

AM AHLATHI LOCAL MUNICIPALITY



OVERSIGHT ON THE ANNUAL REPORT FOR 2023/2024 FINANCIAL YEAR

Signed by:

Cllr Z.A. Qonto
MPAC Chairperson

OVERSIGHT ON THE ANNUAL REPORT OF AMAHLATHI LOCAL MUNICIPALITY FOR 2023/2024 FINANCIAL YEAR

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[Ordinary Council Meeting: 27 March 2025]

PURPOSE

For the Council to adopt the Oversight on the Annual report of Amahlathi Local Municipality for 2023/2024 financial year.

AUTHORITY

The Constitution of the Republic of South Africa, (1996 as amended). - The Local Government Municipal Structures Act (Act 117 of 1998 as amended). - The Local Government Municipal Systems Act (Act 32 of 2000 as amended) - The Local Government Municipal Finance Management Act (Act 56 of 2003) - Municipal Finance Management Regulations, Circular 11, 32 and 63 - The Standing Rules of Amahlathi Local Municipality - The Municipal Public Accounts Committee Terms of Reference

LEGAL AND/ OR STATUTORY REQUIREMENTS

According to section 151(2) of the Constitution of the Republic of South Africa, 1996 (as amended) the legislative and executive authority of a municipality is vested in its municipal Council.

Section 79(1)(a) of the Municipal Structures Act (Act 117 of 1998 as amended) provides for the Council to establish one or more committees necessary for the effective and efficient performance of any of its function or exercise of any of its powers. Section 46(1)(a) of the Municipal Systems Act (Act 32 of 2000 as amended) states that a municipality must prepare for each financial year an annual report reflecting the performance of the municipality and each external service provider during that year.

Section 129(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) states that: “ The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control and by no later than two months from the date on which the annual report was tabled in the Council in terms of 32 section 127, adopt an oversight report containing the Council’s comments on the annual report, which must include a statement whether the Council-

(a) Has approved the annual report with or without reservations;

(b) Has rejected the annual report; or

(c) Has referred the annual report back for revision of those components that can be revised.”

According to the Municipal Finance Management Act, 2003, Municipalities are enjoined to review the Annual report of the Municipality and municipal entity and develop and adopt an oversight report.

The Terms of Reference of the Municipal Public Accounts Committee provide for the Committee to oversee the Annual Report of the Institution and develop an Oversight Report

BACKGROUND

Local government legislation requires municipalities to prepare annual reports on service delivery and financial performance. The requirement for annual reporting is contained in section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000 as amended), and section 121 of the Municipal Finance Management Act, 2003 (Act 56 of 2003). In addition, the National Treasury (NT) issued Circular 11 of the MFMA, which provides guidance to municipalities on compliance with the above legislation and in accordance with the said Circular:

A municipal annual report must include the following major elements:

1. Annual performance report, comparing the year’s performance with the performance objectives established in the IDP, Budget and SDBIPs;
2. Annual financial statements (AFS), Auditor-General’s (AG) audit report on the AFS and management’s responses to address the AG’s audit findings;
3. Other disclosures as required by the MFMA in Sections 121, 123, 124 and 125 (e.g. Councilors and top management compensation, grants, bank accounts, investment information, etc.).

Section 129 (1) of the Municipal Finance Management Act, 2003 and National Treasury's (NT) Circular 32 direct and guide the oversight process and the preparation of the oversight report.

The Municipal Public Accounts Committee are successors in title to the Oversight Committee whose mandate entails, inter alia to:

- a) Lead the process of review of the annual report for Council, through a detailed analysis and engagement with stakeholders.
- b) Engage the Executive and the Administration on issues raised by the Auditor General to get assurance that such issues are attended to.
- c) Prepare the oversight report and provide Councilors with a more detailed and comprehensive analysis of the annual report than what they would have reached individually and or during the sitting of Council.

The rationale for the establishment of oversight committee is to assist the Council in providing better oversight over municipal operations and, ultimately, improve the quality of the annual report so that it can function as an effective performance monitoring tool for Council and citizens.

In terms of the National Treasury guidelines for Councilor's part eleven the Oversight of a municipality is not confined to the financial statements but includes monitoring the service delivery and the level of performance of the Municipality. For this reason, Oversight must "assess effectiveness, efficiency, service quality and municipal productivity and reports on SDBIP implementation that assesses whether promised service delivery targets have been delivered". It assesses whether the services that are delivered to the citizens meet the expectations of the citizens and whether they are of such a quality that is commensurate with the resources invested.

Considering that the review of the annual report may not be effective if done by the whole Council, the Amahlathi Local Municipality Council appointed multi-party Municipal Public Accounts Committee, in line with Guidelines issued by the Department of Cooperative Governance and the National Treasury.

Accordingly, the Municipal Public Accounts Committee is mandated to receive the Annual Report and analyze it to establish if the Municipality has fulfilled its mandate to the electorate in terms of service delivery as well as whether in delivering such services the resources of the institution were utilized in an effective and efficient manner.

On receipt of the Annual report of ALM and the consolidated annual financial statements the Municipal Public Accounts Committee met to consider the annual reports as required in terms of the Act, 2003 and developed a program of action to guide the committee in dealing with the Annual report.

The program of action also includes Public Participation on the Annual Report thus affording communities an opportunity to assess the performance of the Municipality as envisaged in section 16(1)(a)(iii) of the Municipal Systems Act (Act 32 of 2000 as amended). Comments and inputs of the Communities are included in the Oversight Report.

STAFF IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

RECOMMENDATIONS

- 1) That the Oversight on the Annual Report for 2023/2024 financial year **BE ADOPTED**.
 - 2) That the Senior Officials, Portfolio Heads and Ward Councilors **BE PART** of the Annual Report Public Hearings.
 - 3) That the Annual Report Public Hearings be **CONDUCTED** in October due to poor attendance in November/December.
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AM AHLATHI LOCAL MUNICIPALITY



OVERSIGHT ON THE ANNUAL REPORT OF AM AHLATHI LOCAL
MUNICIPALITY FOR 2023/2024 FINANCIAL REPORT

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INTRODUCTION

Section 151(2) of the Constitution of the Republic of South Africa, 1996 as amended, vests both legislative and executive authority of the Municipality on the Council. This means that Council has the responsibility to oversee the work of the Executive and the Administration of the municipality. The oversight responsibility of the Council is meant to ensure that there are checks and balances in the running of the Municipality and the delivery of services to the community.

Section 152(a) of the Constitution of the Republic of South Africa, 1996 as amended, states that the object of local government is:

“To provide democratic and accountable local government for communities”.

In the light of this provision, it becomes the responsibility of all the political and administrative office bearers to promote a culture of accountability within the entire institution and any municipal entity of which the municipality has sole or shared responsibility or ownership and seek to give effect to the provisions of the Constitution.

The submission of the Annual Report and the Annual Financial Statements to the Council is a step towards the attainment of fully accountable governance and enables the Council to exercise its leadership role in ensuring an accountable local government. The submission of the Oversight report on the annual financial statements and the annual report is an area in which the Council must play a meaningful role in terms of ensuring:

1. That the Executive and the Administration comply with the requirements of the Municipal Finance Management Act, 2003 and other relevant legislation in terms of reporting.
2. That the annual report reflects that the Municipality has lived up to its goals and strategies in terms of delivering services to the community as set out in its Integrated Development Plan.
3. That the municipality responds to national and provincial government norms in terms of the development objectives set by those spheres of government.

4. That the interests of the community are served to the extent that the municipality has the capacity and the resources to respond to the needs of the community.
5. That the municipality gives effect to the Integrated Development Plan as required in terms of section 36 of the Municipal Systems Act (Act 32 of 2000 as amended) and the Standing Rules (2014).
6. That the resources of the Institution are applied in an efficient and economic manner to deliver services to the community.

The Council of Amahlathi Local Municipality in considering mechanisms to do effective oversight in terms of the Act resolved to appoint a Municipal Public Accounts Committee to exercise the oversight functions of Council on behalf of the Council and report progress in terms of section 79 of the Municipal Structures Act (Act 117 of 1998 as amended). The Terms of Reference of the Municipal Public Accounts Committee include the consideration of the Annual Report and preparation and presentation of an oversight report to the Council for adoption.

SUMMARY OF THE RESOLUTION OF THE COUNCIL ON THE ANNUAL REPORT

The Mayor of Amahlathi Local Municipality, Her Worship Cllr Nomakhosazana Nongqayi, presented the Annual Report and the Audited Annual Financial Statements for the Local Municipality in a Special Council Meeting held on the 23 January 2025 in terms of section 127 of the Municipal Finance Management Act (Act 56 of 2003) as part of item 4.9 of the Special Council Agenda.

RESOLVED

That the 2023/2024 Annual Report with Audited Annual Financial Statements appended to the agenda for the 03/2024/2025 Special Council Meeting held on the 23 January 2025 **BE APPROVED.**

PROCESS FOLLOWED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE IN DOING ITS WORK.

In terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003), section 121 states that: Every Municipality and every Municipal entity must for each financial year prepare an annual report in accordance with this chapter. The Council of the Municipality must within nine months after the end of the financial year deal with the annual report of the Municipality and any of the Municipal entity under the municipality's sole or shared control in accordance with section 129.

The Committee developed a program of action for oversight on the Annual Report. The Program of action which is attached herewith as **Annexure 1E** of this report entailed the following key component:

1. Roll out of the Annual report to Communities for the citizens to be afforded an opportunity to give their views and raise concerns on the performance of the Municipality on service delivery.

MEMBERSHIP

The oversight committee is a committee of council established under section of the municipal structures act 1998.Sectoin 79, allows for co-option of advisory members to a committee, who are not members of the council

Due to the separation of roles and responsibilities between council and executive committee (MAYOR AND EXCO).It is not appropriate that members of the EXCO be members of the oversight committee.

AM AHLATHI OVERSIGHT COMMITTEE COMPOSED OF THE FOLLOWING MPAC MEMBERS:

- **Cllr Z.A Qonto- Chairperson**
- **Cllr X. Neti**
- **Cllr P.A.Simandla**
- **Cllr M.Gantsho**
- **Cllr Z.Mjandana**
- **Cllr N.Ncevu**

PUBLIC PARTICIPATION ON THE ANNUAL REPORT

Public hearings on the Annual report are a unique opportunity for communities to analyze and give comments on how they view the performance of the Municipality. In this regard the Municipality is able to comply with the provisions of section 16(1) (iii) of the Local Government Municipal Systems Act, 2000 as amended. However successful and effective participation of citizens in these processes depends on the extent to which an enabling environment is created for effective engagement. Thus, the support and cooperation of the local municipalities is important so that communities are able to evaluate the performance of local government in their areas.

During the Public Hearings the Committee was accompanied by the Honorable Mayor Mayor who presented the report to the communities. The Committee is pleased to report that it was able to visit all the areas of the local municipality.

The Committee noted that some of the issues raised by communities during the Public Hearings were raised in previous years and there is an indication that the Institution has not been able to resolve them, or they are taking longer to resolve. It is the view of the Committee that the Local Municipality is not moving fast enough in resolving the issue.

While the Communities have raised a number of issues, the over-arching impression was that of appreciation of the efforts that are made by ALM in delivering services to communities. Amongst the positive comments of the Communities are the following:

- a. The Amahlathi Local Municipality's consistency in bringing a report to communities on their performance.
- b. Communities appreciate the efforts that are made by ALM in delivering services in view of the backlog inherited from the past.

The details of the comments of the communities are captured in "**Annexure 1F**" of the report

INTERACTION WITH THE EXECUTIVE AND THE ADMINISTRATION

An important component of the oversight on the Annual report is the interaction between the Municipal Public Accounts Committee, the Executive and Administration. The purpose of the interaction is for the Municipal Public Accounts Committee to get assurance that matters raised by the Auditor General are receiving the attention of the Administration and the Executive and that there are plans in place to systematically deal with the matters and resolve them timeously . Due to the tight schedule of the ALM calendar, it was not possible to meet with the Executive and the Administration before the committee undertook the process of the public hearings.

SUMMARY OF CONCLUSIONS OF COUNCIL WITHOUT RESERVATIONS EXPRESSED ON THE ANNUAL REPORT AND THE ANNUAL FINANCIAL STATEMENTS OF THE ALM

The Municipal Public Accounts Committee has reviewed the Annual report and consulted communities in the process. The Committee is satisfied that the information provided is a fair representation of the state of affairs within the Municipality. The Committee therefore recommends that the Annual report of Amahlathi Local Municipality be adopted.

ANNEXURE 1A

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PROGRAM OF ACTION

Terms of Reference/Objectives	Activity	Frequency	Expected Outcomes
Ensure accountability, efficiency and effectiveness of Executive and Administration			
	Expenditure on Municipal Infrastructure Grant conducted by the Municipal Public Accounts Committee	Quarterly	<p>The MPAC is required by the Municipal Structures Act (Act 117 of 1998) as amended, to serve as an oversight committee. They are further required by ALM TOR's to visit the ALM projects at any stage of their implementation so as to:</p> <ul style="list-style-type: none"> i) Assess the level of community satisfaction on the implementation of the project. ii) Assess the impact of the project on the community and establish whether the resources of the Institution are effectively utilised. iii) Identify any challenges in the implementation of projects and advise council for corrective action.
Ensure capacity building for the committee	Municipal Public Accounts Committee Ordinary meeting	Quarterly	To share information and discuss issues at hand
	Arrange training for the committee	On- going/As and when is requested by the committee.	To strengthen capacity of committee. To develop probing and investigative skills.
	Meetings with the Audit Committee	Quarterly	<ul style="list-style-type: none"> - Discuss opinions on financials. - Share information on IA processes - Get opinion of IA on Financial Statements and Audit Process.

Terms of Reference /Objectives	Activity	Frequency	Expected Outcomes
Ensure community participate in review of Municipal Performance	Conduct Public Hearings on the Annual Report	Annually	- Community inputs into Municipal Performance.
Prepare oversight report on annual report	Meetings with the Mayor, Mayoral Committee and Management	Annually	<ul style="list-style-type: none"> - Get responses on issues raised by AG on the Annual Report. - Provide assurance to council and communities.
Ensure Clean and Accountable governance	Investigation into fruitless and wasteful expenditure	As and when requested by Council	- Promote transparent and accountable governance.

Signed by:



**MPAC CHAIRPERSON
CLLR .Z.A.QONTO**

AM AHLATHI LOCAL MUNICIPALITY



MPAC TERMS OF REFERENCE

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1. GENERAL DEFINITIONS

1.1 General definitions

1.1.1 In this Audit Committee and Performance Audit Committee Charter, unless the context indicates otherwise, a word or expression to which a meaning has been given, has the same meaning, and –

“Accounting Officer”	means the Municipal Manager, referred to in section 60 of the Act
“Act”	means the Municipal Finance Management Act, Act 56 of 2003
“Committee”	means the Municipal Public Accounts Committee established in terms of section 79 of the Municipal Systems Act, means the Audit Committee and Performance Audit Committee established in terms of Section 166 of the Act and the Performance Audit Committee established in terms of the Local Government Municipal Planning and Performance Regulations, 2001.
“Chief Financial Officer”	means the employee designated in terms of MFMA who performs such budgeting, and other duties as may in terms of section 80 & 81 of the MFMA be delegated by the accounting officer to the chief financial officer.
“Local Municipality”	means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality
“Employee”	means a person in the employ of the Local Municipality
“External Auditors”	means the Auditor-General
“Internal Audit Function”	means an internal audit component as constituted by Council.
“MPAC”	means a Municipal Public Accounts Committee as constituted by Council.
“TOR’s”	means the Terms of reference as adopted by Council.

2. INTRODUCTION AND PURPOSE

- 2.1 The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79 of the Municipal Structures Act as a Committee of Council for the efficient and effective performance of its functions. The MPAC Terms of Reference (TOR's) is the statement of its functions and responsibility as delegated by the Council. The Terms of Reference state the purpose of the Committee and its specific responsibilities. MPAC is the Committee of the Council and answerable to the Council on the performance of its functions. MPAC's recommendations are only binding when adopted as Council resolutions.
- 2.2 The role of MPAC is to serve as an oversight Committee and to review Amahlathi Local Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report and also when instructed by the Council to advise the Council in respect of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32(2) of the Municipal Financial Management Act (MFMA).
- 2.3 The Committee (MPAC) is a link in the accountability chain and plays accountability role at the local sphere of government. It enhances the accountability process by ensuring that there is objective political oversight in addition to the other governance committees, such as Council Executive, Executive Committee (EXCO), Finance Portfolio and the Audit Committee.
- 2.4 MPAC will assist the Council to hold the executive and municipal agencies to account as well as ensure the efficient and effective use of public finance.
- 2.5 The MPAC enables the Council, in respect of financial management, to fulfil its constitutional obligation to scrutinize and oversee executive action with regard to financial administration and non-financial activities.

Oversight in the Municipality enables the Council to:

- gain the trust of the voters on good governance related to public resources;
 - to improve service delivery and performance;
 - to hold the executive and administration accountable for their stewardship on policy implementation and use of municipality funds;
 - to enable councilors to evaluate the performance of the municipality against the set and agreed targets;
 - report on the performance of the municipality to their constitutions; and
 - to enhance the integrity of the municipality and thereby installing confidence by the local communities.
 - Monitor, implementation of recommendations by the AG Audit Committee and Internal Audit.
- 1.6 Request the support of Internal and/or external Auditors for advisory when necessary for any function assigned through council resolution

3. THE COMMITTEE'S MANDATE

- 3.1 Responsibilities related to management and internal control-** The Committee should advise Council in carrying out its responsibilities in terms of the Municipal Structures Act. The following amongst others, would be expected

from the Committee: To consider and evaluate the content of the following reports submitted to Council by the Executive Mayor and to make recommendations to Council in respect of such reports;

- i) Quarterly Supply Chain Management Reports;
 - ii) Quarterly Performance Reports;
 - iii) Quarterly reports of the on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP) to assess the effectiveness, efficiency and quality of services rendered and/or goods purchased; and to ascertain whether specific promised service delivery targets have been met;
 - iv) Section 71 and section 72 reports
- a) The MPAC is also empowered to invite persons with relevant experience both internally and externally to attend its meetings as it deems fit
- i) To consider and evaluate the content of the annual report, and draft an oversight report in accordance with Section 129(1) of the MFMA, within two months of the annual report being tabled in Council. The oversight report must include a statement recommending that Council:
 - ii) approve the annual report with or without reservations;
 - iii) reject the annual report;
 - iv) refer the report back for revision of those components that can be revised;
- b) Promote the effectiveness of the Municipality's internal control system regarding, financial, operational and Compliance with applicable laws and regulations ;
- c) Perform any other functions assigned to it through a resolution of council within its area of responsibility;
- d) Understand the scope of internal and external auditors' review of internal controls over financial reporting and obtain reports on significant findings and recommendations, together with management's responses;
- e) Interrogate the content, quality, adequacy, reliability and accuracy of the financial information (monthly and quarterly reports) provided to Council and other users of such information;
- f) Interrogate any accounting and auditing concerns identified as a result of internal and external audits performed;
- g) Interrogate the Auditor-General's management letter and management's response;
- h) Recommend/ investigate changes in accounting policies and practices; and
- i) Recommend adjustments resulting from the audit;
- j) By way of a resolution of Council, to investigate the recoverability of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32(2)(a) and (b) of the MFMA;
- k) Play an oversight role by conducting Departmental visits through the office of the Mayor;

3.2 Responsibilities related to the Internal Audit function and Audit Committee-The Committee should ensure that the Internal Audit function performs its responsibilities effectively and efficiently through:

- a) Assist Internal Audit in promoting good governance, transparency and accountability on the use of municipal resources
- b) MPAC should interrogate the audit reports of the municipality;
- c) Evaluate the extent to which the Audit Committee's and Internal Audit's recommendations have been implemented;
- d) Recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Internal Audit;

- e) MPAC should request the support of Internal Auditors for advisory when necessary for any function assigned through Council Resolution;
- f) Request advice from Internal Audit on the technical content of MPAC reports;
- g) Have meetings with the Internal Auditors as deemed necessary;
- h) Request advice from audit committee on the adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the MFMA and the Division of Revenue Act and other local government applicable legislation.
- i) The Committee shall be entitled to visit the ALM projects at any stage of their implementation so as to:
 - i) Assess the level of community satisfaction on the implementation of the project;
 - ii) Assess the impact of the project on the community and establish whether the resources of the Institution are effectively utilised;
 - iii) Identify any challenges in the implementation of projects and advise council for corrective action;
- j) The following procedure will be followed when MPAC project visits take place:
 - i) MPAC develops a report;
 - ii) MPAC meeting the Executive Mayor and Municipal Manager to appraise them on MPAC findings;
 - iii) The Mayor and Municipal Manager develop action plans or provide comments to add to MPAC findings;
 - iv) MPAC report with recommendations is tabled to Council;
 - v) Within 30 days, the Mayor and Municipal Manager meet with MPAC to appraise MPAC on actions taken;
 - vi) Municipal Manager reports to Council on steps taken to address issues raised by MPAC;
 - vii) In this process the independence of MPAC must be maintained unless it is a matter of urgency, the Committee must liaise with the Municipal Manager in respect of proposed site visits, to ensure that officials and/or service providers are on site to provide project related information to the Committee, as well as to ensure that interruptions to the projects to be visited are minimized.
 - viii) Committee should develop effective follow-up procedures to determine if action has been taken to implement its recommendations;
 - ix) Replies to recommendations of the committee are required from the accounting officer or any structure;
 - x) Replies should indicate the action taken to deal with the problem;
 - xi) Replies to questions must be provided to the committee within 30 days after the date of the resolution of the committee;
 - xii) When it is not feasible to provide information within the stipulated period the responsible department must furnish reasons with reasonable timeframes.

3.3 Responsibilities related to External Audit performed by the Auditor-General

- a) MPAC should convene meetings and hearings as and when it is required;
- b) Request advice on the technical content of MPAC reports.
- c) Ensure that there are no restrictions or limitations placed on the auditors;
- d) Examine audit results and contents of financial information and the action plans of management;
- e) Meet with the External Auditors at their request as they deem necessary;

- f) Ensure direct access by the External Auditors to the Committee, the Chairperson of the Committee and the Executive.

3.4 Responsibilities related to Performance management and Performance evaluation

- a) Interrogate the reports of the internal auditors covering the performance measurements of the Municipality.
- b) Interrogate the Municipality's performance management system and make recommendations in this regard to Council.
- c) In reviewing the Municipality's performance management system the Committee should focus on economy, efficiency, effectiveness and impact in so far as the key performance targets set by the Municipality are concerned.

3.5 Responsibilities related to the public

- a) Participate in the public hearings;
- b) Provide comments on matters referred to the public;
- c) Committee hearings are open to the public, however, in-camera Hearings may be held if the Committee is of the view that the matters in question may impact on rights to privacy or any other rights protected by the Constitution.

3.6 Risk Management

- a) The Committee should ensure that a risk register exists;
- b) The Committee should consider the overall risk management processes in the Municipality.
- c) The typical risks inherent to the functions and activities of the Municipality as well as the management and control of such risks;
- d) Ensure that all projects are registered within the risk register;
- e) Details of the action plans of management to control the level of risk;

3.7 Compliance Management

- f) Investigate the effectiveness of the systems for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instance of non-compliance;
- g) Ensure that the Committee's activities comply with all requirements, as determined by any applicable legislation and regulations promulgated there under, as well as any regulatory/

supervisory authority and shall review the Municipality's compliance with any statutory requirements and regulations, in respect of accounting and financial reporting;

- h) Request and consider reports and presentations by management on measures implemented to ensure compliance with statutes, internal policies, procedures and controls, including accounting systems and record keeping controls, information systems and technology controls, internal auditing processes, management information systems and reports applied to the day to day management of the Municipality's business, and review the internal control structure including financial control, accounting systems and reporting; and

Consider the impact of new legislation on the affairs of the Municipality

3.8 Review the annual financial statements

- a) According to section 166 (2)(b) of the Act, the Committee must interrogate the Annual Financial Statements to provide the Council of the Municipality with an authoritative and credible view of the financial position of the Municipality, its efficiency and effectiveness and its overall level of compliance with the Act, the annual Division of Revenue Act and any other applicable legislation.
- b) Review the reasons for major fluctuations in the financial results (current year compared with prior years).

3.9 Special investigations

- a) Where circumstances necessitate, the Committee may undertake special investigations referred to it by Council without having to wait for an investigation report already undertaken by the Internal Audit.

3.10 Other responsibilities

- a) Perform any other functions assigned to it through a resolution of council within its area of responsibility.
- b) Advise on matters relating to:
 - i) Effective governance; and
 - ii) Any other issues referred to it by the Council

4. Reporting To Council

- a) The Committee has no executive powers, however, the findings and recommendations of the Committee carry considerable weight for good governance. The committee submits report to Council on its recommendations as soon as possible after adoption. These recommendations are submitted to Council for consideration and approval.
- b) The MPAC must discuss and adopt its report for Council, as the MPAC is a committee of the council, its reports are submitted directly to the council without being submitted to the EXCO.
- c) The name of individuals are included in its reports. These reports would then be considered at in-committee meetings.

- d) The MPAC should be able to communicate freely with the Speaker on the inclusion of reports of the MPAC in the Council agenda.

5. COMPOSITION OF THE COMMITTEE

5.1 Membership

- a) The MPAC shall comprise of councilors, excluding any councilor serving as an Executive Mayor or Deputy Executive Mayor, Mayor or Deputy Mayor, Speaker, Whip or a member of the Mayoral Committee.
- b) As a committee established in terms of Section 79 of the Structures Act, the Committee is authorized by Council to co-opt advisory members who are not members of Council, but within the limits determined by Council
- c) MPAC members may not serve in other Committees of Council to minimize possible conflict of interest. Members ought to represent a wide range of experience and expertise available in Council and represent various political affiliations.
- d) Councillors serving on MPAC shall be appointed for a term as determined by Council.
- e) The Council may dissolve the MPAC at any time by way of a Council resolution.

5.2 Chairperson

- a) The Chairperson of the Committee is to be appointed by Council resolution.
- b) The Council may consider making the position of Chairperson of the Committee full-time.
- c) If the chairperson of the committee is unable to attend a particular meeting, the members present will elect an acting chairperson for that meeting.

5.3 Secretariat of the Committee

- a) In order for the MPAC to be effective in executing its functions, officials in the Legislative and Executive Support Department will provide support to the Committee to coordinate and undertake research activities and will also provide secretarial and administrative support as required by the committee's work programme.
- b) MPAC Chairperson shall have direct access to the Attorneys of the Municipality for advice and review on any investigation report undertaken by the MPAC Committee.
- c) The Committee's annual budget shall be under the control and management of the Legislative and Executive Support department.
- d) The council must ensure adequate provision of financial and other resources to ensure that the Committee fulfils its mandate.

6. OPERATION

6.1 Frequency of meetings

- a) The meetings of MPAC shall be included in the annual calendar of the Council and will sit on quarterly as determined by Council in its schedule of meetings, but special meetings may be called when necessary to consider urgent matters as mandated by Council.
- b) Agendas for the meetings shall be issued at least seven days prior to a meeting.
- c) The standard rules for the Council shall apply to MPAC.
- d) The meetings of the MPAC should, as far as is possible and practical, be open to the public in accordance with section 160(7) of the Constitution.

6.2 Quorum

- a) The quorum for meetings will be 50% plus 1 of the members of the Committee.

6.3 Conflict of interest

- a) Subject to the provisions of any act, regulation or prescript, where a member of the Committee has an interest in a matter being considered, this interest shall be declared at the beginning of the proceedings of the meeting and the member must recuse him/ herself from the decision-making process.

6.4 Access to information

- a) MPAC is authorized to seek any information from and have access to any Councilor and/employee, and to direct all Councilors or employees to cooperate with any request by the Committee.
- b) MPAC has unrestricted access to information relating to all personnel, books of accounts, records, assets and liabilities of the Council and to any other sources of relevant information that may be required from the Council for the purpose of its duties and responsibilities, however MPAC has to notify the office of the Municipal Manager, unless the Municipal Manager is implicated in the matter.
- c) Head of departments should provide information within 7 working days failing which, the MPAC Chairperson will direct the request to the Office Municipal Manger and if there is no response from the M.M either, the Committee shall forward the matter to Council.
- d) It shall have the authority to instruct committee members, management and other employees of the council to be present at any given meeting for possible interview and/or give input regarding items on the agenda.
- e) The MPAC committee has the authority to obtain legal, technical and other specialized assistance required to exercise its functions and duties but that should be within the budget approved for the committee and subject to the supply chain management policy where applicable.
- f) The MPAC shall have direct access to internal and external auditors and direct investigations into any matters referred to it by Council.
- g) The committee should have permanent referral as they become available of :

- i) All financial statements and the Annual Report of the municipality and its municipal entities as part of the Committee's oversight process;
 - ii) Audit opinion, other reports and recommendations from the Audit committee;
 - iii) Reports in respect of transgressions in terms of the MFMA pertaining Sections 32(2) of the MFMA;
 - iv) Information in respect of transgression in terms of the MFMA pertaining to the Council and its Municipal Entities, i.e. failure to prepare and adopt the Annual Report as well as the submission and auditing of the annual financial statements;
 - v) Feedback on corrective action taken in respect of recommendations by the MPAC;
 - vi) Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the committee;
 - vii) Any other audit report from the municipality; and
 - viii) Performance information of the municipality;
- h) The Standing Rules for the Council applies to the Committee and provide various other rights and powers to the Committee to assist it in carrying out its functions effectively, for example:
- i) The power to work with other committees of Council.
 - ii) The right of other Committee Members to attend in an observation capacity will be accommodated, but participation in the Committee hearing will be at the discussion of the MPAC Committee members.
- i) To ensure that the Council oversight report as envisaged in Section 129 of the MFMA is prepared for adoption by the Council and that corrective action has been taken in respect of the comments and resolutions in respect of the oversight report.

6.5 Confidentiality

- a) The Committee undertakes to state that it will not, at any time, disclose confidential information to any third party for any reason or purpose whatsoever without the express prior written consent of the Municipal Council.

6.6 Notice of meetings

- a) Notice of each meeting shall be given in writing to all members of the Committee, at least fourteen days prior to the date on which such a meeting is to be held.

6.7 Agenda, papers and distribution

- b) The agenda of each meeting shall be prepared and distributed at least seven days prior to the meeting date. Any person attending the meeting may add items to the agenda up to three days before the agenda is finalized. Such items must be provided to the secretary of the Committee.

6.8 Minutes

- a) The secretary shall prepare draft minutes of the meeting for review by the Chairperson within 10 working days of the meeting. The minutes shall be tabled at the next meeting of the Committee for adoption.

7. OTHER MEETINGS OF THE CHAIRPERSON

a) Should the external auditors, internal auditors, audit committee or legal manager or any other party request an audience from the Committee, the Chairperson shall consult the other members prior to convening such a meeting;

b) The Chairperson may at his/ her discretion meet separately with the external auditors, internal auditors, audit committee or management to discuss any matter;

8. EVALUATION OF THE EFFECTIVENESS OF THE COMMITTEE

a) Although the effectiveness evaluation of the Committee is the responsibility of the Council, the Committee shall conduct a self-assessment evaluation on an annual basis. The results of the evaluation shall be made available to the members and Council as soon as convenient.

b) At the last meeting of each financial year, the Committee shall conduct an evaluation of the Committee's Terms of Reference and will make recommendations to improve the effectiveness of the Committee, as may be required.

c) The Council must also evaluate the effectiveness of the MPAC annually.

9. APPROVAL

a) These Terms of Reference are hereby adopted as the guiding document for existence and operation of the Amahlathi Local Municipality's Municipal Public Accounts Committee.



CHAIRPERSON OF THE COMMITTEE

AM AHLATHI LOCAL MUNICIPALITY



**INVESTIGATION OF IRREGULAR,
FRUITLESS & WASTEFUL EXPENDITURE
AS AT 31 DECEMBER 2023**

IRREGULAR EXPENDITURE AS AT 31 DECEMBER 2023

[File No.....]
[Author: MPAC Chairperson: ZA/Q]
[Ordinary Council Meeting: 27 March 2024]

Purpose

The purpose of this communication is to provide a report to the council on investigation of irregular expenditure that amounts to R 1 182 340,11.

Background

The two companies: Kukho Consulting (who was rendering consulting services) and Ebusha General Trading who supplied and delivered Asphalt for the municipality had issues with SARS. During the evaluation process of Kukho Consulting and Ebusha General Trading were not tax compliant to SARS however they entered into an agreement or a payment arrangement with SARS which led to their appointment by the municipality as service providers. During the appointment stage they were in good standing with SARS in terms of honoring their arrangement, however they defaulted and the Auditor -General classified the two companies as irregular appointments.

Considering the above, the Municipal Public Accounts Committee took its initiative to investigate the above-mentioned expenditure as part of its duties to enable the council in respect of financial management to fulfil its constitutional obligation to scrutinize and oversee executive action with regards to financial administration and non-financial activities.

Authority

The Constitution of the Republic of South Africa, 1996 as amended.
The Local Government Municipal Structures Act (Act 117 of 1998)
The local Government Finance Management Act (56 of 2003),
The Municipal Supply Chain Management Regulation.

Legal / Statutory Requirement

According to section 151(2) of the Constitution of the Republic of South Africa, 1996 as amended, the legislative and executive powers of a municipality are vested in its municipal council. In terms of this provision the council is expected to develop mechanisms to ensure a balance in the performance of both functions compromise to the principle of separation of powers.

Section 79 of the Local Government Municipal Structures Act (Act 117 of 1998 as amended) makes provision for the Municipal Council to

(b). 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.

CONCLUSION

During the investigation, the committee discovered that the expenditure was incurred due to two companies which failed to honour the SARS payment arrangement they entered into. Even though the companies defaulted on paying SARS, the services were rendered at market value and value of work matched what was paid for.

The conclusion and recommendation(s) of this report are based on the information obtained through inquiry meetings with officials deemed relevant for the investigation and the scrutiny of documents obtained *from BTO*.

RECOMMENDATIONS

- 1) That the Council **APPROVES THE WRITE OFF** of irregular expenditure that amounts to R 1 182 340.11.
 - 2) That the Municipality **refrains** from appointing service providers that are not tax compliant to SARS irrespective of the arrangement made by the service provider with SARS.
-

AM AHLATHI LOCAL MUNICIPALITY			
LIST OF IRREGULAR EXPENDITURES AT 31 DECEMBER 2023			
DATE	Name of Payee	Amount	Reason
21/07/2023	Kukho Consulting	R389 319,45	Supplier failed to honour SARS arrangements
30/08/2023	Kukho Consulting	R91 985,34	Supplier failed to honour SARS arrangements
24/08/2023	Kukho Consulting	R86 042,74	Supplier failed to honour SARS arrangements
21/09/2023	Kukho Consulting	R60 475,46	Supplier failed to honour SARS arrangements
02/10/2023	Ebusha General Trading	R28 500,45	Supplier failed to honour SARS arrangements
07/12/2023	Ebusha General Trading	R95 001,50	Supplier failed to honour SARS arrangements
04/10/2023	Kukho Consulting	R60 475,46	Supplier failed to honour SARS arrangements
26/10/2023	Kukho Consulting	R189 748,64	Supplier failed to honour SARS arrangements
06/11/2023	Kukho Consulting	R66 742,96	Supplier failed to honour SARS arrangements
08/12/2023	Kukho Consulting	R114 048,11	Supplier failed to honour SARS arrangements
	TOTAL	R1 182 340,11	

FRUITLESS AND WASTEFUL EXPENDITURE AS AT 31 DECEMBER 2023

[File No.....]
[Author: MPAC Chairperson/ZA/Q]
[Ordinary Council Meeting: 27 March 2024]

Purpose

The purpose of this communication is to provide a report to the council on the investigation of fruitless and wasteful expenditure that amounts to **R 7 536 510,18**.

Background

The municipality has been struggling to keep up with the payment of salaries and third parties at the same time for a couple of years, this situation has resulted in the prioritization of salaries for employees and councillors over the payment of third parties. The above-mentioned situation has been going on for quite some time and has resulted the municipality to incur interest from the third parties.

Considering the above, the Municipal Public Accounts Committee took its initiative to investigate the above-mentioned expenditure as part of its duties to enable the council in respect of financial management to fulfil its constitutional obligation to scrutinize and oversee executive action with regards to the financial administration and non-financial activities.

Authority

The Constitution of the Republic of South Africa, 1996 as amended.
The Local Government Municipal Structures Act (Act 117 of 1998)
The local Government Finance Management Act (56 of 2003),
The Municipal Supply Chain Management Regulation.

Legal / Statutory Requirement

According to section 151(2) of the Constitution of the Republic of South Africa, 1996 as amended, the legislative and executive powers of a municipality are vested in its municipal council. In terms of this provision the council is expected to develop mechanisms to ensure a balance in the performance of both functions compromise to the principle of separation of powers.

Section 79 of the Local Government Municipal Structures Act (Act 117 of 1998 as amended) makes provision for the Municipal Council to

(b). 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.

CONCLUSION

During the investigation, the committee discovered that the expenditure was incurred due to interest on overdue accounts and penalties. The main cause for the late payments was the prioritization of salaries for employees and councillors over the payment of creditors. The conclusion and recommendation(s) of this report are based on the information obtained through inquiry meetings with officials deemed relevant for the investigation and the scrutiny of documents obtained from BTO.

RECOMMENDATION

- 3) That the Council **APPROVES THE WRITE- OFF** of fruitless and wasteful expenditure that amounts to **R 7 536 510,18**.
-

FRUITLESS & WASTEFUL EXPENDITURE AS AT 31 DECEMBER 2023

Date	Name of Payee	Amount	Reason
2023/07/11	Eskom	158,77	Interest Expense:Overdue Accounts
2023/07/11	Eskom	110,82	Interest Expense:Overdue Accounts
2023/07/11	Eskom	71,62	Interest Expense:Overdue Accounts
2023/07/11	Eskom	550,37	Interest Expense:Overdue Accounts
2023/07/12	Eskom	496,92	Interest Expense:Overdue Accounts
2023/07/22	Eskom	1016,05	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R219,70	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R82,83	Interest Expense:Overdue Accounts
2023/07/26	Eskom	0,31	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R50,93	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R41,60	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R18,88	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R19,01	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R33,56	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R5,85	Interest Expense:Overdue Accounts
2023/07/26	Eskom	37,76	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R63,07	Interest Expense:Overdue Accounts
2023/07/26	Eskom	R347,69	Interest Expense:Overdue Accounts
2023/07/27	Eskom	51,63	Interest Expense:Overdue Accounts
2023/07/28	Eskom	0,53	Interest Expense:Overdue Accounts
2023/07/28	Eskom	43,68	Interest Expense:Overdue Accounts
2023/07/28	Eskom	20,22	Interest Expense:Overdue Accounts
2023/07/28	Eskom	25,09	Interest Expense:Overdue Accounts
2023/08/01	Eskom	R1 005 904,73	Interest Expense:Overdue Accounts
2023/08/01	Auditor-General	R8 962,62	Interest Expense:Overdue Accounts
2023/08/30	Eskom	R1 190 551,13	Interest Expense:Overdue Accounts
2023/08/31	Auditor-General	R6 940,42	Interest Expense:Overdue Accounts
2023/09/22	Eskom	R61 705,78	Interest Expense:Overdue Accounts
2023/09/22	Eskom	R974,11	Interest Expense:Overdue Accounts
2023/09/26	Eskom	R43,37	Interest Expense:Overdue Accounts
2023/09/26	Eskom	R24,38	Interest Expense:Overdue Accounts
2023/09/26	Eskom	R24,38	Interest Expense:Overdue Accounts
2023/09/26	Eskom	R58,66	Interest Expense:Overdue Accounts
2023/09/26	Eskom	R48,78	Interest Expense:Overdue Accounts
2023/09/28	Eskom	R32,10	Interest Expense:Overdue Accounts
2023/09/28	Eskom	R39,85	Interest Expense:Overdue Accounts
2023/09/30	Auditor-General	R6 033,56	Interest Expense:Overdue Accounts
2023/10/03	Eskom	R1 604 010,78	Interest Expense:Overdue Accounts
2023/10/07	SARS	R220 297,07	Penalty
2023/10/09	SARS	R2 127,52	Interest Expense:Overdue Accounts
2023/10/10	Eskom	R229,05	Interest Expense:Overdue Accounts
2023/10/10	Eskom	R29,03	Interest Expense:Overdue Accounts
2023/10/10	Eskom	R109,92	Interest Expense:Overdue Accounts
2023/10/10	Eskom	R59,11	Interest Expense:Overdue Accounts

2023/10/10	Eskom	R146,78	Interest Expense:Overdue Accounts
2023/10/11	Eskom	R159,54	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R38,38	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R33,84	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R38,05	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R151,78	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R14,07	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R39,72	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R1,29	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R60,05	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R48,78	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R69,30	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R25,02	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R14,07	Interest Expense:Overdue Accounts
2023/10/25	Eskom	R2 021,84	Interest Expense:Overdue Accounts
2023/10/28	Eskom	R0,41	Interest Expense:Overdue Accounts
2023/10/28	Eskom	R21,59	Interest Expense:Overdue Accounts
2023/10/28	Eskom	R17,38	Interest Expense:Overdue Accounts
2023/10/28	Eskom	R34,68	Interest Expense:Overdue Accounts
2023/10/28	Eskom	R28,14	Interest Expense:Overdue Accounts
2023/10/31	Auditor-General	R9 218,25	Interest Expense:Overdue Accounts
2023/11/01	Eskom	R1 301 659,33	Interest Expense:Overdue Accounts
2023/11/30	Auditor-General	R12 265,77	Interest Expense:Overdue Accounts
2023/11/30	Eskom	R1 384 490,23	Interest Expense:Overdue Accounts
2023/12/31	Eskom	R714 238,65	Interest Expense:Overdue Accounts
	Total Amount	R7 536 510,18	

Compiled

Checked

AM AHLATHI LOCAL MUNICIPALITY



AM AHLATHI LM PROJECTS FOR 2023/2024

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AMAHLATHI LOCAL MUNICIPALITY PROJECTS FOR 2023/2024 FINANCIAL YEAR

[File No.....]
[Author: MPAC Chairperson/ZA/Q]
[Ordinary Council Meeting:23 May 2024]

Purpose

To report progress on the implementation of Amahlathi LM projects for 2023/2024 financial year.

Background

The Municipal Public Accounts Committee is required by the Municipal Structures Act (Act 117 of 1998) as amended, to serve as an oversight Committee and when instructed by the Council to advise the Council in respect of unauthorized, irregular, or fruitless and wasteful expenditure in terms of Section 32(2) of the Municipal Financial Management Act (MFMA). They are further required by the ALM TORs to visit the ALM projects at any stage of their implementation so as to:

- i) Assess the level of community satisfaction on the implementation of the project.
- ii) Assess the impact of the project on the community and establish whether the resources of the Institution are effectively utilised.
- iii) Identify any challenges in the implementation of projects and advise council for corrective action.

Authority

- The Constitution of the Republic of South Africa, 1996 as amended.
- The Local Government: Municipal Structures Act (Act 117 Of 1998)
- The Local Government Municipal Finance Management Act (56 of 2003), Municipal Supply Chain Management Regulations

Legal And or Statutory Requirements

According to section 151(2) of the Constitution of the Republic of South Africa, 1996 as amended, the legislative and executive powers of a municipality are vested in its municipal council. In terms of this provision the Council is expected to develop mechanisms to ensure a balance in the performance of both functions without compromise to the principle of separation of powers.

Section 79 of the Local Government Municipal Structures Act (Act 117 of 1998 as amended) makes provision for the Municipal Council to:

- a. 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.

RECOMMENDATION(s)

- 1) That the progress on the implementation of Amahlathi LM projects for 2023/2024 financial year **BE NOTED.**
- 2) That Engineering Services Dept allocates more budget for storm water structures / drainage systems as they play a big role in keeping the road in good condition.
- 3) That the Municipal Public Accounts Committee be provided with PPE's ,such as safety boots, helmets and reflector jackets as part of the safety precautions.

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS

STUTTERHEIM MULTI-RECREATIONAL CENTRE

Project Location

The project is situated at Stutterheim between Long Street, Hill Street, and Maclean Road (N6)

Objective and Project Initiation

The objective of the project entails the construction of a multi-recreational centre with offices, boardroom, ablution facilities, multi-purpose hall or an Auditorium, workshops, and outdoor recreational facilities. The project initiation was done by Amahlathi Local Municipality in consultation with the local community

The scope of works is divided into 3 service categories namely Buildings, Civil Engineering, Electrical & Mechanical Engineering Services. The project implementation commenced on the 20th day of April 2023 and is due for completion on the 23rd day of January 2024.

Scope of work

The Scope of work entails the construction of the following: -

- Offices.
- 25-seater boardroom.
- Ablution facilities.
- Multi-purpose hall with squash court and table tennis facilities.
- Workshops.
- Access road.
- Parking bays and
- Fencing.
- 3 workshops.
- IT Centre2.
- Information Centre.
- Tourism Centre.
- Revenue Hall.
- Council Chamber (40 sitter).
- Reception Area.

The scope of works is divided into 3 service categories namely Buildings, Civil Engineering, Electrical & Mechanical Engineering Services.







The project is 95% complete.

Electricity connection is complete and working.

Front paving is installed ,however it is not complete due to the shortage of paving blocks that were to be delivered on the 17th of May 2024.

The fencing material was also to be delivered on Friday,17th May 2024.

Hall tilling is in progress as of 16th of May 2024 , All the other parts of the building are complete.

KEISKAMMAHOEK RECREATIONAL CENTRE

Project Location

The project is situated at Keiskammahoek in Ward 01, near the town's central business district (CBD), within the Amahlathi Local Municipality of the Amathole District Municipality in the Eastern Cape. The site is owned by the municipality and has deteriorated library building on it.

Objective and Project Initiation

The project is aimed at constructing a multi-recreational facility and a library in Keiskammahoek. It has a duration of 8 months which commenced on the 28th of February 2023 expected to be completed on the 12th of December 2023. Project initiation and assessment were made starting on inception, identifying what needed to be done, topographical surveys and geotechnical investigations were conducted. Preliminary design and Final design report were also submitted and approved. The project was out on tender last year December 2022 and closed in January 2023 and Vitsha Trading was awarded the contract early March 2023.

Scope of work

Construction of a multi-recreational facility, includes the following:

- Hall
- Changerooms
- Kitchen
- Toilets for males and females
- Building foundation
- Stormwater drainage around the building
- Library
- Construction of pathway
- Construction of a parking space (staff and visitors)
- Fencing





The construction of the building is 95% complete, there is a lot of work to be done to complete the whole project.

FRANKFORT INTERNAL ROADS

Project Location

The project is situated in Ward 12 within the Amahlathi Local Municipality of the Amatole District Municipality in the Eastern Cape at Frankfort.

Objective and Project Initiation

The Employers objective is addressed below:

- Define/refine parameters and assumptions made during the preliminary feasibility study.
- Identify constrains and develop solutions.
- Improve transportation and more efficient route.
- Increase connectivity between villages.
- Create employment for locally unemployed people and business.
- To contribute to overall development of the region.

Scope of work

The construction process of 6km will include the following operations:

- General Requirements and Provisions
- Contractor's Establishment on Site and General Obligations
- Offices for the engineer's site personnel
- Accommodation of Traffic
- Clearing and Grubbing
- Dayworks
- Drains
- Mass Earthworks
- Pavement Layers of Gravel Material
- Pitching, Stonework and Protection against erosion
- Road Signs
- Testing Materials and Workmanship



Road 5 is 80% complete. Stone Pitching and pipes will be installed.



The road has been shaped and graveled.
Bedding laid
Second course will be added.
Subsoil drain and stone pitching will be installed.

MLUNGISI SPORTFIELDS PHASE 2

SITE CLEARANCE

- Clear and grub
- Remove and grub large trees and tree
- Stumps of girth
- Over 1m and up to and including 2m

EARTHWORKS

- Site preparation
- Remove topsoil to nominal depth 150mm and excavate to nominal depth 200mm stockpile and maintain
- Bulk excavation
- Excavate in all materials and use for embankment or backfill or dispose, as ordered
- Combi and netball Courts
- Extra-over for intermediate
- Hard rock excavation
- Rip and recompact insitu earth to 93% Mod AASHTO
- Excavation in earth to reduces levels
- Under solid floor
- Excavation in earth not exceeding 2m deep
- Trenches
- Column bases, holes, etc.

Extra over all excavations for carting away

- Surplus material from excavations and/or stock piles on site to a dumping site to be located by the contractor
- Risk of collapse of excavations
- Sides of bulk excavations not exceeding 1,5m deep
- Keeping excavations free of all water other than subterranean water
- Filling material obtained from excavations compacted to 93% Mod AASHTO density
- Backfilling to trenches, holes, etc
- Filling material obtained from the commercial sources compacted to 93% Mod AASHTO density (under floor)
- Coarse river sand filling supplied by the contractor (under floor)

Compaction of surfaces

- Compaction of ground surface under floors etc including
- scarifying for a depth of 150mm, breaking down oversize
- material, adding suitable material where necessary and compacting to 93% Mod AASHTO density

Soil Poisoning

Soil insecticide

Under floors etc. including forming and poisoning shallow furrows against foundation walls etc., filling in furrows and ramming

To bottoms and sides of trenches etc.

COMBI COURTS

SURFACING OF THE COURTS

Construction of netball field (30.5M X 15.25M), Basketball (29m x 15m) and Volleyball (18m x 9m). Supply and lay all-weather coloured slurry and marking on the courts.

FLOOD LIGHTS FOR SOCCER FIELD

The Contractor shall design, in accordance with the relevant codes, a floodlighting system to provide an average maintained horizontal illuminance at ground level of not less than 100 lux, with an illumination uniformity of not less than 0,4 and an illumination uniformity gradient of not more than 25% per 5 m.

The floodlighting system shall be capable of switching to a low level of 75 lux for general training purposes.

The Contractor shall provide for the installations of all ducts and footings required for the installation of the floodlights and shall provide as an option the complete installation. All footings shall be finished level with the finished ground level so as not to create a tripping hazard. Including poles installation 18m high minimum.

The supplier shall submit as part of the supplier's proposal a lighting plot showing the anticipated horizontal illuminance over the entire area at each level of illuminance.

BEDDING (PIPES)

Provision of bedding from trench excavation (Class C bedding):

Selected granular material

Selected fill material

Supply only of bedding by importation (Class C bedding):

Sewers

Supply, lay, joint, bed (Class B) and test pipeline, for a structured wall uPVC sewer pipes conforming with SANS Specification as follows:

110 mm diameter – Class 34

160 mm diameter- Class 34

Supply concrete manhole rings and covers conforming with the requirements of SABS 677 all straight channels, channel bends, concrete and sealant including all other required material for manhole depths

Up to 1,0m deep

Exceeding 1,0m and up to 2,0m deep

Exceeding 2,0m and up to 3,0m deep

Extra-over item 6.2 for:

Backdrops

For channel junctions in manhole for"

160mm to 160mm dia junction

MEDIUM PRESSURE PIPELINES

Supply, bed, lay, disinfect, join, and test potable water pipelines. All works inclusive in the rate, except where specific items are provided. All activities in accordance with project specifications.

HDPE Pipe

PIPE FITTINGS

Non return Valve Assembly for 100mm steel pipe (all fittings, specials, and flange drillings)

Irrigation System for the soccer pitch

STANDPIPES

Supply and install standpipe complete including HDPE saddle, 40mm HDPE pipe(20m), tap and galvanised riser pipe, concrete work including shuttering, elbows, nipples, etc,

Allow for a connection to the existing main line.

Total summary of schedule

Description

PRELIMINARY AND GENERAL

Site Clearance

Earth works for sports fields.

Grandstand

Combi courts

Floods lights

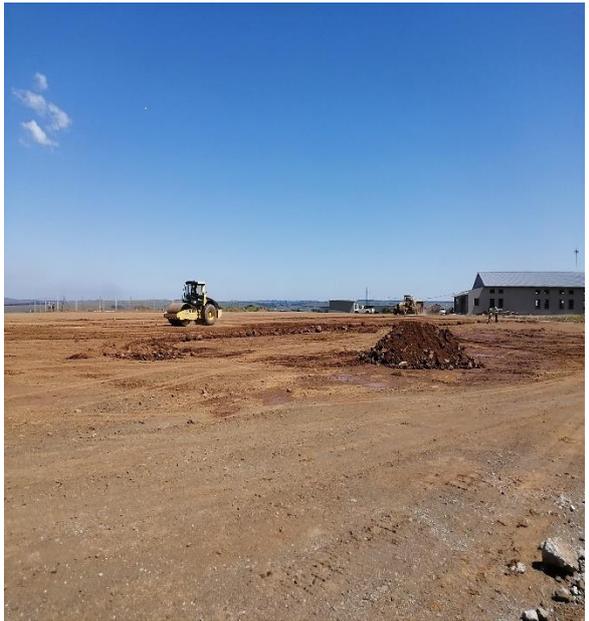
Bedding pipes

Sewer

Medium pressure pipes

Standpipes.





The Municipality is in the process of appointing a new contractor to complete the project, the tender closed on the 3rd of May 2024.

MUNICIPAL DISASTER RECOVERY GRANT PROJECTS

ROADS AND STORMWATER STRUCTURES IN NGQANDA

PROJECT BACKGROUND

This project entails construction of gravel internal streets and stormwater structures in Ngqanda Village, Ward 5 of Amahlathi Local Municipality in Stutterheim.

The envisaged project scope is summarised below as follows:

- Construction of 450m of gravel roads – 5m Wide
- Approach gravel road from both edges of the stream crossing, approximately 450m including road signs.
- Construction of major culvert on the stream crossing
- Portal Culverts
- Associated stormwater drainage in the form of mitre drains, dish drains and stormwater pipe culverts.
- Provision of the erosion protection works in the form of gabion boxes and reno-mattress.
- Concrete slabs for transition from bridge to gravel road.



The project is complete.

During the handover of the project, one of the community members, Mrs Mancam thanked for the construction of the road and reconstruction of the bridge and stated that their children will be able to attend school and be transported even if it's raining, she further thanked for the job opportunities created.

FOREST WAY ROAD AND STORMWATER STRUCTURES

PROJECT DESCRIPTION

As part of the Disaster Management, through the Provincial Disaster Management Centre, Amahlathi Local Municipality intends to upgrade an existing gravel road around Stutterheim namely Forest Way Road including the re-construction of the pipe culvert bridge that were damaged during the heavy storms.

Scope of Works

The following Scope of Work is merely an outline of the work to be done and shall not limit the work to be carried out by the Contractor under this contract.

Upgrade and construction of approximately 2km existing internal gravel roads. The work will include a combination of the following:

- 2km of re-gravelling of existing roads
- Reconstruct/reshape existing gravel road prism
- Repair and re-gravel existing internal gravel roads
- Cleaning and reshaping of existing gravel side drains
- Construction of new gravel side drains
- Re-Construction of stormwater infrastructure i.e., low level culvert bridge
- Construct new stormwater infrastructure i.e., drains
- Repairs existing roadside furniture
- Installation new roadside furniture and road signs
- Borrow pit mining for gravel material.





The project is complete.

During the handover of the project one of the residents Cllr Pickering was present and couldn't stop applauding the contractor for the quality of the work done.

GRANT PROJECTS EXPENDITURE SCHEDULE (EXCI. VAT)

Projects	Vote Number	Grant	Original Budget	Adjusted Budget	YTD Exp (Excl. Vat)	Balance
Mlungisi Sportfield	C0237-1/IA00032/F0791/X099/R2125/001/LED	MIG Grant	1 000 000	239 189	284 500	-45 311
Stutterheim Recreation Center	C0225-1/IA00032/F0791/X099/R2124/001/LED	MIG Grant	11 550 000	11 593 626	10 977 559	616 067
Keiskamahoeek Recreation Center	C0225-1/IA00032/F0791/X099/R1514/001/LED	MIG Grant	10 351 000	7 938 005	5 876 567	2 061 438
Frankfort Internal Roads	C0040-29/IA00132/F0791/X099/R2123/001/LED	MIG Grant	2 500 000	2 700 000	2 396 912	303 088
Forestway Project	C0040-29/IA00132/F09679/X099/R2124/001/LED	Disaster Grant	-	3 450 000	2 872 774	577 226
Toise Road and Stormwater Project	C0040-29/IA00132/F09679/X099/R2130/001/LED	Disaster Grant	-	1 250 000	1 038 512	211 488
Vat						4 471 817
Total			25 401 000	27 170 820	23 446 824	8 195 813

ANNEXURE 1E

2023/2024 ANNUAL REPORT PROGRAM OF ACTION

Venue	Program	Date	Time	Purpose
ALM	Municipal Public Accounts Committee Chairperson	23 August 2024	10H58	Schedule of the Annual Report Public Hearings dates.
ALM	Presentation of oversight report to council.	27 March 2025	11H00	For adoption.
ALM	Presentation of Draft Oversight Report to the committee	28 March 2025	09h00	For the committee to view the draft report prior to presentation to council
ALM	Oversight report to council for adoption	27 March 2025	11h00	MPAC Chairperson
ALM	Publication and submission of the oversight report to legislature	Within 7 days of its adoption		To comply with section 129 (3) and section 132 (1) of the MFMA

CLUSTERS

CLUSTER	VENUE	DATE	TIME	PURPOSE
CATHCART Ward: 4&5	Ndumangeni Community Hall	22 November 2024	14h00	For Mayor and the Executive to report back to communities on performance and for the Municipal Public Accounts Committee to afford communities an opportunity to interact with the report and give an input
KING KEI Ward: 7,8,12	Boarder Post Community Hall	26 November 2024	10h00	For Mayor and the Executive to report back to Communities on performance and for the MPAC to afford communities an opportunity to interact with the report and give an input.
KKH Ward:1,2,3,10 &11	Springbok Community Hall	29 November 2024	10h00	For Mayor and the Executive to report back to Communities on performance and for the Municipal Public Accounts Committee to afford communities an opportunity to interact with the report and give an input.
STUTTERHEIM Ward:6,9,13,14&15	Mzwandile Fanti Recreational Centre	05 December 2025	10h00	For Mayor and the Executive to report back to communities on performance and for the Municipal Public Accounts Committee to afford communities an opportunity to interact with the report and give an input

ANNEXURE 1F**Community comments on 2023/2024 Annual Report****2022/2023 ANNUAL REPORT PUBLIC HEARINGS:CATHCART CLUSTER (NDUMANGENI COMMUNITY HALL)**

NAME	WARD/VILLAGE	PROBLEM	QUESTION/COMMENT	RESPONSE
Nontsapho Thyokolo	Ward 5	RDP Houses	The municipality must facilitate with Human Settlement to check how far is Toise on the list.	Human Settlement will be engaged at the IGR platform.
		High Mast Lights	High Mast Lights and Eskom extensions must be operational	A follow up will be done with Eskom through IGR structure.
		Internal Roads	Roads are not completed in Ngqanda,the contractor left wide trenches unattended, and this is a serious threat to livestock.	The matter will be communicated with Transport through IGR structure.

2023/2024 ANNUAL REPORT PUBLIC HEARINGS:KING KEI CLUSTER (BOARDERPOST COMMUNITY HALL)

NAME	WARD/VILLAGE	PROBLEM	QUESTION /COMMENT	RESONSE
Eden Mcebisi	Ward 7		Thanked for the presentation and for the construction of Mbaxa Community Hall.	
		Employment of Disabled People	Disabled people to be considered for employment	The system automatically declines any person receiving government subsidy.
		RDP Houses	No RDP Houses in Mbaxa and Ethembeni Clarity on how and why the RDP Houses that were applied ages ago are now referred to as new applications	The Council made a resolution to start afresh the application of RDP Houses due to information not reaching the correct destination.
Bulelwa Khumalo		SMME's	Local SMME's to be for at least 3 million projects in order for them to increase their grades.	The municipality offered packages to the local SMME's in the Construction of Stutterheim Recreational Centre. SMME's will be capacitated. SMME's will be considered on in-house projects.
		EPWP	EPWP must be strengthened	Ward Councilors must submit the list of unemployed people in their wards. The municipality hasn't received funding from DEDEAT.

2023/2024 ANNUAL REPORT PUBLIC HEARINGS: KKH CLUSTER (SPRINGBOK COMMUNITY HALL)

NAME	WARD/VILLAGE	PROBLEM	QUESTION/COMMENT	RESPONSE
Zukisani	Ward 11	Poor communication of municipal meetings	Communication of meetings such as loud hailing must be strengthened to reach everyone as not everybody has social media.	The municipality has a challenge of transport. The vision is for the fire station to be operational and be able to hail through fire vehicles.
		Disaster Houses	There is a challenge of no response on the houses that were damaged by the disaster in 2021.	Human Settlement budgets as per a number of beneficiaries submitted during the period of the occurred disaster.
		Refuse	Refuse/Waste Management can increase the revenue if it's well managed.	There is funding from OTP, however the money is still in paper stage and the bigger portion will be allocated to KKH.
		KKH Recreational Centre	Clarity on what is the timeframe of KKH Recreational Centre project.	There is a retention for the project.
		KKH Paving	Clarity on the paving budget.	There is retention due to non-satisfaction of the paving. The contractor had to redo the work.

2023/2024 ANNUAL REPORT PUBLIC HEARINGS: STUTTEHEIM CLUSTER (Mzwandile Fanti Recreational Centre)

NAME	WARD/VILLAGE	PROBLEM	QUESTION/COMMENT	RESPONSE
Nkosi	Ward9/ Mgwali	No projects allocation	There are no projects allocated for Mgwali village for this financial year and the past financial year.	The are processes to be followed and they need budget allocation. The municipality follows a 5-year plan document (IDP) to implement.
Luxolo Ncumana	Ward14/15	Dilapidated Halls	The existing halls are dilapidated, they need renovations, and the newly built ones need a budget for electricity, chairs and cleaning material & furniture.	Ward Committees are encouraged to write to the office of the Speaker on any advice, inputs, comments and any suggestions.

