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Tropical Paradise

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**A59 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON  
THE 2024/2025 DRAFT ANNUAL REPORT.**

(2026 03 26)

(12/2/3/1/1)

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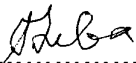
**RESOLVED**

1. Having fully considered the 2024/2025 Draft Annual Report, the Municipal Public Accounts Committee recommends that Council adopt the report with reservations as follows:
  - a) That all illegal sand mining activities are reported to the LEDET as the authority, and the municipality must ensure that there is awareness conducted on the legal and safe mining of sand.
  - b) That the Annual Financial Statements be prepared quarterly to ensure proper review.
  - c) That management must avoid over reliance in consultancy in the preparation of the Annual Financial statements.
  - d) That the outstanding R 77 372 related to the overpayment of Vaxumi projects be recovered immediately.

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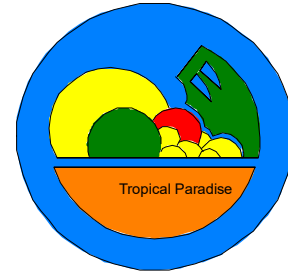
- e) That monies owed to the municipality by service providers must not be dependent on future invoices.
- f) That the Accounting Officer must ensure that information requested by the AGSA during audit is submitted within the required period.
- g) That anyone who fails to submit information requested by the AGSA during audit, consequence management must apply.
- h) That the management must apply a zero-tolerance approach to any employee who fails to submit information for formal requests by either the AC, Financial Misconduct Board, MPAC, Risk Management, Internal Audit or any other official investigation conducted on behalf of the municipality.
- i) That the Accounting Officer must open a case with SAPS, to investigate the matter of transferring the municipal land without a Council resolution and a case number be presented in the next Council meeting.
- j) That the Accounting officer must ensure that the land audit is conducted and the outcome be presented in the next Council meeting.
- k) That management must ensure that the Municipal Staff Regulation 35 (1) is adhered to by all.
- l) That the municipality must not enter into cession agreements with suppliers on behalf of service providers that do not have sufficient funds.
- m) That the Accounting Officer must monitor the payments of certificates for the work done.

- n) That the Accounting Officer must provide a detailed report on the status of the termination of the service provider together with the engineer on the Petanenge pedestrian bridge.
- o) That proper monitoring be done on the re-construction of the Tlhabine Pedestrian bridge.
- p) That Council appoints an external investigator or the Special Investigating Unit (SIU) to deal with the land matter.
- q) That the employee responsible for the illegal transferring of land be removed from the function.

**Signed by the Speaker**   
**Councillor MS Tiba**.....



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**(2026 03 26)**

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**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 2024/2025 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 2024/2025 Draft Annual Report was noted by Council on the 29<sup>th</sup> of January 2026 and referred to the Municipal Public Accounts Committee to conduct oversight. The referred 2024/25 draft annual report compared to the 2023/24 draft report was edited and had lesser errors and omissions which indicates that a lot of effort went into it and that is commendable.

### **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 2024/2025 report on the 16 February 2026.
- b) The Municipal Public Accounts Committee further conducted the working session on the 2024/2025 Draft Annual Report on the 16,17 and 18th February 2026 to peruse and formulate the questions on the report.
- c) On the 02<sup>nd</sup> to the 04<sup>th</sup> March 2026 the committee embarked on a project site visit to confirm the status of the projects as follows:
  - 02<sup>nd</sup> March 2026, Electrification projects
  - 03<sup>rd</sup> March 2026, Roads and Storm water Disaster projects
  - 04<sup>th</sup> March 2026, Project Management Unit road infrastructure projects.
- d) The Committee held a meeting on the 11<sup>th</sup> of March 2026 to go through the responses on the questions on the 2024/2025 Draft Annual Report in preparation of the MPAC public hearing that was scheduled for the 12<sup>th</sup> March 2026.
- e) The Municipal Public Accounts Committee held a Public Hearing on the 12<sup>th</sup> of March 2026 on the 2024/2025 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 Friday the 20<sup>th</sup> of March 2026 to discuss the oversight report and approve the resolutions to be presented in the next scheduled Council sitting of 26<sup>th</sup> March 2026.

#### **4. Findings of the Auditor-General's report for the financial year 2024/2025 and from the Draft Annual report.**

The following are some of the issues raised in the 2024/2025 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 12<sup>th</sup> of March 2026.

#### **The audit findings in the Auditor General South Africa's report and areas of concern in the 2024/25 Draft Annual Report :**

- a) Over payment of expenditure more than the contract amount to Vaxumi Projects .
- b) Non submission of the requested supporting documents to the AGSA on the fleet management,
- c) Irregular appointment of service providers SCMU 23/2024.
- d) Transfer of property to Dewcon Project Development CC without council resolution.
- e) The municipality not conducting land and property audit for the past seven (7) financial years, which the last one was conducted in the year 2019.
- f) Municipal staff regulation 35 (1) not adhered to, as performance agreements were not signed as required by the regulation.
- g) Reliance on consultants which contributes to the increase in consultants costs.

- h) Decline in performance by 25% in the Spatial Rationale Key Performance Area.
- i) Delay in the Township Establishments due to comments by LEDET.
- j) Delay in finalizing the Topanama Access Road on the 100m Asphalt for intersection connection, due to the contractor not having sufficient funds to complete the project.
- k) Petanenge Pedestrian Crossing Bridge and Tlhabine Pedestrian Bridge challenges not speedily resolved
- l) Delays in the implementation of Runnymede Sport Facility Phase 2 project due to land negotiations with the tribal authority.
- m) Installation of smoke detectors in municipal buildings which is dependent on the outcome of the building compliance assessment currently underway in the municipality.
- n) Community feedback meetings still not being conducted by all wards.

a) The Electrification Infrastructure Projects site visit conducted on the 02<sup>nd</sup> of March 2026.

Project Nr	PROJECT / INITIATIVE	Source	START DATE	END DATE	Physical Progress in %	Financial progress in %	Project visited date	Observation of the project by MPAC
	Mandlakazi	INEP	15/11/2024	10/05/2025	100%	100%	02 March 2026	The project at the time of the visit was completed, 100 households energised, PS files uploaded and the community is able to buy electricity.
1	Electrification of Burgersdorp (Colbits) PH2	INEP	01-Jul-25	30-Jun-26	95%	87%	02 March 2026	240 units was completed not yet energised, PS files not yet uploaded and

								awaiting outage approval.
	Bulk infrastructure Makhutswe to Burgersdorp	INEP						The bulk infrastructure was stolen twice. The contractor paid all the costs of the theft. The contract was done by the end of June 2025, but due to the theft the contractor had to restart.
2	Electrification of Rwanda PH 2	INEP	01-Jul-25	30-Jun-26	95%	59%	02 March 2026	awaiting outage approval

3	Electrification of Mavele PH6	INEP	01-Jul-25	30-Jun-26	96%	70%	02 February 2026	completed not yet energised, PS files not yet uploaded and awaiting outage approval.
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**Site Inspection Visit.**

**a) Road infrastructure Projects on the 03<sup>rd</sup> March 2026.**

The committee conducted the projects site visits on the 03<sup>rd</sup> and 04<sup>th</sup> March 2026 on the following projects:

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
Tlhabine Pedestrian Bridge	Municipal Disaster Recovery Grant	17 Nov 2024	16 Jul 2025.	04 <sup>th</sup> March 2026	The project was visited on the 14 <sup>th</sup> October 2025 where the committee observed challenges such as the Structural Steel erected are skewed and four pillars supporting the structure have cracks

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					<p>that were filled with grout on the bridge. At the time the project was reported to be on 87% Physical and financial expenditure progress at 71,9%. The committee during the Council meeting of the 30<sup>th</sup> October 2025, resolution A28 recommended that the steel structure be removed, the cracked</p>

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					pillars be demolished and restarted as the integrity of the structure was compromised. During the quarterly visit of the project on the 03 <sup>rd</sup> March 2026, the bridge was demolished, and reconstruction of the bridge was underway at the cost of the service provider. The

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					challenges reported was the delay due to rain.
Petanenge Pedestrian Crossing Bridge	Municipal Disaster Recovery Grant	17 Nov 2024	30 Apr 2025	04 <sup>th</sup> March 2026	The committee conducted last conducted the project site visit on the 14 <sup>th</sup> of October 2025 where it was reported that a sub – contractor was appointed to assist the project to move. On the 03 <sup>rd</sup> March 2026 the committee conduct

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					<p>its quarterly visit after the heavy rains that were experienced in the region, which saw the bridge submerged in the middle of the river, as the engineer explained that the designs were meeting the standard, but unfortunately climate change experienced 1 in 100 chances of heavy rains while the</p>

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					<p>designs were that of 1 in 50. Unfortunately with the disaster experienced on the project and the sub – contractor appointed to assist the project move having pulled out due to other commitments the project is now facing different kinds of challenges ranging from the contractor</p>

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					<p>who is not honouring his contract obligation, the engineers who are also not assisting the process and now the disaster that has befallen the project and submerged the crossing bridge in the middle of the river/stream. Council resolved during the council meeting held on the 30<sup>th</sup> October</p>

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					2025, resolution A2 that the contract be terminated.
Rehabilitation Of Ntshunxeko, Mtwanano, Khamimambo, Basani & Chivikani Streets in Nkowankowa		23 Feb 2026	22 Jun 2026.	03 March 2026	The project was progressing well and was way ahead of time. Rain was the only challenge that slowed down the pace.
Pulaneng School Road	Municipal Disaster Recovery Grant	22/05/2025		03 March 2026	The project is for the building of the culvert bridge and the re-gravelling of the 2km road. The committee

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					<p>visited the project on the 03 March and the already completed work done was reported to be on 95% physical progress and 90% financial expenditure. The work done was satisfactorily considering the heavy rains. The challenges exposed by the rain is that of the project being in an urgent</p>

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					need of V-drains as rain runs in the road and water is not channelled into the nearest tributaries.
Re-Sizing of Mopye Culvert Bridge		26 May 2025	17 Apr 2026.	03 March 2026	The project is on Physical Progress of 95% and Financial Status of 90%. The concerns raised was about slow respond from the contractor when concerns raised. The rain is affecting

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
					the progress of the contract and extension is requested but not yet approved by the time of the visit.

**b) Project Management Unit projects 04 March 2026.**

Project name	Source of funds	Project start date	Project completion date	Project visited date	Observation of the project by MPAC
Jopie Sports Ground	MIG	17/10/2025	17/05/2026	04/03/2026	There is a dispute where a community member fenced off a portion of the area where the municipality is building the sports ground and is supposed to develop the area as part of the sports ground. The matter is being attended to by the tribal authority and it was indicated that the matter will be resolved within 2

					weeks by the time of the project site visit.
Upgrading of Nkowakowa Section B Streets from Gravel to Paving	MIG	25/11/2026	23/10/2026	04/03/2026	The project is at 19% physical progress and 20% financial expenditure. The challenges are the underground water which is reported to be attended to as the project progress. The other challenges were that of labourers, Project steering committee and the ward councillor which on the day of the

					project they committed to engage and find solutions to the challenges being encountered.
Upgrading of Nkowakowa Section D Streets from Gravel to Paving	MIG	25/11/2026	23/10/2026	04/03/2026	The project is intertwined with that of Nowankowa section B. Not many challenges were reported other than that of the delay due to rain.
Upgrading of Lenyenye Streets from Gravel to Paving.(3.4km)	MIG	20/01/2025	20/11/2025	04/03/2026	There was an indication of the delay due to rain. The project is on 85% physical

					progress and 79% financial expenditure.
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## **RECOMMENDATIONS**

1. Having fully considered the 2024/2025 Draft Annual Report, the Municipal Public Accounts Committee recommends that Council adopt the report with reservations as follows:
  - a) That all illegal sand mining activities are reported to the LEDET as the authority, and the municipality must ensure that there is awareness conducted on the legal and safe mining of sand.
  - b) That the Annual Financial Statements be prepared quarterly to ensure proper review.
  - c) That management must avoid over reliance in consultancy in the preparation of the Annual Financial Years.
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- i) That the Accounting officer must open a case with the SAPS, to investigate the matter of transferring of the municipal land without council resolution.
- j) That the Accounting officer must ensure that the land audit is conducted and the outcome be presented in the next Council meeting.
- k) That management must ensure that the Municipal Staff Regulation 35 (1) is adhered to by all.
- l) That the municipality must not enter into session agreements with suppliers on behalf of service providers that do not have sufficient funds.
- m) That the Accounting Officer must monitor the payments of certificates for the work done.
- n) That the Accounting Officer must provide a detailed report on the status of the termination of the service provider together with the engineer on the Petanenge pedestrian bridge.
- o) That proper monitoring be done on the re - construction of the Tlhabine Pedestrian bridge.

**FOR CONSIDERATION**

