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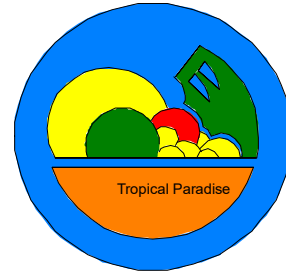
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A69 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE 2023/2024 DRAFT ANNUAL REPORT.

(2025 03 27)

(12/2/3/1/1)

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE.

1. Purpose of the report

1.1 The purpose of the report is to table the Municipal Public Accounts Committee oversight report on the 2023/2024 Draft Annual report before the Council.

1.2 To further report to Council on the oversight conducted on the projects implemented in the financial year under review.

2. Background

The Municipal Finance Management Act, Section 129 (1), stipulates that” ***the Council of a municipality must consider the annual report of the municipality and of any 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 council’s comments on the annual report***”. The 2023/24 Draft Annual Report was noted by Council on the 30th of

January 2025 and referred to the Municipal Public Accounts Committee to conduct oversight. During the perusal of the report errors, omissions and inaccurate information were observed by the committee, which becomes a great concern as the report is shared with the external stakeholders and the community at large, and this anomaly is recurring.

3. Annual Report Processes by the Municipal Public Accounts Committee

- a) The Municipal Public Accounts Committee held a meeting with the Auditor-General's representative who presented the AG's 2022/2023 report on the 17 February 2025.
- b) The Municipal Public Accounts Committee further conducted the working session on the 2023/2024 Draft Annual Report on the 17,18 and 19th February 2025 to peruse and formulate the questions on the report.
- c) On the 25 & 27th February 2025 the committee embarked on a project site visit to confirm the status of the projects.
- d) The Committee held a meeting on the 05th of March 2025 to look at the responses on the questions on the 2023/2024 Draft Annual Report.
- e) The Municipal Public Accounts Committee held a Public Hearing on the 06th of March 2025 on the 2023/24 Draft Annual Report. The Public Hearing was held at Mphome Church Center, Evangelical Lutheran Church in Southern Africa (ELCSA) and live streamed through the Greater Tzaneen Municipal official Facebook page.
- f) The committee further held a meeting on Monday the 24th of March 2025 to discuss the oversight report and approve the resolutions to be presented in the next scheduled Council sitting of 27 March 2025.

4. Findings of the Auditor-General's report for the financial year 2023/2024 and from the Draft Annual report.

The following are some of the issues raised in the 2023/2024 Auditor-General's report, the Draft Annual report and from the responses during the engagement with the executives from the public hearing held on the 06th of March 2025.

The recurring audit finding on compliance matter:

- a) Non – adherence to the Service Level Agreement between the Greater Tzaneen Municipality and Mopani District Municipality.
- b) Electricity information for the financial year 2022/23 not populated and for 2023/24 information not included in the report, with management providing reasons that it was an oversight on their part.
- c) The childcare, aged care and social development activities for the financial year under review not reported and included in both the quarterly and annual report.
- d) Electricity distribution loss above the NERSA guidelines.
- e) The non-implementation of the Draft SMME strategy.
- f) Bids committees not sitting due to quorum.
- g) AGSA findings not fully implemented.
- h) Reported cases of infrastructure theft to the police and not speedily addressed.
- i) Still challenges in the number of public participation meetings held in some wards even though there is improvement.
- j) Only 85 out of the 140 community feedback meetings for the period under - review were conducted.
- k) Inaccurate information regarding ICT policies provided.

- l) Misuse of fuel cards.
- m) Illegal occupation of municipal land.
- n) The municipal employees outside the ministerial threshold paid overtime, to name but a few.

a) The Electrification Infrastructure Projects site visit conducted on the 25th of February 2025.

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
Project3: Electrification of 60 Households at Mandlakazi Village	INEP	01-Jul-23	30-Jun-24	25/02/2025	Physical construction completed. Awaiting energization of transformers to commence with house connections.
Project 4: Electrification of Akanani Phase 2.	INEP	01-Jul-23	30-Jun-24	25/02/2025	Physical construction completed. Awaiting energization of transformers to commence with house connections.

Project 5: Electrification of 45 Households at Rikhotso 1 Village	INEP	01-Jul-23	30-Jun-24	25/02/2025	Physical construction completed. Transformers energized. Busy with house connections and key changes.
Project 6: Electrification of 450 Households at Mugwazeni Village PH2	INEP	01-Jul-23	30-Jun-24	25/02/2025	Physical construction completed. Awaiting energization of transformers to commence with house connections.

5. Site Inspection Visit.

b) Road infrastructure Projects

The committee conducted the projects site visits on the 27 February 2025 on the following projects:

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
Rehabilitation of Haenerzburg Cemetery Road.	MDRG	17/07/2023	16/01/2024	27/02/2025	The project is complete, work done is commendable.
Construction of Schultz Low Level bridge (23/24)	MDRG	16/02/2024	31/05/2024	27/02/2025	The Low-level bridge is complete, done internally and the work done is commendable.

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
Rehabilitation of roads projects in Letsitele 23/24	MDRG	22/09/2023	18/06/2024	27/02/2025	The rehabilitation of the Main CBD Street in Letsitele, is complete. The work done is commendable.
Upgrading of Marirone to Motupa Access Road	MIG	2023/06/06	2025/01/31	27/02/2025	The project is on practical completion. The Contractor is attending to the snag list. The road is situated in a residential area, where cars posing danger to children as it doesn't

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					have speedhumps to control speeding vehicles
Upgrading of Thapane street from gravel to Paving	MIG	2024/10/07	2025/09/08	27/02/2025	The construction of the road is progressing rather slowly. At the time of the visit the contractor was on site. The committee will arrange another visit to check progress.

RECOMMENDATIONS

1. Having fully considered the 2023/2024 Draft Annual Report, the Municipal Public Accounts Committee recommends that Council adopt the report with reservations as follows:
 - a) That the 2023/2024 Draft Annual Report be revised, and errors, omissions and mistakes be corrected before being published on the municipal website and submitted to the provincial departments.
 - b) That all the omission on the youth and elderly information that was not included in the report be included, to ensure that the Final Annual report is accurate of all the activities for the financial year under review.
 - c) That the Accounting Officer must monitor the implementation of the audit action plan to avoid the recurrence of audit findings.
 - d) That all departments ensure that the planned Key Performance indicators are achieved, and deviations be provided with concrete reasons.
 - e) That the Service Level Agreement between Greater Tzaneen Municipality and Mopani District Municipality be addressed to avoid the GTM incurring irregular expenditures related to the municipality water related expenditures.
 - f) That the municipality ensures that electrical losses are kept in line with NERSA guidelines.

- g) That the Accounting Officer must monitor the functionality of the bid committees.
- h) That the Accounting Officer must table a report to Council on the progress of the theft cases, reported to the South African Police Services.
- i) That the Speaker of Council must monitor the implementation of the quarterly feedback meetings, public participation and report to Council on the challenges and interventions made if any.
- j) That the Accounting officer must monitor closely the misuse of the fuel cards, by those entrusted with them, and where misuse is detected, municipal funds be recovered from the culprit and consequence management must be applied.
- k) That the management must develop a strategy to reduce overtime and present a draft in the next normal Council meeting.
- l) That the Accounting officer submits a report on the illegally occupied municipal land, ERF 2914 Lenyenye Ext A, Bornfire Street, valued at R80 000.00 in the next scheduled normal Council meeting, detailing the reasons for the council property being utilized by a private organization.
- m) That the report details the steps taken by the municipality to prevent the illegal occupation.
- n) That Council be taken into confidence through a report on all the unoccupied municipal land, properties and measures in place for monitoring.

- o) That the Accounting officer considers the inclusion of the speedhumps on the Marirone to Motupa Access Road to ensure the safety of the community.

FOR CONSIDERATION

