BLOUBERG MUNICIPALITY

KODUMELA

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT 2024 / 2025

BLOUBERG MUNICIPALITY
2026 -03- 30
P.O. BOX 1593
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VISION

A participatory municipality that turns
Prevailing challenges into opportunities
for growth and development through
Optimal utilization of available resources.

MISSION

To ensure delivery of quality services
through community participation and
Creation of enabling environment for economic growth
and job creation.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S OVERSITE REPORT ON THE 2024 / 2025 ANNUAL REPORT TO COUNCIL

1. PURPOSE OF THE REPORT

The purpose of this report is to submit the Oversight report on the Annual report for the 2024/2025 financial year in terms of Section 129 of the MFMA. To recommend to Council the consideration of the 2024/2025 Annual Report and to adopt an oversight report containing Council's comments on the Annual report in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act no.56 of 2003).

2. BACKGROUND

The Annual Report 2024/2025 was tabled in Council by the Mayor during the Council meeting held on the 30th January 2026. According to Section 129 of the MFMA, Council has to consider the Annual Report of the municipality, its entity by no later from the date on which the annual report was tabled, adopt an oversite report containing the Council's comments on the report. Council has then referred the Annual Report to the Municipal Public Accounts Committee (MPAC) for consideration and adoption. The MPAC is expected to probe the Annual Report and compile an oversight report on the Annual Report on behalf of Council. The Oversight report is the final step in the annual reporting process.

3. LEGAL FRAMEWORK AND LEGISLATIONS

3.1 PREPARATION AND ADOPTION OF ANNUAL REPORT

Section 121(1) of the MFMA requires that every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine month after the end of financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129 Of the MFMA.

Tabling of this report to Council confirms the compliance of the municipality with section 121(1) of the MFMA, the annual report was dealt with within nine months after the end of the financial year.

3.2 The Municipal Public Accounts committee is guided by the following pieces of legislations and regulations in order to table the annual report 2024 / 2025 financial year: -

- **Local Government Municipal Systems Act, 2000**
- **Municipal Finance Management Act (Section 121)**
- **Municipal Structure Act 32 of 2000**

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4. MUNICIPAL PUBLIC ACCOUNTS COMMITTTEES PROGRAMME OF ACTION FOR THE THIRD QUARTER

a. The Municipal Public Accounts Committee is responsible for performing the oversight work and activities on the Annual Report 2024 / 2025 and also engaging the community at large together with all responsible stakeholders in line with Section 33 and Section 79 of the Municipal Structure Act of 2000 as amended.

b. The Municipal Public Accounts Committee developed the third quarter Programme of Action for the purposes of conducting the Public Consultations meetings specifically for the Four Clusters, namely (Cluster A, B, C and D) , Pulblic Hearing meeting and other meetings with different stakeholders.

c. The committee developed the Programme of Action aimed to deliberate more on the Annual report 2024 / 2025 and all activities attached to the quarter under review. The programme is attached **as "ANNEXURE A".**

5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PUBLIC CONSULTATIONS MEETINGS ON THE ANNUAL REPORT 2024 / 2025

a. The Municipal Public Accounts Committee Public Participations Meetings were conducted and divided into Four (4) Clusters as follows: -

i. Cluster A was convened at Raweshi Satellite Offices on the **10th March 2026** and the following Wards attended: Ward: 01, 02, 21 & 22. A total number of **138** People registered their attendance for the Public Participation meeting held at Raweshi Satellite Offices.

ii. Cluster B convened at Langlaagte Satellite Offices on the **11th March 2026** and the following Wards attended: Ward: 03, 04, 05, 06, 07 and 20. A total number of **154** People registered their attendance for the Public Participation meeting held at Langlaagte Satellite Offices.

iii. Cluster C convened at Inveraan Satellite Offices on the **13th March 2026** and the following Wards attended: Ward: 08, 09, 10, 11, 12, 14 & 19. A total number of **193** People registered their attendance for the Public Participation meeting held at Inveraan Satellite Offices.

iv. Cluster D convened at Kromhoek Community Hall on the **17th March 2026** and the following Wards attended: Ward: 13, 15, 16, 17 and 18. A total number of **286** People registered their attendance for the Public Participation meeting held at Kromhoek Community Hall (Ga – Makgato).

6. PUBLIC HEARING ON THE ANNUAL REPORT 2024 / 2025, AUDITOR – GENERAL'S REPORT 2024 / 2025 AND MID – YEAR PERFORMANCE REPORT 2025 / 2026.

i. The Public Hearing on the Annual Report 2024 / 2025, Auditor – General's Report and Mid – Year Performance Report 2025 / 2026 was successfully held on the **23rd March 2026** at Inveraan Satellite Offices to allow the Executive Committee and the Management to respond and Clarify the Municipal Public Accounts Committee on the issues raised regarding the above mentioned Reports. A total number of **142** People were in attendance of the Public Hearing Meeting.

ii. The Public Hearing Session was successfully attended by the Mayor, Speaker, Chief Whip, Executive Committee Members, Councillors, Management of Blouberg Local Municipality, Stakeholders and Community Members at large.

iii. During the Public Hearing, all questions raised by the Municipal Public Accounts Committee were responded by the Mayor and the Chairpersons of the Portfolio Committees assisted by the Accounting Officer including the Senior Management for more clarifications.

iv. The Committee noted the responses and clarifications provided by the Management and the Executive Committee during the Public Hearing Meeting. The Municipal Public Accounts Committee will always continue to play an oversight role and hold the Management and Executive Committee accountable to improve the culture of good leadership by ensuring a smooth running of the municipality in a way of continuing providing services and implementation of projects to the entire community of Blouberg Local Municipality.

v. The Questions raised by the Municipal Public Accounts Committee and the Responses from the Executive Committee and Management are attached as **"ANNEXURE B"**

7. FINDINGS OF THE PROJECTS VISITED DURING THE QUARTER UNDER REVIEW

PROJECT NAME	DATE VISITED	FINDINGS	RECOMMENDATIONS
Bosehla to Thalane access road and Storm water control	**19th March 2026**	Slow progress and slow delivery of material. 94% Complete.	Municipality to mediate between the Contractor and Material supplier for speed delivery of the remaining material.
Kwarung access road and Storm water control	**19th March 2026**	The project is at practical completion with no challenges.	The project be handed to the community for safer use.

8. RECOMMENDATIONS TO COUNCIL ON THE ANNUAL REPORT 2024 / 2025, AUDITOR – GENERAL'S REPORT 2024 / 2025 AND MID – YEAR PERFORMANCE REPORT 2025 / 2026

8.1 MPAC FINDINGS AND RECOMMENDATIONS: UNALLOCATED REVENUE AND ELECTRICITY LOSSES

8.1.1 BACKGROUND

During the review of Blouberg Local Municipality's 2024/2025 Annual Report, Auditor – General's Report and 2025 / 2026 Mid – Year Performance Report, MPAC identified two recurring issues that require Council attention: -

- Unallocated revenue from site sales – funds collected in prior financial years have not been allocated in the budget for service delivery or capital projects.
- Recurring electricity distribution losses – the municipality continues to experience significant electricity losses, negatively impacting financial sustainability and service delivery.
- Unreferenced Deposits – Monies sitting in municipal account without identification.

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8.1.2 Unallocated Revenue from Site Sales

- MPAC notes that revenue generated from the sale of municipal sites in previous financial years has **not been formally allocated in the approved budget.**
- This raises concerns regarding **financial planning, transparency and accountability** as funds collected have not been directed to priority service delivery projects.
- Failure to allocate these funds effectively may result in **underfunding of municipal services and delayed capital projects,** which impacts communities directly.

8.1.3 Recurring Electricity Losses

- The municipality continues to experience **material electricity distribution losses,** which include technical losses and non – technical losses (theft, meter tampering, billing inefficiencies).
- These losses negatively affect revenue collection, undermine the financial sustainability of the electricity utility, and compromise the municipality's ability to fund operational and capital expenditure.
- MPAC notes that despite previous reports and recommendations, the implementation of corrective measures to address electricity losses has been slow or insufficient.
- Recurring losses point to weaknesses in **meter management, monitoring systems, enforcement of billing policies and preventative maintenance.**

8.1.4 Unreferenced Deposits

- There are unknown deposits of monies in municipality's bank account which needs to be advertised for recognition from broader South African Communities.

8.1.5 Broader Implications

- Both issues – unallocated funds and electricity losses – **undermine Council's fiduciary responsibility** and compromise the municipality's ability to deliver essential services efficiently.
- Failure to address these matters risks **repeat findings in future's Auditor – General Reports** and can erode public trust in municipal governance.

8.1.6 Unauthorised expenditure

- The municipality has an unauthorized expenditure of R32,358,701 due to the increase in depreciation of assets that were reclassified and transferred from WIP to capital expenditure and also assets that were brought into the asset register through the physical verification that took place during the 2024/25 financial period.

8.1.7 Irregular Expenditure

- Expenditure is in relation to vetting of directors as per the recruitment process, management sourced quotations from three suppliers out of 4 suppliers identified by COGHSTA. The quotations were not documented during the audit, they were later submitted to AGSA and they refused to accept them. However, Gijima Holdings is always the cheapest.
- The CSD for Rabow and Keathabang, the supplier appointed to procure ward committee conference material and corporate gifts for mayor magoshi forum was older than three months. There is no regulation that covers this, this was our internal control which we did not fully follow hence this was classified as irregular expenditure.
- All accommodation and conference packages sourced from travel agencies appointed were classified as irregular expenditure due to filling of MBD4 forms not filled. Management did not request the MBD4 forms from

suppliers because when they were appointed on their contract on 16 August 2023, MBD4 forms were considered.

- Tender document for LMC amounting to R 31 565 707.30. MBD4 form was filled and attached, however there was a part where the supplier's personal details were skipped which AGSA believes that the form was partially filled. The work has been done, and we believe the expenditure was not in vain.

9. MPAC RECOMMENDATIONS TO COUNCIL

9.1 Unallocated Revenue from Site Sales

Council should instruct the Management to: -

- Provide a full reconciliation of site sales revenue from prior financial years.
- Allocate all unutilized funds to the municipal budget for priority capital or service delivery projects within the current financial year.
- Implement financial controls to ensure that all revenue collected is allocated and spent in accordance with approved budgets and relevant legislation.
- Report back to Council on the allocation and expenditure of these funds within 30 days.

9.2 Recurring Electricity Losses

Council should instruct management to: -

- Conduct a **comprehensive assessment of electricity losses,** distinguishing between technical and nontechnical losses.
- Develop and implement a **loss – reduction strategy,** including: -

i. Regular meter audits and replacement of faulty meters.
ii. Strengthening of billing and debt collection processes.
iii. Enforcing actions against electricity theft
iv. Regular preventative maintenance on the distribution network.

- Establish **monthly reporting on electricity losses** to Council including progress on reduction targets.
- Introduce **consequence management** for officials responsible for recurring losses due to negligence or lack of oversight.

9.3 Unauthorised Expenditure

Council should:-

- Write off unauthorized expenditure amounting to R 32 358 701 as there was no financial loss incurred by the municipality.

9.4 Irregular Expenditure

Council should:-

- Write off irregular expenditure amounting to R 35 136 013.13 the expenditure was not in vain.
- The expenditure was incurred in contravention of prescribed legislations however the service has been rendered and received by the municipality.
- BID Committee members be regularly trained and be capacitated with the new legislations and treasury regulations.

9.5 Monitoring and Accountability

- MPAC will **monitor the implementation** of these recommendation and require progress reports until issues are fully resolved.
- Council should ensure that a**ll corrective measures are documented and communicated** publicly to promote transparency.

9.5.1 Conclusion

MPAC emphasizes that **proper allocation of municipal revenue** and **effective control of electricity losses are** critical for financial sustainability and service delivery.

Immediate action is required to:

- Maximise public resources;
- Reduce financial inefficiencies ; and
- Restore community confidence in municipal governance.

Council is urged to **adopt these recommendations** and direct management to implement them without delays.

10. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP) GRANT

10.1 MPAC FINDINGS AND RECOMMENDATIONS:

10.1.1. BACKGROUND

The Auditor-General, in **Paragraph 11 of the audit findings**, reported that the municipality **materially underspent the Integrated National Electrification Programme (INEP) grant by an amount of R2 352 528**, as disclosed in Note 17 of the Annual Financial Statements.
In response, management indicated that the amount returned to National Treasury represents **project savings realised upon completion**, and not underspending.

10.1.2 MPAC FINDINGS

After consideration of the Auditor-General's Report, management's response, and applicable legislative frameworks, MPAC makes the following findings:-

10.1.3 Contradiction between Audit Finding and Management Explanation

MPAC notes a **material discrepancy** between:-

- the Auditor-General's classification of the amount as **underspending**, and
- management's assertion that the amount constitutes **project savings**.

This inconsistency raises concerns regarding the **accuracy of financial reporting and classification of conditional grant expenditure**.

10.1.4 Non-Full Utilisation of Conditional Grant

In terms of the **Division of Revenue Act (DoRA)** and the INEP grant framework, conditional grants must be **fully utilised for their intended purpose within the financial year**.
MPAC finds that the return of **R2 352 528** indicates that the INEP allocation was not fully utilised regardless of whether it is termed "savings" or underspending.

10.1.5 Impact on Service Delivery

The INEP grant is specifically intended to maximise electrification of households.

MPAC finds that the return of funds suggests a missed opportunity to extend electricity access to additional households, which negatively impacts service delivery within the municipality.

10.1.6 Weaknesses in Planning and Budgeting
The variance between the allocated budget and actual expenditure indicates possible weaknesses in: -

- Project planning
- Costing accuracy; and
- Demand assessment

MPAC finds that this may reflect inefficiencies in the preparation of the INEP Business Plan submitted to the transferring authority.

10.1.7 Possible Non – Compliance with Grant Framework
MPAC notes that there is no evidence presented that: -

- Approval was sought to reallocate or roll over funds; or
- Alternative electrification interventions were considered within the grant conditions.

This raises concerns about compliance with INEP grant conditions and DoRA requirements.

10.1.8 Inadequate accountability and Consequence Management
MPAC finds that: -

- No clear indication was provided that this matter was subjected to an internal review; and
- No consequence management was applied despite the Auditor – General's finding.

This points to weak accountability mechanism within the municipality.

10.1.9 Internal Control Defeciences
The matter reflects broader weaknesses in: -

- Financial management controls;
- Monitoring of conditional grant expenditure; and
- Oversight over infrastructure projects.

10.1.10 MPAC RESOLUTIONS / RECOMMENDATIONS
MPAC recommends that Council resolves as follows: -

i Investigation and Clarification
Council instructs the Municipal Manager to: -

- Conduct a detailed investigation into the INEP underspending reported by the Auditor – General.
- Reconcile the discrepancy between the Auditor – General's finding and management's explanation; and
- Submit a comprehensive report to Council within 30 days.

ii. Submission of Detailed INEP Report
The municipality must submit a report including: -

- Approved INEP Business Plan
- Total allocation vs actual expenditure
- Work planned vs Work completed for the year under review
- Detailed explanation of the **R2 352 528** variance

- Proof of funds returned to National or Provincial Treasury (Whichever is applicable) and
- Correspondence with the transferring department

iii. Strengthening Planning and Budgeting
The Municipality must: -

- Improve project planning and costing accuracy;
- Ensure that future INEP allocations are aligned with realistic and implementable plans and
- Strengthen technical and financial coordination in infrastructure planning.

iv. Compliance with DoRA and Grant Framework
Council directs that: -

- All conditional grants must be fully utilised in line with DoRA requirements
- Any participated savings and deviations must be reported timeously; and
- Approvals must be obtained for any reallocation or rollovers where applicable.

v. Maximisation of Service Delivery
The municipality must ensure that: -

- All available INEP funds are used to maximise electrification of households and/or purchases of electrical equipment if the grant permits.
- No funds are returned without clear justification and approval; and
- Service delivery impact is prioritised in all infrastructure programmes.

vi. Consequence Management
Council instructs that: -

- An assessment be conducted to determine whether there was negligence, poor planning, or non – compliance; and
- Appropriate disciplinary or corrective action be taken where required, in line with MFMA provisions.

vii. Strengthening Internal Controls
The Municipality must: -

- Enhance monitoring of conditional grant expenditure;
- Implement stronger internal controls and reporting systems; and
- Ensure regular reporting to Council on grant performance

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viii. Ongoing Oversight
MPAC will: -

- Monitor the implementation of these resolutions; and

Require periodic progress reports until the matter is fully resolved.

10.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) REPORT ON BLOUBERG STORM WATER RETENTION PONDS. (AVON AND INDERMARK).

10.2.1 BACKGROUND
The Municipal Public Accounts Committee (MPAC) considered a matter relating to a contractors appointed for a project funded through the **Disaster Management Relief Fund**, which commenced in **May 2025** and was scheduled for completion in **September 2025** (4 months duration).

The Committee noted with concern that:-

- The contractor failed to complete the project within the original timeframe.
- The municipality granted **three (3) extensions of time**.
- Despite these extensions, the contractor still failed to complete the project. The project is now at 71% complete as reported by management during MPAC Public Hearing.
- During the MPAC Public Hearing, The management indicated that a **cession agreement** was entered into with a concrete supplier to accelerate delivery and improve project progress.

10.2.2 APPLICABLE LEGISLATIVE AND REGULATORY FRAMEWORK.

MPAC assessed the matter against the following:-

- Municipal Finance Management Act (MFMA), Act 56 of 2003
- Section 62(1)(c): Duty to ensure effective, efficient, economical use of resources
- Section 116: Contract management and performance monitoring
- MFMA Supply Chain Management Regulations (2005)
- Regulation 38: Contract management, monitoring, and performance evaluation
- National Treasury Practice Notes & SCM Guidelines
- Require enforcement of penalties, performance guarantees, and consequence management
- Disaster Management Act, Act 57 of 2002
- Emphasises urgency, efficiency, and timely implementation of disaster-funded projects

10.2.3 MPAC FINDINGS
MPAC MADE THE FOLLOWING FINDINGS:-

1. Failure in contract management.
The management failed to ensure proper monitoring and enforcement of contractual obligations as required by 116 of the MFMA.

2. Irregular granting of multiple extensions.
The granting of three extensions without successful completion indicates:

- Weak contract oversight
- Possible non-compliance with SCM prescripts
- Failure to apply penalties or termination clauses

3. Risk of irregular and wasteful expenditure
The continued delays in a disaster –funded project:

- Undermine the purpose of the Disaster Management Relief Fund.
- May constitute **fruitless and wasteful expenditure** in terms of the MFMA

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4. Inadequate due diligence on Contractor capacity
The Contractor's repeated failure suggests:

- Possible lack of capacity assessment before appointment
- Weak bid adjudication and evaluation processes

5. Questionable Use of Cession Agreement

- The introduction of a **cession agreement with a supplier**:
- Indicates reactive rather than proactive contract management
- May shift contractual obligations without proper Council oversight
- Raises concerns about legality, transparency, and risk exposure

6. Lack of Consequence Management.
No evidence was provided that:-

- Penalties were enforced as per answers provided by management during MPAC Public Hearing session held at Inveraan Satellite Offices on 23rd March 2026 (Question 8 of KPI BSID 26 emanating from Mid-Year Performance Report 2025/2026 financial year).
- Officials responsible were held accountable.

10.2.4. MPAC RECOMMENDATIONS TO COUNCIL
MPAC recommends that Council resolves as follows:-

1. Immediate Contract Review
- The Accounting Officer must conduct a **full legal and technical review** of the contract
- Determine whether **termination for non-performance** is warranted

2. Investigation
- Institute an **independent investigation** (Financial Mismanagement Board) into: -

(i) Award of the contract
(ii) Approval of extensions
(iii) Penalties imposed (if any and whether its in compliance)
- Legality of the cession agreement.

(iv)Findings must be reported to Council within **30 days.**

3. FINANCIAL RECOVERY MEASURES
- Assess financial losses and:-
- Recover costs where applicable
- Enforce penalties as per contract

4. Contractor Performance Action.
4.1. The contractor must be: -
- Issued with a **final notice to perform** within a defined timeframe.
- Considered for **blacklisting** on the National Treasury database if non-performance persists.

5. Strengthening SCM and Contract Management
5.1. Municipality must: -
- Develop stricter **contract management systems**
- Enforce performance guarantees
- Limit extensions to justifiable and documented circumstances

5.5 Reporting on Disaster Fund Projects
4.5.1. A detailed report on all Disaster Management funded projects must be submitted to Council within 30 days, outlining:-
- Progress
- Delays
- Financial status
- Risks

11. CONCLUSION

a. MPAC concludes that the failure to complete the project despite multiple extensions reflects **serious weaknesses in contract management, oversight, and accountability**.

b. The continued delays compromise service delivery, particularly given the urgency associated with disaster-funded projects. Council intervention is required to enforce accountability, safeguard public funds, and restore effective governance.

c. MPAC emphasises that conditional grants such as INEP are critical instruments for advancing service delivery and improving the lives of communities.

d. Any underutilisation or misclassification of such funds undermines both public trust and developmental objectives.

e. Council is therefore urged to adopt these recommendations to ensure full accountability, compliance and improved service delivery outcomes.

12. RECOMMENDATIONS TO COUNCIL

a. That Council should adopt the 2024 / 2025 Oversight Report and approve the 2024 / 2025 Annual Report without reservations.

b. That Council should adopt the Public Hearing Report (Questions and Responses) on the Annual Report 2024 / 2025, AG's Report 2024 / 2025 and Mid – year Performance Report 2025 / 2026.

c. That Council should adopt all recommendations made by the Municipal Public Accounts Committee.

d. That the Accounting Officer should publicize the 2024 / 2025 Oversight Report within Seven (07) days after adoption as per Section 129 (3) of Municipal Finance Management Act and in accordance with Section 21 (a) of the Municipal Systems Act.

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CLLR. MAIFO M.L

CHAIRPERSON: MPAC

30/03/2026

DATE

30 -03- 2026

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"ANNEXURE A"

PROGRAMME OF ACTION FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S PROGRESS ON IMPLEMENTATION FOR THE 3RD QUARTER ACTION PLAN (2025 – 2026)

ACTIVITY	DATE	VENUE	TIME	MAIN CONSIDERATION
MPAC Portfolio Meeting	26th January 2026	Langlaagte Satellite Offices	10h00	Discussion on the 03rd Quarter Activities.
MPAC Public Hearing	05th February 2026	Langlaagte Satellite Office	10h00	01st Quarter SDBIP Report 2025 / 2026 and 01st Quarter Audit Committee Report 2025 / 2026.
District MPAC Forum	10th February 2026	Lepelle Nkumpi Municipality	10h00	Considering functionality of MPAC 02nd Quarter Reports.
MPAC Working Session and meeting with Auditor – General	02nd – 04th February 2026	Venue to be confirmed	09h00	Scrutinizing the Draft Annual Report (2024 / 2025) and AG's Report.
MPAC Public Participation (Cluster A)	10th March 2026 Wards: 01,02,21&22	Raweshi Satellite Offices	11h00	Solicit inputs from Stakeholders and Community.
MPAC Public Participation (Cluster B)	11th March 2026 Wards: 03, 04, 05, 06, 07 & 20	Langlaagte Satellite Offices	11h00	Solicit inputs from Stakeholders and Community.
MPAC Public Participation (Cluster C)	13th March 2026 Wards: 08,09, 10, 11,12,14 & 19	Inveraan Satellite Offices	11h00	Solicit inputs from Stakeholders and Community.
MPAC Public Participation (Cluster D)	17th March 2026 Wards: 13, 15, 16, 17 & 18	Kromhoek Community Hall	11h00	Solicit inputs from Stakeholders and Community.
MPAC Project Visit	19th March 2026	Bosehla and Kwarung	10h00 & 12h00	Bosehla and Kwarung Access Road and Storm water control.
MPAC Meeting	23rd March 2026	Inveraan Satellite Offices	09h00	Allocations of questions for the Public Hearing.

MPAC Public Hearing (Draft Annual Report 2024 / 2025, Mid – Year Performance Report 2025 / 2026 and AG's Report	23rd March 2026	Inveraan Satellite Offices	10h00	MPAC Public Hearing (Draft Annual Report 2024/2025 and Mid – Year Performance Report 2025 / 2026) and AG's Report.
MPAC Meeting	26th March 2026	Senwabarwana Sports Complex	10h00	Adoption of the Oversight Report to Council.
Council Meeting	30th March 2026	Visual	10h00	Tabling of the Oversight Report to Council.

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Blouberg Municipality

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

PUBLIC HEARING – DRAFT ANNUAL REPORT 2024 / 2025, AG'S REPORT AND MID – YEAR PERFORMANCE REPORT 2025 / 2026

23RD MARCH 2026, INVERAAN SATELLITE OFFICES
10H00

VISION

A participatory municipality that turns prevailing challenges into opportunities for growth and development through optimal utilization of available resources

MISSION

To ensure delivery of quality services through community participation and creation of an enabling environment for economic growth and job creation

Blouberg Municipality

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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PUBLIC HEARING – DRAFT ANNUAL REPORT 2024 / 2025, AG'S REPORT AND MID – YEAR PERFORMANCE REPORT 2025 / 2026

NOTICE IS HEREBY GIVEN THAT THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PUBLIC HEARING ON THE DRAFT ANNUAL REPORT 2024 / 2025, AG'S REPORT AND MID – YEAR PERFORMANCE REPORT 2025 / 2026 WILL BE HELD ON MONDAY, THE 23RD MARCH 2026 FROM 10H00 AT INVERAAN SATELLITE OFFICES TO DEAL WITH MATTERS THAT APPEAR ON THE AGENDA BELOW.

CLLR. MAIFO M.L
CHAIRPERSON: MPAC

20/03/2026
DATE

AGENDA

1. Opening and Welcome
2. Introductions and Acknowledgements
3. Questions and Responses – Draft Annual Report 2024 / 2025, AG's Report and Mid – Year Performance Report
4. Way forward
5. Vote of thanks
6. Announcements
7. Closure

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Blouberg Municipality

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QUESTIONS RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE TO MANAGEMEMT ON THE DRAFT ANNUAL REPORT 2024/2025, MID-YEAR PERFORMANCE REPORT 2025 / 2026 AND AUDITOR-GENERAL'S REPORT 2024/2025

TO: MPAC

FROM: OFFICE OF THE MUNICIPAL MANAGER

DATE: 19 MARCH 2026

QUESTIONS TO MANAGEMENT ON THE DRAFT ANNUAL REPORT 2024 / 2025

QUESTION 01

a. Does the Municipal Annual report align with the provisions MFMA Circular 63?

MANAGEMENT RESPONSE:

Yes. The Blouberg Local Municipality's annual report aligns with the provisions of the MFMA Circular 63.

QUESTION 02

BSID 04: PURCHASE AND INSTALLATION OF EMERGENCY TRANSFORMERS (TECHNICAL SERVICES)

a. How many transformers were purchased and in which areas were they installed?

MANAGEMENT RESPONSE:

a) A total of 21 new transformers were procured and successfully installed across the following villages:

Dithabaneng (1); Miltonduff (1); Sadu (2); Grootpan (2); Witten (2); Nailana (1); Raweshi (1); Cracouw (2); Aurora B (2); Lekgwara (1); Kgatlu (1); Gideon (2); Milbank (1); New Jerusalem (1); and Mosehleng (1).

QUESTION 03

BSID 08: PURCHASING AND NEW POLES (TECHNICAL SERVICES)

a. Please provide the Committee with proof of purchase and further state areas where the new poles were installed?

MANAGEMENT RESPONSE:

a) Proof of purchases are available in our files and the new poles were installed at the following villages:

Miltonduff,Simpson,Alldays,Grootpan,TheGrange,Witten,Innes,Lekgwara,Mochemi,Witten,Mongalo,Sias, Grootpan,Addney, ,Milbank,Kgatlu,Sweethome,Non-Parella,Thorpe,Mokhurumela and Diepsloot.

QUESTION 04

MTOD 46: FACILITY MANAGEMENT (COMMUNITY SERVICES)

a. What plans are in place to refurbish/renovate the sports facilities?
b. The Committee seeks to be furnished with portfolio of evidence pertaining to the sports facilities which are said to be maintained?

MANAGEMENT RESPONSES:

a) The Municipality plans include refurbish of sports facilities through a phased approach, which includes condition assessments, prioritization of critical repairs, and budget allocation within the capital budget. Implementation will be undertaken subject to the availability of funding, with potential support from external grants and partnerships **where applicable**.

b) The evidence is filed as part of the Portfolio of Evidence.

QUESTION 05

MFVM 17: REVENUE MANAGEMENT COMMITTEE (FINANCE DEPARTMENT)

a. The Committee noted with concern that the KPI on the revenue management was not achieved during the period under review. Please provide reasons why the target was not achieved and also provide an action/turnaround plan in that regard?
b. Low revenue collection was one of the risk identified with the management committee not being held, what are the turnaround strategies?

MANAGEMENT RESPONSES:

a) There was a clash of meeting that restricted this particular committee to be held. The remedial action is strict adherence of the schedule of meetings as planned and opting for various meeting platforms I.e virtual platforms in case there is a clash of meetings.

b) Strict adherence of schedule of meetings and signing of the attendance register.

QUESTIONS TO THE MANAGEMENT ON THE MID-YEAR PERFORMANCE REPORT 2025/2026

QUESTION 01

a. In the Mid-Year report, the committee identified many KPI's which were not achieved and deferred to budget adjustment of January 2026. Why does the municipality plan for indicators with clearly insufficient budget in all KPI's?

MANAGEMENT RESPONSE:

The Municipality plans for indicators based on own revenue collection, but when it became clear that the Municipality would not be able to collect, it was then differed to the budget adjustment with the assumption that the indicator will be achieved.

QUESTION 02

a. Did the municipality manage to resolve issues pertaining to assets when addressing Auditor – General's issues? Please provide evidence/proof to that effect

MANAGEMENT RESPONSE:

Yes assets issues were resolved during AFS adjustments hence the change in audit opinion from Auditor General. *The evidence is the new asset register that is GRAP compliant*

QUESTION 03

BSID 01 – TRANSFORMERS (TECHNICAL SERVICES)

a. How many transformers installed and in which areas were they installed?

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MANAGEMENT RESPONSE:

a) A total of 7 new transformers were procured and installed at the following villages: Normandy (1); Raweshi (1) ; Silvermine (1) ; Hlako (2); Vienna (1) ; and Alldays (1).

QUESTION 04

BSID 08 POLES: PURCHASING AND POLES (TECHNICAL SERVICES)

a. Please provide the committee with a proof of purchase and installation register?

MANAGEMENT RESPONSE:

A) Proof of purchase and Installation Register are attached for viewing in the file.

QUESTION 05

BSID 21 – ROAD MAINTENANCE MARKING (TECHNICAL SERVICES)

a. The committee requests proof of purchase for the road marking items and also indicate which roads were ultimately marked?

MANAGEMENT RESPONSE:

a) The roads marked include the Senwabarwana bypass road, the internal street behind the traffic testing station, and the speed humps located near Bothanang Primary School, Matthew Phosa Secondary School, and Kgobokanang Primary School.

QUESTION 06

BSID 22 – CULVERTS (TECHNICAL SERVICES)

a. How much of the budget was spent on culverts and why is it not reflected in the report?

MANAGEMENT RESPONSE:

a) In the period under review there was no budget spend on culverts and that is the reason why it is not reflected in the report. The Municipality has since initiated the procurement of culverts in the third quarter.

QUESTION 07

BSID24: CONSTRUCTION OF 09 CULVERTS AND 04 WINGWALLS (TECHNICAL SERVICES)

a. Was this project not approved before the start of the financial year and who is responsible for funding the project?

MANAGEMENT RESPONSE:

a) Yes the project was approved before the start of the FY 2025/26 and is funded through the Municipality own revenue.

QUESTION 08

BSID 26: CONSTRUCTION OF BLOUBERG STORMWATER RETENTION PONDS (INDERMARK AND AVON)

BSID 27: CONSTRUCTION OF BOSEHLA TO KWARUNG INTERNAL STREET AND STORM WATER CONTROL

BSID 28 AND BSID 29: CONSTRUCTION OF KWARUNG INTERNAL STREET AND STORM WATER CONTROL, CONSTRUCTION OF GA – KOBE INTERNAL STREET AND STORM WATER CONTROL.

a. What is progress in relation to the herein above mentioned projects?
b. Does the municipality have acceleration plan to finalize completion of the said projects?

MANAGEMENT RESPONSES:

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a) Project Progress Update:

- Construction of Blouberg Stormwater Retention Ponds (Avon and Indermark): The project is currently 71% complete.
- Construction of Kwarung Internal Streets and Stormwater Control: The project has reached practical completion stage.
- Construction of Bosehla to Thalane Access Road: Construction progress stands at 96% completion.
- Construction of Ga Kobe Internal Streets and Stormwater Control: The project is currently at 10% completion.

b) Acceleration Plans:

- Construction of Blouberg Stormwater Retention Ponds (Avon and Indermark): A cession agreement has been concluded with the concrete supplier to expedite the delivery of materials and accelerate overall project progress.
- Construction of Kwarung Internal Streets and Stormwater Control: The contractor is currently **finalizing** snag list items on site, with completion anticipated by 31 March 2026.
- Construction of Bosehla to Thalane Access Road: The contractor has been instructed to implement weekend work shifts to fast-track progress, while suppliers have been requested to prioritize the delivery of materials to the project.
- Construction of Ga Kobe Internal Streets and Stormwater Control: This is a multi-year project with a scheduled completion date of February 2027 and is currently being implemented in accordance with the approved project programme.

QUESTION 09

BSID – INDIGENT RELIEF ([PROVISION OF INDIGENT SERVICES

a. Has the municipality come up with any mechanisms of identifying the indigents across the municipality?

MANAGEMENT RESPONSE:

YES, the municipality has a dedicated person who is going village by village collecting forms for renewal and new applications.

QUESTIONS TO THE MANAGEMENT ON THE AUDITOR-GENERAL'S REPORT 2025/2026

QUESTION 01 - INDIGENTS REGISTER

a. How far is the municipality in terms of removing the deceased and identified duplications from the indigent register?
b. The Committee seeks to be furnished with the updated register or action plan in respect of the indigent register?

MANAGEMENT RESPONSES:

a) The Municipality has advertised for a service provider who has a system that is linked to Home Affairs and SASSA to be appointed and assist the Municipality in identifying deceased beneficiaries and those who do not qualify. Once the service provider is appointed, the register will be updated accordingly.

b) The Register is work in progress and not yet finalized until all beneficiaries are verified on the system. Once verified, the register will be provided to members.

QUESTION 02

HIGH VACANCY RATES WHICH SLOW SERVICE DELIVERY TO THE COMMUNITY

a. Please provide the Committee with an action plan on filling of vacant funded positions?

MANAGEMENT RESPONSE: The Municipality had developed an action Plan on filling the funded positions *(See Annexure A)*. Furthermore, we wish to inform MPAC of the progress as it appears below:

	POSITION	DEPARTMENT	PROGRESS
1.	Chief Finance Officer	Finance	The position is on the Vetting Stage
2.	Cashier	Finance	Appointment stage
3.	Accountant AFS	Finance	Interview stage
4.	Driver/Messenger	Corporate	Interview stage
5.	Examiner	Eldorado Satellite	Interview stage
6.	Enatis Supervisor	Tolwe Satellite	Shortlisting stage
7.	Management Rep	Tolwe Satellite	Shortlisting stage
8.	Examiner	Tolwe Satellite	Interview stage
9.	General Worker	Tolwe Satellite	Shortlisting stage
10.	Director Municipal Planning	Municipal Planning	Appointed, incumbent will commence her duties on the 01 April 2026
11.	Management Rep	Community Services	Appointment stage

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QUESTION 03 – NON – COMPLIANCE WITH SCM REGULATIONS

a. Please provide or furnish the Committee with proof to ensure that the SCM officials were taken through training in relation to previous Council resolutions and action plans in dealing with Auditor-General's regulations and recommendations?

MANAGEMENT RESPONSE:

Management confirms that Supply Chain Management (SCM) officials have been capacitated/trained as follows:

DATE OF TRAINING	TYPE OF TRAINING	INSTITUTION PROVIDED TRAINING
15 July 2025	Strategic Procurement Framework Champions Training	Provincial Treasury
24 February 2026	BID Committee Training	Provincial Treasury

Furthermore, the two officials in Supply Chain Management Unit obtained certification on Municipal Finance Management Programme which forms part of the training includes Supply Chain Management/procurement. (**SEE ANNEXURE B**)- Attached Attendance Registers and copies of MFMP certificates). **N.B:** ***Kindly note that both attendance Registers and Certificate contains Private Information such as Cell Phone Numbers and Identity Numbers which should be treated with the confidentiality in line with the Protection of Personal Information Act 4 of 2013***).

We further confirm that we will continue to allow them to attend workshops and training for them to refresh their memories and to learn new best practices in Supply Chain Management.

QUESTION 04 – DISTRIBUTION LOSS

a. Please provide the name of the service provider in respect of Distribution loss, how long have they been appointed and how much have they been paid thus far?
b. Please provide the Committee with progress in terms of addressing distribution loss as this is a re curing matter

a.The Municipality has never appointed for company responsible for distribution loss.
b.After the municipality realizes that they incurring continuous distribution loss throughout the years. An initiation by the municipality to curb distribution loss was undertaken through the application for funding to DBSA . DBSA appointed GLS services to address distribution loss.

QUESTION 05 – SALE OF SITES

a. Which processes were used by the municipality during the purchase of sites and how far is the progress in terms of transferring funds to the Finance Department?

MANAGEMENT RESPONSE:

a.On two occasions sale of sites was manually conducted, wherein the municipal officials where involved in the process of selling sites. Secondly, sites were sold through auction and auctioneer has paid all the money into the municipal account, a report on sale of sites served in Council.

QUESTION 06 – UNDERSPENDING OF INEP

a. What were the causes of under-spending on INEP as that negatively affects service delivery.
b. Which consequence management were applied in relation to paragraph 11 of the Auditor-General's report?

MANAGEMENT RESPONSES:

a) Management did not incur under-spending on the Integrated National Electrification Programme (INEP) allocation; the amount returned to the National Treasury represents project savings realized upon completion.

b) The project was completed in accordance with the approved scope, timeline, and performance expectations.

RAMOTHWALA R.J

MUNICIPAL MANAGER

30/03/2026
DATE

BLOUBERG MUNICIPALITY
30 -03- 2026
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Blouberg Municipality

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TO WHOM IT MAY CONCERN

SUBJECT: BLOUBERG MUNICIPAL COUNCIL RESOLUTIONS

1. RESOLUTION
C (140) 2025/2026

2. IN RESPECT OF
Report on Oversight Report on the Draft 2024/25 Annual Report

3. **RESOLVED TO**

i. Adopt the 2024 / 2025 Oversight Report and approve the 2024/25 Annual Report without any reservations;

ii. The Accounting Officer publicise the 2024/25 Oversight Report within seven days (07) of adoption as per Section 129(3) of the Municipal Finance Management Act (MFMA) no. 56 of 2003 read with Section 21 A of the Municipal Systems Act no 32. of 2000

4. **DATE OF RESOLUTION**
30 March 2026

CONFIRMED BY

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CLLR BOLOKA M.P
COUNCIL SPEAKER