 MARCH 2025
ELECTRIFICATION: HINJANE	56	ABBOTSPPOORT	ENERGISED
ELECTRIFICATION: KOPANONG - ESKOM	65	GA-SELEKA	ELECTRIFIED BY ESKOM AND ENERGISED
ELECTRIFICATION: MATHIBELA	54	SHONGOANE	ELECTRIFIED BY ESKOM AND ENERGISED ON 28 MARCH 2024
TOTAL	577		All the 577 households have been ENERGISED. 453 electrified by LLM and 124 done by Eskom.

Highmast Lights

16 HIGHMAST LIGHTS

9 Energised

1. Lerupurupung x 2
2. Kopanong
3. Letlora
4. Motsweding and Dipompong
5. Kitty
6. Reabetswe
7. Ditloulung

8 high mast lights will be electrified by Eskom.

- 1093816701 - Kgobagodimo
- 1093786244 - Magadimela
- 1093786246 - Letlora

- 1093786247 - Gamocheko
- 1093820350 -Maletswai
- 1093820351 - Botsalanong
- 1093820352 - Tlapaleborethe
- 1093820354 - Thabo mbeki

16 HIGHMAST LIGHTS

MUNICIPALITY	ENTER NAME	SUPPLY TYPE	PROJECT NUMBER	ACCOU NT NUMB ER	APPLICAT ION DATE	COC	PAYMENT DATE	PROJEC T TYPE	CURRENT ACTIVITY
LEJOLALE MUNICIPALITY	MOTSWEDING	HIGHMAST	793647936	9089149073	17/04/2024	MARKEN	05/07/2024	Type 5	Engelized - 16/05/2025
LEJOLALE MUNICIPALITY	REABETWE	HIGHMAST	793647941	6925496364	17/04/2024	MARKEN	05/07/2024	Type 5	Engelized - 16/05/2025
LEJOLALE MUNICIPALITY	LERUPURUPUNG	HIGHMAST	793647926	7962008042	17/04/2024	SWARTWATER	05/07/2024	TYPE 5	Engelized 08/05/2025
LEJOLALE MUNICIPALITY	LERUPURUPUNG	HIGHMAST	796295724	6995036631	22/04/2024	SWARTWATER	05/07/2024	TYPE 5	Engelized 08/05/2025
LEJOLALE MUNICIPALITY	LETLORA	HIGHMAST	796295723	6905380861	22/04/2024	SWARTWATER	26/06/2024	TYPE 5	Engelized 08/05/2025
LEJOLALE MUNICIPALITY	KITTY	HIGHMAST	793647922	5154797114	17/04/2024	MARKEN	05/07/2024	TYPE 5	Engelized - 04/04/2025
LEJOLALE MUNICIPALITY	DITLOUNG HIGHMAST	HIGHMAST	793647933	7743246302	17/04/2024	MARKEN	05/07/2024	TYPE 5	Engelized 04/04/2025
LEJOLALE MUNICIPALITY	MOTSWEDING	HIGHMAST	793647936	9089149073	17/04/2024	MARKEN	05/07/2024	Type 5	Engelized - 16/05/2025
LEJOLALE MUNICIPALITY	REABETWE	HIGHMAST	793647941	6925496364	17/04/2024	MARKEN	05/07/2024	Type 5	Engelized - 16/05/2025
LEJOLALE MUNICIPALITY	KOPANONG	HIGHMAST	793647920	5752079547	17/04/2024	SWARTWATER	26/06/2024	TYPE 5	COC not submitted

Highmast Lights

27 HIGHMAST LIGHTS

- The Designs were rejected by Eskom on the basis that for self-build projects, connection and upgrading of existing transformers to serve dual purpose is not allowed.
- Municipality requested Eskom (4 Feb 2025) to provide budget quotes to supply electricity to the 27 Highmast lights in order to expedite the energization process.
- 14 invoices have been issued and paid for. Energization underway for the 14 highmast lights.
- The project to be completed in the 2025/2026 FY.

27 HIGHMAST LIGHTS

MUNICIPALITY	ENTER WAY	SUPPLY TYPE	PROJECT NUMBER	ACCOUNT NUMBER	APPLICATION DATE	CNC	PAYMENT DATE	PROJECT TYPE	CURRENT ACTIVITY
LEPHALE MUNICIPALITY	ABBORTSPOORT 1 HIGHMAST & 2	HIGHMAST	921878522	6799090394	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material stage & contractor allocation stage - since 10/07/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 3 HIGHMAST	HIGHMAST	923547229	7059614471	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material & contractor allocation - Since 11/06/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 5 HIGHMAST	HIGHMAST	923547232	7133633615	04-Feb-25	MARKEN	18/06/2025	Type 4	Invoices paid - on Material stage & contractor allocation stage - Since 11/06/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 7 HIGHMAST	HIGHMAST	923666081	6379716108	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material stage & contractor allocation stage - Since 11/07/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 9 HIGHMAST	HIGHMAST	923666086	7154928051	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material stage & contractor allocation stage - Since 11/07/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 10	HIGHMAST	923666087	5065016724	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material stage & contractor allocation stage - since 11/07/2025
LEPHALE MUNICIPALITY	ABBORTSPOORT 11	HIGHMAST	923666088	6523787979	04-Feb-25	MARKEN	18/06/2025	Type 3	Invoices paid - on Material stage & contractor allocation stage - since 11/07/2025

27 HIGHMAST LIGHTS

MUNICIPALITY	NAME	SUPPLY NUMBER	PROJECT NUMBER	ACCOUNT NUMBER	INSTALL DATE	PIC	DATE	PROJECT TYPE	CURRENT ACTIVITY
ESPERANZA MUNICIPALITY	DIPOMPONG 1	HIGHMAST	923666091		04-Feb-25	MARKEN	None	Type 4	Paid - under construction
ESPERANZA MUNICIPALITY	DIPOMPONG 2	HIGHMAST	923666094	8694652787	04-Feb-25	MARKEN	18/06/2025	Type 3	Paid - under construction
ESPERANZA MUNICIPALITY	GA MONYEKI 1	HIGHMAST	927570491		04-Feb-25	MARKEN	None	Type 4	Paid - under construction
ESPERANZA MUNICIPALITY	STEVE BIKO 1	HIGHMAST	927570497		04-Feb-25	MARKEN	None	Type 4	Paid - under construction
ESPERANZA MUNICIPALITY	STEVE BIKO 2	HIGHMAST	927794400		04-Feb-25	MARKEN	None	Type 4	Paid - under construction
ESPERANZA MUNICIPALITY	STEVE BIKO 3	HIGHMAST	927794401		04-Feb-25	MARKEN	None	Type 4	Paid - under construction
ESPERANZA MUNICIPALITY	GA MONYEKI 2	HIGHMAST	927794403		04-Feb-25	MARKEN	None	Type 4	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	GA MONYEKI 3	HIGHMAST	927794405		04-Feb-25	MARKEN	None	Type 4	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	GA MONYEKI 4	HIGHMAST	927794408		04-Feb-25	MARKEN	None	Type 4	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	MAETELETJA 1	HIGHMAST	949875759		04-Feb-25	MARKEN	None	Type 3	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	MAETELETJA	HIGHMAST	949757045		04-Feb-25	MARKEN	None	Type 4	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	MAETELETJA 3	HIGHMAST	949875760		04-Feb-25	MARKEN	None	Type 3	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	BANGALONG 1	HIGHMAST	949875761		04-Feb-25	MARKEN	None	Type 3	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted
ESPERANZA MUNICIPALITY	STEVE BIKO	HIGHMAST	927570495		04-Feb-25	MARKEN	None	Type 3	Budget Quotation issued to customer - 30/05/2025 - Not yet accepted

MITIGATION TO ADDRESS CHALLENGES

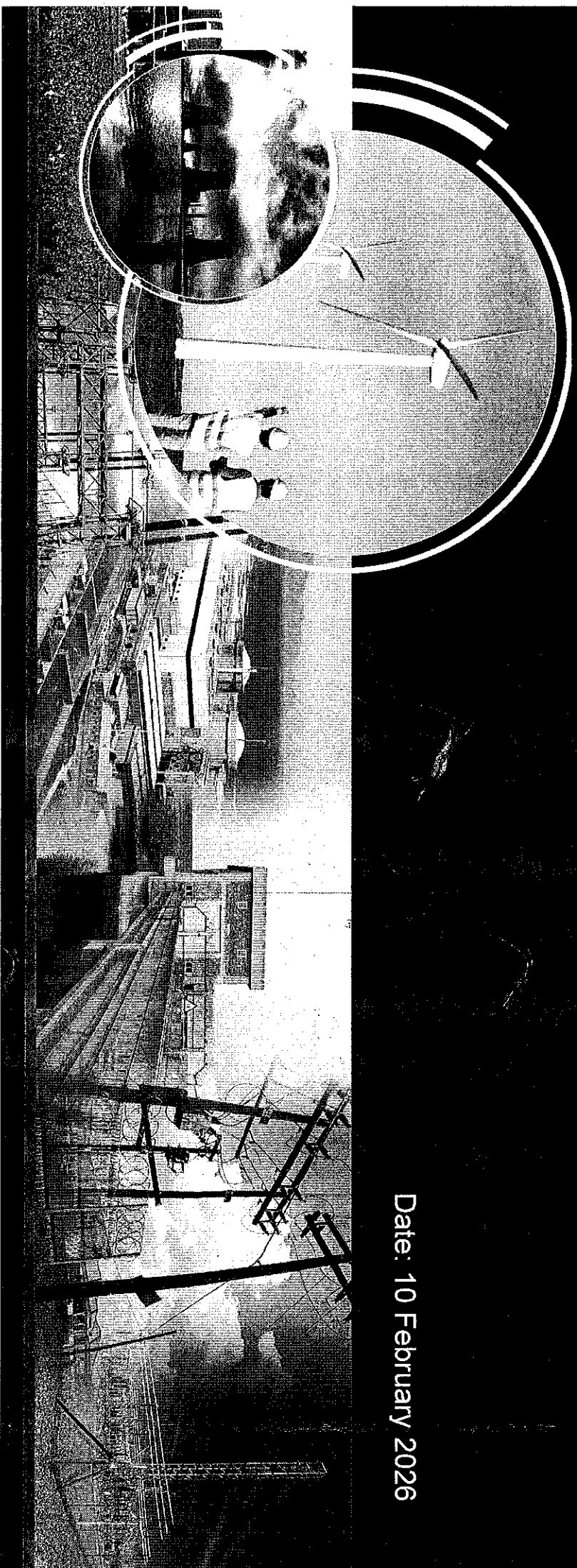
- Monthly meetings and site inspections between the LLM, Service providers and Eskom.
- Anticipated completion date for all outstanding matters is June 2026.
- Municipality is reconsidering self-build methods within Eskom areas of supply and opt for Eskom building order to safe time.
- Next meeting is scheduled for February 2026

	Date	Signature	Position
Compiled by: Mokid April Shiko	12 January 2026		Director Infrastructure Services



Lephalale Local Municipality Minor and Major Projects Presentation

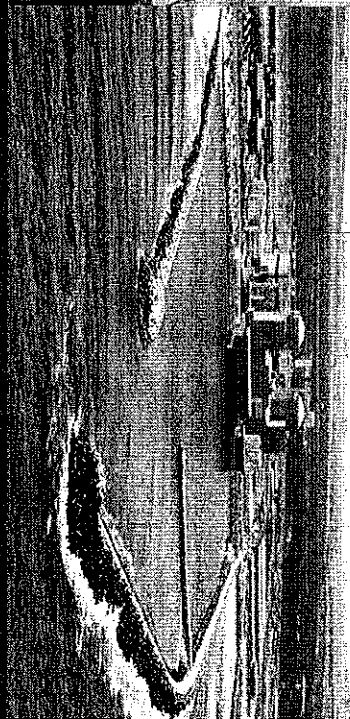
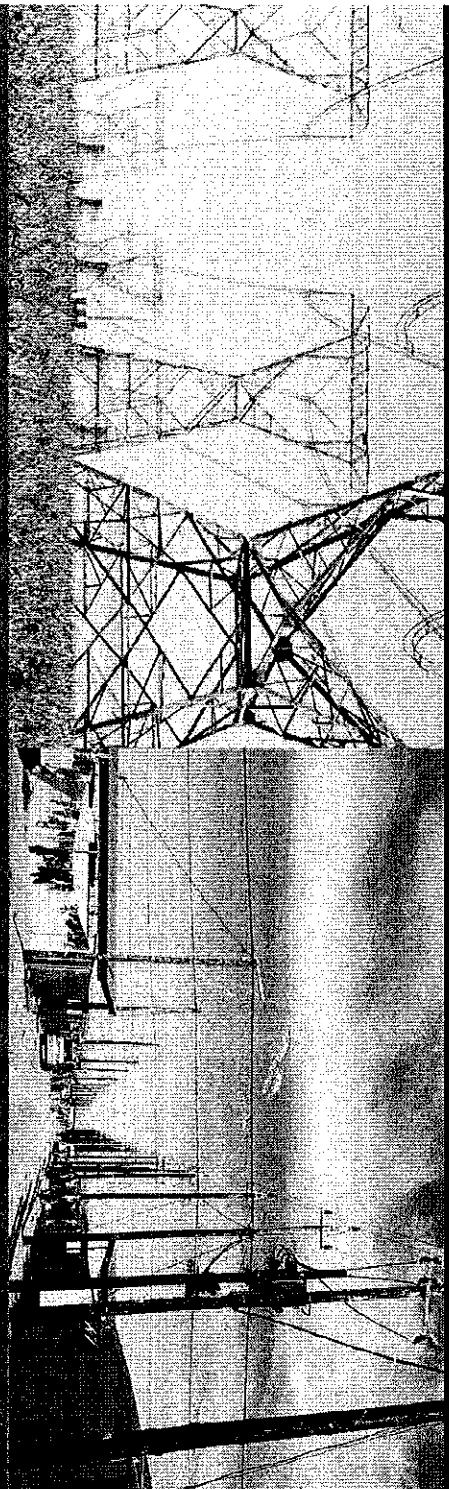
Date: 10 February 2026





Eskom

MINOR PROJECTS



16 Highmast Lights – Energized & On Budget Quote Status



ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
MOTSWEDING	HIGHMAST	793647936	17/04/2024	Energized - 16/05/2025
REABETSWE	HIGHMAST	793647941	17/04/2024	Energized - 16/05/2025
LERUPURUPUNG	HIGHMAST	793647926	17/04/2024	Energized 08/05/2025
LERUPURUPUNG	HIGHMAST	796295724	22/04/2024	Energized 08/05/2025
LETLORA	HIGHMAST	796295723	22/04/2024	Energized 08/05/2025
KITTY	HIGHMAST	793647922	17/04/2024	Energized - 04/04/2025
DITLUNG	HIGHMAST	793647933	17/04/2024	Energized - 04/04/2025
KOPANONG	HIGHMAST	793647920	17/04/2024	Energized - 04/04/2025 COC due
MALETSWAI	HIGHMAST	1093820350	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
BOTSALANONG	HIGHMAST	1093820351	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
TLAPALELEBORETHE	HIGHMAST	1093820352	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
THABO MBEKI	HIGHMAST	1093820354	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
KGOBAGODIMO	HIGHMAST	1093816701	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
MAGADIMELA	HIGHMAST	1093786244	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
LETLORA	HIGHMAST	1093786246	07/01/2026	customer reapplied 09/01/2026 - Busy with Budget Quote preparation for vetting
GAMOCHIEKO	HIGHMAST	813455766	07/01/2026	No meter and a cable at the point still waiting for Munic to complete the work 12/05/2025 – HOC not submitted PC

10/02/2026

16 Highmast Lights stopped projects & Invoice not paid Status



Eskom

ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
BOTSALANONG	HIGHMAST	869759605	04/11/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
TLAPALEBORETHE	HIGHMAST	869759613	04/11/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
THABO MBEKI	HIGHMAST	869759614	04/11/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
KGOBAGODIMO	HIGHMAST	813455771	28/06/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
MAGADIMELA	HIGHMAST	813455777	28/06/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
LETLORA	HIGHMAST	813455778	28/06/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
MALETSWAI	HIGHMAST	869759611	13/11/2024	stopped 12/08/2025 - S/B Upgrading Eskom asset not allowed
GA SELEKA 4	HIGHMAST	836159382	19/08/2024	Invoices not paid -- send 17 Oct 2024 -- expired

27 Highmast Lights on construction, Design & Awaiting Material Status



ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
ABBORTSPOORT 1	HIGHMAST	921878522	04/02/2025	Completed - 14/11/2025 - Links closed circuit breaker open -customer promised 04/02/2026 to submit COC'S by 06/02/2026
ABBORTSPOORT 3	HIGHMAST	923547229	04/02/2025	Completed - 17/11/2025 - Links closed circuit breaker open -customer promised 04/02/2026 to submit COC'S by 06/02/2026
ABBORTSPOORT 5	HIGHMAST	923547232	04/02/2025	Completed - 20/11/2025 - Links closed circuit breaker open -customer promised 04/02/2026 to submit COC'S by 06/02/2026
ABBORTSPOORT 9	HIGHMAST	923666086	04/02/2025	Completed - 20/11/2025 - Links closed circuit breaker open -customer promised 04/02/2026 to submit COC'S by 06/02/2026
ABBORTSPOORT 10	HIGHMAST	923666087	04/02/2025	Energized - 20/11/2025 - Links closed circuit breaker open -customer promised 04/02/2026 to submit COC'S by 06/02/2026
DIPOMPONG 1	HIGHMAST	923666091	04/02/2025	Awaiting material delivery - energization date to be confirmed
STEVE BIKO 2	HIGHMAST	927794400	04/02/2025	Awaiting material delivery - energization date to be confirmed
ABBORTSPOORT 7	HIGHMAST	923666081	04/02/2025	Awaiting material delivery - energization date to be confirmed
ABBORTSPOORT 11	HIGHMAST	923666088	04/02/2025	Busy with detailed design
DIPOMPONG 2	HIGHMAST	923666094	04/02/2025	Awaiting material delivery - energization date to be confirmed
GA MONYEKI 2	HIGHMAST	927794403	04/02/2025	Awaiting material delivery - energization date to be confirmed
GA MONYEKI 3	HIGHMAST	927794405	04/02/2025	Awaiting material delivery - energization date to be confirmed
GA MONYEKI 4	HIGHMAST	927794408	04/02/2025	Awaiting material delivery - energization date to be confirmed

27 Highmast Lights expired Budget Quote & Invoices not paid status



ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
MAETELETJA 3	HIGHMAST	949875760	04/02/2025	Invoice issued 24/10/2025 due 17/11/2025 - Not paid - Fees reversed
STEVE BIKO 1	HIGHMAST	927570497	04/02/2025	Invoice issued 24/10/2025 due 17/11/2025 - Not paid - Fees reversed
STEVE BIKO 4	HIGHMAST	949757035	04/02/2025	Invoices issued 02/10/2025 due date 27 Oct - Fees reversed
ABBORTSPOORT 2	HIGHMAST	921878531	04/02/2025	Invoices issued 20/05/2025 - stopped 31/10/2025 - Fees reversed
GA MONYEKI	HIGHMAST	927570491	04/02/2025	Invoices issued 20/05/2025 - stopped 31/10/2025 - Fees reversed
STEVE BIKO 3	HIGHMAST	927794401	04/02/2025	Invoices issued 14/06/2025 - stopped 31/10/2025 - Fees reversed
MAETELETJA	HIGHMAST	949757045	04/02/2025	Invoices issued 01/07/2025 - resubmitted 02/12/2025 - Fees reversed
ABBORTSPOORT 6	HIGHMAST	923547233	04/02/2025	Budget Quote issued 20/05/2025 Expired
BANGALONG 1	HIGHMAST	949875761	04/02/2025	Budget Quote issued 30/05/2025-Expired
MAETELETJA 1	HIGHMAST	949875759	04/02/2025	Budget Quote issued 30/05/2025 Expired
ABBORTSPOORT 4	HIGHMAST	923547231	04/02/2025	Budget Quote issued 30/03/2025 - Expired
ABBORTSPOORT 8	HIGHMAST	923666083	04/02/2025	Budget Quote issued 18/03/2025 - Expired

GASELEKA & LEPHALALE DUMPING TRANSFORMERS



ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
GASELEKA	50KVA tfr	947199819	09/05/2025	Budget Quote issued to the customer 14/05/2025 - Expired
Lephalale Dumping	150KVA	947767452	06/05/2025	Quotation send to customer 27/06/2025, customer not responded on Security Guarantees Payment method. - Expired 31/10/2025

Boreholes and Package Plant



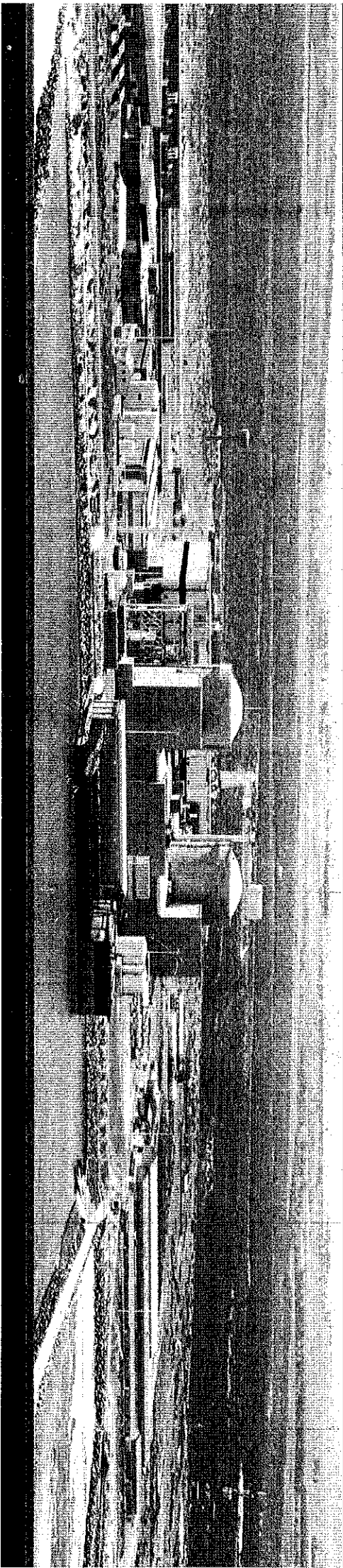
ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
THABO MBEKI VILLAGE	BOREHOLE	830961515	02/08/2024	Acceptance letter sent to customer 11/09/2025 - customer confirmed that they reported to CNC and poles planted on site busy with construction - 05/02/2026
THABO MBEKI VILLAGE	BOREHOLE	830961518	02/08/2024	Acceptance letter sent to customer 11/09/2025 - customer confirmed that they reported to CNC and poles planted on site busy with construction - 05/02/2026
THABO MBEKI VILLAGE	PACKAGE PLANT	830961500	02/08/2024	Acceptance letter sent to customer 11/09/2025 - customer confirmed that they reported to CNC and poles planted on site busy with construction - 05/02/2026
THABO MBEKI VILLAGE	BOREHOLE	830961505	02/08/2024	Acceptance letter sent to customer 11/09/2025 - customer confirmed that they reported to CNC and poles planted on site busy with construction - 05/02/2026
THABO MBEKI VILLAGE	BOREHOLE	830961510	26/07/2024	Acceptance letter sent to customer 11/09/2025 - customer confirmed that they reported to CNC and poles planted on site busy with construction - 05/02/2026
MADIBANENG	BOREHOLE	SSW857821023	19/08/2024	Completed 10 Dec 2025 - Links open - customer promised 04/02/2026 to submit COC'S by 06/02/2026
MOTHLASEDI	BOREHOLE	SEL873617640	29/10/2024	Completed 18 Dec 2025 - Links open - customer promised 04/02/2026 to submit COC'S by 06/02/2026
SEGALE	BOREHOLE	857896550	11/10/2024	Quotation sent to customer - 27/12/2024 - expired

Boreholes and Highmast & Pump station - Completed



ENTITY NAME	SUPPLY TYPE	PROJECT NUMBER	APPLICATION DATE	ESKOM FEEDBACK
PHAHLADIRA	HIGHMAST	SEL718392886	04/10/2023	Energized
PHAHLADIRA	HIGHMAST	SEL718392889	04/10/2023	Energized
DITLOUNG	HIGHMAST	SEL793647933	16/04/2024	Energized
KAULETSI	BOREHOLE	SEL666913990	08/06/2023	Energized
THABO MBEKI	BOREHOLE	SEL793647927	17/04/2024	Energized
THABO MBEKI	PUMPSTATION	SEL796782517	17/04/2024	Energized
THABO MBEKI	PUMPSTATION	SEL796782512	17/04/2024	Energized
THABO MBEKI	PUMP STATION	SEL796782517	17/04/2024	Energized

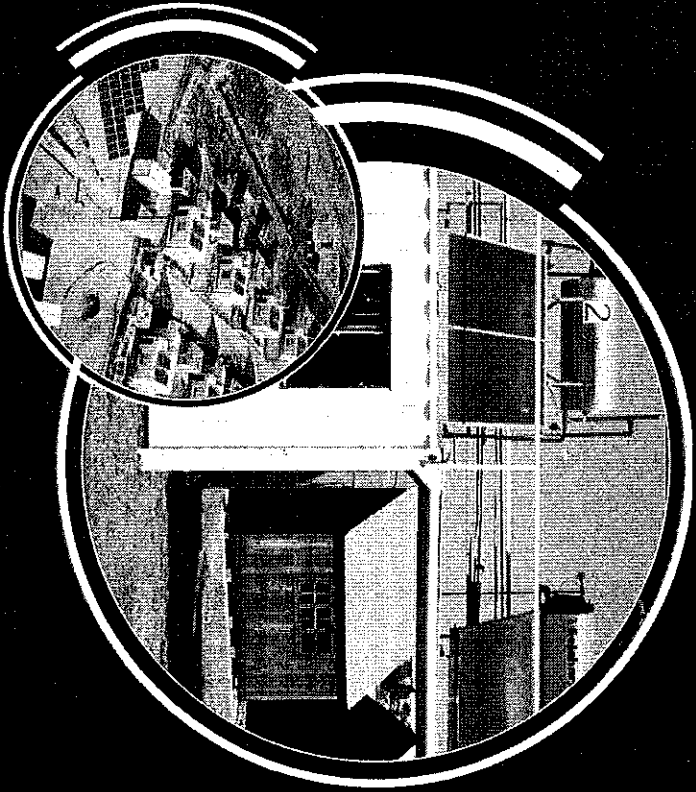
MAJOR PROJECTS



Major Projects



ENTITY NAME	SUPPLY TYPE	APPLICATION DATE	CUSTOMER NEED DATE	ESKOM BUILT/ SELF BUILT	CURRENT STATUS
Lephahle Munic Downgrade (845721482)	25MVA	19/06/2025	14/08/2024	Eskom Built	Quotation send to customer 12/02/2025. Customer submitted letter on the 08/05/2025 requesting guarantee reduction & response letter sent to Municipality 27/05/2025 to pay R10million guarantee security. Budget quotation expired - Revised Budget Quote sent to pricing for vetting.
Lephahle Marapong CRU (873617638)	1MVA	11/11/2024		Eskom Built	Project accepted 30/05/2025. Processes of appointed Survey Contractor Not yet finalized.
Waterberg Transformer (Marapong Capacity Upgrade) LMP-EBC-777047	20MVA	04/07/2022		Eskom Built	Project construction to start 01/04/2026 anticipated project completion is 31/05/2027
Altoosyd 11kV Switching Station (13868221)	11kV	02/02/2015		Eskom Built	Outage approved for 19 Feb 2026 – Customer Line still on the ground need to be fixed.



Thank you

ANNEXURE 6: STATUS OF WATER SUPPLY PER WARD

NAME OF WATER SERVICES AUTHORITY: LEPHALALE MUNICIPALITY



Scheme name	Village/town	Ward	WTW Design Capacity	No of Boreholes	Storage Capacity	Water Network (Adequate/ Inadequate)	Other means of supply(tanker/ Spring Water)	Yard connection	Level of Service ROP	Challenges	Remedial Actions
Zeeland WTW	Lephalale (Town&Onverwacht)	Ward 3, 4 & 13	40Ml/d	0	0.9Ml	Available & Adequate	Water Tankering to Informal Settlements	Yes	No	Ageing Infrastructure-Old Water AC pipes, Water Losses, Malfunctioning Water Meters, Inadequate Storage Capacity	Replacement of Old AC pipes and Water meters to reduce water losses, Increase Storage Capacity
		Ward 1, 2 & 3	21M/d	0	0.552Ml	Available & Inadequate	Water Tankering to Informal Settlements	Yes	No	Ageing Infrastructure-Old Water AC pipes, Water Losses, Malfunctioning Water Meters, Inadequate Storage Capacity	Replacement of Old AC pipes and Water meters to reduce water losses, Increase Storage Capacity
		Ward 5		1	1.60Kl Concrete Reservoir	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
Matimba WTW	Lerupurung	Ward 10			2x160Kl Concrete Reservoirs, 130Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 9			55Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 9			160Kl Concrete Reservoir, 50Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
Witpoort Water Scheme	Kopanong	Ward 10	Reverse Osmosis Package Plant	4	Same as Kibagadimo 1	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 10			160Kl Concrete Reservoir, 100Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 9			160Kl Concrete reservoir, 50Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 10			60Kl Concrete Reservoir	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 10			150Kl Concrete Reservoir, 55Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Water reticulation Network	Provide or Extend Water reticulation network
		Ward 9			200Kl Elevated Steel Tank, 300Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network
		Ward 10			160Kl Concrete Reservoir, 55Kl&200Kl&300Kl Elevated Steel Tanks	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network
		Ward 12			160Kl Concrete Reservoir, 260Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network
		Ward 10			180Kl Concrete Reservoir, 150Kl Elevated Steel Tank	Available & Inadequate	Tanker/ing to New Extensions		Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network
		Ward 10					Tanker/ing to New Extensions		Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network

Tshelamake	Ward 5	Reverse Osmosis Package Plant	1	160Kl Concrete Reservoir, 300Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Drill and Equip additional boreholes, Increase Storage Capacity, Provide or Extend Water reticulation network
Kaulutsi	Ward 10		3	160Kl Concrete Reservoir	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Lebu	Ward 11		1	10 000ltr Plastic Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Moong	Ward 11		3	160Kl Concrete reservoir	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Sefitholo	Ward 11		2	160Kl Concrete Reservoir, 60Kl Brick Reservoir, 212Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Morwe	Ward 11		1	100Kl Brick reservoir, 190Kl Concrete Reservoir	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Boshabela	Ward 11		1	160Kl Concrete Reservoir, 55Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Letlora	Ward 10		2	60Kl & 160Kl Concrete Reservoirs, 55Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Madibaneing	Ward 10		1	10 000Kl Plastic Tank	Available & Inadequate	Tankering to New Extensions		Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Ditloung	Ward 5		1	60Kl Concrete Reservoir, 150Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Tshehlong	Ward 8		3	200Kl & 300Kl Elevated Steel Tanks	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Reabetswe	Ward 9	Reverse Osmosis Package Plant	2	160Kl Concrete Reservoir, 2x10 000ltr Plastic Tanks	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Kiti	Ward 9		1	155Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Dinoko/Martinique	Ward 8		1	120Kl Elevated Steel Tank	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network
Keletsilemme	Ward 9	Reverse Osmosis Package Plant	2	110Kl Concrete Reservoir, 52Kl & 100Kl Elevated Steel Tanks	Available & Inadequate	Tankering to New Extensions	Yes	Water Source, Storage, Water reticulation Network	Increase Storage Capacity, Provide or Extend Water reticulation network

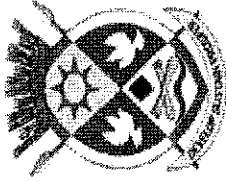
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ANNEXURE

ATTENDANCE

REGISTERS

ATTENDANCE REGISTER FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY



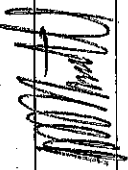
**LEPHALALE
MUNICIPALITY**

A vibrant City and the Energy Hub

**MEETING FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY DATE: 18 MARCH 2026
VENUE: COUNCIL CHAMBER TIME: 10H00 AM.**

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
Clr RA Mokgetle	Honourable Mayor		aaron.mokgetle@lephalale.gov.za	
Clr MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov.za	
Clr I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	
Clr JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za@lephalale.gov.za	
Clr D A Mothoni	MPAC Member	083 230 7194	ditshotloabel@gmail.com	

ATTENDANCE REGISTER FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY

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Cir L Shongwe	Chair of Social Portfolio		louisa.Shongwe@lephalale.gov.za	
Cir M Semanya	Chair of DP Portfolio	0790794589	mosonya.semenya@lephalale.gov.za	
T-Tholes	Comm	0147621680	tholomolephalale.gov.za	
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PF Nqinane-Regula	MM	070 245 9970	sejane-regula@lephalale.gov.za	
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ATTENDANCE REGISTER FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY

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Ntumi Seema	MPAC			
Desiree Seema	D: PED	073346668	eisie.seema@gmail.com	
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		076 737 0426	thiepelo.seboge@gmail.com	
		071 879 1478	Manare June S1@gmail.com	

Signature

E-mail address

**Designation/
Organisation**

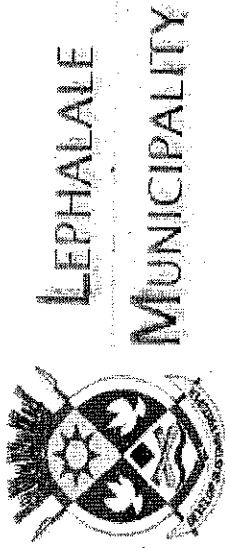
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Contacts No.

E-mail address

Signature

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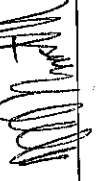


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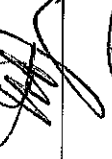
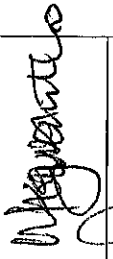
MEETING FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY DATE: 19 MARCH 2026
VENUE: COUNCIL CHAMBER TIME: 10H00 AM.

Name & Surname	Designation/ Organisation	Contacts No.	E-mail address	Signature
Clr RA Mokgetle	Honourable Mayor		aaron.mokgetle@lephalale.gov.za	
Clr MM Makgae	MPAC Chairperson	072 615 5018/ 084 706 9775	molebatsi.makgae@lephalale.gov. za	
Clr I Magoai	MPAC Member	072 491 7260	immanuel.magoai@lephalale.gov.za	
Clr JD Nel	MPAC Member	079 298 1301	NelJ@lephalale.gov.za@lephalale. gov.za	
Clr D A Mothoni	MPAC Member	083 230 7194	ditshotloabel@gmail.com	

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Clr R Modiba	Chair of Infrastructure Portfolio		mphete.modiba@lephalale.gov.za	
Clr L Shongwe	Chair of Social Portfolio		louisa.Shongwe@lephalale.gov.za	
Clr M Semanya	Chair of DP Portfolio		mosonya.semenya@lephalale.gov.za	
P. P. Hagillana Radebe	MM	072 245 9922	feanwe.radebe@lephalale.gov.za	
Lesego Maturu	CFO	0722326777	leiego.maturu@lephalale.gov.za	
April Shiko	DTS	0824110119	April.Shiko@lephalale.gov.za	
Khoroishi Motebele	DSS	0797345129	khoroishi.motebele@lephalale.gov.za	

ATTENDANCE REGISTER FOR MPAC PUBLIC HEARING ON DRAFT ANNUAL REPORT 2024/25 FY

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Mosonye Senyane	LC ^{Chair}	079 079 4589	senyane.mosonye@lephalele.gov.za	
Eisic Seema	MPAC	072 346 4248	eisic.seema@lephalele.gov.za	
Kgwantsha M.M.	DSSS	0720 883 481	kgwantsha.m@lephalele.gov.za	
Dibedi Rati	MPAC	019 495 9001	ratidibedi@lephalele.gov.za	