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**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC)**

**OVERSIGHT REPORT ON THE 2022/2023 ANNUAL REPORT OF THE COLLINS CHABANE LOCAL
MUNICIPALITY**



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1. FOREWORD BY THE CHAIRPERSON OF MPAC

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism in which Council would fulfil its oversight responsibilities. MPAC's primary role is to consider the Annual Report, receive input from the various role players and prepare a draft Oversight Report for consideration by Council.

In the light of this responsibility, 09th Ordinary Council on 30th January 2024, tabled the 2022/23 Draft Annual Report of the Collins Chabane Local Municipality for consideration. Council subsequently referred the 2022/23 Annual Report to the MPAC for interrogation so that an Oversight Report could be developed. MPAC in fulfilling its responsibility assigned to it by Council, held its meetings on the following dates:

- 08 February 2024
- 12 February 2024
- 13 February 2024
- 14 February 2024
- 19 February 2024
- 20 February 2024



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- 21 February 2024
- 22 February 2024
- 23 February 2024
- 11 March 2024
- 13 March 2024
- 15 March 2024
- 18 March 2024
- 26 March 2024
- 27 March 2024

During these meetings the Annual Report of Collins Chabane Local Municipality was assessed with due attentiveness by all MPAC members. The oversight process included a page by page scrutiny of the Annual Report where questions for clarity and concerns were raised.

MPAC noted both improvements in certain performance areas, as reflected in the 2022/23 Annual Report, but also unsatisfactory performance in some areas as reflected in the Oversight Report. As a result, MPAC has raised concerns and made recommendations on a number of issues that require immediate intervention.



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MPAC will furthermore ensure that recommendations developed in the 2022/23 Oversight Report are fully implemented by the municipal administration and this will be monitored through quarterly reports by MPAC. In considering the 2022/23 Annual Report, MPAC also consulted the 2021/22 Oversight Report to establish those areas that are still outstanding that could be incorporated into the 2022/23 Oversight Report. It is my belief that if Council considers these recommendations and the administration implements them fully, the CCLM should move to a better audit opinion.

Finally, I would like to extend special appreciation to the members of MPAC for their contribution, dedication and hard work in ensuring that this report was compiled and tabled in time for Council and for the administration for their administrative support in developing the Oversight Report.

CLLR MUDAU T. S

CHAIRPERSON

DATE



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2. PURPOSE

In terms of Section 129 of the Local Government: Municipal Finance Management Act, 56 of 2003 (hereafter referred to as the MFMA) and Municipal Systems Act (MSA), the Council of a Municipality is required to consider the Annual Report which is based on the annual service delivery processes and overall municipal performance. To consider the Annual Report of the Municipality and of 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 to council in terms of section 127 of the MFMA, to adopt an "Oversight Report" containing the council's comments on the Annual Report.

The purpose of this Oversight Report, compiled by Council's Municipal Public Accounts Committee (MPAC), on the 2022/23 Annual Report of the Collins Chabane Local Municipality to adhere to the legislation as mentioned in the above paragraph.

The Oversight Report is adopted after the Oversight Committee has fulfilled its tasks pertaining to:

- Undertaking a review and analysis of the Annual Report.
- Inviting, receiving and considering inputs from Councillors and Support Committees.
- Considering written comments received on the Annual Report through the public consultation process.
- Conducting Public Participation and Public Hearing to allow the local community or any organs of state to make representations on the Annual Report.



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- Receiving and Considering Council's Audit Committee's views and comments on the Annual Financial Statements and the Performance Report.
- Preparing the draft Oversight Report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organs of state, Council's Audit Committee and Councillors.

3. INTRODUCTION

The MFMA assigns specific oversight responsibilities to Council, with regard to the Annual Report and the preparation of an Oversight Report thereon.

4. BACKGROUND

The Collins Chabane Local Municipality has been guided by; Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Circulars in the process of drafting the Annual Report. In adhering to these, the Municipal Administration has submitted the Annual Report 2022/23 to the Council at the Council meeting held on 30 January 2024 for consideration. This process was followed by the preparation of the oversight report. The Collins Chabane Local Municipality Council has resolved that the Municipal Public Accounts Committee is the relevant committee within the Municipality to carry out the activities of the Oversight Committee. The Municipal Public Accounts Committee, as prescribed in the MFMA, has been holding meetings to discuss the performance of the overall municipality



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through the use of the 2022/23 Annual Report. The Committee has performed its oversight role within the MFMA specified municipal oversight completion period.

The main components of the Annual Report submitted to Council were the following:

- The annual performance report, as required in terms of Section 46 of the Municipal Systems Act (MSA).
- Annual Financial Statements submitted to the Auditor-General.
- The Auditor General's audit report on the financial statements in terms of Section 126 (3) of the MFMA.
- The Auditor-General's audit report on performance in terms of Section 45 (b) of the MSA.

One of the key responsibilities of the Municipal Public Accounts Committee in fulfilling its oversight role is to prepare the draft oversight report, considering the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

4. COLLINS CHABANE LOCAL MUNICIPALITY MPAC MEMBERS

The MFMA Circular No.32 (Municipal Finance Management Act No.56 of 2003) states that the Oversight Committee should be made up of only non-executive Councillors. It further provides that municipal officials cannot serve as members of an oversight committee. All



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meetings of the oversight committee must be open to the public and timely notice of meetings should be given to enable representations to be made.

The formation of the Oversight Committee varies from municipality to municipality. Some of the municipalities in South Africa appoint members from its Council to carry out the activities of an oversight committee. However, in the CCLM this role is referred to the Municipal Public Accounts Committee. The Collins Chabane Local Municipality's 2022/23 financial year MPAC membership is constituted as follows:

1. African National Congress (ANC) – 7 members.
2. Economic Freedom Fighters (EFF)– 2 members.
3. Democratic Alliance (DA) – 1 member.
4. African Christian Democratic Party (ACDP) – 1 member.
5. African People's Convention (APC) – 1 member.
6. Able Leadership (AL) – 1 member.

MPAC is constituted as follows:

4.1 Cllr T.S Mudau (Chairperson)

4.2 Cllr G.D Masangu



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- 4.3 Cllr E Bamuza
- 4.4 Cllr S Makhubele
- 4.5 Cllr T.M Mutele
- 4.6 Cllr K.R Chabalala
- 4.7 Cllr M.J Baloyi
- 4.8 Cllr T.M Masia
- 4.9 Cllr S.L Siweya
- 4.10 Cllr B.S Maluleke
- 4.11 Cllr K.K Mabasa
- 4.12 Cllr N.S Makondo
- 4.13 Cllr K.R Muthubi

In assessing the report, MPAC was guided by the following documents:

- a) Report from Auditor General
- b) Management Report
- c) National Treasury MFMA Circular no. 63



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- d) National Treasury MFMA Circular no. 32
- e) MPAC Guide and Toolkit Circular no. 92



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5. TIME CONSIDERATIONS

5.1 Meeting Schedule

The National Treasury's MFMA Circular No. 32 further provides for certain provisions with regard to the compilation of the Oversight report. These provisions cover the following areas:

- Managing the process and forming committees;
- Timing considerations;
- Understanding the annual report and determining conclusions.

The Annual Report 2022/23 was tabled at council meeting on 30th January 2024 and referred to the MPAC as an Oversight Committee in the Municipality. The MFMA prescribes that the oversight must be submitted to the Council on or before 31 March 2024 and be adopted by 31 March of the same year.

The meeting schedule of the Municipal Public Accounts Committee from 08 February 2024 to 27 March 2024 is outlined below:

DATE, VENUE AND ACTIVITY

DATE	VENUE	ACTIVITY
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08 February 2024	Information Centre	MPAC to review the AWP (Annual Work Plan), preparations of Annual Report assessment and projects visit programme.
12 February 2024	Ward 32, 31, 28 and 29	Projects site visit of Josefa ring road, Botsoleni ring road, Magomani ring road and Nghezimani ring road.
13 February 2024	Ward 22, 23, 18 and 15	Projects site visit of Municipal offices (new building), business park streets, Malamulele section D internal streets, Phaphazela ring road and Xihosani ring road.
14 February 2024	Ward 11,8,5 and 1	Projects site visit of Davhana stadium, Ha-Masia ring road, Misevhe A,B,C and D Village, Bungeni stadium and Olifantshoek ring road.
19 – 23 February 2024	Tzaneen Country Lodge	MPAC retreat to analyse the 2022/23 Annual Report, representatives from the office of the Auditor General, Municipality's Internal Audit and Supply Chain Management attended the



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		retreat to provide guidance on the scrutinisation of the Annual report.
11 March 2024	Civic Centre Council Chamber	Submission of formulated questions to the Management on 2022/23 Annual Report, preparations of Public Participation on 2022/23 Annual Report.
13 March 2024	Vuwani Town Hall	Public Participation on 2022/23 Annual Report meeting with stakeholders.
15 March 2024	Njhakanjhaka Community Hall	Considered responses from the Executive Arm on 2022/23 Annual Report, formulate follow-up questions, preparations for Public Hearing on 2022/23 Annual Report.
15 March 2024	Ward 5	Project site visit to Bungeni borehole
18 March 2024	Malamulele Town Hall	Meeting with the Executive Arm to discuss their responses to the questions and follow-up questions to the 2022/23 Annual report in Public.



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26 March 2024	Virtual	Final preparation of Oversight on 2022/23 Annual Report
27 March 2024	Virtual	Tabling of MPAC's Oversight Report on 2022/23 Annual Report to Council

7. LEGAL FRAMEWORK

The preparation of this oversight report is in accordance with Section 129 (1) of the Municipal Financial Management Act (2003), which stipulates that a municipal Council must consider the Annual Report and refer the Annual Report to an Oversight Committee, and that the Oversight Committee must prepare an Oversight Report containing comments and recommendations. The Council must at the adoption stage of the Oversight report state as to whether it (the Council) has approved the Annual Report with or without reservations; has rejected the Annual Report; or has referred the Annual Report back for revision of those components that can be revised.

The establishment of the Oversight Committee is therefore important for the Council to carry out functions of the Annual Report oversight or overview. The Collins Chabane Local Municipality Council has in this case referred or delegated its authority to carry out its oversight functions to the Municipal Public Accounts Committee. The establishment of the MPAC was undertaken in terms of Section 79 of the Municipal Structures Act, which allows for the co-option of advisory members to a committee of Council, who are not members of the Council.



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Circular No. 32 of the Municipal Finance Management Act, Act 56 of 2003 recommends that councils should consider the establishment of an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act 1998. The Circular states that this committee and, if needed, sub-committees, could be responsible for the detailed analysis and review of the Annual Report and then drafting an Oversight Report that may be taken to full Council for discussion. Such committee, according to this Circular, may receive and review representations made by the public and also seek inputs from other Councillors and Council Portfolio Committees.

7. PUBLIC PARTICIPATION AND HEARING IN OVERSIGHT PROCESS

Section 130 of the MFMA stipulates that public participation must be a central element of all processes relating to an Annual Report. In so doing, the aforementioned Section instructs that the meetings of a municipal council or committee established by Council at which an Annual Report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- Invite written submissions from the local community or organs of state on the Annual Report.
- Make public all meetings at which the Annual Report will be discussed.
- Representatives of the Auditor-General are entitled to attend and to speak at any meeting that deals with the Annual Report.



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- Engage in a process of public participation on the Annual Report.

In this regard, the Municipality undertook the following initiatives to promote public participation in the oversight process:

MECHANISM TO PROMOTE PUBLIC PARTICIPATION AND PUBLIC HEARING	STATUS	COMMENTS
Invitation to public to submit comments on the Annual Report	Done : Invitations and Annual report documents were sent to different stakeholders on the 8 th of March 2024.	The municipality conducted a Public Participation on the 13 th of March 2024, and a Public Hearing on the 18 th of March 2024.
Make public all meetings of Council's oversight committee that will consider the Annual Report	Done: Radio and newspaper adverts were sent out on the 6 th of March 2024.	All meetings were advertised on local media platforms within the Municipality.
Representatives of the Auditor-General invited to meetings of Council that will consider Annual Report	Done: Ms Anita Mququ was present as a representative from Auditor-General. The	Auditor-General's representatives invited to the council meeting



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	council was held on the 30 th of January 2024 at Malamulele Town Hall.	convened for tabling of the Annual Report to council by the Mayor.
Assessment of 2022/23 Annual Report	Done:	The assessment took place on the 19 th – 23 rd February 2024.

8. OVERSIGHT COMMITTEE RECOMMENDATIONS

At the first meeting of MPAC held on 19th of February 2023 to consider the Annual Report, the meeting agreed that it would exercise its oversight functions in the following manner: That MPAC would attend as follows to its work in respect of the 2022/23 Annual Report and the Audit Report by the Auditor-General for the year ended 30 June 2023:

- First meeting: Annual Consolidated Financial Statements and Auditor-General’s Audit Findings.
- Second meeting: Service Delivery Performance.
- Third meeting: Management Report.
- Fourth meeting: Recapping of all chapters from 1 to 6 of the Annual Report.
- Fifth meeting: quarterly reports session.



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- Sixth meetings: meeting the public.
- Seventh meeting: Start developing Oversight Report.

The discussions and recommendations of MPAC will be presented in accordance with the areas identified above, namely:

Area 1 Auditor-General's Audit findings.

Area 2 Annual Consolidated Financial Statements.

Area 3 Performance Scorecard Reports.

9. QUESTIONS FOR CONSIDERATION BY MPAC

ANNUAL REPORT ASSESSMENT (2022-2023)

The table below reflect the audit findings and questions:

Items	Findings	Questions	Response by Management
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<p>MAYOR'S FOREWORD AND EXECUTIVE SUMMARY</p>	<p>Municipal context:</p> <p>Page 15 of the annual report reflects a population of approximate 347,974 Municipal inhabitants while in page 17 the graph reflects 443,798.</p>	<p>What is the correct number of the population size?</p>	<p>The total population is 443 798 and Stats SA handed over Census 2022 results on 10 October 2023</p> <p>Population count of 347,974 was not completely accurate or exact at the beginning of the financial year taken from 2011 results</p>
<p>POLITICAL AND ADMINISTRATIVE GOVERNANCE</p>	<p>The Municipal council:</p> <p>Page 26 of the annual report reflects that 179 resolutions were taken of which 178 were implemented and 1 deferred.</p>	<p>• What was the deferred resolution?</p> <p>FU : Why was it deferred?</p>	<p>The deferred resolution was from Planning and Development on construction of private hospital</p> <p>The item was deferred due to the delay in approval of the rates, the client requested the Municipality to wave the rates from the normal ones to the affordable ones that will afford him to buy the number of hectors that he</p>



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			requires, so that led the Municipality to defer the Item.
	<p>Councillors:</p> <p>Page 27 of the annual report reflects a number of 73 councillors while the report says the municipal council comprises of 71 councillors.</p>	<ul style="list-style-type: none"> • What brings the total number if councillors to 73? • Are the additional 2 councillors in the Municipality's payroll? 	<p>Typo error and Draft Annual Report corrected. Collins Chabane Local Municipality consists of 71 Councillors (36 Ward Councillors and 35 PR Councillors)</p>
	<p>Risk management:</p> <p>Page 39 reflects that risk and compliance has been advertised to be filled on the 01 July 2022.</p>	<ul style="list-style-type: none"> • Was the advertised post filled? • Was the position of risk management committee chairperson advertised? 	<p>The Collins Chabane Local Municipality has a fully functional Risk Management unit managed by Chief Risk Officer. The municipality has a Risk Management Committee chaired by The Independent person and the Committee was functional for the whole 2022/2023 financial year.</p>



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	<p>Supply chain management:</p> <p>Page 41 reflects that the Municipality annually holds an emerging contractors/suppliers workshop with the aim of assisting local and emerging companies to successfully participate in the Municipality's SCM systems.</p>	<ul style="list-style-type: none"> ● Can MPAC get evidence to support the statement? ● Can MPAC be invited to such workshops in the future? 	<ul style="list-style-type: none"> ● Yes, the evidence will be submitted to MPAC ● MPAC will be invited
	<p>By-laws</p> <p>Page 42 of the annual report reflects that the Municipality has developed, adopted and promulgated various municipal by-laws.</p>	<ul style="list-style-type: none"> ● How many by-laws do we have and what are those? ● Are the by-laws being enforced? 	<p>The Municipality having a total number of 12 by-laws.</p> <p>Community Services department by-laws:</p> <ol style="list-style-type: none"> 1.Waste Management by-law 2. Paupers by-law 3. Cemetery by-law <p>Planning and Development by-laws</p> <ol style="list-style-type: none"> 1.Spaza Shops By-law



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			<p>2.SPLUMA by-law 3. Street Trading by-law 4.Transportation by-law 5. Advertising by-law 6.Car Wash by-law 7. Hardware storage of goods by-law 8. Noise Control by-la 9.Places of Public Worship by-law</p> <p>By-laws not fully implemented due to shortage of by-law enforcers, The Municipality trained 16 Traffic Inters and after finalization of internal processes some will be converted into by-laws enforcers and they will be fully implemented</p> <p>From the 1st of July 2024</p>
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		FU : When will they be fully implemented ?	
	<p>1. Website:</p> <p>Page 43 of the annual report reflects the website:</p> <p>www.CollinsChabaneLocal.gov.za</p> <p>The MPAC committee have found that this website is incorrect.</p>	<ul style="list-style-type: none"> Why is the Municipality misleading the community by providing the wrong website? 	<p>Typo error and corrected , the correct website is www.lim345.gov.za</p>
SERVICE DELIVERY PRFORMANCE	<p>Electricity</p> <p>Page 45 of the annual report reflects that due to rapid population growth and demarcation of new settlements, electrification of households is still in demand.</p>	<ul style="list-style-type: none"> How far is the Municipality with the process of addressing the electrification backlogs? Please give details of the progress. 	<p>INEP and Eskom responsible for electrification of households</p> <p>Progress</p> <p>2023/2024 we electrified(200) household in Xithlelani and(400) household in Mahlohlwani</p> <p>Plan 2024/2025</p>



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		<p>FU : Is there a possibility of the Municipality having its own licence in order to distribute electricity?</p>	<p>1.Electrification 419 households at Nthlaveni Block C (200) Phungwani (60) Hlungwani (40) Hasani Dakari (79) and Nyavani (40)</p> <p>2. Design and Electrification of (200) household in Vyeboom ,150)(in Ximixonj,100) in Nkovani</p> <p>3.Pre-engineering Balanganani, Nwamhandzi, Dinga, Sereni</p> <p>The Municipality is going to have its own licence, last week we had a meeting with a company that will help us to make it quicker following all the processes.</p>
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		<p>FU 2 – Can you please estimate by when is the Municipality going to have its own licence?</p>	<p>As soon as all processes that need to be followed are complete.</p>
	<p>Waste management</p> <p>Page 46 of the annual report reflects that waste management include refuse collections, waste disposal, street cleaning and recycling.</p>	<ul style="list-style-type: none"> • How many skip bins that are generating revenue in our municipality? • Are all wards covered, If not what are the plans? 	<p>24 Skip bins are placed within businesses and generating revenue. However, there those placed in some villages of a particular wards at central places</p> <p>Not all wards are covered, the municipality is having plans to purchase more skip bins during the next financial year</p>
	<p>Housing</p> <p>Page 46 of the annual report reflects service target of 700 units to be built for approved</p>	<ul style="list-style-type: none"> • Which wards have benefitted ? 	<p>The Municipality not responsible for construction of RDP houses the responsibilities lies with COGHSTA and the role of the Municipality is to coordinate.</p>



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	<p>beneficiaries, but only 230 were built</p>	<ul style="list-style-type: none"> ● Why did the Municipality fail to meet the target? 	<p>Due to budget cuts by Treasury, allocated RDP houses were not built as planned but only 230 of the 700 planned were constructed</p>
	<p>Roads</p> <p>Page 47 of the annual report shows a number of ring roads and internal streets projects implemented by CCLM for the year under review.</p>	<ul style="list-style-type: none"> ● Is the Municipality doing proper monitoring during the construction of roads? 	<p>Yes, the municipality conducting continuous monitoring during construction processes.</p> <ul style="list-style-type: none"> ● There are consultants and Contractors meeting on monthly basis to monitor progress. ● There are site meetings and site inspection on monthly basis. ● There are technical meetings for poor performing contractors to get the best out of them. Formation of project steering committee



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		<ul style="list-style-type: none">• What are the precautions that are followed when constructing a ring road?	<ul style="list-style-type: none">• Appointed CLO who serves as mediator between the contractor and the community.• The Municipality appointed competed personnel.• Implementation and construction of the road according to specification.• Quality control on test results of the material and road levels
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	<p>Local economic development</p> <p>Page 50 of the annual report shows that there were two local economic development projects being implemented by CCLM for 2022/23 financial year, cooperative support where 10 equipments purchased to support 10 cooperatives.</p>	<p>What are the 10 cooperatives supported by the Municipality and which equipments were they provided with?</p>	<p>The Municipality supported the following cooperatives: The following cooperative were supported</p> <p>1. Rixile Community Primary Co-Operative ward 12</p> <ul style="list-style-type: none"> ● Aries 12007 1.9 L/H 500mroll X 8 ● Saddle Comb 16mm X 100 ● Pipe CL3LD 40mm X 100M ● NY Insert elbow 40mm X 4 ● NY Insert Plug 40mm X 4 ● Clamp Pipe 25X51mm X20 ● Valve Ball PVC Thread 40mm X 4 ● NY Insert ML Fitting 40mm X 10 ● EVFert SAS2:3:4,30- 50kgX1 ● EVFert SAS2:3:4,30- 50kgX1
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			<ul style="list-style-type: none">● Garden Tech Sprayer ressure 5L X 1● Sakata-Gabbage drumhead 100gx1● Starke Ayres seed beetroot x 5● Gloves PVC Rough finish brown x10● AECI Cungfu 1L X 1● Kyroon Cyper-Thrin200 x 1L X 1● EFEKTO Malasol 500ML X 2● Gardentech Sprayer 5L X 1● Mayford seed Vegetable Packet assort x 2 <p>2. Vision Family Farming ward 16</p> <ul style="list-style-type: none">● Jojo tank 5250 l X 1● Speroni cam 100 with euro press X1
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			<ul style="list-style-type: none"> ● Linlight12mm.6mm2L/H.3m500X4 ● Pipe CL3LD 40mmx100Mad X 1 ● Saddle comb S+NUT12x16mm X200 ● Lasher Spade black 500X 2 ● Lasher fork 4prong steel blackX2 ● Lasher rake steel H/duty16teethX2 ● Lasherhand fork long poly HDLX4 ● Lasher hand transplant long poly HDL X4 ● Kaufmann knapsack sprayer 16L T X2 ● Fal Wheelbarrow CONC RETE 14X3 S/R wheel X 2 ● STARKE AYRES SKORSIE WALTHAM 1kg X10
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			<p>3. Mabongani Poultry & Veggies ward 34</p> <ul style="list-style-type: none">• Lin light 12mm.6.2L/H.3M500 X4• Pipe cl3ld 25mmx100Mad X4• Saddle comb S+NUT12.16MM X250• S wenkem metamidifos 5L X 2• S wenkem Methomex 1kg X 2• EV fert SAS kan 28%/N01 50KG X2• NY insert plug 25mm X 20• NY insert elbow 25mmx25mm X 20• EV kns ekor 2.3.4(30)zn/T X3• NY insert coupling 2.5mm X 20
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			<p>QP alpine layer 60m EAL 50KG X 6</p> <p>4. African Togetherness Multi Trading Development Primary Co Operative Limited ward 12</p> <ul style="list-style-type: none"> ● Jojo Tank 5250L X 1 ● Lin light 12mm.6mm 2L/H 3M 500 X 4 ● Pipe CL3LD 40MM x 100M x 2 ● Pipe CL3LD32mm x 100m x 2 ● Saddle Comb S+ NUT 12X16MM X300 ● Lasher pick head Fla T/SHARP 3.1KG X4 ● Lasher handle pick poly X 4 ● Lasher hoe head RAIS ED EYE 700G X 2
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			<ul style="list-style-type: none"> ● Hoe handle Agrade 50x1160mm 1.1kg X2 ● Valve ball PVC THRED ED 40MM X1 ● NY insert ML Fitting 40mm X 2 ● S& B pipe thread tape 19mmx30mx01.mm X1 <p>Clamp pipe 25x51 mmAG24 X 2</p> <p>5. Mashbrend Multi-Purpose Primary Cooperative Ltd. Ward 30</p> <ul style="list-style-type: none"> ● C-B1F-1Kg Bucket Frosted X 100 ● C-B1F-2Kg Bucket Frosted X 100 ● C-B1F-5Kg Bucket Frosted X 50 ● C-1IJ-1L Jerry Can X 50 ● C-2IJ-2L Jerry Can X 50 ● C-5IJ-5L Jerry Can X 50 ● Con-DD-Dish Dulex X 2
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			<ul style="list-style-type: none"> ● Con-PG Pine Gel X 2 ● Con-FP Floor polish Con 10kg x10 ● F-LA Lavender 1L X 1 <p>F-PP Pot-Pouri 1L X 1</p> <p>6. Divhuseni Sewing Multi Purpose ward 7</p> <ul style="list-style-type: none"> ● Rammie x 100m ● Dutches x 100m ● Venda Print x 70m <p>L.Cotton x 200m</p> <p>7. Mahlari Multi-Purpose Cooperative ward 22</p> <ul style="list-style-type: none"> ● Lin light 16mm.x16mm2L/H.3M 500M X11
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			<p>Pipe CL3LD 50mmx50M AD X1</p> <p>8. Kondos Agricultural Primary Cooperative ward 22</p> <p>Laying Mash x 57</p> <p>9. Thama Multi Purpose Primary Cooperative ward 14</p> <ul style="list-style-type: none">• Stays 2.4mx32mm silver X6• Kapa 6.0m 38x114 X13• Corner post plain 2.4m light X 6• Zink corogated 0.22mmx6.0m X14• Corner post 2.0mmx101mmx2.4m X 8
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			<ul style="list-style-type: none"> ● GATE 0.900X1.8PLAIN X1 ● Mamba 42.5R cement 50kg bag X 14 ● WELD MESH 1.8Mx50x50 30 HEN X 9 ● GATE 1.8 MX3.6M PLAIN X1 ● BALELO 6.0M 50X76FG X16 <p>10. Tshikamisava Primary Agricultural Co-Operative Limited ward 34</p> <ul style="list-style-type: none"> ● Wheelbarrow concrete Falcon Lasher X 4 ● Spade digging Lasher X 2 ● Handle Hoe Poly Lasher X 8 ● Hoe 1100G X 8
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			<ul style="list-style-type: none"> ● Slasher Grass Poly Handler Lasher ● Safety boots black size 11 X 1 ● Safety boots black size 08 X 2 ● Safety boots black size 06 X 1 ● Overall Royal Blue 2PC 44 X 3 ● Water Tank JOJO 5250LX1 ● Overall Royal Blue 2PC 42 X 1
	<p>Community and social services</p> <p>Page 50 of the annual report reflects:, the municipality play a coordinating role on libraries that belongs to provincial government</p>	<ul style="list-style-type: none"> ● How many libraries do we have in the Municipality and where are they situated? 	<ul style="list-style-type: none"> ● 2 x Libraries' at Saselamani and another at Mulamula still to be opened ● 4 x medullar at Makahlule, Tshikonelo. Matsakali, and Oliphanthoek



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	under the dept.of Sport, Arts and culture	<ul style="list-style-type: none"> • Are the libraries accessible to community members? 	<ul style="list-style-type: none"> • Yes, they are being accessed
	<p>Licensing</p> <p>Page 52 of the annual report reflects that the municipality is performing the function of licencing and registration services</p>	<p>Does the municipality have future plans of building other traffic stations?</p>	<p>Yes, the Municipality having plans to construct Traffic Stations at Hlanganani and Saselemani and the designs for Hlanganani is completed.</p> <p>At Saselemani the Planning and Development departmne will be allocating the site for construction of the station and the process will commence</p>
	<p>Sport and recreation</p> <p>Page 53 of the annual report reflect: Collins Chabane has one big stadium which qualify to host big events even on Saturdays and Sundays</p>	<p>Is the municipality generating revenue from hosting the events?</p>	<p>Yes, the Municipality generating revenue with facilities including the stadium</p>



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	<p>Parks and cemeteries</p> <p>Page 53 of the annual report reflects service statistics for graves</p>	<p>How much have the Municipality generated from selling the graves?</p>	<p>For 2022/23 financial year the Municipality generated revenue amounting to R101 000.</p>
	<p>Information and communication technology service</p> <p>Page 54 of the annual report reflects: the ICT is in a process to upgrade the network to cater for more users to connect simultaneously</p>	<p>How far is the Municipality with the process of upgrading the ICT?</p>	<p>Upgrading of ICT network is a continuous process and currently at advanced stage and after completion of new office building there will still be upgrading of ICT network.</p>



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	<p>Legal services</p> <p>Page 55 of the annual report reflects service statics legal matters and progress made by 30 June 2023</p>	<p>Why is there no progress on the cases that are pending?</p>	<p>Legal matters depends on availability of court dates, and other matters depending on their nature postponed.</p>
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<p>ORGANISATIONAL PERFORMANCE</p>	<p>Road construction</p> <p>Page 69 no.44 shows target not achieved for the 7, 26 km ring road at Xihosana because the contractor withdrawn due to underquoting and a new tender was advertised.</p>	<ul style="list-style-type: none"> • Do we have qualified engineers to survey the road before construction work commences? • How is the Municipality going to pay the unbudgeted new tender? 	<p>Yes, the municipality is having qualified engineers and roads are surveyed before construction. With Xihosana ring road the contractor under-quoted and after realizing, she withdrew her services.</p> <ul style="list-style-type: none"> • There is no unbudgeted tender, after the contractor has withdrawn the municipality re-advertised and a new
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		<ul style="list-style-type: none">• What is it that the Municipality is doing to address the issue of variation orders?• Is the municipality not incurring the irregular expenditure when it comes to advertising a new tender?	<p>service provider was appointed.</p> <ul style="list-style-type: none">• Variation orders are approved before implemented and scrutinised. In addressing and preventing variation orders a thorough assessment will be done to assess the costing of the projects by service providers
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	<p>Borehole refurbishment at Bungeni</p> <p>Page 70, no 49 shows that the target was not achieved.</p>	<p>Why didn't the Municipality meet the target?</p>	<p>New Water reticulation from the borehole to stadium was not completed due to the upgrading of Bungeni Stadium project which is still under construction and as per the plans upgrading of Bungeni Stadium will be completed on the 18th September 2024 and the refurbishment of the borehole will be completely done and connected</p>
	<p>Skills development and training</p> <p>Page 92 of the annual report shows a table of total number of 5 MPAC officials trained</p>	<p>Can the Municipality give the committee names of officials under MPAC that were trained?</p> <p><i>FU : Where is the attachment?</i></p>	<p>Yes. Attached</p> <p>MPAC officials is referred to Cllrs who attended the training.</p> <p>The names will be submitted to the researcher to circulate to the committee</p>



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<p>FINANCIAL PERFORMANCE</p>	<p>Other financial matters</p> <p>Page 100 of the annual report reflects under SCM: AG reported that compliance with legislation remains an area of concern, management is advised to develop a compliance checklist that is aligned to current legislation to ensure compliance before approving any of the SCM processes and expenditure.</p>	<ul style="list-style-type: none"> ● How far is the municipality with the development of compliance checklist? ● Do we have officials to assist on this matter? 	<p>The municipality has already developed the SCM checklists to ensure that appointments of service providers and payments are made in line with legislations. Training of employees is also a continuous process. Yes.</p>



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<p>AUDITOR GENERAL</p> <p>AUDIT FINDINGS</p>	<p>Receivables from exchange/non-exchange transactions:</p> <p>Page 6 of the management report indicates that an amount of R47 053 000, relating to the sale of land on auction by an auctioneer, has been stated as a payable and a debtor recognised. However, there is no evidence that indicates that the municipality has a receivable as the sale has not been concluded and the Land has not been transferred to the buyers.</p>	<ul style="list-style-type: none"> ● How much is there? Can't it be easy for the amount that is there to be transferred to the Municipality? ● What are the processes that are taking place between planning and finance department to avoid all irregularities? ● How many sites were bought? ● How much is the Municipality going to receive from selling the sites? ● What is the Municipality planning to do with the money? ● Did you prepare a detailed report to AG explaining all the processes that took place during the sale of land? (EVIDENCE) 	<p>The anticipated amount is R47 053 000 which will be transferred upon finalization of registration</p> <p>Upon finalization of the process by planning department finance department will give report on money received.</p> <p>29 sites were bought.</p> <p>The anticipated amount is R47 053 000 which will be transferred upon finalization of registration</p> <p>The money will be utilized in line with approved budget and IDP of the Municipality</p>
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		<ul style="list-style-type: none"> ● Is it not easy for the Municipality sell the land without involving the lawyers? ● At which stage is the Municipality supposed to involve the lawyers? ● How much is the Municipality incurring and how much interests is the Municipality receiving? ● Are the lawyers billing the Municipality for keeping the money? ● What cost structures are they using? <p>MPAC request a detailed report explaining the processes</p>	<p>Yes, AGSA was provided with report.</p> <p>No</p> <p>During the transfer of sold properties</p> <p>No</p> <p>As regulated by deeds office(Registration and transfer)</p>
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	<p>Cash flow statement:</p> <p>Page 6 of the management report indicates that recalculation differences were noted on the cash flow statement.</p>	<ul style="list-style-type: none"> • How is the money flowing in and out? • Is the Municipality doing adequate reviews when it comes to cash flow? 	<p>Municipal funds flow in and out through the primary bank account.</p> <p>Yes, the review of financial information and reports is done at different levels which lead to AFS. During the process, certain figures may change.</p>
	<p>Principal Agent Arrangements:</p> <p>Page 7 of the management report indicates there is non-disclosure of a principal agent arrangements as per GRAP 109 requirements for the arrangements the municipality has entered into. e.g. Department of Transport (Collins Chabane is an agent), agreement with the auctioneer (Collins Chabane is the principal)</p>	<p>Are the review processes taking place in the percentage that we are getting from traffic fines?</p>	<p>Yes. The principal/agency relationship was not disclosed, however, the money that the municipality collects on behalf of Department of Transport was recorded and reported in the AFS.</p>



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	<p>Budget spending:</p> <p>Page 9 of the management report states that the municipality overspent on amortisation expense, impairment loss/reversal of impairment, loss on disposal of assets, finance costs, debt impairments, contracted services and general expenses.</p>	<ul style="list-style-type: none"> ● Give us the detailed information about 85 million? ● What made the Municipality to have such irregularities? 	<ul style="list-style-type: none"> ● It is the non-cash items which include depreciation and impairment of property, plant and equipment, debt impairments and fair value adjustments for investment properties, and loss on disposal of assets. ● The expenditure on the above non-cash items was above the budgeted amounts.
	<p>Financial assessment and compliance</p> <p>Page 10 of the management report states that the municipality's creditor's payment period has improved from 55.9 days to 38.3 days. Management implemented effective controls on payments of their creditors. All creditors are supposed to be paid within 30 days and the municipality is failing to comply,</p>	<p>What measures does the Municipality have in place in order to comply?</p>	<p>Weekly review of orders and requisitions in the financial system to ensure that orders are closed and payments made within the 30 days.</p>



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	<p>Revenue</p> <p><i>The Municipality is not doing well when it comes to revenue collection:</i></p> <p>Page 10 of the management report states that the average revenue collection period did not improve and remained on 365 days in the current year. The credit control policy of the municipality is not being implemented. The non-collection has negative impact on sustainable service delivery.</p>	<ul style="list-style-type: none"> ● Please provide evidence that you are implementing revenue strategies? ● What makes the Municipality not to follow the credit control policy? 	<p>We have the debt relief strategy which is being communicated to consumers through radio adverts and other forms of advertising. Consumers are given discounts for settlement of outstanding debt. Also the CFO and Revenue team attend the Debt Forum managed by Provincial Treasury and Coghsta to recover debt from Government Departments.</p>
	<p>UIF&W</p> <p>Page 11 if the management report states that reasonable steps were not taken when it comes to UIF&W</p>	<p>What is it that the municipality is doing to avoid UIF&W?</p>	<p>Training of BID Committees to eliminate irregular expenditure. Payment arrangements with Eskom for debit orders to eliminate late payments and interest.</p> <p>Training of employees on VAT and engagement with SARS and Treasury on challenges on VAT administration processes.</p>



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	<p>Material misstatements Borehole refurbishment at bungeni</p> <p>Page 14 of the management report states that the municipality reported that a borehole at Bungeni stadium was refurbished whilst that was not the case.</p>	<ul style="list-style-type: none"> ● Why is the Municipality overstating its performance? ● Is PMS also verifying if the reported matter exist? ● Was the borehole belonging to district or local municipality? 	<p>The borehole activity left was connection from the main source hence the APR was adjusted.</p> <p>PMS verifying documents submitted and physical verification was not conducted and for current financial year there will be a sampling conducted for physical verification.</p> <p>The borehole belongs to the Municipality</p>
	<p>Use of consultants</p> <p>Page 17 of the management report states that the municipality spent R29 374 827 on consultants to support the current year financial management and reporting</p>	<p>What caused the increase in the use of consultants from 13 m to 29m</p>	<p>It was caused by new contracts appointed as the previous contracts expired, inflation rate and increase on the scope of work</p>



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	<p>processes – an increase from the R13 716 420 in the previous year.</p>		
	<p>Deviations</p> <p>Page 29 of the management report shows identified deviations where the stipulated requirements for such deviations were not complied with</p>	<p>Are there measures in place to address the deviation?</p>	<p>Senior Management developed procurement checklist including deviations in December during Strategic Planning session and the Clean Audit Strategy developed</p>
	<p>Service delivery indicator not achieved</p> <p>Page 15 and 16 of the management report states that the contractor withdrew from the contract after five months of appointment stating that the amount quoted in the contract would not be sufficient to complete the project. This was as a result of the municipality not having a</p>	<p>What led to the non-compliance of CIDB grading of appointment of Xihosana project that resulted in irregular expenditure?</p>	<p>CIDB Grade of 7CE covers R60 000 000.00 and 20% which is R72 000 000 contractor was appointed for R75 819 042.53</p>



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	briefing session for the project. A new contractor was appointed at a higher contract value. This is likely to result in overspending of the basic service delivery and infrastructure development budget.	<ul style="list-style-type: none"> • Is there a criminal case regarding the Xihosana case? 	The error occurred and was corrected; it did not warrant opening of a case but continuous workshop and training on CIBD.
AUDIT ACTION PLAN	<p>SCM supplier in the service of the Municipality</p> <p>Page 204-COF 5 of the annual report reflects that traffic intern appointed by the Municipality provided services to the Municipality</p>	<p>Is it possible for the Municipality to have a system that detects if a person is employed by government?</p>	Yes, the Municipality utilizing CSD system to detect government employees. Traffic intern registered a company before appointed by the Municipality as an intern
	<p>PPE – Differences (Limitation)</p> <p>Page 204-COF 6, differences were identified due to there being a lack of support in terms of payment vouchers received by the auditors to support the amount recognised as WIP</p>	<p>What is it that the Municipality is doing to ensure that there is improvement in record keeping?</p>	<p>The Municipality merged ICT with records, officials attended record management training, and records management centralised.</p> <p>Senior Managers also having back -ups of documents and records within their respective departments</p>



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	<p>UIFW: Inadequate Disclosure of UIFW</p> <p>Page 205 COF 9: The Municipality under Note 47, 48 and 49 of the AFS as at 30 June 2023 has not disclosed whether the UIFW is recoverable. On the comment it is stated that The municipality must capacitate the MPAC committee and researcher on report writing skills as well as minutes writing in order for the detailed discussions of the MPAC committee which include confirming if the UIFW is recoverable</p>	<p>What are the Municipality's plans to capacitate the MPAC committee and Researcher?</p>	<ul style="list-style-type: none"> • MPAC members will be attending MFMP training funded by LGSETA • Management took a decision to delegate officials with expertise to assist and capacitate MPAC during their engagement sessions
	<p>UIFW: VAT incorrectly accounted for on irregular expenditure</p> <p>Page 206-COF 13: AFS disclosure issues: The municipality added VAT to the amount disclosed as irregular expenditure</p>	<p>Is the Municipality not having competent to do the VAT calculations?</p> <p>How soon can the Municipality have the irregular register?</p>	<p>Yes, the Municipality having competent staff members working on VAT. Employees continuously raining employees for VAT</p>



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	<p>Fruitless and wasteful expenditure incurred incomplete:</p> <p>Page 212-COF 37 of the annual report reflects that AGSA found that the depreciation to date of the Tuk tuk's acquired by the municipality to be fruitless and wasteful as the Tuk Tuk's are yet to be used since their acquisition.</p> <p>Management must ensure that the Tuk Tuk's are brought into use</p>	<ul style="list-style-type: none"> • What was the reason for the Municipality to buy the Tuk tuks and not use it? • Is Management implementing the recommendation? 	<p>The Generals workers seconded and trained as Tuk-Tuk drivers and currently delivering statements utilizing Tuk –Tuk</p> <p>Yes</p>
	<p>Bid awarded to a bidder with a lower CIDB grading</p> <p>Page 212-COF 39: The Municipality awarded a supplier who was a grade lower in terms of CIDB grading.</p> <p>SCM and Technical services need to ensure that proper specifications are done to inform</p>	<ul style="list-style-type: none"> • What made the Municipality to award the bidder who did not qualify? • Is the Municipality implementing the recommendation? 	<p>Lack of CIDB training but recently CIDB training was conducted for SCM and Technical services</p> <p>Yes, recommendations are being implemented.</p>



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	the budgeted amounts for the project are a true reflection so that they can be able to determine the appropriate CIDB grading required for the project.		
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10. RECOMMENDATIONS

Having fully considered the Collins Chabane Local Municipality's 2022/23 Annual Report, the Oversight Committee (MPAC) resolves to recommend to Council the following:

- 10.1 That the Municipality must capacitate the MPAC committee and researcher on report writing skills as well as minutes writing in order for the detailed discussions of the MPAC committee, which include confirming if the UIF is recoverable.
- 10.2 That all reports must be reviewed before taken to council.
- 10.3 That monitoring of projects before and during construction must take place on continuous basis with the qualified engineers.
- 10.4 That the Municipality must work hard to encourage communities to pay for services in order to increase the rate of revenue collection, register to vote, establish more townships etc., in order to move from grade 3 to grade 4.
- 10.5 That the Internal Audit Unit must continuously conduct audit in order to detect any irregularities.
- 10.6 That the AFS must be prepared reviewed and submitted in time, following compliance.
- 10.7 That outsourcing must be reduced and the service providers must work with municipal employees in order to capacitate them.
- 10.8 That the Council, having fully considered the Annual Report of the CCLM for the 2022/23 financial year, adopts the Oversight Report, to this agenda, as presented by MPAC.



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- 10.9 That the recommendations of the Municipal Public Accounts Committee reflected in Section 10 of its 2022/23 Oversight Report, be adopted and that the progress with the implementation thereof, be reported in the Quarterly Reports to MPAC.**
- 10.10 That the Oversight Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.**
- 10.11 That the Oversight Report for the 2022/23 financial year be submitted to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.**



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11. CONCLUSION.

MPAC would like to commend the Mayor Cllr Maluleke S.G, Municipal Manager Mr Shilenge R.R and all Senior Managers for the support provided during the engagement processes. The content of the Annual Report has been interrogated and found to be compliant with all legislative guidelines. MPAC is pleased that all the recommendations made to the Annual Report has been captured.

MPAC would like to appreciate the cooperation and support received from the Mayor, Municipal Manager and all Senior managers during the Public Participation and Public Hearing.

It is therefore recommended that Collins Chabane Local Municipal Council adopt the Annual Report 2022/23 without any reservation and place the report on the municipal website for public consumption.



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COLLINS CHABANE LOCAL MUNICIPALITY

The MPAC committee wishes to extend its gratitude to the following parties:

- The Management for the support to the committee during its operations, and for the relevant documentation the committee received.
- The Accounting officer (MM) for his interventions to enable the committee to deliver on its mandate.
- The Corporate Services Department for assisting in coordinating all MPAC activities.
- The Speaker (Chairperson of council) for giving MPAC positive support all the times.
- The Mayor, Executive committee and all Councillors for positive support given to MPAC during execution of their mandate.
- The entire residents of Collins Chabane Local Municipality for their maximum participation throughout the process.

27 – 03 - 2024

Chairperson: Mudau T.S

Date