



GA-SEGONYANA LOCAL MUNICIPALITY

OVERSIGHT REPORT IN RESPECT OF 2024/25 ANNUAL REPORT

NAMES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEMBERS

Cllr. T Merementsi – Chairperson

Cllr. I Kok

Cllr. E Mothobi

Cllr. B Mosiapo

Cllr. J Marumo

Cllr. K Molokwe

Cllr. K Setlhodi

Cllr. P Moepeng

Cllr. T Nyathi

Cllr. M Taeng

Cllr. O Mathibe

COMMITTEE SUPPORT STAFF

Mr. PI Mokgwetsi – MPAC Researcher

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1. FOREWORD OF THE CHAIRPERSON

Council is vested with the responsibility to oversee the performance of the municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports according to MFMA Circular 32.

As part of its oversight responsibility the Municipal Public Accounts Committee of Ga-segonyana Local Municipality assessed and interrogated the draft 2024/25 annual report of the municipality with due diligence. The Municipal Public Accounts Committee (MPAC) has fulfilled its duties in terms of the provisions of the Local Government Municipal Structures Act No.117 of 1998 and the Municipal Finance Management Act No. 56 of 2003 regarding the exercise of oversight.

The MPAC remains a functional committee and remains committed to the goal of improved audit outcomes and improved service delivery for the community of Ga-segonyana Local Municipality.

The 2024/2025 oversight report for Ga-segonyana Local Municipality is hereby tabled in terms of section 129 of the Municipal Finance Management Act.

Cllr. T Merementsi
Chairperson
Municipal Public Accounts Committee
Ga-segonyana Local Municipality

2. INTRODUCTION

The Oversight Report is the final major step in the annual reporting process of a municipality. Section 129 of the Municipal Finance Management Act, 56 of 2003 requires the council to consider the annual report of its municipality and to adopt an oversight report containing the council's comments on the annual report. The purpose of the annual report is to:

- Provide a record of the activities of the municipality;
- Provide a report on performance in service delivery and against the budget;
- Provide information that supports the revenue and expenditure decisions made;
- Promote accountability to the local community for decisions made.

The Municipal Public Accounts Committee is appointed by council in accordance with the provisions of section 79 (1) (a)(b) and (c) of the Municipal Structures Act 1998, to among other things, oversee the contents of the annual report on its behalf.

The 2024/25 annual report was tabled in council on the 29th day of January 2026. This was done in compliance with section 127 (2) of the MFMA, 56 of 2003 which states that the mayor of the municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

The final step of reporting is for the municipality to consider and adopt the annual report in light of the findings contained in the Oversight report. In terms of the new guidelines, the oversight report must be compiled by MPAC in consultation with members of the community and other stakeholders.

3. LEGISLATIVE MANDATE FOR THE OVERSIGHT REPORT

Section 129 of the MFMA (Act 56 of 2003) states that the Council of the municipality must consider the Annual report of the municipality and by no later than two months from the date on which the Annual report was tabled in Council, adopt an Oversight Report containing the Council comments on the annual report, which must include a statement whether the council has:

- approved the Annual Report with or without reservations;
- rejected the Annual Report; or
- has referred the Annual report back for revision of those components that can be resolved.

4. 2024/25 OVERSIGHT ON THE ANNUAL REPORT PROCESS PLAN

DATE	ACTION/ ACTIVITIES/PURPOSE	REPPONSIBILITY
29/01/2026	2024/25 Annual Report tabled in council by Mayor.	Corporate Services Office of the Speaker
10/02/2026	Put up public notices to invite comments from the public on the 2024/25 AR	PMS
10/02/2026	MPAC MEETING 2024/25 Oversight on the Annual Report	MPAC members and Support Staff
11/02/2026	<ul style="list-style-type: none"> Send questions and comments on the 2024/25 AR to management for responses Request all the 2024/25 projects to prepare for the project visits. 	MPAC members and Support Staff
18/02/2026	PROJECT SITE VISITS 2024/25 Projects site visits	MPAC members and
18/02/2026	PROJECT SITE VISITS 2024/25 Projects site visits	Support Staff
18/02/2026	MPAC office to receive responses to questions on the AR from management	Municipal's manager's office
18/03/2026	MEETING <ul style="list-style-type: none"> responses from management on MPAC questions Action Plan to address AG quires by management. Consolidation of the 2024/25 draft Oversight report in 	MPAC Support Staff MPAC Members

	respect of the annual report.	
31/03/2026	Table 2024/25 draft oversight report in respect of the annual report in council for adoption	Corporate services Office of the Speaker MPAC Members
03/04/2026	Make the 2024/25 oversight report public and submit copies of the oversight report and copies of the annual report to Provincial Legislature, 1 to treasury, 1 to Cogta and 1 to AG	Accounting Officer MPAC Support Staff

5. ANNUAL REPORT CHECKLIST

CHECK LIST OF THE ANNUAL REPORT AS PER SECTION 121 (3) OF MFMA, 56 OF 2003 AND MFMA CIRCULAR 11

CONTENT OF THE ANNUAL REPORT	YES/NO
a) Annual Financial Statement of the municipality	Yes
b) AG's report on the financial statements	Yes
c) Annual Performance report of the municipality prepared by the municipality in terms of section 46 of the municipal systems act.	Yes
d) Auditor General's report in terms of section 45 (b) of the Municipal System Act	Yes
e) An assessment by the Accounting officer of any arrears on municipal taxes and services	Yes
f) Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year.	Yes
g) Particulars of corrective action taken or to be taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)	Yes
h) Any explanation that maybe necessary to clarify issues in connection with the financial statement	Yes
i) Any information as determined by the municipality	Yes
j) Any recommendations of the municipal's audit committee	Yes
k) Any other information as may be prescribed	Yes

6. COMMENTS ON THE COMPONENTS OF THE ANNUAL REPORT

LEGISLATIVE REQUIREMENT	COMPLIANCES	RESPONSE	RECOMMENDED CORRECTIVE ACTION
Annual financial statements- Section 121(3) (4); of MFMA.	<ol style="list-style-type: none"> 1. Have the AFS of the municipality and that of municipal entity been included in the annual report? 2. Are both annual financial statement and annual report been audited 3. Are the AFS compliant with GRAP? 4. Is the audit report been included in the tabled annual report? 5. Any explanations that may clarify issues in connection with the financial statement? 6. Any assessment by the accounting officer on arrears on municipal taxes and service charges including 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	None required in respect of the AFS

	that of MODA? 7. Any comment by the audit committee in relation to the AFS?	Yes	
Supply Chain Management Regulations and Policy	1. Has certain disclosures of SCM matters been included in the annual report as required.	Yes	None required, largely compliant

1.1 DIVISION OF REVENUE ACT

SECTION 123 OF MFMA AND CIRCULAR 11	<p>1. Has the municipality had any allocation per DORA delayed or withheld</p> <p>2. Is there any disclosure on allocation made by the municipality to an organ of state, municipal entity or other municipality?</p> <p>3. Are all compulsory disclosures contained in the notes to the Annual Financial Statements?</p> <p>4. Has the municipality complied with the conditions of the grant?</p>	<p>No</p> <p>No, municipality does not have an entity.</p> <p>Yes</p> <p>Yes</p>	
SECTION 124 (1)(2) Disclosure of councillors, Directors and	1. Have the salaries, allowances and benefits paid to councillors and	Yes	None Required, largely compliant

Officials in the notes to the AFS	<p>the Municipal Manager, CFO and senior been disclosed?</p> <p>2. Is there a statement by the Accounting Officer, stating that salaries, allowance and benefits paid to councillors are within the upper limits of the framework envisage in section 219 of the constitution?</p> <p>3. Have arrears for rates and services owed by councillors, in which the arrears was more than 90 days been disclosed including the name of the councillor?</p> <p>4. Have salaries of the board of MODA, CEO and senior managers been disclosed?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	
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1.2 MUNICIPAL SYSTEMS ACT- PERFORMANCE MANAGEMENT

LEGISLATIVE REQUIREMENT	COMPLIANCES	RESPONSE	RECOMMENDED CORRECTIVE ACTION
Section 46 of the MUNICIPAL SYSTEMS ACT Annual Performance reports of the Municipality	<p>1. Has the performance report been included in the annual report?</p> <p>2. Have all the performance target set in the budget, SDBIP, service agreements etc. been included in</p>	<p>Yes</p> <p>Yes</p>	Performance improvement plans to be implemented and monitored.

	<p>the report?</p> <p>3. Does the performance evaluation in the annual report compare actual performance with target expressed in the budget and SDBIP approved for the financial year?</p> <p>4. In terms of key functions or services, how has each performed?</p> <p>5. To what extent have targets been met?</p> <p>6. Are council and community satisfied with the performance?</p> <p>7. What actions have been taken and planned to improve performance?</p> <p>8. Did the target set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and other senior manager?</p> <p>9. Does the report evaluate the efficiency of mechanism applied to deliver the performance</p>	<p>Yes</p> <p>Performance is satisfactory but can be improved</p> <p>75%</p> <p>Council is largely satisfied but believes there is room for improvement. Performance improvement plans developed per department</p> <p>Yes</p> <p>Yes</p>	
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	<p>outcomes?</p> <p>10. Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</p>	Largely yes	
Performance of municipal entities and municipal service providers	<p>1. Has an assessment been included in the Annual Report on the performance of the municipal entities?</p> <p>2. Has the assessment been included in the annual report on the performance of all contracted service providers?</p>	<p>Yes</p> <p>Yes</p>	

1.3. PUBLIC PARTICIPATION

LEGISLATIVE REQUIREMENT	COMPLIANCES	RESPONSE	RECOMMENDED CORRECTIVE ACTION
Section 127 (2);130 (1)(2)(3) and section 21A of MSA Council meetings open to public and certain public official	<p>1. Was the public invited to the council sitting where the annual report was considered?</p> <p>2. Did the Accounting Officer make public the annual report?</p> <p>3. Was the annual report submitted to the AG; PT and DLG&TA?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	None required
Written	1. Did the	No	Public education on

comments	municipality receive any written submission on the Annual Report?		the importance of community participation
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7. QUESTIONS AND REPOSES ON THE ANNUAL REPORT

7.1. MANAGEMENT COMMENTS

MPAC QUESTION	MANAGEMENT RESPONSE
<i>What consequence management measures were implemented during the year for under-performance and or non-achievement of planned service delivery targets?</i>	During the year management are allowed to do an adjustment based on the KPIs if they see that those targets will be achieved to minimize non achievement.
<i>For departments that did not meet performance targets, what were the root causes of under-performance?</i>	Most of the targets that are not achieved are resulting on factors that are beyond/ cannot be controlled e.g incomplete project of Mapoteng water it resulted from community interventions/unrest.
<i>How does management ensure that under-spending or over-spending is linked to performance outcomes?</i>	all targets that are linked to the budget are reflect as such on the SDBIP there is a column that reflects the budget allocated.
<i>Did Internal Audit conduct an audit of performance information during the year? If so, What were the key findings? Were management action plans developed and implemented to address PMS audit findings?</i>	Yes, Internal Audit do conduct quarterly reviews/audits on performance information and quarterly performance gets presented to the audit risk and performance committee on a quarterly basis. The audit committee chairperson reports to council on all the activities presented to the committee on a quarterly basis in accordance with sec 166 of the MFMA.
<i>Were any KPIs or targets adjusted during the year? If so, what was the rationale, and were such adjustments approved by Council in accordance with legislation?</i>	Yes, the adjusted SDBIP its approved prior to submission to treasury as per regulations.
<i>Some of the information in the report is missing, which casts doubt on the completeness of the report. for example table T3.7.4 on page 67 of the report.-</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>Audit findings from prior years reappear, indicating ineffective implementation of the Audit Action</i>	Management is ensuring that findings that are raised are minimized by drafting and implementing the

<i>Plan.</i>	recommendations raised by AG & IA.
<i>The table on population data reflects zero values.</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>Spelling errors and numbering must be corrected. some graphs are missing data labels.</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>The role municipality as regards Kuruman Square and Segonyana Mall must be clarified in the report (approval vs funding vs partnership).</i>	Kuruman square is a private entity of which they are only paying rates and taxes like any other business as for Segonyana mall it will be report on the next financial year of 2025/26.
<i>Repairs and maintenance is below the norm at 3.53%. The norm is 8% according to MFMA circular No. 71.</i>	The municipality is unable to budget for maintenance according to the norm as regulated due to the financial constraints of the institution.
<i>The Ward Committee meetings dates relate to 2023 and not the year under review which is 2024/25.</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>The collection rate is 88% and must be improved to the norm of at least 95%</i>	The low rate collecton is resulting from non-payment of accounts by consumers and also due to the municipality not having a cherry picker for electricity cut off on overdue accounts.
<i>Reference is made to Vaal Water Central as well as to Sedibeng Water in the report the correct name must be used throughout the report.</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>The annual financial statements included in the annual report relate to the 2022/23 financial year and not the 2024/25 financial year, which is the year under review.</i>	The draft report is currently being updated to ensure that blank pages and incomplete tables are updated.
<i>The Cost Coverage is at 0.8 months, which is below the norm of between 1-3 months</i>	The ratio is resulting from the financial constraints that the municipality is currently under.
<i>On Chapter 3, page 71 of the report, why has information on other villages with mud houses not been included.</i>	Villages are based on the business plans compiled and submitted to the department of COGSTA hence only 7 places were listed however attached is the report form the department as supporting evidence. Please note that the challenges are also highlighted within the report
<i>It appears that no feedback is communicated on indigent applications, therefore applicants don't know if their application has been successful or not.</i>	All applications are captured on the municipal data base and the list gets submitted to Eskom for free basic electricity however it should be noted that Eskom is also doing their own assessment/verification of the applications received.

7.2. COUNCILLORS AND WARD COMMITTEE INPUTS

The population details of Ga-segonyana Local Municipality must reflect the true population of the municipality.

All missing and outstanding information must be included in the annual report.

7.3. PUBLIC & INTERESTED PARTIE'S COMMENTS ON THE ANNUAL REPORT

No comments received from the public.

8. 2024/25 PROJECTS SITE INSPECTION REPORTS

MPAC REPORT ON OVERSIGHT VISITS CONDUCTED AT BATLHAROS UPGRADING OF GRAVEL ROAD TO PAVING AND THE KURUMAN WASTEWATER TREATMENT PLANT

1. PURPOSE

The purpose of this report is to present the findings, observations, and recommendations of the Municipal Public Accounts Committee (MPAC) following oversight visits to two municipal projects/sites.

2. BACKGROUND AND DISCUSSION

The visits were conducted in line with MPAC's mandate to promote accountability, transparency, and effective use of public resources in accordance with the Municipal Finance Management Act (MFMA), Act 56 of 2003.

In exercising its oversight responsibilities, MPAC conducted site visits to the construction of a paving road project in Batlharos as well as the Kuruman Wastewater Treatment Plant in order to:

- Monitor progress
- assess the quality-of-service delivery
- Identify challenges and areas requiring management intervention.

The oversight programme forms part of MPAC's ongoing efforts to strengthen accountability in project execution and ensure value for money in the use of municipal funds.

3. DETAILS OF THE OVERSIGHT VISITS

The projects/sites visited by the committee were the following :

Project/site	Location	Status
Road Paving	Batlharos	On-going
Waste Water Treatment Plant	Kuruman	Longexisting/ Completed

OBSERVATIONS AND FINDINGS

The committee made the following key observations during the visits:

1. Road Paving in Batlharos



- The project is still ongoing, and the envisaged completion date is 30 June 2026, however the completion date might be extended due to the road being rerouted as a result of gravesides discovered on the initial planned route.
- The project was temporarily halted by SMME's but all issues have since been resolved and SMMEs have resumed work.
- The municipality is awaiting approval from relevant stakeholders on the revised project plans.
- The project is estimated to cost around R34 Million.
- The revised plans will have cost implications.

2. Waste Water Treatment Plant (Kuruman)



- The visit to the Wastewater Treat Plant was to find out what the cause of the increase in blocked sewer networks is.
- The Kuruman plant itself is in proper working condition.
- The capacity of the plant needs to be increased from the current 40 megalitres to at 60 megalitres.
- The sewer networks in the townships and villages needs to be upgraded so as to cater for the increase in population size.
- Foreign objects have been found in the sewer network which also causes blockages.
- Septic Tank Trucks are not allowed to dispose of waste at the Magojaneng plant as the plant does not have the capacity to treat the waste.
- The municipality risks being held liable for any damage suffered as a result of the septic tank trucks disposing of human waste into the environment.

3. RECOMMENDATIONS

It is recommended that:

- 3.1. The Municipality must develop long-term plans to upgrade the entire sewer network infrastructure.
- 3.2. Municipality must ensure that the septic tank trucks do not dispose of any human waste into the environment.

9. MFMA SECTION 32 REPORT

UIFW Expenditure investigations were conducted during the course of the year and reports in respect of such have been tabled in council. The Municipal Public Accounts Committee continues to investigate instances of UIFW expenditure.

10. REPORT TO COUNCIL

PURPOSE

The purpose of this oversight report is to enable the Municipal Public Accounts Committee to discharge its oversight responsibility in considering the 2024/25 Annual Report of Ga-segonyana Local Municipality in terms of section 129 of the Municipal Finance Management Act 56 of 2003 (MFMA).

BACKGROUND AND DISCUSSION

Section 127 (2) of the Municipal Finance Management Act states that; “*The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality.....*”. The 2024/25 annual report for Ga-segonyana Local Municipality was tabled in council on the 29th day of January 2025.

In terms of section 129(1) of the Municipal Finance Management Act, the Council of a Municipality must consider the tabled annual report of the Municipality by no later than two months after the date on which the annual report was tabled in council in terms of section 127 of the MFMA.

MFMA Circular 32 recommends the establishment of an oversight committee to analyse and review the annual report. In the case of Ga-segonyana Local Municipality, the annual report is analysed and reviewed by the Municipal Public Accounts Committee as a committee of Council established in terms of section 79 of the Municipal Structures Act.

In line with section 127 (5) of the Municipal Finance Management Act, the community must be invited to make representations in terms of the draft annual report. The draft annual report was made available on the official website of the municipality and placed at the municipal offices and public libraries for the community to access and make comments.

The Municipal Public Accounts Committee (MPAC) first considered, reviewed and analysed the 2024/25 draft annual report of Ga-segonyana Local Municipality at a meeting held on 11th February 2026, from this meeting, the committee raised questions and comments which were forwarded to management for responses.

On 18th February 2026, the committee conducted project oversight visits as part of its oversight process in respect of the 2024/25 annual report.

On 18th March 2026 the committee again considered the 2024/25 annual report as well as the responses of management to the questions and comments raised by the committee on the 2024/25 annual report. The committee thereafter considered and prepared the oversight report on the annual report.

According to section 129 of the MFMA, the council must 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.

MFMA Circular 32 dictates that in order to approve the annual report without reservations, council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable to the community.

FINANCIAL IMPLICATIONS

None.

LEGAL IMPLICATIONS

- The Municipal Finance Management Act 56 of 2003
- MFMA Circular 32 of 15 March 2006
- The Municipal Systems Act 32 of 2000
- The Municipal Systems Amendment Act 44 of 2003
- Municipal Structures Act 117 of 1998

PARTIES CONSULTED

- Members of the Council of Ga-segonyana Local Municipality
- The Local Community of Ga-segonyana Local Municipality
- Accounting Officer - Ga-segonyana Local Municipality

POWER OF APPROVAL

The power of approval to approve the oversight report is vested in the Council of Ga-segonyana Local Municipality.

11. MPAC RECOMMENDATIONS

It is recommended that:

- 11.1. Council, having fully considered the 2024/25 annual report of Ga-segonyana Local Municipality and the representations thereon approves the 2024/25 annual report.
- 11.2. The oversight report be made public within seven days of adoption in accordance with section 21A of the Municipal Systems Act.
- 11.3. The oversight report be submitted to the provincial legislature within seven days after adoption by council.
- 11.4. The Accounting Officer in line with section 62(d) of the MFMA is responsible for managing the financial administration of the municipality and therefore must for this purpose take all reasonable steps to ensure that unauthorised, irregular, fruitless and wasteful expenditure and other losses are prevented.
- 11.5. The Accounting officer must ensure that all findings raised by the Auditor General and Internal Audit are addressed through the audit action plan.
- 11.6. The Accounting officer must develop and implement a revenue enhancement strategy to improve the municipal collection rate to at least 95%.
- 11.7. The municipality must conduct a door-to-door population count of the entire municipal area in order to determine the true population size of the municipality which will ensure better planning.