Extract from the minutes of the 2nd Council Meeting of Midvaal Local Municipality of 2025 held on Thursday, 27 February 2025 at 14:00 in the Meyerton Town Hall

PRESENT

COUNCILLORS:	A.R. McLoughlin	: Speaker
	Ald. P.J. Teixira	: Executive Mayor
	M.I. Motsamai	: Member of the Mayoral Committee
	Ald. P.D. Hutcheson	: Member of the Mayoral Committee
	C.L. Gomes	: Member of the Mayoral Committee
	M-A. Myburgh	: Member of the Mayoral Committee
	R.J. Hubbard	: Member of the Mayoral Committee
	T.M. Modiba	: Member of the Mayoral Committee
	Ald. P.C. Pretorius	: Chief Whip of Council

COUNCILLORS	O. Brits	A.H. Dickinson	B.J. Jordaan
	J.G. Viljoen	G.M. Nkoe	S.M.A. Janse Van Rensburg
	M.A. Maimane	M.C. Mboweni	S.M. Hoyane
	I.P. Ramushu	D.T. Mokhomo	M.L. Molakeng
	M.M. Ndebele	T.S. Sithole	L.T.H. Visser
	C.G. Pypers	M.C. Kruger	P.J.G. Swart

ALSO IN ATTENDANCE

P. Magodi	:	Acting Municipal Manager
Z. Mhlongo	:	Executive Director: Financial Services
S. Cave	:	Executive Director: Corporate Services
E. Lensley	:	Executive Director: Public Safety & Roads
T. Mnguni	:	Executive Director: Community Services
T. Arlow	:	Acting Executive Director: Development and Planning
N. Pumane	:	Chief of Staff: Office of the Mayor
B. Tshabalala	:	Deputy Director: Office of the Speaker
A. Welman	:	Assistant Director: Administration
C.M. Van Nieuwenhuizen	:	Admin Officer: Committees

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C 3454/02/2025
SMC A/6516/02/2025

9.A.2 [SEC 79: MPAC]: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): OVERSIGHT REPORT IN TERMS OF SECTION 129 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003 (MFMA), ON THE 2023/2024 ANNUAL REPORT

3/2/3/2/15

COMPETENCY: COUNCIL

IT WAS UNANIMOUSLY RESOLVED:

1. That the Oversight Report, as approved by the MPAC and signed by the MPAC Chairperson, attached as Annexure 'A', be adopted.

2. That in terms of Section 129 of the MFMA, the Annual Report 2023/2024, be approved without reservations.

3. That the recommendations of MPAC be endorsed and that the Mayoral Committee monitor progress on the mentioned issues.

MR. S. CAVE
EXECUTIVE DIRECTOR: CORPORATE SERVICES

Date: 28/02/2025

[SECTION 79]: OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) IN TERMS OF SECTION 129 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003: ANNUAL REPORT 2023/2024

COMPETENCY: COUNCIL

PURPOSE:

To submit the 2023/2024 Oversight Report on the 2023/2024 Annual Report, as prescribed in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA).

RECOMMENDATIONS:

1. That in terms of Section 129 of the MFMA, the Annual Report 2023/2024, be approved without reservations.

2. That the following recommendations of the Municipal Public Accounts Committee (MPAC) be endorsed and that the Mayoral Committee monitor progress in the recommendations and give regular feedback to MPAC:

   2.1. Electricity: That MPAC be furnished with a Progress report on the Electrification Project.
   2.2. That MPAC be furnished with a Progress report on the installation of smart technology in order to curb electricity and water theft.
   2.3. That MPAC be furnished with a Comprehensive Report regarding the Walkerville Landfill Site.
   2.4. That MPAC will conduct Site inspections for various projects as part of its ongoing oversight function.

REPORT:

The Municipal Public Accounts Committee (MPAC) considered the 2023/2024 Annual Report as well as the report of the Auditor-General attached as Annexure "A". The MPAC noted that the Midvaal Local Municipality received its 11th (eleventh) clean audit report.

DISCUSSION: MATTERS OF EMPHASIS:

The Auditor-General stated in the attached Annexure "A" that the audit evidence that was gathered is sufficient for the provision of the audit opinion. In the Auditor-General's opinion, the financial statements as of 30 June 2024 fairly represented and in all material aspects, the financial position of the Council.

The following matters of emphasis were considered:

Material Impairments

(a) As disclosed in note 3 to the financial statements, the receivables from exchange transactions balance has been significantly impaired. The allowance for impairment of receivables from exchange transactions is R142 001 498 (2022-23: R109 077 036) as a result of the irrecoverable monies owed to the municipality by consumers.

(b) As disclosed in note 4 to the financial statements, the receivables from non-exchange transactions balance has been significantly impaired. The allowance for impairment of receivables from nonexchange transactions is R368 179 320 (2022-23: R315 102 312) as a result of the irrecoverable monies owed to the municipality from property rates and traffic fines revenue.

(c) We draw attention to note 48 in the financial statements, which deals with subsequent events and specifically the possible effects of a R5 000 000 fine being paid for non-compliance with the National Environmental Management Act (NEMA) 107 of 1998 on the municipality. Our opinion is not modified in respect of this matter.

Material Losses – Electricity

(a) As disclosed in note 29 to the financial statements, material electricity losses of R55 197 474 (2022- 23: R53 966 142) was incurred, which represents 12% (2022-23:15%) of total electricity purchased.

(b) Technical losses amounted to R18 397 318 (2022-23: R23 459 082) and were due to the electricity that was lost on distribution from the source of generation through the transmission and distribution network to the final consumer. Non-technical losses amounted to R36 800 156 (2022-23: R30 507060) and were due to faulty meters and illegal connections.

Material Losses – Water

(a) As disclosed in note 29 to the financial statements, material water losses of R57 767 697 (2022-23: R50 367 799) was incurred, which represents 34% (2022-23: 34%) of the total water purchased.

(b) Technical losses amounted to R32 708 070 (2022-23: R27 727 474) and were due to physical loss through the water distribution network. Non-technical losses amounted to R25 059 627 (2022-23: R22 640 325) and were due to persistent leakages as a result of aging water supply infrastructure and illegal connections.

Material uncertainties relating to Contingent Liabilities

(a) With reference to note 43 to the financial statements, the municipality is the defendant in various lawsuits. The municipality is opposing the claims, as it believes that the claims are not valid. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

CONCLUSION:

The clean Audit Report in the 2023/2024 Financial Year is most welcomed. The MPAC is of the opinion that the Executive and Administration should be acknowledged for the hard work done to obtain a clean audit report.

The MPAC will continue to carry out its oversight role, namely, to assist the Municipality to be accountable to its ratepayers and to make meaningful recommendations to assist the Municipality.

The MPAC Committee, therefore, at its meetings held on 14 and 21 February 2024, unanimously resolved to recommend that the 2023/2024 Annual Report be approved in terms of Section 129 of the Local Government: Municipal Finance Management Act 56 of 2003.

21-02-2025

Cllr. P.M. Lehloka
MPAC Chairperson

Date