



**MERA FONG CITY LOCAL MUNICIPALITY**  
**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**  
**(MPAC)**  
**2023/2024 OVERSIGHT REPORT**

## **MPAC REPORT:**

### **1.PURPOSE**

The purpose of the report is to present the MPAC Oversight on the 2023/2024 Merafong City Audited Annual Report to Council for consideration and adoption in terms of Section 129(1) of the MFMA

### **2.BACKGROUND**

Section 121 (1) of the MFMA Act 56 of 2003, stipulates that “every Municipality and every Municipal entity must for each financial year, prepare an Annual Report in accordance with its guidelines”

The purpose of this Audited Annual Report is to inter-alia:-

- A. Provide a record of all the activities of the Merafong City Municipal Local Council during the financial year, in this regard for 2023/2024 Financial year
- B. Provide a report on performance against the budget of the Merafong City Local Municipal Council for the Financial year under review, and
- C. Promote accountability to the local community for the decisions made throughout the year by the Municipality

At the council meeting held on 29 January 2025, council recommended as follows:

- i. That Council considers the Annual Report on the activities of Merafong City Local Municipality for the period 1 July 2023 until 30 June 2024 (2023/2024) with its Annexures, Annual Financial Statements, Annual Performance Report and the Auditor General's Report as presented.
- ii. That the issues raised by the Auditor General in the report of 30 November 2024 as contained in Chapter 6 of the Annual report noting that the Municipality received a qualified audit opinion for the 2023/24 Financial year;
- iii. That a copy of the Annual Report together with its annexures, be submitted without delay to the MEC for Local Government in the Province, the Auditor General and such other institutions as may be prescribed by regulations in terms of the provisions of subsection 127(5)(6) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

- iv. That copies of the Annual Report be available and accessible to the public, interested organisations and the media within 7 days from date of this meeting, in terms of the provisions of subsection 127(5)(a)(i) of the Local Government: Municipal Finance Management Act (MFMA)
- v. That the copy of the Annual Report be submitted to Municipal Public Accounts Committee (MPAC) of the municipality for performing its oversight role on the Annual Report
- vi. That the final Annual Report 2023/24 together with the MPAC report be tabled in March 2025.

### **ESTABLISHMENT AND COMPOSITION OF MPAC MEMBERS**

A Municipal Public Accounts Committee (MPAC) was established by Council in on the 31<sup>st</sup> of May 2022 in line with Section 79 of the Municipal Structures Act, 117 of 1998

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members. Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides adequate framework and guidelines within which such committees of council shall operate.

The Committee consists of:-

- |                            |             |
|----------------------------|-------------|
| 1. Cllr. A.M. Phenduka     | Chairperson |
| 2. Cllr. T.M. Mnqandi      | Member      |
| 3. Cllr. S.I. Tlharipe     | Member      |
| 4. Cllr. W.A. Fihla        | Member      |
| 5. Cllr. L. Legabe         | Member      |
| 6. Cllr. M. Ntilane        | Member      |
| 7. Cllr. N. Gcwalangobuthi | Member      |
| 8. Cllr. P.E.B. O'Riley    | Member      |
| 9. Cllr. M. Ciliza         |             |

The functions of the Oversight Committee on the Annual report are to:

- Undertake a review and analysis of the Annual report;
- Invite, receive and consider inputs on the Annual report
- Consider written comments received on the Annual report from the members of the public;
- Receive and consider Councils' Audit Committee views and comments on the Annual financial statements and the performance report; and

Prepare the Oversight report that may be taken to Council for discussions.

### **3. ORGANISATIONAL IMPLICATIONS**

None.

### **4. COMMUNICATION IMPLICATIONS**

Following the adoption of the Annual Report of Merafong City Local Council, it should be submitted without delay to the Gauteng Treasury, the Department of Local government & Human Settlement, the Auditor General and also be posted into the website of Merafong City Local Council

### **5. CONSTITUTIONAL AND LEGAL IMPLICATIONS**

In terms of the provision of Section 129 (1) of the MFMA Act of 2003, every municipality and every municipal entity should prepare and adopt the Annual Report.

Section 41 (1) (c) of the constitution of the Republic of South Africa states "All spheres of government and all organs of state within each sphere must "implement effective, transparent, accountable, and coherent government for the Republic as a whole.

Municipal Public Account Committee (MPAC) has now completed its oversight role on the Annual Report of Merafong City Local Municipality and MPAC therefore tables the Annual Report to Council for consideration and adoption in terms of Section 129 (1) of the MFMA Act 56 of 2003

### **6. OTHER DEPARTMENTS / BODIES CONSULTED**

None.

### **7. FINANCIAL IMPLICATIONS**

Compliance with the MFMA and other related financial regulations.

## SUMMARY OF COMMENTS AND CONCLUSIONS ON THE AUDITED ANNUAL REPORT

- Compliance Issues Checklist (**ANNEXURE “A”**)
- MPAC Oversight Report (**ANNEXURE “B”**)

## ANNEXURE “A”

### COMPLIANCE ISSUES CHECKLIST (AUDITED ANNUAL REPORT 2023/2024)

#### TIMELINES FOR PRODUCING THE ANNUAL REPORT AS PER CIRCULAR MFMA 63

ACTIONS/ACTIVITY	YES/NO	PROCESS OWNER	WHEN	WHERE	MPAC FINDINGS
Submit Draft previous Financial year Annual Report and evidence to Internal and the Auditor General including Annual Financial Statements and Financial and Non-financial Information	Yes	MM C.F.O	August 2023	A.G Provincial & National Treasury	NONE
Submit Annual Report including Annual Financial statements and Annual performance Report to the combined Audit/Performance committee	Yes	MM C.F.O	August 2023	Audit Performance Committee	NONE
Mayor tables the un-audited Annual Report in Council	Yes	MM	August 2023	Merafong New Council Chamber	NONE
Municipality submit the Annual Report including final Annual Financial statements and Annual performance report to AG	Yes	C.F.O	August 2023	A.G. Committee Room	NONE

Unaudited Annual report is made public and representation is invited	Yes	MM		Provide evidence e.g. Press cutting	NONE
Auditor General for Auditing purposes- due 31 August. Council to submit unaudited tabled Annual report to MPAC for vetting and verifications of Council's directive on service delivery and the committee to evaluate Senior Managers performance against agreement entered into	Yes	MM	Unaudited Annual Report was submitted to MPAC after it has been tabled to Council August 2024	MPAC	NONE
Commencement of IDP analysis of institutional, service and infrastructure provision, backlogs, and priorities. Un-audited Annual Report as submitted to Auditor General to be used as input into the IDP strategic phase process and community verification and input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity	Yes	Council			NONE
Auditor- General audits the un-audited Annual Report and submit an audited report to the accounting officer for the Municipality/Municipal entity	Yes	Auditor- General	November 2024		NONE
Annual Report and oversight report process for adoption to be used as input into the Public participation for IDP review process	Yes	MM	October- November 2024		NONE
The Auditor- General's reports are issued during the period of	Yes	MM	November 2024		NONE

October/ November. Once the AG audit report had been issued no further changes are allowed as the audit process is completed					
Mayor tables the audited Annual report and Financial statements to Council	Yes	Mayor		New Council Chamber	None
Unaudited Annual report is made public e.g. posted on municipality's website	Yes	Marketing & Communication	After the adoption of the report by council before recess in December 2024		None
Oversight committee finalizes assessment on Annual Report. This must be concluded within 7 days of receipt of AG's report. Council is expected to conclude on this matter before going on recess in December.	No	Oversight Committee (MPAC)	Before recess of Council in December 2024		None
Council adopts Oversight report	No	Council	To be adopted by Council	Council Chamber	After Council meeting
Oversight report is made public.	Not yet	MM	After adopted by Council	Council Chamber	After Council meeting
Oversight report is submitted to Legislators, Treasuries and DcoG	Not yet	Communication & Marketing	After the council has adopted the report		After Council meeting

## **ANNEXURE “B”**

### **CHAPTER 1**

The Mayor's Foreword includes several key elements relevant to MFMA Circular No. 63, but there are gaps in certain areas. Here's an assessment based on the required criteria:

#### **Strategic Alignment to Provincial and Growth and Development Strategy**

☒ Partially Addressed:

The foreword references the Integrated Development Plan (IDP) as a guiding framework, but there is no explicit mention of alignment with the Provincial Growth and Development Strategy. The "Reimagining Merafong: Vision 2035" initiative is outlined, which provides a strategic direction, but its alignment to broader provincial or national strategies is not directly addressed.

#### **Corrective Actions Taken to Ensure Strategic Objectives in the IDP Were Achieved**

☒ Partially Addressed:

The filling of critical managerial positions and the development of action plans to address audit matters suggest an effort toward achieving strategic objectives. However, specific corrective actions taken to address shortcomings in service delivery or governance are not clearly detailed.

#### **Methods Used / Implemented to Improve Public Participation and Accountability**

☒ Partially Addressed:

The foreword mentions community and stakeholder consultations as part of the IDP/Budget process, which indicates efforts toward public participation. However, there is no mention of innovative methods or mechanisms (e.g., ward committees, digital platforms, feedback loops) used to enhance public engagement and accountability.

#### **Statement of Corrective Actions Whereby Service Delivery Can Be Improved**

☒ Partially Addressed:

While the foreword highlights challenges like financial management, water supply, sanitation, and infrastructure, it does not explicitly outline



corrective actions to improve service delivery in these areas. The Vision 2035 initiative proposes economic diversification strategies, but specific measures to address immediate service delivery challenges are missing.

### **Conclusion & Recommendations:**

While the Mayor's Foreword covers general themes required by MFMA Circular No. 63, there are gaps in specificity regarding:

- Alignment with the Provincial Growth and Development Strategy
- Detailed corrective actions taken to achieve IDP objectives
- Concrete strategies implemented for public participation
- Specific service delivery improvements

### **Recommendation:**

To fully comply with Circular 63, the foreword should explicitly mention:

1. How the municipality's plans align with provincial and national strategies.
2. Specific corrective actions taken to address IDP goals and past challenges.
3. Detailed methods used to improve public participation.
4. Clear steps taken to enhance service delivery.

### **1.2 Municipal Manager's Foreword**

The Annual Report for the 2023/2024 financial year is currently missing the Municipal Manager's Foreword, which is a crucial component as outlined in MFMA Circular No. 63.

This foreword provides a public account, guidance, and advice on the administrative performance of the municipality.

It should include key information such as the functions and powers of the municipality in terms of the Constitution and the Municipal Systems Act (MSA), details on entities related to the municipality, and how functions are shared with sector departments.

Additionally, it should contain a statement on the previous financial year's audit opinion, a summary of the current financial health of the municipality in line with Treasury Regulations No. 31804, and insights into revenue trends and borrowings. Furthermore, it should address internal management changes related to Section 56/57 managers and a risk assessment highlighting the top five risks along with mitigation measures.

The absence of this foreword leaves a significant gap in transparency and accountability regarding the municipality's administration and financial standing. It is recommended that the Municipal Manager's Foreword be included to ensure compliance with MFMA Circular No. 63 and provide stakeholders with a comprehensive overview of the municipality's governance and financial performance.

### **1.3 Municipal Overview**

#### **Assessment of the Municipal Manager's Overview Against Circular 63 Requirements**

The Municipal Manager's Overview covers a range of important aspects but lacks some of the key elements required under Circular 63, Section 1.3 (Municipal Overview).

Below is an assessment of the gaps:

Key Missing Elements (Gaps):

#### **✗ Municipal Functions & Powers (Constitutional and Legislative Context)**

- The Municipality's legal powers and responsibilities (as per Section 155/156 of the Constitution & Chapter 3 of the MSA) are not explicitly addressed.
- There is no discussion on how power is shared with related municipal entities and sector departments.

#### **✗ Entities Related to the Municipality & Intergovernmental Relations**

- The overview does not mention any municipal entities or how functions are shared with sector departments (e.g., water, electricity, housing, transport).

## ✗ Demographics & Economic Profile

- Population growth, economic development trends, and key demographic statistics are missing.
- There is no mention of employment/unemployment rates or the economic impact of mine closures.

## ✗ Risk Assessment & Mitigation

- The top 5 risks facing the municipality are not identified, nor are the mitigation strategies discussed.
- Financial risks are mentioned but not comprehensively linked to other operational risks (e.g., infrastructure failure, governance, public safety).

### Recommendations for Improvement:

- ◇ Include a section on municipal functions & powers, outlining responsibilities in line with Section 155/156 of the Constitution and the Municipal Systems Act (MSA).
- ◇ Provide details on intergovernmental cooperation (e.g., partnerships with sector departments and related entities).
- ◇ Incorporate key demographic and economic data, including population growth, employment statistics, and economic trends.
- ◇ Identify and discuss the top 5 risks facing the municipality with clear mitigation plans.
- ◇ Ensure all required elements of Circular 63 are addressed to improve transparency, accountability, and compliance.

<b>CHAPTER 3: SERVICE DELIVERY PERFORMANCE</b>	
<b>COMPONENT A: BASIC SERVICES</b>	
3.1. Water Provision	<ul style="list-style-type: none"><li>• MPAC recommended in their findings of the previous oversight report on how to curb/ minimize the water loss</li><li>• Taxi Association to account for the water loss at the taxi ranks</li></ul>
3.2. Waste water (sanitation) Household Sanitation	

T3.2.4 T3.2.6 T3.2.8	<ul style="list-style-type: none"> <li>How accurate is the information as MPAC found that the total households of formal and informal settlement are the same</li> <li>The municipality to open the pay points to enable the community to pay and to be fully functional</li> <li>Credit control to apply to paying and non-paying areas</li> </ul>
3.3. Electricity T3.3.1	<ul style="list-style-type: none"> <li>Maintenance (There is a slightly Improvement) but it is still a challenge because most transformers burn</li> <li>Remedial actions to curb the theft and vandalism of infrastructure (New law enforcement, the security is not tight)</li> </ul>
3.4. Waste management	<ul style="list-style-type: none"> <li>Provide a detailed report on the waste management employees and their levels and financial performance</li> </ul>
3.5. Housing T 3.5.4	<ul style="list-style-type: none"> <li>Rectify vacancy rate, 15-8= 7 not 6</li> </ul>
<b>COMPONENT D COMMUNITY AND SOCIAL SERVICES</b>	
T3.12Introduction to community services omitted  T3.12.1	<ul style="list-style-type: none"> <li>Provide the required information which is an introduction and after delete the directive note</li> <li>Delete the directive note once comment is completed</li> </ul>
<b>COMMENT ON THE PERFORMANCE OF CEMETORIES AND CREMATORIIUMS OVERALL</b>	
Comment not provided	<ul style="list-style-type: none"> <li>Comment and delete the directive note</li> </ul>
<b>INTRODUCTION TO CHILD CARE, AGED CARE SOCIAL PROGRAMMES</b>	
Brief introductory comments not provided	
<b>COMPONENT I CORPORATE POLICY OFFICES AND OTHER SERVICES</b>	
T3.24, T3.24.1 Introduction to Corporate offices not provided	<ul style="list-style-type: none"> <li>Provide a brief introductory comment</li> </ul>
<b>EXECUTIVE AND COUNCIL</b>	

Introduction to Executive and Council not provided	<ul style="list-style-type: none"> <li>• Provide a brief introductory comment</li> </ul>
T3.24.3, T3.24.4, T3.24.5, T3.24.6, T3.24.7 Is a cut and paste from the Annual report template	<ul style="list-style-type: none"> <li>• Provide required information</li> </ul>
<b>FINANCIAL SERVICES</b>	
Introduction to Financial Services omitted	<ul style="list-style-type: none"> <li>• Provide introductory comments and delete the directive note</li> <li>• Provide the required information</li> </ul>
T3.25.2, T3.25.2.1 is a cut and paste	
T3.25.3, T3.25.4, T3.25.5, T3.25.6 and T3.25.7 are cut and paste	<ul style="list-style-type: none"> <li>• Provide the relevant information</li> </ul>
T3.26.3, T3.26.4, T3.26.5, T3.25.6 tables are cut and paste	<ul style="list-style-type: none"> <li>• Populate the required information</li> </ul>
T3.27 to T3.27.7 tables are not done	<ul style="list-style-type: none"> <li>• Populate the required information</li> </ul>
<b>CHAPTER 4</b>	
<b>ORGANISATIONAL DEVELOPMENT PERFORMANCE</b>	
<b>COMPONENT A</b>	
<b>COMPONENT B</b>	
<b>MANAGING THE MUNICIPAL WORKFORCE</b>	
T4.1.1	<ul style="list-style-type: none"> <li>• Discuss the range and the emphasis of workforce management at the municipality and briefly mention progress made with the development of workforce policies and management practices during the year</li> <li>• Declaration forms of the whole Management to be provided starting from the day they started working for the municipality</li> </ul>
T4.3.6 Information is omitted	<ul style="list-style-type: none"> <li>• Correct the table number</li> </ul>
T4.3.7 is a cut and paste	<ul style="list-style-type: none"> <li>• Correct the numbering</li> </ul>
T4.5.4 information is omitted	<ul style="list-style-type: none"> <li>• Provide a comment on skills development and related expenditure and on the financial competency regulations</li> <li>• Provide a comment on the adequacy of training plans and the effectiveness of implementation at the municipality</li> </ul>
<b>COMPONENT D</b>	
T4.6.0 introduction to workforce expenditure is omitted	<ul style="list-style-type: none"> <li>• Explain the importance of managing workforce expenditure, the pressure to overspend and how spending is controlled</li> </ul>

T4.6.1.1 is a cut and paste	<ul style="list-style-type: none"> <li>• Also explain how municipality seeks to obtain value for money from work force expenditure</li> <li>• Provide the comment as required</li> </ul>
<b>CHAPTER 5 FINANCIAL PERFORMANCE</b>	
T5.0.1 is a cut and paste	<ul style="list-style-type: none"> <li>• Provide the required information</li> <li>• Provide an overview of the financial performance of the municipality</li> </ul>
T5.2.4 the information is omitted	<ul style="list-style-type: none"> <li>• Provide the relevant information</li> </ul>
<b>ASSET MANAGEMENT</b>	
T5.3.1 not provided  T5.3.2, T5.3.3, T5.3.4 are cut and paste T5.3.4.1 not provided  T5.4.9 omitted	<ul style="list-style-type: none"> <li>• Provide a brief overview on Asset Management as practiced within the municipality and outline the key elements of the municipality Asset Management Policy</li> <li>• Populate the required information</li> <li>• Comment on repair and maintenance expenditure of the municipality</li> <li>• Comment as required</li> </ul>
<b>COMPONENT B SPENDING AGAINST CAPITAL BUDGET</b>	
T5.5.0 the information is not provided	<ul style="list-style-type: none"> <li>• Provide the introduction to spending against capital budget</li> </ul>
T5.8.2, T5.8.4 is a cut and paste	<ul style="list-style-type: none"> <li>• Populate the required information</li> </ul>
<b>COMPONENT C CASHFLOW MANAGEMENT AND INVESTMENTS</b>	
T5.9 is a cut and paste T5.9.1, T5.9.1.1 are cut and paste	<ul style="list-style-type: none"> <li>• Give a brief comment on the importance of cash flow management</li> <li>• Provide the relevant information</li> </ul>
<b>BORROWING AND INVESTMENTS</b>	
T5.10.1, T5.10.2.T5.10.3, T5.10.4 and T5.10.5 are cut and paste	<ul style="list-style-type: none"> <li>• Provide the required information</li> </ul>
<b>PUBLIC PRIVATE PARTNERSHIPS</b>	
T5.11.1 is a cut and paste	<ul style="list-style-type: none"> <li>• Provide the required information</li> </ul>
<b>COMPONENT D OTHER FINANCIAL MATTERS</b>	

T5.12.1 is a cut and paste	<ul style="list-style-type: none"> <li>• Provide a brief narrative that describes the progress made by the municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations 2005</li> <li>• The municipality to state the number of Supply Chain officials that have reached the prescribed level required for their positions and also whom are yet to reach the necessary competency levels (see MFMA Competency Regulation Guidelines)</li> </ul>
<b>GRAP COMPLIANCE</b>	
T5.13.1 is a cut and paste	<ul style="list-style-type: none"> <li>• Provide the required information</li> </ul>

## CHAPTER 6

The Annual Report adequately covers the issues raised in the previous financial year, detailing specific concerns highlighted by the Auditor-General. Furthermore, it outlines the remedial actions taken to address these issues and the preventative measures implemented to ensure ongoing improvement in financial management and governance.

## APPENDICES

The following corrections are required for Appendix A of the Annual Report to ensure accuracy:

- The total number of Councillors listed should be 55, not 52.
- Councillor Ntilane's surname should be corrected from "Mantilane" to "Ntilane."
- Councillor O'Riley is incorrectly listed as a member of Merafong Agents of Change; this should be corrected to VF+.
- Councillor Mangaliso is incorrectly reported as a part-time Councillor; as an MMC, they are a full-time Councillor.
- Councillor Sello is incorrectly listed as MMC for Corporate & Shared Services; he is now the Deputy Mayor.
- Councillor Mncetywa is incorrectly reported as MMC for Public Safety; she is the MMC for Corporate & Shared Services.

These amendments must be implemented to ensure compliance and accuracy in the report.

Appendix B of the Annual Report is incomplete and does not fully comply with the requirements outlined in the Circular. The following shortcomings have been identified:

- Not all Committees of Council and their respective purposes have been listed.
- The names of Councillors serving on each Committee are missing.
- Information related to Councillor attendance at Committee meetings has not been included.
- Only the Audit Committee and the Performance Audit Committee have been listed, omitting all other Council Committees.

To ensure compliance with reporting requirements, Appendix B must be revised to include a complete list of all Council Committees, their purposes, the names of serving Councillors, and attendance records.

#### **Assessment of Appendix C: Third Tier Administrative Structure**

Appendix C of the Annual Report is incomplete, as it does not include the required organogram of the administrative structure of the municipality.

To ensure compliance, the organogram must be included, clearly outlining the hierarchy, reporting lines, and key administrative positions within the municipality.

Appendix D is meant to outline the **functions** of the municipality, indicating which functions it performs and, in the case of a local municipality, which functions are handled by the District Municipality. The response in the Annual Report—**"Municipality does not have entities"**—does not address the requirement of this appendix.

To ensure compliance, the municipality must provide a detailed list of its functions, distinguishing between those performed directly by the municipality and those handled by the District Municipality.



## Assessment of Appendix E: Ward Reporting

The information provided in **Appendix E** of the Annual Report does not fully comply with the required reporting format as per the guidelines. The following key issues have been identified:

### 1. Lack of Detailed Ward Reports

- The appendix only lists ward councillors and committee members but does not provide **reports on the operations and functions** of each ward.
- It should include a **summary of ward activities, challenges faced, and measures taken** to address these challenges.

### 2. Missing Sector Representation Information

- There is no indication of the **sectors of community representation** within each ward committee.
- The report should clarify how diverse community groups (e.g., youth, business, faith-based organizations) are represented in ward committees.

### 3. Incomplete Meeting and Reporting Data

- The report provides numbers for **committee meetings held** and **monthly reports submitted**, but it does not specify if all wards have submitted their reports consistently.
- There is no clear explanation of **what these reports contained** or any notable trends from ward reporting.

### 4. No Mention of Public Participation and Engagement

- The appendix should provide information on **public engagements, feedback mechanisms, and community participation levels** in ward meetings.
- It should also address how public concerns were escalated and resolved.

## Conclusion

The current reporting in Appendix E is incomplete and does not meet the required standards. It needs to be revised to **include detailed ward performance reports, sector representation, engagement activities, challenges, and interventions.**

### **Assessment of Appendix F: Ward information**

Project values need to be corrected, R25 000,00 cannot be a multi-year project for project 1 & 2. Khutsong sinkhole rehabilitation R4 013,00, Roads and storm water phase 7 R13 752,00. Top delivery priorities are not mentioned.

### **Assessment of Appendix H: Long-Term Contracts and Public-Private Partnerships (PPP)**

The information provided in **Appendix H** of the Annual Report is incomplete and does not fully comply with the reporting requirements. The following issue has been identified:

#### **Missing Agreements and Contracts**

- While the appendix includes details on projects and Public-Private Partnerships (PPPs), it **does not list the agreements and contracts** associated with them.
- The report must include **formal agreements, contract details, and terms** related to these partnerships.
- **Assessment of Appendix I: Municipal Entity/Service Provider Performance Schedule**
- The information required for **Appendix I** is **missing** from the Annual Report. The report does not include the top four priority indicators as articulated in the **IDP**, nor does it confirm whether these indicators are funded within the approved budget provision. This omission results in non-compliance with the reporting requirements.

### **RECOMMENDATIONS:**

- i. That the council having fully considered the Audited Annual Report of the municipality and the presentations thereon, adopts the oversight in terms of the provisions of subsection 129(1) of the MFMA, 2003 (Act 56 of 2003)
  - Council approves the Annual Report with reservations until all the components raised by MPAC are addressed
- ii. That copies of the Audited Annual report and the oversight report be corrected within the approved template before submitted to MEC for Local Government, Provincial Treasury, National Treasury, the Auditor General and such other institutions in terms of the provisions of sub-section 127(5) & (6) of the Local Government MFMA without delay.
- iii. That copies of the said Annual report and oversight report be made available and accessible to the municipal website, public, interested organizations and the media within 7 days from the date of this meeting

