

BLOUBERG MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT 2023 / 2024

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.

TABLE OF CONTENTS 1

MPAC OVERSIGHT REPORT ON THE 2023 / 2024 DRAFT ANNUAL REPORT.....2

1. PURPOSE OF THE REPORT.....2

2. BACKGROUND 2

3. LEGISLATIVE AND REGULATIONS.....2

4. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PROGRAMME OF ACTION 2 – 4

**5. MPAC PUBLIC CONSULTATIONS MEETINGS ON THE DRAFT ANNUAL REPORT 2023 / 2024
.....4 – 5**

**6. PUBLIC HEARING ON THE DRAFT ANNUAL REPORT 2023 / 2024, AUDITOR – GENERAL’S REPORT
2023/2024 AND UNAUTHORIZED, IRREGULAR AND FRUITLESS EXPENDITURE 2023/2024
.....5**

**7. RECOMMENDATIONS TO COUNCIL ON THE DRAFT ANNUAL REPORT 2023 / 2024, AG’S REPORT
2023 / 2024 AND UIF 2023 / 2024..... 5 – 7**

7.3.1 – 7.3.2 FINDINGS AND RECOMMENDATIONS: FORMER EMPLOYEES IN POLITICAL OFFICES.....7

**7.3.3 – 7.3.9 FINDINGS UNDER IRREGULAR EXPENDITURE FOR 2023 / 2024 ON 06
COMPANIES.....7**

7.3.10 MPAC RECOMMENDATIONS ON THE ABOVE MENTIONED IRREGULAR EXPENDITURE.....8

8. CONCLUSION AND RECOMMENDATIONS.....8

MUNICIPAL PUBLIC ACCOUNTS COMMITTEES OVERSIGHT REPORT ON THE 2023 / 2024 DRAFT ANNUAL REPORT TO COUNCIL.

1. PURPOSE OF THE REPORT

The purpose of this report is to present the Municipal Public Accounts Committee's Oversight Report on the Draft Annual Report 2023 / 2024 Financial Year to the Council of Blouberg Municipality for consideration and adoption. The council of Blouberg Municipality has established the Municipal Public Accounts Committee in terms of Section 79 A of Local Government Municipal Structures Amended Act 2021. The Municipal Public Accounts Committee is expected to play an oversight role by promoting accountability and responsibility in all spheres of local government.

Section 121 of the Municipal Finance Management Act No. 56 of 2003 requires each municipality to prepare an Annual Report.

2. BACKGROUND

The Draft Annual Report 2023/ 2024 was tabled before the council of Blouberg Municipality during the Council meeting held on the 30th January 2025 in compliance with Section 127 (2) of MFMA. The report was further referred to the Municipal Public Accounts Committee for further scrutiny and the committee was mandated to report back to council on the findings.

3. LEGISLATIVE AND REGULATIONS

The Municipal Public Accounts Committee of Blouberg Local Municipality is guided by the following pieces of legislations and regulations in order to table the Draft Annual Report on the 2023 / 2024 Financial Year: -

- i. Local Government: Municipal Systems Act, 2000
- ii. Draft Annual Report 2023 / 2024
- iii. Audited Financial Statements 2023 / 2024
- iv. Municipal Finance Management Act (Section 121)
- i. Draft IDP Review 2023 / 2024
- v. Service Delivery and Budget Implementation Plan 2023 / 2024

4. MUNICIPAL PUBLIC ACCOUNTS COMMITTEES PROGRAMME OF ACTION

- a. The Municipal Public Accounts Committee is responsible for performing the oversight work and activities on the Draft Annual Report 2023 / 2024 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) , Public Hearing meeting and other meetings with different stakeholders.

- c. The committee developed the Programme of Action aimed to deliberate more on the Draft Annual report 2023 / 2024 and all activities attached to the quarter under review. The programme is hereunder attached as “ANNEXURE A”.

ANNEXURE “A”



PROGRAMME OF ACTION FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S PROGRESS ON IMPLEMENTATION FOR THE 3RD QUARTER ACTION PLAN (DRAFT ANNUAL REPORT 2023 / 2024)

ACTIVITY	DATE	VENUE	TIME	MAIN CONSIDERATION
MPAC Portfolio Meeting	27 th January 2025	Senwabarwana Sports Complex (Boardroom)	10h00	Discussion on the 03 rd Quarter Activities 2023 / 2024.
MPAC Working Session	19 th February 2025	Landmark Protea Hotel Polokwane	09h00	Scrutinizing the Mid – Year Performance Report, AG's Report, Audit Committee Report and Draft Annual Report 2023 / 2024. Formulation of questions to Management and Executive Committee.
MPAC meeting with the Auditor – General	20 th February 2025	Landmark Protea Hotel Polokwane	10h00	Presentation of the Audit – General's Report to MPAC Members.
MPAC Portfolio Meeting	05 th March 2025	Municipal Boardroom	10h00	Scrutinizing the Municipal Financial Statements
MPAC Public Participation (Cluster A)	10 th March 2025 Wards: 01,02,21&22	Raweshi Satellite Offices	11h00	Solicit inputs from Stakeholders and Community
MPAC Public Participation (Cluster B)	11 th March 2025 Wards: 03, 04, 05, 06, 07 & 20	Langlaagte Satellite Offices	11h00	Solicit inputs from Stakeholders and Community

MPAC Public Participation (Cluster C)	12 th March 2025 Wards: 08,09, 10, 11,12,14 & 19	Inveraan Satellite Offices	11h00	Solicit inputs from Stakeholders and Community
MPAC Public Participation (Cluster D)	14 th March 2025 Wards: 13, 15, 16, 17 & 18	Alldays Community Hall	11h00	Solicit inputs from Stakeholders and Community
MPAC Special Meeting	18 th March 2025	Inveraan Satellite Offices	09h00	Allocations of questions to MPAC Members in preparations of the Public Hearing (Draft Annual Report 2023/2024, AG's Report 2023/2024 and UIF 2023/2024)
MPAC Public Hearing	18 th March 2025	Inveraan Satellite Offices	10h00	MPAC Public Hearing (Draft Annual Report 2023/2024, AG's Report 2023/2024 and UIF 2023/2024)
MPAC Special Meeting	25 th March 2025	Mayor's Boardroom	10h00	Adoption of the Final MPAC Report to Council
Council Meeting	28 th March 2025	Makgato Community Hall	10h00	Tabling of the Oversight Report to Council.

5. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PUBLIC CONSULTATIONS MEETINGS ON THE DRAFT ANNUAL REPORT 2023 / 2024

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 2025 and the following Wards attended: Wards: 01, 02, 21 & 22. A total number of 188 People registered their attendance for the Public Participation meeting at Raweshi Satellite Offices.
- ii. Cluster B convened at Langlaagte Satellite Offices on the 11th March 2025 and the following Wards attended: Wards: 03, 04, 05, 06, 07 and 20. A total number of 202 People registered their attendance for the Public Participation meeting at Langlaagte Satellite Offices.

- iii. Cluster C convened at Inveraan Satellite Offices on the 12th March 2025 and the following Wards attended: Wards: 08, 09, 10, 11, 12, 14 & 19. A total number of 330 People registered their attendance for the Public Participation at Inveraan Satellite Offices.
- iv. Cluster D convened at Alldays Community Hall on the 14th March 2025 and the following Wards attended: Wards: 13, 15, 16, 17 and 18. A total number of 316 People registered their attendance for the Public Participation at Alldays Community Hall.

6. PUBLIC HEARING ON THE DRAFT ANNUAL REPORT 2023 / 2024, AUDITOR – GENERAL'S REPORT 2023 / 2024 AND UIF&W EXPENDITURE 2023 / 2024 FINANCIAL YEAR

- i. The Public Hearing on the Draft Annual Report 2023 / 2024, Auditor – General's Report and Unauthorized, Irregular and Fruitless Expenditure 2023 / 2024 was successfully held on the 18th March 2025 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 below mentioned Reports.
- ii. The Public Hearing Session was successfully attended by the Mayor, Speaker, Executive Committee, Councillors, Management of Blouberg 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 Management for further clarifications.
- iv. A total number of 70 People registered their attendance during the Public Hearing on the Draft Annual Report 2023 / 2024, AG's Report 2023/2024 and UIF 2023/2024.
- v. The Committee noted the responses and clarifications provided by the Management and the Executive Committee during the Public Hearing. The Municipal Public Accounts Committee will always continue to play an oversight role and hold the Management and Executive accountable to ensure a smooth running of the municipality and also on the provision of services to the communities of Blouberg Local Municipality.

7. RECOMMENDATIONS TO COUNCIL ON THE DRAFT ANNUAL REPORT 2023 / 2024, AUDITOR – GENERAL'S REPORT 2023/2024 AND UNAUTHORISED, IRREGULAR AND FRUITLESS EXPENDITURE 2023 / 2024

7.1 DRAFT ANNUAL REPORT 2023 / 2024

7.1.1 FINDINGS: PUBLIC TRANSPORT CHALLENGES

- a. The Municipal Facilities e.g Taxi Ranks are not clean and being maintained.

RECOMMENDATION

- i. The Municipal Public Accounts Committee recommend that the municipality develop memorandum of agreement with Taxi Associations in relation to maintenance of Taxi Ranks.

7.1.2 FINDINGS: SENWABARWANA INTERNAL STREETS

a. Consumers and Streets Tenants are exposed to air pollution through dust as the Contractor engaged in earth moving.

RECOMMENDATION

i. The Committee recommend that strict measures be put in place to monitor the Contractor on a daily basis to ensure that Contractor do things diligently.

7.1.3 FINDINGS: MAINTENANCE OF SPORTS FACILITIES

a. The Sports facilities are not being maintained and they pose a threat to Security Personnel as well as the wellbeing of the facilities venue.

RECOMMENDATION

i. The Committee recommend to Council to develop a plan on how to remedy the situation and the wellbeing of Municipal Sports Facilities.

7.2 AUDITOR – GENERALS REPORT 2023 / 2024

7.2.1 FINDINGS: MATERIAL LOSSES – ELECTRICITY

a. Municipality does not have a proper plan in terms of reviewing indigent register.

RECOMMENDATION

i. The Municipal Public Accounts Committee recommend that the municipality must develop an action plan on reviewing and registering of indigents into the municipal indigent data base.

7.3 UIF 2023 / 2024

7.3.1 FINDINGS: FORMER EMPLOYEES IN POLITICAL OFFICES

a. The Municipal Public Accounts Committee findings are that Five (05) Municipal Officials were initially appointed / seconded to Municipal Political Offices, mainly as Chauffers to either at Speaker's Office and / or Mayor's Office (Political Office Bearers) and they were later transferred to either initial positions or in other positions within the municipality and in the process they continued receiving their allowances under pretext of title to holder.

b. MPAC after investigations has discovered that the Management upon discovering that there are officials who were still receiving political allowances while they were no longer serving in the political offices, had on the 24th May 2024 issued letters to affected employees terminating / cancelling their allowances with effect from the 31st May 2024 and such allowances had indeed effectively terminated.

c. MPAC have noted that the letters of appointments concerning those five employees to political offices did not clearly state that upon termination of their work in political offices, their allowances should have been terminated. And the fact that their allowances were either Overtime allowances or Political Special allowances, it is difficult to require these employees to pay back the funds as is not necessarily their faults but rather embedded in the abnormalities of the system in the institution on how HR processes were done.

7.3.2 RECOMMENDATIONS

- i. It is against these findings that we therefore submit to Council and recommend that Council Write Off the Political allowances paid to the affected employees amounting to R577 549, 60.
- ii. The Municipal Public Accounts Committee recommend to this Council that municipality must ensure that upon terminating or moving employees from one office to another, the allowances of that particular offices be immediately done in terms of the Local Government: Municipal Staff Establishment Regulation Number 890 dated 20th September 2021 in particular Regulation 21 dealing with staff members in Political Offices.

7.3.3 FINDINGS UNDER IRREGULAR EXPENDITURE FOR 2023 / 2024 ON 06 COMPANIES NAMELY: -

- i. ENIGMA 27 Consulting for the amount of R12, 859, 451, 31.**
- ii. Kgokanang Trading Enterprises for the amount of R119, 920,00.**
- iii. All Suppliers for the work below R30, 000, 00 resulting to the amount of R6, 916, 413, 53.**
- iv. Oakantse Contructions and Projects for the amount of R9, 559, 474, 77.**
- v. JMJ Electrical Projects and Management for the amount of R500, 079, 01.**
- vi. Blouberg and Mohodi Community Radio Stations for the amount of R215, 800, 00.**
- vii. Modhope for the amount of R R1, 128, 949, 25.**

7.3.4 The findings on the above mentioned companies are that the municipal officials dealing directly with the supply chain processes awarded these companies projects without verifying different attachments on their tender documents. Documents like municipal rates and taxes for the company ENIGMA 27 Consulting were not attached.

7.3.5 All Suppliers for work below R30, 000, 00, the historically disadvantaged individuals criteria was not applied, which is contrary to PPR 2022, and all other orders appointed prior the updating and approval of the SCM policy as at 30 November 2024

7.3.6 The MBD 8 Form was not signed for Oakantse Constructions and Projects.

7.3.7 JMJ Electrical Projects and Management did not attach audited financial statements and municipal rates for the Director of the Company.

7.3.8 Awards were made to Community Radio Stations without declaration of interest form signed.

7.3.9 The Modhope contract was investigated in prior years and considered written off.

7.3.10 In Conclusion, the Committee has sent questionnaires pertaining the UIF to Management and also publicly interviewed the Executive and Management to get the correct vision of events that transpired leading to accrued UIF and concluded in this following Recommendations: -

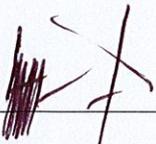
7.3.11 MPAC RECOMMENDATIONS ON THE ABOVE MENTIONED IRREGULAR EXPENDITURE

- a. The Committee recommend to Council to Write Off all 06 amounts mentioned above as Irregular Expenditure as the committee did not detect any malicious intent in appointing all the above mentioned companies.
- b. MPAC further recommend that SCM trainings and workshops be organized for officials involved in all Bids Committees from Specifications to adjudications as a matter of urgency and applying corrective measures.
- c. The Committee recommend that Management should also adhere to amended policies and pieces of legislations.
- d. The Committee recommend consequence management on any official that may be found in breach of SCM policies and regulations.

8. CONCLUSION

8.1 RECOMMENDATIONS TO COUNCIL

- a. That Council should adopt the 2023 / 2024 Oversight Report and approve the 2023 / 2024 Annual Report without reservations.
- b. That Council should adopt all recommendations made by the Municipal Public Accounts Committee.
- c. That the Accounting Officer should publicise the 2023 / 2024 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.



CLLR. MAIFO M.L

CHAIRPERSON: MPAC

24/03/2025

DATE