

ITEM A.98/02/2025

TABLING OF THE REVIEWED MPAC TERMS OF REFERENCE

11/1/9/2

THEREFORE RESOLVED

1. That Council adopt the Municipal Public Accounts Committee (MPAC) reviewed Terms of Reference.
2. That the approved Municipal Public Accounts Committee (MPAC) Terms of Reference. be placed on the municipal website after approval, and further be submitted to the South African Local Government Association (SALGA), *Department of Cooperative Governance & Traditional Affairs (COGTA), and Auditor General South Africa (AGSA).*

*Mover: Cllr Executive Mayor
Seconder: Alderman Bester*

ITEM A.136/03/2025

ITEM MPAC.

2023/2024 OVERSIGHT REPORT ON ANNUAL REPORTS

***Mover: Cllr Lesie
Seconded: MMC Matsapola***

DR KENNETH KAUNDA DISTRICT MUNICIPALITY FINDINGS/OBSERVATIONS

1. The MPAC has noted the following concerns regarding the procured building for office space in Leeudoringstad through Tender: **KKDM 05/23**;
 - The building was bought as an investment property to generate revenue by renting out offices/space to private businesses and government departments, however, to date there are no tenants secured for the building for revenue enhancement.
 - The main building and the flats are at risk of being vandalised they are not safeguarded by physical security and therefore, employees working from that building are exposed to security risks.
2. The MPAC acknowledges and appreciates that the municipality has received an unqualified audit opinion, therefore we have not regressed, however, it is concerning that the number of material misstatements corrected in 2023/24 increased as per the AGSA Report.
3. Deviations that are approved must meet all the requirements of Local Government: Municipal Supply Chain Management Regulations 36 sub-regulation (l)(a) and (b), however some of the deviations as per the 2023/24 AGSA management report were authorized without meeting the conditions as specified which is contravention of SCM Regulations.

THEREFORE RESOLVED

**DRKKDM: THE MUNICIPAL MANAGER IS TO IMPLEMENT AND REPORT PROGRESS
QUARTERLY TO COUNCIL STARTING FROM 01 JUNE 2025**

1. That Council approves the Oversight Report 2023/2024 without reservation
2. That Council approves the Annual Report 2023/2024 without reservation.
3. That Oversight Report 2023/2024 be made public in accordance with Section 129 (3) of the Municipal Finance Management Act No 56 of 2003.
4. That Oversight Reports and the Annual Reports 2023/2024 be submitted to the Provincial Legislature, in accordance with Section 132(2) of the MFMA, and copies be given to the Office of the Auditor-General of South Africa (AGSA), Members of the Executive Council (MEC's) for Local Government and Provincial Treasury.
5. The municipality should enter into an agreement with MHLM regarding who will be responsible for the maintenance plan of the dry sanitation toilets, as the 24-month

maintenance program by the service provider has lapsed. This will assist in terms of the municipalities budgeting accordingly and sustainability of the maintenance plan.

6. The Accounting Officer and Mayoral committee should ensure that security is provided to the building and the flats to guard against vandalism and the safety of employees, however, cost-effective measures should be considered.
7. The Accounting Officer should follow up with potential tenants to ensure that the Leeudoringstad building does not become a white elephant and that it starts to generate income for the municipality. The Accounting Officer should also report quarterly to council in terms of the progress made.
8. That the Mayoral Committee and Management should strengthen the quality assurance measures related to all reports to council and preparation of AFS's to avoid possible misrepresentations, and having to rely on external audits to identify discrepancies and misstatements.
9. That the Accounting Officer must stop approving Deviations not meeting all the requirements of Local Government: Municipal Supply Chain Management Regulations 36 sub-regulation (l)(a) and (b) with immediate effect, and institute disciplinary measures for poor planning and performance by officials as this is a recurring finding.

Dr KENNETH KAUNDA DISTRICT ECONOMIC AGENCY FINDINGS/OBSERVATIONS

1. The Council took a resolution in 2020 to disestablish the agency, however, the delay in finalizing the winding down, and the recent knowledge that the Agency was liquidated and deregistered already on 21st February 2021 is continuing to cause findings by AGSA with the increase of UIFW, as the Agency had no SDBIP or any performance recorded. This is because it is not operational, and therefore could not enter into an agreement with the municipality to establish performance objectives and indicators as required by section 93B (a) of the Municipal System Act.

THEREFORE RESOLVED

1. That Council adopts the Oversight Report for 2023/2024 without reservations.
2. That Council approves the Annual Report for 2023/24 without reservations
3. That Oversight Reports 2023/2024 be made public in accordance with Section 129 (3) of the Municipal Finance Management Act No 53 of 2003.
4. That Oversight Report and the Annual Report 2022/2023 be submitted to the Speaker of the Provincial Legislature, AGSA and MEC's for Local Government and Provincial Treasury in accordance with section 132(2) of the Act.
5. That Council take notes that the Agency has been liquidated and deregistered on the 21st of February 2021.
6. That the matter of the Agency be referred to MPAC for further probing and guidance