

OVERSIGHT REPORT ON THE 2024/2025 ANNUAL REPORT



March 2026

VISION: "A developmental people driven organization that serves its people"

Mission: "To provide essential and sustainable services in an efficient and effective manner"

Table of Contents

- 1. Acronyms and Definition of terms** 2
- 2. PURPOSE OF OVERSIGHT REPORT** 3
- 3. Municipal Public Accounts Committee**..... 3
- 4. Overview of legislative framework on Annual Report**..... 4
 - 5. The purpose of Annual Report 4
 - 5.1 Major Elements of the 2024/25 Annual Report..... 5
- 6. PROCESSES FOLLOWED BY COUNCIL**..... 5
- 7. ISSUES OF CONCERN TO MPAC**..... 7
 - 1. Roads and Storm Water 7
 - 2. Water Supply** 7
 - 3. Housing and Sanitation**..... 7
 - 4. Electricity and Lighting** 8
 - 5. Community Services and Development**..... 8
 - 6. General Administrative Issues** 8
- 10. GENERAL COMMENTS ON THE CONTENT OF THE ANNUAL REPORT** 9
- 11. RECOMMENDATIONS**..... 9

1. Acronyms and Definition of terms

AG	Auditor General
COUNCIL	Council of Molemole Local Municipality as constituted
FY	Financial Year
LM	Local Municipality
IDP	Integrated Development Plan
LED	Local Economic Development
MPAC	Municipal Public Accounts Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
NDP	National Development Plan
KPA	Key Performance Areas
OCA	Operation Clean Audit
PMS	Performance Management System
SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Systems Act
RDP	Reconstruction of Development Programme
CLLR	Councillor
EXCO	Executive Committee
GRAP	Generally Recognized Accounting Practice
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs

2. PURPOSE OF OVERSIGHT REPORT

The main purpose of this report is to recommend to Council the consideration of the 2024/25 Annual Report and to adopt an Oversight Report containing comments on the Annual Report in terms of Section 129 (1) of the Local Government : Municipal Finance Management Act, 2003 (Act no.56 of 2003).

3. Municipal Public Accounts Committee

Council has after inauguration in **November 2021** appointed fellow Council members to establish MPAC as an oversight committee over the work administration and to engender the culture of openness, transparency and accountability to the communities we serve.

The Municipal Public Accounts Committee is the mechanism through which Council exercises oversight over the management and expenditure of public funds. Council must provide assurance to the public that public monies and assets are being managed properly and that value for money is being rendered by public sector institutions in their spending of public funds. Municipal Public Accounts Committees are established in terms of Section 79 of the Municipal Structures Act,1998 (Act 117 of 1998) to conduct oversight functions over the work of the municipality and to ensure there is accountability.

The following Councillors served in the committee during the 2024/25 financial year:

Names	Designation	Political Party
Cllr. P.T Rathete	Chairperson	ANC
Cllr. M.S Machaka	Member	ANC
Cllr. G.M Modiba	Member	ANC
Cllr. M.C Nong	Member	ANC
Cllr. M.C Matjee	Member	DA
M.E Ramarutha	Member	CICAF
M.J Kubyana	Member	CW
N.J Sekgota	Member	EFF

4. Overview of legislative framework on Annual Report

Each municipality is required to prepare an Annual Report in terms of Section 121 of the MFMA. Circular No. 63 issued by the National Treasury provides guidance on the structure of the Annual Report to ensure consistency by all municipalities in preparing their Annual Reports.

The adoption of an Oversight Report by the municipal council should be viewed as a compulsory task in terms of Section 129(1) of the Municipal Finance Management Act (MFMA) No.56 of 2003 in exercising financial management over the respective municipality.

The introduction of the Municipal Public Accounts Committee (MPAC) to Molemole Local Municipality has created an expectation of a transparent and accountable local government institution which will aspire to a sound financial management practice resulting in world class service delivery.

MPAC is now in position to table to Council the Oversight Report on the 2024/2025 Annual Report of Molemole Local Municipality.

Credit should go to members of MPAC, The Accounting Officer, District MPAC, COGHSTA, Audit Committee, Management of the Municipality and Internal Audit Unit who have contributed to the compilation of the Oversight report and to ensure the Municipality complies with the relevant legislative framework relating to the compilation of Annual Report.

5. The purpose of Annual Report

- i. To provide a record of the activities of the municipality during the 2024/25 financial year
- ii. To provide a report on performance against the budget of the municipality for the 2024/25 financial year;
- iii. To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

5.1 Major Elements of the 2024/25 Annual Report

Circular 63 of the MFMA stipulates that the following elements must be included in the Annual Report:

Chapter 1: Mayor's Foreword and Executive Summary;

Chapter 2: Governance;

Chapter 3: Service Delivery Performance;

Chapter 4: Organizational Development Performance;

Chapter 5: Financial Performance;

Chapter 6: Auditor General's Findings;

Appendices; and AFS

Other disclosures as required by the MFMA in Section 121, 124, 125 (e.g. Councilors and Top Management compensation, grants, bank accounts, investments information etc.)

6. PROCESSES FOLLOWED BY COUNCIL

In terms of Section 127 of the MFMA (Act 56 of 2003), the Mayor is required to table the Annual Report in Council within 7 months after the end of financial year. In terms of Section 127 (5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled, make public the Annual Report, invite the local community to submit the representations in connection with the Annual Report and submit the Annual Report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

In terms of Section 129(1) the Council is required to 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 section 127, adopt an Oversight Report containing the council's comments on the Annual Report, which must include a statement whether the council has approved the Annual Report with or without reservations, or refer the annual report back for revision of issues that need to be revised or that Council reject the annual report.

In the Council meeting held on the 30 January 2026 Council passed a resolution (resolution (OC/30/01/2026/4.1.6) referring the draft 2024/25 Annual Report to the Municipal public Accounts Committee for consideration as well as to embark on a public consultation campaign in all the sixteen wards of the municipality. The Accounting Officer had also publicized the Draft Annual report in the municipal website and was made available in all municipal service points, including libraries. The public was given over thirty (30) days to make inputs and/or representations on the draft Annual report from 31st January to 31 March 2026.

Subsequent to the public consultations MPAC members were given sufficient time to review and discuss the Annual Report. The following stakeholders were also requested to provide inputs and comments in the Annual Report:

- i. Management Committee
- ii. Councillors
- iii. Audit Committee
- iv. Chief Audit Executive
- v. Auditor-General of South Africa
- vi. COGHSTA Limpopo
- vii. Limpopo Provincial Treasury
- viii. Traditional Authorities
- ix. SALGA

MPAC Public Consultation meetings were convened as follows:

Date	Time	Cluster	Attendance	Venue
10/03/2026	14H00	Ward 1,2,3,4,5 and 6,7,8 and 9	123	Tabudi Sports ground
11/03/2026	14H00	Ward 10,11,12,13,14, 15 and 16	200	Mohlajeng Sports Ground
Total			323	

It is the view of MPAC that the public consultations were successful and gave the communities an opportunity to ensure Council is able to account on the use of financial resources under its custodianship. The MPAC was not pleased with the public attendance across all the clusters which is a worrying trend as the municipality is making attempts to enforce transparency and openness.

The committee provided clarity and responses to the questions or comments while others were noted for further attention by the relevant municipal departments and other sectors.

7. ISSUES OF CONCERN TO MPAC

1. Roads and Storm Water

- **Grading & Regraveling**
 - Ga-Phasha: Roads need grading, especially during funerals.
 - Ward 05: Regraveling requested; Makgato Clinic road must be prioritized.
 - Ward 03: Grading of sports ground must be prioritized.
 - Ward 14, 15, 16: Roads maintenance requested.
 - Community requests monitoring of grader operators.
- **Roads in Poor Condition**
 - Road from N1 to St Brendas requires urgent attention.
- **Bridges**
 - Riverside bridge: Needs repairs and maintenance (not grading).
 - Sefoloko bridge: Renovation required.
 - Makgato bridge: Collapsed.
 - Ga-Mokgehle bridge: Not in order.
 - Ward 04 bridge: Damaged.
 - Community requests tarred road from Kanana to Ga-Moleele.

2. Water Supply

- Ga-Makgato: No water provision for more than 7 years.
- Boulast community: Inadequate water provision; request municipal intervention.
- Note: Water provision is a CDM competency; municipality will continue engagement with district to prioritize areas with greatest need and maintain infrastructure.

3. Housing and Sanitation

- Request for low-cost housing, prioritizing:
 - Orphans
 - Child-headed families
 - Unemployed households
- Request for sanitation facilities via engagement with Capricorn District Municipality.

4. Electricity and Lighting

- Ga-Phasha: High mast lights require periodic maintenance (crime prevention).
- Appreciation for electricity projects in 2024/25 FY; request extension to new stands.
- Ward 03: Request for streetlights from complex to Tropic of Capricorn Toll Gate towards Makhado.

5. Community Services and Development

- Ward 03 (Ga-Phasha): Longstanding request for a clinic; residents rely on Mangata Clinic and Botlokwa Hospital.
- Ward 01: Request for a shopping complex.
- Sekakene: Bahwaduba bus service withdrawn due to poor road conditions.

6. General Administrative Issues

- **Exclusion from Annual Report:**
 - Ward 03 community
 - Bought farms
 - Boulast and Ga-Moleele
 - Ward 14 project (Kanana to Ga-Moleele) not included and poorly implemented.
- **Complaints:**
 - Ill-treatment of Community by Grader Operators.
 - Roads only graded during events like Funerals and Municipal Events
 - Targets not achieved; unused funds not redirected to other projects.
 - Lack of clarity on reasons for missed targets.
 - Requests for grading of graveyards and soccer grounds.
- No budget allocation or expenditure details; discrepancies in tar road project measurements.
- **Re-graveling Budget:**
- The original budget and expenditure details for Ward 04 are missing.
- **(Ward 01, Morebeng):**
- EPWP Workers should fulfill their duties outside municipal offices.
- Grass Cutting: Required alongside the tar road in Eisleben.

- Concern over the exclusion of Ward 16 villages, especially Sekuruwe, in the document.
- Inaccessible roads; we are requesting for rotation of graders.
- No access of roads, especially between Mohlajeng and Schoonveld.
- Damaged steel tank; appreciation for the bridge provided.
- Prefers tar roads as re-graveling is considered ineffective.
- Advocates for road maintenance and installation of speed hump signboards.
- Reservoir requested to address a severe water shortage.
- Avoid holding community feedback meetings in dikgoro.
- Pleased that most issues raised by AG South Africa are being addressed.

Conclusion

MPAC is hereby requesting that having considered the 2024/25 Annual Report of Molemole Local Municipality, Council should adopt the Oversight Report in terms of Section 129 (1)(of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

MPAC encouraged the Management to improve review mechanisms to ensure the information in the Annual report is accurate and is backed up by factual information.

10.GENERAL COMMENTS ON THE CONTENT OF THE ANNUAL REPORT

MPAC appreciates the support given by all stakeholders during the oversight processes for the 2024/25 Annual Report.

The committee further congratulate the Municipality for having maintained the unqualified Audit report, which is even more pleasing since it's for the first time that we have prepared the Annual Financial Statements in-house. We, however, remain hopeful that we will improve the audit outcome in the coming financial years.

RECOMMENDATIONS

The committee recommended as follows:

- a.** That Council adopt the Oversight Report and the Annual Report **without reservations** in terms of Section 129 of the Municipal Finance Management Act, 2003 (Act no.56 of 2003)

**CLLR RATHETE PT
MOLEMOLE MPAC CHAIRPERSON**