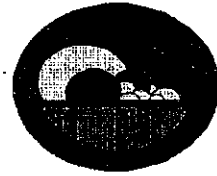


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Tropical Paradise

**A47 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON THE  
2022/23 04<sup>TH</sup> QUARTER AUDIT COMMITTEE REPORT & 2023/2024 01<sup>ST</sup>  
QUARTER AUDIT COMMITTEE REPORT AND 04<sup>TH</sup> QUARTER RISK  
MANAGEMENT COMMITTEE REPORT.**

(C 2024 01 25)

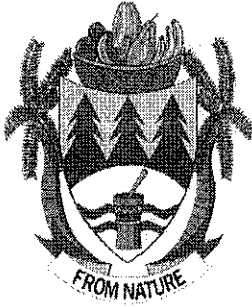
(12/2/3/1/1)

**RESOLVED**

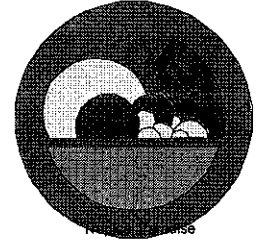
- a) That Council adopts both the 2022/2023 3rd & 04th quarter Audit Committee reports and 2022/2023 02nd quarter Internal Audit noted by Council during the Council sitting.
- b) That the Audit Committee and Internal Audit findings still in progress for implementation be given attention to ensure full implementation.
- c) That Council should consider engagement with Mopani for GTEDA to become a district entity.

**Signed by the Speaker**

**Councillor MS Tiba.....** *Tiba* .....



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**A47 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON THE  
2022/23 3<sup>RD</sup> & 04<sup>TH</sup> QUARTER AUDIT COMMITTEE REPORT & 01<sup>ST</sup> quarter AND  
03<sup>RD</sup> QUARTER INTERNAL AUDIT REPORT.**

**(C 2024 01 30)**

**(12/2/3/1/1)**

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**1. PURPOSE OF THE REPORT**

To report back to Council on the oversight conducted on the 2022/2023 3<sup>rd</sup> & 04<sup>th</sup> quarter Audit Committee reports and 2022/2023 03<sup>rd</sup> quarter Internal Audit.

**2. BACKGROUND**

Council during its meeting held on the 30 October 2023, noted both the 2022/2023 3<sup>rd</sup> & 1<sup>st</sup> quarter Audit Committee report and 2022/2023 04<sup>th</sup> quarter Risk Management Committee Report, and referred them to the Municipal Public Accounts Committee for oversight process.

The Committee held meetings on the 20 April 2023 and 12 May 2023 to peruse the reports and formulate the questions. The questions that were submitted to the Accounting Officer were responded to on the 19<sup>th</sup> of May 2023.

### **3. DISCUSSIONS**

The Municipal Public Accounts committee perused the reports by the Audit Committee which included the report of the Audit committee for the quarter under review, the internal Audit and Risk Management reports. The Audit committee plays a pivotal role in advising the municipality and its agency, Greater Tzaneen Economic Development Agency concerning the smooth running of the municipality, compliance with legislation and other related issues that matters. The following are matters that were tabled in Council by the committee:

#### **1. Revenue Collection**

- There is an indication of the Revenue Collection Rate is 92%, which was collected on the top 4 towns. Nkowankowa and Lenyenye Nkowankowa and Lenyenye's billing is comparatively low due to the top 4 towns as indicated in the audit committee report.

#### **2. Status of finances between Mopani District Municipality and Tzaneen Local Municipality**

There is an indication of R365 897 523 of debt the Mopani District Municipality is owing the Greater Tzaneen Municipality.

#### **3. Investigation of long list of properties with revenue collection issues**

The audit committee conducted a preliminary enquiry on the long list of properties which have revenue billing which revealed as indicated in the AC report:

- The rental fees charged by the Municipality for some properties seem to be not market related.

- The collection rate of the rental fees seems to be very low.

#### **4. Overtime Management Investigation**

The confirmed in their report that an investigation on overtime management was performed by management and the report was issued during the 2022/2023 financial year. The Audit Committee will monitor the implementation of recommendations outlined in this report to ensure that they are implemented to address the weaknesses identified in this investigation report.

#### **5. Audit Committee's advice on the GTEDA**

The Audit Committee has studied the legal opinion provided by the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) dated 29 May 2023 on the possible disestablishment of GTEDA and establishment of the new entity. The Audit Committee fully concur with all the recommendations provided by CoGHSTA as they are aligned with all relevant legislative guidance.

**The presentation by the Audit committee chairperson on the Internal Audit touched on the following:**

#### **PERFORMANCE MANAGEMENT:**

Management presented the 4th quarter SDBIP Performance Report. The SDBIP Performance Report indicated that the Municipality achieved 72% of its performance targets for the fourth quarter, which is a decline from the third quarter with an achievement of 74%.

#### **RISK MANAGEMENT REPORTS**

The Audit committee raised a concern on the lower percentage of the implementation of the mitigations on the strategic risk register and operational risk registers which may end up with some risks materializing negatively and impacting negatively on the objectives of the Municipality.

### **BUDGET AND TREASURY OFFICE REPORT**

The AC Chairperson reported that there is an improvement on the fruitless and wasteful expenditure on the 04<sup>th</sup> quarter. The irregular expenditure for the quarter compared to the previous quarter increased

The committee relies on the reports of the audit committee as it touches deeper on the issues that the municipality needs to attend to. It is imperative for management to implement the recommendations of the audit committee in order for the institution to realize its goals.

The role of the Municipal Public Accounts Committee in conducting oversight on the report of the Audit Committee is to ensure that the advice or oversight played by the Audit Committee in all the management reports for the quarter is implemented.

### **RECOMMENDATIONS**

- a) That Council adopts both the 2022/2023 3rd & 04th quarter Audit Committee reports and 2022/2023 02nd quarter Internal Audit noted by Council during the Council sitting.
- b) That the Audit Committee and Internal Audit findings still in progress for implementation be given attention to ensure full implementation.

### **FOR CONSIDERATION**

