

MANGAUNG

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Oversight Report

On

2024 – 2025

Annual Report

Table of Contents

	<u>Pages</u>
A. FOREWORD BY THE CHAIRPERSON OF THE MPAC-CLLR IJ MAKOLOANE... ..	3
B. COMPOSITION OF THE MPAC.....	4
1. Introduction.....	5
2. Legislative framework.....	5-6
3. Statutory Compliance.....	6-7
4. Tabling of the Annual Report 2024-2025.....	7
5. Analysis of the Annual Report 2024-2025.....	8-12
6. MPAC Processes on the Review of the Annual Report 2024-2025.....	12-13
7. Questions Emanating from Annual Report 2024-2025 & Responses.....	13-14
8. Public Participation.....	14-20
9. Challenges and Proposed Solutions.....	20-21
10. Cumulative Unauthorised, Irregular, Fruitless and Wasteful Exp.....	21
11. Conclusion.....	21
12. Recommendations.....	21-22

Annexures:

A1. MPAC Meeting Minutes: 12-13 February 202

A2. MPAC Meeting Minutes: 17 March 2026

A3. MPAC Meeting Minutes: 23-24 March 2026

A4. MPAC Meeting Minutes: 16 April 2026

B1. Questions emanating from Annual Report 2024-2025 and Responses from City Manager

B2. Questions emanating from Annual Report 2024-2025 and Responses from CEO-Centlec

C. Public Notice- Call for Comments

D. Public Participation Notice

D1- D9 (Minutes for Public Participation meetings)

A. FOREWORD BY THE CHAIRPERSON OF MPAC-CLLR. IJ Makoloane

Honourable Speaker, Executive Mayor; Deputy Mayor; Council Whip; fellow councillors, administrative leadership; community of Mangaung; it is with great pleasure to submit to Council for consideration, the Oversight Report of the Municipal Public Accounts Committee (MPAC) on the 2024-2025 Consolidated Annual Report of the Mangaung Metropolitan Municipality.

The Municipal Public Accounts Committee embarked on a rigorous process of reviewing the Annual Report, and as a result the committee came across with some challenges but steamed ahead without losing focus. In this regard, the committee convened number of Public Participations meetings to solicit inputs from the communities on Annual Report and Audit Report 2024-2025.

Although the city's financial statements were found to fairly present the financial performance, it received a qualified audit opinion on five issues such as, Service charges; Bulk purchase (water distribution losses); Property, plant and equipment (sanitation network and water meters), Employee's related costs (overtime), and commitments not disclosed.

Flowing from the MPAC meeting with the Office of the AG, Chairperson of Risk Management Committee and finally with the community of Mangaung through Public participations, number of concerns regarding the service delivery were raised sharply. Also, there was inconsistency on visibility of the senior management to the public participation meetings.

Honourable Speaker, to this end, I would like to thank the MPAC members for commitment shown in developing this Oversight Report 2024-2025. Further I take this opportunity to thank the MPAC Officials, Technical Advisors, Committee Service for the sterling work to assist the MPAC Committee.

To this end, we therefore present this MPAC Oversight Report on the 2024/25 Annual Report to Council for consideration and adoption in terms of Section 129(1) of the MFMA

I thank you

Cllr. IJ Makoloane
MPAC-Chairperson

B. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee (MPAC) was established by Council on 8th December 2021 in line with Section 79A of the Municipal Structures Act, 117 of 1998, as amended.

MFMA Circular No.32 requires that MPAC should be made up of only non-executive Councillors. It further states that municipal officials cannot serve as members. For the period under review 2024/ 2025, the committee was constituted as follows:

No.	SURNAME & INITIALS	CAPACITY
1	Cllr Makoloane IJ	Chairperson of the Committee
2	Cllr Mohibidu PM	Whip of the Committee
3	Cllr Banyane NZ	Committee Member
4	Cllr De Bruin J	Committee Member
5	Cllr Matsephe DE	Committee Member
6	Cllr Menyatso TV	Committee Member
7	Cllr Mokoena JI	Committee Member
8	Cllr Mothupi ML	Committee Member
9	Cllr Rampai PJ	Committee Member
10	Cllr Sebolao JE	Committee Member
11	Cllr Siteo ND	Committee Member
12	Cllr Snyman Van Deventer E	Committee Member
13	Cllr-Tshwane KD	Committee Member
14	Cir-Van der Walt T	Committee Member
15	Cllr Van Rensburg C	Committee Member

MPAC Office Support Staff

Mr. DM Sekakanyo (Head of MPAC Office)

Secretariat Support to MPAC

Ms. X Qilo (GM-Committee Services)

Technical Support to MPAC

Mr. GA Ntsala (Chief Audit Executive)

Ms. M Mototo (Chief Risk Officer)

1. INTRODUCTION

The Local Government: Municipal Finance Management Act (MFMA) of 2003, and the Municipal Systems Act (MSA) of 2000 require municipalities to prepare annual reports based on their annual service delivery processes and complete municipal performance, for inspection by relevant stakeholder groups. The Mangaung Metro Municipality has accordingly prepared its 2024-2025 Annual Report in accordance with its Key Performance Areas, to account to the communities it serves.

Furthermore, according to the Municipal Structures Act, section 79A,3(c), the Municipal Public Accounts Committee is required to develop an oversight report on the annual report of the municipality as contemplated in section 129 of the Municipal Finance Management Act. The MPAC plays a crucial role in ensuring transparency and accountability within local government structures takes place, and consistently carrying out oversight functions on the Executive, Administration, and entities of the municipality.

The MPAC was given 60 days to review the report and come up with recommendations to present to the council. It is important to note that there were some developments that took place in the processes of concluding the oversight report, which contributed to the delay of the report to be submitted to the Council for consideration. This report strives to provide an assessment of the financial management and performance of the municipality. It highlights any irregularities, inefficiencies, or areas of improvement that need to be addressed by the council. Also, this report highlights the caption of some inputs solicited from communities during public participations of MPAC.

2. LEGISLATIVE FRAMEWORK AND COMPLIANCE

There are legislative framework and circulars that give effect to the existence of the MPAC and its operation, and among others, these are the following:

- 2.1. RSA Constitution of 1996
- 2.2. Municipal Structures Act 117 of 1998 as amended.
- 2.3. Municipal Finance Management Act 56 of 2003 as amended.
- 2.4. Public Audit Act 25 of 2004
- 2.5. Municipal Systems Act 32 of 2000 as amended.
- 2.6. Municipal Planning and Performance Regulations (2001)
- 2.7. Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006)
- 2.8. MFMA- National Treasury's Circulars

3. Statutory Compliance

Activity	Statutory Provisions	Process	Comments/ Recourse
Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due date 31 August.	In terms of the requirements of sec121(3)(a)-(k) of the MFMA	Submitted to the AG by 31 st of August 2025.	None
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.	In terms of sec126(3)(b) require the Auditor-General to submit an audit report within three months after receipt of statements from the municipality.	MMM received the report during November and December 2025	None
Mayor tables audited Annual Report and financial statements to Council	In terms of sec127(2) of the MFMA	It was done. Executive Mayor tabled the Annual Report and Audited financial statements in the Council Meeting of 29 th January 2026.	The Council noted the report and referred it with the AG Report 2024/ 2025 to MPAC for review process, and thereafter the MPAC to report back to council within 60 days.
The Annual Report is made public and call for comments/ inputs from public is also made.	In terms of sec75 and 127(5) of the MFMA and sec21A of the Municipal Systems Act 32 of 2000 as amended	It was done immediately after the Council Meeting of 29 th January 2026.	Annual Report was made public on website- www.mangaung.co.za , and subsequently to Municipal Offices and Public Libraries. Public Notice for call of comments/ inputs was issued whereby residents were encouraged to submit their comments/ inputs on the Annual Report respectively. The period of this process was closed on 21 st February 2026.

Consultation on the Annual Report with local community i.t.o. MFMA 127 (5)	In terms of sec127(5), MPAC consult with communities through public participation process to solicit their respective inputs on Annual Report	Community consultation/ Public Participation Meetings were held during February and March 2026.	Communities were invited into the Public Participation meetings HELD DURING February and March 2026. In these meetings senior managers from both MMM and Centlec were sometimes present and able to response on matters that were raised.
MPAC submits Oversight Report to Council for consideration	In terms of sec129 of the MFMA requires	The Council to Adopt the Annual Report and consider the Oversight Report	After the approval by Council, the Oversight Report to be submitted to: Provincial Legislature Provincial and National Treasury Provincial and National COGTA Thereafter, the report to be made public on Municipal Offices and Libraries including on website of the municipality.

4. TABLING OF THE ANNUAL REPORT 2024-2025

The Executive Mayor tabled the Annual Report in the Council Meeting held on 29th January 2026. Following the presentation by the Executive Mayor, the Council noted the report and referred it to the MPAC for further processing in terms of MFMA Section 129(1).

The main components of the Annual Report submitted to Council were the following:

- 4.1. The Annual Performance Report, in line with Section 46 of the Municipal Systems Act (MSA).
- 4.2. The audited Annual Financial Statements submitted to the Auditor General
- 4.3. The Auditor-General's Audit Report on the financial statements and programme performance in terms of Section 126 (3) of the MFMA and 45 (b) of the MSA respectively.
- 4.4. Audit Committee's Recommendations

It should be noted that, subsequently to the council meeting held, the Accounting Officer distributed copies and published the Annual Reports 2024-2025 for public comments.

5. ANALYSING OF THE ANNUAL REPORT 2024/ 2025

The Local Government: Municipal Finance Management Act (MFMA) has in terms of Circular 63 provides the guidance and format on the compilation of the Annual Report. The MPAC noted the work done of the Office of the City Manager through IDP and Performance Management Unit in compiling this report.

5.1. Annual Report -Chapter 1

5.1.1. As directed by the Circular 63, this chapter requires the Executive Mayor in his foreword to provide a political overview of the performance of the municipality, and furthermore to reflect among others on:

- Strategic alignment to Provincial and Growth and Development Strategy
- Corrective actions taken to ensure that strategic objectives as stipulated in the IDP were achieved.
- Methods used / implemented to improve public participation and accountability.
- Statement of corrective actions whereby service delivery can be improved.

5.1.2. Furthermore, this chapter also allows the City Manager on his foreword to give a public account, guidance and advice on the administrative performance of a municipality / entity. In his foreword, the City Manager highlighted the information pertain to:

- Sector departments and the sharing of functions between the municipality / entity and sector departments.
- A statement on the previous financial year's audit opinion, and the current financial health of the municipality / entity
- Information related to the revenue trend by source including borrowings undertaken by the municipality.
- The internal management changes in relation to Section 56/57 managers.

5.1.3. Lastly in this chapter, the City Manager provides the Municipal Overview and indicates on how municipality's vision relates with the objectives of the local government in terms of the RSA Constitution. This component of this chapter provides the information on the demographics, economic growth, population growth and development of the municipality.

In this regard, the sector departments and the sharing of functions between the municipality and entity are highlighted with their respective achievements and challenges. On issue of socio-economic status, the municipality contributes on average close to 40% to the Provincial GDP and 2% to the national GDP. In terms of Census 2022 regarding demographics of Mangaung, there is a growth in population by 0.4% i.e. 775 184 (2011) to 811 431(2022). However, Mangaung also faces high levels of poverty, unemployment, inequality, and social ills.

5.2. Annual Report- Chapter 2

5.2.1. Political and Administrative Governance

The Municipality plays pivotal role in local governance by enabling communities to participate in the affairs of the municipality and to respond to their social needs. As one of spheres of government, it serves as the coal face of interaction for citizen/ residents with the political system, making it essential for making the municipality to be responsive and accountable to the communities they serve.

Mangaung Metro Municipality comprises of the legislative body (Council) which bestowed with responsibility to govern, taking the decisions and determine the direction for the municipality by setting the course and allocating the necessary resources. It further establishes the policies, and municipal staff ensures that those policies and decisions taken by the council are implemented.

For the period under review 2024/ 2025 the MPAC acknowledged the fact that municipality has ensured there was participation of the public through:

- Public Participation on IDP/ Budget and sectoral plans and related policies
- Public Participation on Municipal Tariffs
- Public Participation on Annual Report review process
- Local and Regional radio Shows on Service delivery
- Work of the ward committees

5.2.2. Corporate Governance

The MPAC acknowledges the existence of the House of Traditional Leadership within its jurisdiction (Thaba-Nchu) and also noted that the municipality has a strong working relationship with this house.

5.2.3. Intergovernmental Relations

At first, the Constitution has in terms of section 40(1) established three distinctive, yet interdependent and inter-related spheres of government, and municipalities remain at the centre of development, given the responsibilities enshrined in Sections 151-154, 156 and Schedule 5 (part B) of the Constitution.

The MPAC is well informed about the participation of the municipality in the different forums of the government both Provincial and National levels in order to raise issues that affect the municipality, and as a result of the involvement of our municipality to these forums, the effect is still to arise.

The intergovernmental relations of the municipality extend directly to the entity called Centlec. This entity was created by the municipality to operate as business unit/ company to offer electricity services to its residents and other municipalities within Southern parts of the Free State province. For the period under review, the municipality appointed the Board of Directors as governors on the affairs of the Centlec. It should be noted that this board accounts to Municipality through the Executive Mayor.

5.3. Annual Report- Chapter 3

On 29th January 2026, the Office of Auditor General (Free State Office) presented the Audit Report to the Council meeting for the period under review 2024-2025. It should be noted that in their presentation, it was indicated that there is a progress made about performance information on service delivery. It was reported that the city has moved from disclaimer opinion to adverse finding on issues of performance information.

Furthermore, it should be noted that in 2023- 2024, the city recorded 43% achievement in terms of service delivery with 111% of budget spent, and for the period under review 2024-2025, the City recorded a 50% achievement on service delivery with 113% of budget spent. These discrepancies need to be addressed.

5.4. Annual Report- Chapter 4

For the period under review, 2024-2025, the municipality has in terms of vacancy rate stand at 4821, and this is not a desirable situation considering the rate of unemployment. The Municipality has altruism intention of advertising the vacant positions as observed, but with

a slim of willingness to fill those vacancies. It will be important that the municipality to prioritise the process of filling the vacancies.

In terms of termination of employment service in the municipality, it has been recorded 128 during the period under review, 2024- 2025. The underlying facts for termination are tantamount to dismissals, retirement, resignation as well as deaths.

The HR Policies as listed under table 37 on page 98 and 99 of the Consolidated Annual Report 2024-2025 of the Municipality need to be revisited and reviewed as matter of urgency, and the Local Labour forum (LLF) is the relevant bargaining forum to address issues of mutual interests between organised labour and Employer.

Regarding capacitating Municipal workforce, the MPAC noted the progress made by the HRD-Sub Directorate during the period under review, 2024-2025. The intervention made by LGSETA to fund skills development programmes is recognised, also the municipality is encouraged to develop a mechanism to ensure there is a skills retention in the workplace.

5.5. Annual Report-Chapter 5 (Financial Performance)

The MPAC noted as per the Annual Report that the Municipality out of its original budget of (R10 660 billion) performed at 93% of its adjusted revenue budget of R 11 042 billion for the year. However, the Auditor General raised concerns with regard to the revenue management of the municipality whereby in terms of paragraphs 73 to 76 of Audit report indicates that:

- An adequate management, accounting and information system, which accounts for revenue and debtors, was not in place, as required by section 64(2)(e)(i) and (ii) of the MFMA.
- An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
- Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
- Accounts for municipal tax and charges were not prepared on monthly basis, as required by section 64(2)(c) of the MFMA.

With regards to the total expenditure, the Annual Report recorded that the Municipality's actual expenditure stood at R 9,166 billion, of the adjusted expenditure budget of R 10 594 which is 13% less expenditure than anticipated.

5.6. Annual Report- Chapter 6 (Auditor General's Report)

The Auditor General-South Africa conducted the annual external audits to both Mangaung Metro Municipality and its Entity-Centlec for financial year 2024-2025.

It is important to note that the Centlec on its Stand-Alone Audit Report for the period under review, 2024-2025 obtained Unqualified Audit Opinion with the AG expressing satisfaction with the entity's financial reporting.

The Municipality on its Stand-Alone Audit Report for the period under review, 2024-2025 obtained a Qualified audit Opinion from AG-SA.

At the consolidation level, the Municipality obtained a Qualified Audit Opinion. The City's qualified audit opinion was on five issues, namely, Service charges; Bulk purchase (water distribution losses); Property, plant and equipment (sanitation network and water meters), Employee's related costs (overtime), and commitments not disclosed. These findings translate to a serious regression compared to the previous year (2023-2024) where there was only one qualification on Employee's Related Costs.

6. MPAC PROCESSES ON THE REVIEW OF THE ANNUAL REPORT 2024/ 2025

6.1. Council Meeting 29th January 2026

The Municipal Council Meeting held on 29th January 2026 approved the revised Annual Work Plan of the MPAC dedicated to the review process of the Annual Report 2024/ 2025.

6.2. Meeting with Auditor General SA 12th February 2026)

The Auditor General's Office (Free State) had through invitation of the MPAC made presentation to the MPAC meeting held on 12th February 2026. The presentation was about the Audit Report of Mangaung Metro Municipality for the period under review, 2024 -2025 financial year.

It was in this meeting that the office of AG presented a letter of commitments and the MPAC agreed upon to those commitments which serve as framework to address issues raised in the Audit Report 2024-2025.

6.3. Risk Management Committee

The Risk Management Committee had through invitation of the MPAC made presentation which was precisely reflecting their work for the period under review. The MPAC through its discussion and deliberations noted the report with the recommendations made by the Risk Management Committee.

6.4. List of meetings held by the MPAC to review the 2024- 2025 Annual Report.

No.	MEETING: Type and Date	Focused Area
6.4.1.	12-13 February 2026 MPAC Meeting Annexure "A1"	MPAC meeting with AGSA was held wherein the latter presented and outlined the Audit outcomes of 2024-2025. Updates on preparations for the Public Participation process on the review process of the Annual Report and Audit Report 2024/ 2025.
6.4.2.	23-24 February 2026 03-05 & 11 Mar 2026 MPAC Public Participation Meeting Annexure "D1" to "D10"	Public Participation Meetings in soliciting inputs from the communities on Annual Report and Audit Report 2024/ 2025
6.4.3.	17 th March 2025 MPAC Meeting 'Annexure "A2"	Consideration of MPAC questions to the Accounting Officers (City Manager and CEO-Centlec). These questions are informed by the Annual Report, Audited Financial Statements and Audit Report 2024/ 2025
6.4.4.	25 March 2026 MPAC Meeting Annexure "A3"	Presentations of responses from MPAC questions to City Manager and CEO. Tabling of the Draft Oversight Report on Annual Report 2024/ 2025
6.4.5.	16 April 2026 Annexure "A4"	Consideration of the Draft Oversight Report on Annual Report 2024-2025

7. QUESTIONS EMANATING FROM ANNUAL REPORT 2024-2025 AND RESPONSES FROM CITY MANAGER AND CEO-CENTLEC.

MFMA Circular 32 requires, the Municipal Public Accounts Committee to raise questions with the Accounting Officer on any matter that the committee need clarity on. The Circular also requires that, questions should be responded to immediately during the committee meetings to avoid delays in processing the Annual Report of the Municipality by MPAC.

MFMA section 129 (2)(a) requires the Accounting Officer to attend committee meetings especially where the Annual Report will be discussed wherein the Accounting Officer will be expected to respond to the questions emanating from the Annual Report.

The MPAC in its meeting held on 17th March 2026 formulated and approved questions for the Accounting Officers (City Manager and CEO-Centlec) to respond respectively and accordingly. These questions covered a wide range of issues emanating from the Annual Report and Audit Outcomes of 2024-2025.

On 25th March 2026, the committee considered the responses from the City Manager and CEO-Centlec respectively. The Committee was satisfied with the Centlec for their adequate responses and presentations on questions of the committee. However, the committee raised concern about inadequate responses from the City Manager as some questions of the Committee were not responded to, at all.

Annexure "B1 and B2"

8 PUBLIC PARTICIPATION

8.1. Advertisement of the Annual Report 2024-2025

The Committee submits that the advertisement was made in respect to the review of the Annual Report 2024-2025

8.1.1. Public Notice- Call for Comments

The Public Notice was issued in accordance with section 21(1(a-c) of the Local Government: Municipal Systems Act, (Act No 32 of 2000). The notice was meant to encourage members of the community of Mangaung and other stakeholders to submit their representation respectively. Furthermore, the Annual Performance Report for the year 2024-2025 was published on the Municipality's website (www.mangaung.co.za), also distributed to all Municipal Regional offices, Head Office and Libraries.

It is important to note that the MPAC in respect to the submission of representations from public and other stakeholders, there were two written submissions received or found.

Annexure "C"

8.2. Advert- MPAC Public Participation Meetings

The advertisement for these meetings was on local newspapers, local radio stations, social media, and Municipal Newsletter. Furthermore, the announcement as a reminder was made to the Council Meeting held on 26th February 2026 about the public participation meetings

to be held. In this regard, the councillors were requested to assist in mobilisation, especially the councillors from host wards.

DATE	VENUE & TIME	STATUS
23 -02-2026	Thaba-Nchu Barolong Hall, at 15H00	Successful
24-02-2026	Botshabelo H Hall, at 11H00AM	Successful
	Botshabelo Simson Sefuthi Hall, at 15H30	Successful
03-03-2026	Van Stadensrus-Thapelong Hall, at 09H00AM	Successful
	Wepener-Qibing Hall	Successful
	Dewetsdorp- Morojoaneng Hall, at 15H00	Successful
04-03-2026	Bloemfontein Kagisanong Hall, at 11H00AM	Successful
	Bloemfontein Kopanong S School, at 15H00	Successful
05-03-2026	Bloemfontein Paradise Hall, at 11H00AM	Failed due to poor attendance
	Bloemfontein Clive Solomon Hall, at 11H00AM	Failed due to poor attendance
11-03-2026	Bloemfontein Indaba Auditorium, at 11H00AM	Successful

Annexure "D"

8.2. COMMUNITY CONCERNS/ COMMENTS

The Public Participation meetings provided an opportunity for residents of Mangaung to voice their opinions, concerns, and suggestions regarding the performance of the municipality. It was a chance for the community to engage directly with municipal officials and provide valuable feedback on the services and programs provided by the municipality.

8.2.1. Public Participation at Barolong Hall

The meeting was successfully held at Barolong Hall in Thaba-Nchu whereby the community was afforded opportunity to raise their issues on the Annual Report 2024-2025. In this meeting, the officials from MMM were led by four Senior Managers (HODs with inclusion of CFO) and senior officials from Centlec were present

- A concern was raised regarding overtime payments within the municipality. It was reported that participants in the EPWP often perform duties similar to those of General Workers. However, the municipal officials sometimes arrive only to take photographs of the completed work and later report that they performed the tasks. It was further noted that these officials receive salaries and overtime payments, while EPWP participants only receive stipends.
- A community member noted that the Mmabana Cultural Centre was in a dilapidated state. It was reported that allocated funds had not been utilized as intended, and National

Treasury had subsequently withdrawn the unspent funds.

- A member referred to the Auditor-General South Africa (AG report, which indicated that there were unfinished projects, including the hall in Seloshesha. The member asked when these unfinished projects would be completed.

Annexure “D1”

8.2.2. Public Participation at Botshabelo H Hall

The meeting was successfully held at H Hall in Botshabelo whereby the community was afforded opportunity to raise their issues on the Annual Report 2024-2025. In this meeting, the officials from MMM were led by four Senior Managers (HODs with inclusion of CFO) and senior officials from Centlec were present. The senior managers were able to respond on concerns raised by the community.

- Inaccurate billing, with residents indicating that they have received incorrect billing statements and calling for urgent corrective measures
- Page 6 of the Annual Report reflects that the Municipal Public Accounts Committee (MPAC) did not adequately fulfil its responsibilities in relation to unauthorised, irregular, fruitless and wasteful expenditure (UIFW), particularly with regards to conducting proper investigations
- A concern was raised regarding informal settlements, specifically enquiring about the timeframes required to properly formalise and upgrade these areas
- Community members highlighted that there are insufficient compaction trucks for waste collection and questioned how employees will manage to collect waste effectively, particularly given that landfill sites are operating from 06:00 to 18:00, which makes it difficult to implement a shift system for the waste management unit.

The CFO and HODs responded accordingly to issues raised by the Community at H Hall.

Annexure “D2”

8.2.3. Simson Sefuthi Hall

The meeting was successful, and community was afforded an opportunity to engage with the Annual Report 2024-2025. In summary, issues raised by the community are as follows:

- Community indicated that there is an unaccounted amount of R67.3 million which was allegedly misused or spent inappropriately and requested an explanation for this misuse. Also expressed concern that residents are still using pit latrines, requesting the CFO to clarify why alternative sanitation solutions have not been implemented

- Community raised a concern about a Vacancy Rate: The Auditor General identified a high vacancy rate in the municipality. Subsequently, 450 general worker positions were advertised, and inquired about the status and outcome of this recruitment process. He also indicated that the City Manager memo dated 25 February 2026 stated that no overtime payments would be made, yet payments were made on 4 March 2026, indicating persistent internal problems with overtime management. The issue appears unresolved and systemic.

Annexure “D3”

8.2.4. Public Participation at Van Stadensrus- Thapelong Hall

Issues raised by community were as follow:

- One member of community reported that in 2022, a municipal garbage truck collided with her shack damaging her household items. The municipality has consistently promised to fix her shack as of now it remains unrepaired. Her house number is 26/482. Additionally, she stated the official driving the garbage truck on that day did not possess a valid driver’s license.
- Community member stated that his house number is 45 and that he has not received water and electricity since 2017. He mentioned that he has been requesting assistance from the ward councillor but is not receiving support. He inquired with the municipality about when he might receive help regarding this issue
- One of community members expressed a significant concern regarding the unlawful disposal of waste, which is a result of the municipality not collecting garbage and the absence of a garbage truck in Van Stadensrus region.

In this meeting, the officials that were present responded to the questions accordingly.

Annexure “D4”

8.2.5. Public Participation at Wepener-Qibing Hall

Some of issues raised in the meeting

- Considering that the Auditor-General has been auditing the institution for many years, what has led to the recent identification of the issues highlighted in the current report and how is the municipality responding to the findings?
- To what extent does the municipality believe that leadership and governance within the Mangaung Metropolitan Municipality have contributed to the negative audit outcomes,

and what corrective actions are being taken to improve accountability and financial management?

- When was the last time the municipality received a clean audit, and what measures are currently being implemented to ensure that the municipality achieves a clean audit in future?

Annexure “D5”

8.2.6. Public Participation at Morojoaneng Hall

- Community members raised their concerns and dissatisfaction regarding the absence of senior managers from the municipality. That they feel their concerns will not be addressed adequately therefore they request the meeting to be adjourned. Following these concerns the Chairperson committed and assured community members that it would be recorded, accordingly. Furthermore, a site visit with all HOD's present will be conducted in those areas to address the service delivery issues mentioned.

Annexure “D6”

8.2.7. Public Participation at Kagisanong Hall

- Community members expressed dissatisfaction that the Heads of Department and City Manager were absent from the meeting, suggesting a lack of seriousness or respect toward the committee.
- Residents requested clarity on the responsibilities of MPAC, including who serves on the committee, how it is structured, appointed, and to whom it is accountable.
- Clarity was sought on whether the IDP is aligned with the municipal budget, and whether Heads of Department are held accountable for non-performance.
- The community requested that the municipality ensure adequate budget allocations for sanitation, repairs, and maintenance, with toilets in informal settlements prioritised.
- The issue of informal settlements remains critical, as many residents continue to live without adequate housing.
- Concerns were raised regarding unemployment, with questions on how the municipality plans to address and reduce unemployment in the city.

In this meeting, a member of MPAC Committee responded with clarities on number of issues raised, especially those that were directly to MPAC and its operations.

Annexure “D7”

8.2.8. Public Participation at Kopanong S School Hall

- Community members highlighted that this was the fourth scheduled meeting, noting that HODs were not present in previous meetings when they were acting, and now that they are permanent, their absence is unacceptable.
- Concerns were raised regarding waste collection, with residents indicating that municipal officials are not collecting refuse from all households, leaving certain areas subserviced.
- Residents of Ward 51 (Turflaagte) expressed dissatisfaction, noting that their ward is unsafe, neglected, and unhygienic, and indicated that they intend to submit a petition to the President regarding these conditions.
- It was highlighted that issues raised in previous IDP meetings have not been addressed, leading to frustration among residents.
- Community members requested clarification on what resolutions or solutions the committee has proposed or implemented to address ongoing service delivery challenges.
- The condition of roads was raised as a serious issue, with waterlogging during rains preventing transport from accessing the ward and hindering residents' mobility.

Annexure "D8"

8.2.9. Public Participations Paradise Hall and Clive Solomon Hall

The Public Participation meetings of the two venues did not materialise due to poor attendance by community members. With regards to Paradise Hall, the main contributing factor was the bad weather (raining). With regards to Clive Solomon Hall, the other contributing factor to poor attendance could be the community meeting that was convened at the adjacent ward relatively at the same time with that of MPAC.

Annexure "D9"

8.2.10. Public Participation at Bram Fischer Building-Indaba Auditorium

- Community member raised a concern that this was the 5th Auditor General's report whereby they have been complaining about lack of service delivery and nothing happened. He further asked the committee members as what have they been doing all these years.
- A concern was raised regarding the absence of Heads of Department (HODs) at the hearing, describing it as misconduct and suggesting that responsible officials should face

disciplinary action.

- A community member raised a concern about vacant positions that are not filled, and on other side AG-SA is sharply raising issue of overtime as a problem. He elaborated that currently the Municipality is understaffed and as a result, the issue of overtime won't be addressed.
- That, the MPAC should stand up and do its mandate to bring order within the Metro. He further indicated that the Auditor General cannot be issuing the performance report with the same issues every financial year while MPAC is there not enforcing its mandate to the Metro.
- Soutpan is having high rate of unemployment and most affected is youth. Also, there is no service delivery in the area of Soutpan.
- A question was raised as to whether the Municipality still owing Bloem Water or not?
- That the ZOO has always been the pride of the City and since it has been closed for the past years, no one is saying anything about its re-opening.

In this meeting the CFO and other members of MPAC Committee responded accordingly

Annexure "D10"

9 CHALLENGES AND PROPOSED SOLUTIONS

Notwithstanding, the grey areas which have contributed to regression in terms of Audit Report 2024/2025, there are challenges identified in this process of the conclusion of the oversight report.

9.1. Inconsistency in terms of the visibility of Senior Managers in the Public Participation meetings to provide clarity and responses on issues raised

9.1.1 *Proposed Solution: Consequence management be considered to enhance accountability.*

9.2. Insufficient responses from Accounting Officer to questions raised by MPAC

9.2.1. *Proposed Solution: Accounting Officer should always respond to MPAC's questions sufficiently with adequate POE where applicable.*

9.3 Lack of provision of resources to assist in terms of coordination of the Public Participation meetings

9.3.1. *Proposed Solution: Adequate resources should be provided to the MPAC for meaningful coordination and visibility.*

10. CUMULATIVE UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

To address the challenge of historic and current of Unauthorised Irregular, Fruitless and Wasteful Expenditure, the MPAC had through the approval of the Council, established a Technical Committee to investigate these expenditures. The Technical Committee commenced with its work in August 2025. To date the committee has submitted its investigation report on Fruitless and Wasteful expenditures to MPAC for consideration. As of the date of this report, the MPAC was busy analysing and reviewing this report.

11. CONCLUSION

Despite the hurdles encountered, the Committee continued its journey for development of the MPAC Oversight Report 2024/ 2025, and it has been quite a challenging exercise.

I need to thank and applaud the members of the committee for their time in ensuring that the task at hand succeeds in order to ensure there is accountability, transparency as well as good governance in the city. My gratitude goes to the people of Mangaung who did not despair when invited into the public participations, you spoke, and we have listened. My gratitude extends to the dedicated Committee Members, Technical Advisors, and Committee Service to ensure that this Oversight Report becomes reality.


12. RECOMMENDATIONS

- 12.1. That, Council after having considered the Annual Report 2024-2025 of the Municipality and the community representations thereon, adopts MPAC- Oversight Report in line with section 129 of the MFMA 56 of 2003, as amended.
- 12.2. That, Council approves the Annual Report 2024-2025 with reservations because Management did not adequately address prior year findings raised by AGSA due to slow response and deficiencies in the internal control systems as a result there are still repeat findings that were raised in the current year that have led to no improvements in the Audit Opinion of the City.

- 12.3. The City Manager to provide MPAC with updated UIFW expenditure registers on a regular basis.
- 12.4. The City Manager to provide MPAC with access to the online Audit Action Plan (FMCMM) and report on quarterly basis the progress made in addressing the audit findings.
- 12.5. The City Manager to provide MPAC with quarterly reports on the progress made to address the Material Irregularities as reported by the AGSA,

I accordingly submit this report to Council for consideration and approval as adopted by the MPAC on

Submitted by:

 15 / MAY / 2026

Cllr. IJ Makoloane

CHAIRPERSON-MPAC

Sec79 COMMITTEE