



**MUNICIPAL PUBLIC ACCOUNTS  
COMMITTEE REPORT TO THE COUNCIL  
OF MANGAUNG METRO ON THE  
ANNUAL PERFORMANCE REPORT OF  
2014/15 FINANCIAL YEAR**

---

## **COMMITTEE MEMBERS**

Chairperson: Cllr. Lulama Titi-Odili

Cllr. F.P Ramokotjo

Cllr. M.J Nkoe

Cllr. Z. Khi

Cllr. M. J. Mofokeng

Cllr. S Dyosiba

Cllr. T.W.G Pato

Cllr. R.L.A.E Moloabi

Cllr. J.F Britz

Cllr. P.J.J Van Biljon

Cllr. P. Z Moshwadiba

Cllr. J.D Powell

Cllr. M.B Mononyane

Community Representative(s):

Mr L. Mazibuko

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT TO THE COUNCIL OF MANGAUNG METRO ON  
THE ANNUAL PERFORMANCE REPORT OF 2014/15 FINANCIAL YEAR

**TABLE OF CONTENTS**

FOREWORD BY THE CHAIRPERSON

1. INTRODUCTION
2. CONSULTATIVE MEETINGS HELD TOWARDS THE COMPILATION OF THE REPORT
3. OTHER CONSULTATIVE MEETINGS, NOTIFICATION AND QUESTIONS TO THE CITY MANAGER
4. CHALLENGES AND PROPOSED SOLUTIONS
5. MATTERS OF CONCERNS NOTED BY MPAC
6. CONCLUSION
7. RECOMMENDATION

## FOREWORD BY THE CHAIRPERSON

***“The future is bright. The end is glorious. It is peaceful. But the intervening period is dark, bitter and finds its glory in the act of struggle”.***

Local Government’s endeavour is to play its development role as an autonomous but inter-related sphere of government in a regulatory and legislative environment established by the National Government. The challenge of achieving integration in planning and delivery across the spheres of government is most pronounced at local level and is rendered more complex by the diversity in resources, endowments and capacity across all municipalities in South Africa.

As the sphere of government closest to the people, municipalities have a particular responsibility in the achievement of these goals, not only in terms of deepening democracy through community empowerment and involvement, but also as the engine of delivery and development.

When we started the term of office in 2011 we had set ourselves eight key objectives that we would want to achieve by the end of our term of office in 2016, these objectives included inter alia poverty eradication, job creation, eradication of bucket systems, profound and sound financial management, social and community development.

Overarching in these objectives has been good governance. We had set these specific goals fully conscious of the fact that in order to obtain maximum results from these broad policy pronouncements we would need to strengthen governance systems, lobby communities and society in general into taking and claiming ownership of micro and macro municipal activities. This indeed we would achieve through deepening participatory democracy,

It meant that we would ensure that Mangaung citizenry was thoroughly engaged in influencing the decision making process of the municipality, that it influences the strategic planning process of the IDP and ultimately the municipal budgeting and implementation process. Year on year IDP and budget reviews ensured that communities were not left behind when key developmental and service delivery initiatives were discussed and implemented.

These developmental and service delivery initiatives would ultimately be accounted for in the municipal annual report.

Whilst we celebrate some key gains and achievements during the period of this report we are not oblivious to the fact that there has been a challenge particularly in the area of achieving some but not all of the targets that the municipality has set through its IDP and SDBIP.

The city has for example suffered extreme water and electricity losses however we are encouraged by the speedy and proactive manner in which we have responded to this challenge thus replacing 10337 water meters, installing 6 new water pump station monitoring equipment, replacing 24,8km of water mains in Bloemfontein, this represents some of the key interventions that assisted us to abate the water loss challenge.

Our immediate task is to ensure that within the context of limited resources we continue delivering optimally to the people of Mangaung and those that depend on us elsewhere. We thus cannot over emphasise the imperatives of continuous check on our professional and ethical conduct so that we do not find ourselves on the negative side of the law or confronted by endless and seldom hijacked service delivery protests.

Our duty and moral obligation remains to the electorate that had continued to entrust us with the responsibility to handle their affairs over this period of 5 years.

As we navigate steadily to this stanza of the local government elections, a period critical as not only will it usher in both Soutpan and Naledi Municipality into the Mangaung Metropolitan Municipality but it is also a period where the electorate will once again exercise its democratic right to provide fresh mandate to political parties, we thus would like to implore everyone in the service of the Mangaung Metropolitan Municipality be it politicians, employees, service providers to continue to conduct themselves in a manner that promotes accountability, transparency and commitment to the aspirations of the people we serve.

We have moved the municipality from an adverse audit opinion in 2011 to an unqualified opinion in the 2014/15 financial year and we hope that we will continue our strides to an absolutely clean opinion by the auditor general. This we will achieve when all of us politicians and staff alike pull together in one direction, united in purpose and fully conscious of the

revolutionary task bestowed upon us through the social contract we have with the masses of our people

The report herein is thus an account of the oversight role of the MPAC on the Municipal Performance against set targets; its intention is to continue to deepen accountability, transparency, prudent financial management and good Governance.

This report would not have been complete without the support and the inputs of different stakeholders, let me therefore take this opportunity to express my gratitude to the Community of Mangaung; the Members of MPAC, your hard work and commitment has not gone unnoticed. The unconditional support by the Office of the Auditor – General; the Office of the City Manager; the Communication Unit; Public Participation; Committee Services and lastly the Staff of MPAC for their sterling work.

## 1. INTRODUCTION

The Municipal Public Accounts Committee (MPAC) is a committee of council established in accordance with section 79 of the Structures Act. The committee is mandated to perform oversight over the metro and its entity on behalf of council as required by the Constitution of the Republic, the Municipal Finance Management Act and Municipal Systems Act. One of the most critical roles of the MPAC is to assess, scrutinize and consider the 2014/15 Annual Performance Report of the metro, which serves the purpose of:

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

The components of the Annual Performance Report that the MPAC reviewed are:

- The Annual performance report, evaluating the municipality and entity's performance against performance objectives established in the Integrated Development Plan (IDP), Budget and Service Delivery Implementation Plan (SDBIP)
- Annual Financial Statements
- Auditor General report

The MPAC further received and considered all inputs received from the administration, community, and other role players; and has performed all the activities that are part of the oversight process as required by legislation.

**2. ALL THE CONSULTATIVE MEETINGS HELD TOWARDS COMPILATION OF THIS OVERSIGHT REPORT.**

The Committee conducted a number of meetings with different stakeholders. A meeting with the Office of the Auditor General was held to clarify and give guidance on efforts to be done for the betterment of the Municipality’s audit outcome moving forward.

The committee itself embarked on a 3 day working sessions to robustly apply its mind on the Performance Report 2014/15 so as to be able to advice and make informed recommendations to the Council. The wisdom and the inputs of the Mangaung communities was also not ignored hence the public hearing meetings held in the three regions of Mangaung namely: **Thaba Nchu; Botshabelo and Bloemfontein** respectively.

Subsequent to the abovementioned meetings held, the consolidated questions of clarity emanating from the report under review was sent to the Office of the City Manager and responses were open to the public.

Type of Meeting	Date and Venue	Abridged summary of outcome
Meeting with the Office of the Auditor General.	Wednesday 17, February 2015 at 09:00 MPAC Board Room 111, Leslie Monnanyane Building.	<p><b>The Chairperson, Councillor Titi Odili</b> thanked the delegation from the office of the Auditor General for making the presentation to members in order to assist the City to get a better audit and further afforded the opportunity to the Auditor General to present the Audit report 2014/2015 whereupon he highlighted the following:</p> <ul style="list-style-type: none"> <li>• that it was a constitutional mandate of the Auditor General to enable oversight, accountability and governance in the public sector through auditing, thereby building confidence;</li> <li>• that the purpose of the report was to provide an overview of the audit outcomes and other findings in respect of Mangaung Municipality and its entity Centlec for the 2014/15 financial year and</li> <li>• that there was a decrease in the Municipality and Centlec’s report due hindered performance information by flaws in systems and processes and he further reported on the significant emphasis of matters and pointed out the</li> </ul>



		<p>following key focus areas;</p> <p><b>Quality of submitted financial statements</b></p> <ul style="list-style-type: none"> <li>• that the Municipality’s financial statements that were submitted were in a good condition;</li> <li>• that there was ongoing work in process for the Municipality to get up to standard however on the financial statements there were still material adjustments made and</li> <li>• that the material adjustments were mainly linked to the fact that there were no controls particularly when the asset collection was done.</li> </ul> <p><b>Quality of submitted performance reports</b></p> <ul style="list-style-type: none"> <li>• that material findings were reported at the municipality and its entity in respect of the quality performance reports;</li> <li>• that in the last two years the biggest concern was the administrative work in the Engineering department in order to provide reports and</li> <li>• that there should be a specific person in the Engineering directorate who would report and mainly deal with the administrative work and the basics.</li> </ul> <p><b>Supply chain management</b></p> <ul style="list-style-type: none"> <li>• that the Municipality and its entity had its findings on the Supply Chain management report and the status of SCM continued to improve due to</li> </ul>
--	--	--

		<p>enforcement controls;</p> <ul style="list-style-type: none"> <li>• that although irregular expenditure was still incurred the extent thereof has reduced further and</li> <li>• that the status of the Centlec Supply chain management report remains a matter of concern primarily as management do not comply in all instances of SCM regulations i.e. tax certificate that are not submitted.</li> </ul> <p><b>4.1.4 Human resources</b></p> <ul style="list-style-type: none"> <li>• that prior to the auditing processes an employee at the Supply chain of the entity left the position, however due the reason that there was no successor documents could not be accessed but they were somewhere in the entity and</li> <li>• that Centlec did not have a succession plan put in place to fill vacancies timeously in directorates which in turn resulted in non-compliance with the applicable legislation.</li> </ul> <p><b>4.1.5 Information technology controls</b></p> <ul style="list-style-type: none"> <li>• that the Municipalities and its entity's Information Technology environment controls remained a concern as it seemed that the City was moving in the direction of experiencing problems and</li> <li>• that should the computer environment of the Municipality be damaged there would major problems for information to be replaced.</li> </ul>
--	--	---

		<p><b>Financial health status</b></p> <ul style="list-style-type: none"> <li>• that the debtors collection period was 103 days therefore it has increased from the previous year.</li> </ul> <p>The <b>Auditor General</b> further indicated the following to members;</p> <p><b>DRIVERS OF INTERNAL CONTROLS</b></p> <p><b>Mangaung Metropolitan Municipality Leadership</b></p> <ul style="list-style-type: none"> <li>• that the leadership did not effectively monitor and enforce corrective action plans to address weaknesses and processes of financial and performance reporting that was reported in the previous financial year.</li> <li>• that as a result the significant findings reported previously were repeated and again required material adjustments to be effected to the consolidated financial statements and resulted in unreliable performance information;</li> <li>• that leadership did not ensure that vacancies are timeously filled and that succession planning takes place in certain directorates, which in turn ;resulted in no-compliance with applicable legislation and</li> <li>• that if a department had to comply with certain legislation although not necessarily implementing the whole new structure there should however be</li> </ul>
--	--	---

		<p>personnel to ensure that legislation is implemented.</p> <p><b>Financial and performance management</b></p> <ul style="list-style-type: none"> <li>• that the Municipality lacked adequate personnel with relevant skills and experience pertaining to the management and reporting of financial and performance information within certain directorates;</li> <li>• that due to the lack of personnel daily and monthly controls pertaining to information management was compromised and insufficient reviews were done to ensure the reliability of the information that was used in reporting;</li> <li>• that in a case where the report stated that there were 100 toilets eradicated there had to be confirmation that the toilets were indeed eradicated;</li> <li>• that daily and monthly controls pertaining to information management were compromised and the reviews performed to ensure the reliability of the information used in reporting was sufficient;</li> <li>• that management did not ensure that they implement proper actions based on the plan developed to address the matters reported in the previous financial year and</li> <li>• that the Auditor General indicated that the Municipal Public accounts committee should ensure that the action plan monitoring was driven in such a way that the committee was satisfied with the commitments.</li> </ul>
--	--	--

		<p><b>Commitments</b></p> <ul style="list-style-type: none"> <li>• that the assurance levels should be improved by ensuring that critical skill shortages in certain directorates be addressed and that individuals were appointed that have the necessary qualifications and experience to ensure good information management;</li> <li>• that the level overall vacancies should be reduced;</li> <li>• that investigations into irregular expenditure and unauthorised expenditure should be fast tracked to ensure that all prior years' cases were finalised and</li> <li>• that processes and responsibilities in respect of gathering information supporting actual performance against predetermined targets should be formalised.</li> </ul> <p><b>Other matters of interest</b></p> <ul style="list-style-type: none"> <li>• that the Municipal Standard Chart of Accounts (mSCOA) compliance needed to be in place as from 1 July 2017 and</li> <li>• that there should be an action plan from the Municipality to ensure that they were still compliant by 1 July 2017 thus the committee should monitor the progress thereof.</li> </ul> <p><b>Subsequent events</b></p> <ul style="list-style-type: none"> <li>• that regarding the issue of Municipal bonds the City requested the Auditor General to assist in auditing the prospectus and the information;</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that however the Auditor General had not commenced with the audit process as it was not approved by the Council as yet therefore it was a subsequent event and</li> <li>• that as per the decision of the Demarcation board Naledi Municipality should also be included in the Mangaung Municipality and thus there should be a way of dealing with matters such as assets, debtors etc.</li> </ul> <p><b>The Chairperson, Councillor Titi Odili</b> thanked the Auditor General for the presentation and the following questions, inputs and comments were made by members;</p> <ul style="list-style-type: none"> <li>• that the issues that were raised by the AG in the 2014/15 report were currently being dealt with by the committee and advices were been provided to management;</li> <li>• that management should provide a report to the committee on which measures would be taken to resolve the issues raised since implementation by management is never effected;</li> <li>• that it should be emphasised that the issue of monitoring audit plan by the committee would assist to Municipality to get a clean audit report;</li> <li>• that prior to further engagements on the report Ms Solfafa should provide the committee with the investigation report entailing the outcome of the investigations;</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that the section 80: Finance committee dealt with the Financial section 71 reports however they were not the finance committee reports as they contained matters that had already occurred;</li> <li>• that the IDP report was also not a Section 80: Finance committee report as it was not a report to used to provide advice the Mayor it was a report used to be kept;</li> <li>• that the committee should do a proper oversight and that the said reports should be forwarded and dealt with by MPAC regularly as the committee was appointed by Council for oversight purpose;</li> <li>• that the report stated that Centlec and Mangaung complied with the laws and regulations however there was insufficient information such as the indigent issue;</li> <li>• that the indigent people do not comply with specific stipulations that if they do not pay they lose however huge amounts of debts were always written off therefore the Municipality was not complying with that stipulation;</li> <li>• that debt collection policy stated that the Chief Financial Officer and City Manager were allowed to write off certain amounts however it is never reported in the Council when and which amounts were written off therefore Council should take note of that;</li> <li>• that the reporting of the delegations was the function of Council that was</li> </ul>
--	--	--

		<p>delegated however there were never a reports on who oversees the delegations or what position had been created etc.;</p> <ul style="list-style-type: none"> <li>• that another concern was the loss of bulk water of which the problem lies with the appointed contractors as they pass houses that have meter boxes but the people have removed the meters and they never even report the matter;</li> <li>• that there should be controls in directorates for appointed contractors who do not deliver effective service delivery and only focussing on submitting invoices;</li> <li>• that on the unauthorised expenditure the Municipality should stop condoning everything and start to hold people responsible for non-performance/compliance;</li> <li>• that it was a major concern that there was no proper backup of information in the Municipality's Information Technology directorate;</li> <li>• that in terms of responsibilities set to the committee by National Treasury reports such as SDBIP, IDP etc. should firstly be submitted to the MPAC prior to any other committee;</li> <li>• that in terms of technical issues such as water loses etc. it would be difficult for the committee to verify therefore it was suggested that there should be a surveyor;</li> <li>• that the surveyor would be able to verify technical issues such as why was there water losses when there are contractors</li> </ul>
--	--	--



		<p>which appointed and prevention measures in place;</p> <ul style="list-style-type: none"> <li>• that IT is always a concern in the AG’s report and nothing has been done thus far regarding the issue therefore there should be serious focus in the directorate;</li> <li>• that if possible it should be clarified how the water loss was being calculated and if the loss was due to the contractors they should be instructed to pay;</li> <li>• that it should be clarified if whether the water was lost through the consumer meters distributed or from the main supplier;</li> <li>• that there should be proper follow up from the Directorates supervisors to monitor contractors when carrying out the work;</li> <li>• that the loss of water should be discussed with Bloem water in terms of bulk water, the big pipes and maintenance which was their responsibility in order for the City to assist;</li> <li>• that Bloem water pipes were old and needed to be replaced in order to solve the water problem;</li> <li>• that there should be performance clauses in the contractors contracts in a case where they do not perform;</li> <li>• that overtime was another issue that should be dealt with by management;</li> <li>• that does the Auditor General in their audits verify the excel worksheet as</li> </ul>
--	--	--

		<p>there could be a little mistake that could cost the Municipality major consequences;</p> <ul style="list-style-type: none"> <li>• that there was not enough information regarding Centlec on the annual report therefore it was suggested that the entity should have a separate report in future;</li> <li>• that Auditor General should indicate on the amalgamation of Naledi and Mangaung whether the assets of Naledi were already registered in the Mangaung asset register;</li> <li>• that it should be highlighted whether the amalgamation of Naledi and Soutpan Municipality was a threat to Mangaung Municipality as indicated in the newspapers;</li> <li>• that there was a team responsible for the amalgamation of the Municipalities therefore there should not be speculations or further engagements until the report was provided to the Municipality;</li> <li>• that the Accounting Officer and his team was responsible to carry out and implement the action plan on matters raised by the Auditor General and that action plan report should then be provided to MPAC;</li> <li>• that since 2011 there had been irregularities raised by the Auditor General in the Information Technology therefore it was suggested that IT experts should be appointed to assist the directorate;</li> <li>• that in order for the committee to carry out their duties and perform an oversight</li> </ul>
--	--	--

		<p>they should have the terms of reference, therefore it should be a priority to receive them;</p> <ul style="list-style-type: none"> <li>• that MPAC should be marketed to the community so that they are informed that it was the oversight committee where the community should come for assistance.</li> <li>• that previously the committee was struggling to receive the reports from the former City Manager however the Acting City Manager was informed about the reports expected from him and his team;</li> <li>• that the committee would work on the guidelines that the National treasury provided and that the Council should in the terms of reference indicate which reports should be provided to the committee and</li> <li>• that internal inspectors and supervisors should monitored whether they were assisting Councillors in their respective wards regarding contractors.</li> </ul> <p><b>Subsequent to the questions, inputs and comments from members the Auditor General provided the following responses and inputs;</b></p> <ul style="list-style-type: none"> <li>• that the AG normally takes into consideration the investigation report and thus when commencing with the next audit they should also engage in the discussions of the report finance;</li> <li>• that a problem that was surrounding IT and the difficulties that had been experienced during the audit process was the assets however there was an improvement with the new system;</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that in the ensuing year the new assets system would carry all the information and the infrastructure that need to be transferred therefore there was an improvement;</li> <li>• that a concern of compliance was that when the assets were purchased it should be clear on where do they go as they should immediately be numbered, included in the asset registered and be monitored;</li> <li>• that it was then suggested that there should be a centralised point where assets were first received, checked for quality and quantity, recorded and marked as there was currently no verification that all assets purchased were in the Municipality;</li> <li>• that the MPAC could follow up on the suggestion to eliminate the current issues of asset processes and monitor all purchased assets;</li> <li>• that regarding the surveyor the Municipality could have inspectors placed in different areas to check robots which were not working, street lights, water leakages etc.</li> <li>• that currently the Municipality depended on public to reporting however having inspectors would improve service delivery in a huge way for the Municipality;</li> <li>• that the Municipality was however doing well in many aspects and therefore the City was applauded by the Auditor General;</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that it was very difficult to determine through a specific pipe on how much water was lost however the City should attend and have corrective measures on the matter;</li> <li>• that the excel worksheets were checked and verified by the AG and the new asset system would also assist and improve the worksheets;</li> <li>• that the Naledi assets were not included in the audit year 2014/15 however the process was currently ongoing in 2015/16 and some of the assets were already taken;</li> <li>• that according to the opinion of the AG the amalgamation could have an impact on the debtors however it was not necessarily a threat especially if proper controls were put in place;</li> <li>• that the Auditor General would look into the terms of reference of the committee and provide his inputs;</li> <li>• that the oversight role was very important to ensure that quarterly reports were follow up by the committee to ensure implementation and</li> <li>• that the Auditor General indicated that it was his last term in Mangaung and that the new Auditor General would be assisting the City.</li> </ul>
--	--	--

		<p><b>The Chairperson, Councillor Titi Odili</b> and members of the committee on his departure bid farewell to the Auditor General and thanked him for his assistance, advice and the outstanding work he did for Mangaung Municipality for the past years.</p> <p><b>The Chairperson, Councillor Titi Odili</b> thanked members for their time, questions and inputs.</p> <p><b>FEEDBACK FROM THE AUDITOR GENERAL ON THE MFMA AUDIT OUTCOMES OF THE 2014/15 FINANCIAL YEAR</b></p> <p><b>The Chairperson, Councillor Titi Odili</b> afforded the opportunity to the <b>Councillor Powell</b> to report on the <b>Information and Communication Technology</b> whereupon the following inputs and comments were made;</p> <ul style="list-style-type: none"> <li>• that the Auditor General briefly elucidated on the new system at the Information Technology unit however there was little information on the annual report regarding the directorate;</li> <li>• that the Information Technology directorate was the heart of the Municipality and thus there should be experts for proper and sufficient back-up systems for the City;</li> <li>• that the committee had previously conducted the site visit to the directorate and was the impressed with work carried out in the unit;</li> <li>• that during the committee’s site visit there two (2) employees who were acting and indicated to members that</li> </ul>
--	--	---

		<p>the Municipal information on the server was not safe</p> <ul style="list-style-type: none"> <li>• that it was suggested that there should be IT experts to provide overall analysis on the best IT system and benchmarking from other metro municipalities that the employees who were acting should be followed up whether they had been appointed or not and IT graduates from universities should be trained;</li> <li>• that the Chief IT Manager and the Acting City Manager would be invited to the meeting to provide the committee with a report of which methods or remedies would be put in place to improve the safety of the City's information;</li> <li>• that all audit queries from IT should be requested in order for the committee to establish the root cause to see how the passwords control and whether they can hack into the Electronic payments as it would put the city at risk on financial site;</li> <li>• that subsequent to the receipt and scrutiny of the audit queries the committee would then call a meeting with the directorate and recommend to have experts;</li> <li>• that the employees at the IT directorate were demotivated due to the unpleasant working environment which is not user friendly;</li> </ul>
--	--	--

		<p><b>The following questions were raised on Information and Communication Technology</b></p> <ul style="list-style-type: none"> <li>• that on repairs and maintenance the budgeted amount was exceeded therefore was it evaluated whether it was feasible to repair old computers/assets instead of upgrading to new ones?</li> <li>• that there were 45 vacant position suggesting that it was almost 50% of lack of personnel in the directorate such as IT that should be fully capacitated therefore the concern should be clarified?</li> </ul> <p><b>Legal, risk management and internal audit services</b></p> <ul style="list-style-type: none"> <li>• that the legal services should provide the committee with reports on fraud and corruption cases and actions taken;</li> <li>• that the number of meetings scheduled were exceeded by committees which was a good indication that committees were sitting and working hard to improve the City;</li> <li>• that although the report is a public report the committee should know all the details of the types of cases, who were responsible and the control measures to be taken</li> <li>• that the committee does know how many cases were won what were the people charged with etc.;</li> </ul>
--	--	---



		<ul style="list-style-type: none"> <li>• that Ms Solfafa should investigate the matter and provide the committee with the outcome of the investigation;</li> <li>• that the Municipality has a legal department however the City waste loses money in terms of outsourcing for legal assistance;</li> <li>• that the Municipality loses a lot of cases therefore it was suggested that the labour relations should maybe emerge with the legal services and the unit should be independent;</li> <li>• that there should be a small committee to perceive how many cases have the municipality lost against the union in order to measure if the union was enhanced than the legal department;</li> <li>• that it was suggested that there should be a labour expert in the legal or corporate services to assist them instead of the union;</li> <li>• that there should be independent section head by the HOD however there should be a legal expert in that department;</li> <li>• that previously the committee requested corporate services no longer appoint external and instead capacitate the personnel in the human resource department therefore the report should be provided;</li> <li>• that the cases with the union where taking too long and causing the City irregular expenditure therefore a report should be provided;</li> </ul>
--	--	---

<p>Working Session 2 &amp; 3</p>	<p>Thursday 18 &amp; Friday 19 February 2016 MPAC Board Room 111</p>	<ul style="list-style-type: none"> <li>• that committee needed to meet with the audit committee as there were oversight issues were the committee has to raised</li> </ul> <p><b>The following questions were raised in terms of Legal, risk management and internal audit services</b></p> <ul style="list-style-type: none"> <li>• that on page 129 the 12 reports on allegations the committee has not seen those reports therefore they would not condone the report and thus where is the feedback of the cases?</li> </ul> <p><b>The Chairperson, Councillor Titi Odili</b> presented the <b>Organisational Development and Performance</b> and highlighted the following;</p> <ul style="list-style-type: none"> <li>• that on page 130 on the SDBIP the total overall of vacancies in departmental offices excluding political offices was 290, however in terms of performance measures the figures of planning and economic development and the office of the City manager were the lowest;</li> <li>• that in terms of the placement committee the planning and development directorate was not cooperating and it was indicated that the placement report was completed however it was never submitted to the committee;</li> <li>• that there vacancies of 57 fire fighters and 91 traffic officers however those positions were very critical positions in the Municipality;</li> </ul>
----------------------------------	--	---

		<ul style="list-style-type: none"> <li>• that on page 196 the report stated that the City complied 80% in the employment equity however the City was summoned by the gender commissioner indicating that the City was not complying in terms of the employment equity;</li> <li>• that the issue of grievance procedures stated 100 however there cases that employees won against the Municipality;</li> <li>• that the occupational health on the report stated 80% however there is no list of how many people are injured on duty;</li> <li>• that there are many vacancies however the report stated 80% on the recruitment, selection and appointments;</li> <li>• that remunerations scales and allowances stated however the employee remunerations has not been upgraded to the grade 7 Metro status as the City is currently busy with the placement of Mangaung and Motheo employees;</li> <li>• that the report stated that 80% of protective clothing however the people at solid waste management were matching to the City Manager about the clothing they had for a number of years;</li> <li>• that the report should indicate how many women, youth, male and the disabled therefore the committee should verify</li> <li>• that it should be verified if the Municipality implemented the findings of the gender commission in terms of equity;</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that on page 130 the salary accounts is already too high therefore the columns should be split on which vacancies have been budgeted for and what has not been provided for then the committee can decide on that;</li> <li>• that on page 132 it stated that the policy was submitted to the EMT therefore has all the reports been submitted already?</li> <li>• that the report does not show the staff establishment of Centlec in terms of placement the planning were not cooperating</li> <li>• that the committee needed to confirm if the placement was indeed 100%</li> <li>• that in terms of the municipal policies the issue of the code of conduct which is adopted by Salga in the free state</li> <li>• that the letter was sent that Mangaung was not complying however the report says 70%</li> <li>• that the installation of communal standpipes for informal settlement dwellers.</li> <li>• that why were the above mentioned targets not met and what budgetary implications if these projects are to be rolled over to the 2015/ 16 financial year due to non-performance?</li> <li>• that the City has suffered extreme water and electricity losses, what measures were put in place to reduce these losses?</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that which service provider was appointed for the installation and replacement of water meters, what are the conditions of the contract?</li> <li>• that what effect does the installation and replacement of water meters have on the billing system?</li> <li>• that what are the reasons for the City not reaching the target for the expansion of Waste Water Treatment Work capacity? How does the City aim to accelerate the eradication of sanitation backlogs?</li> <li>• that why was the process of establishing a new regional landfill site not initiated?</li> <li>• that why is the number of gravel roads graded or maintained for the 2014/15 financial year omitted from table 3.17?</li> <li>• that what has the City done in as far as maintaining storm water infrastructure is concerned and why was the target for the installation thereof not reached?</li> <li>• that why was the annual target of tarring gravel roads not reached? Which gravel roads have been tarred in each ward to date?</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that the targets for the visual inspection of electricity distribution centers was not reached. What are the implications thereof?</li> <li>• that the report indicates that the targets set for the routine maintenance, performance of tests on all protection equipment situated in primary and secondary substations as well as distributions centers could not be reached due to insufficient personnel. How was this challenge addressed?</li> <li>• that what are the Metro's plans to collect outstanding debts and are these plans making a difference?</li> <li>• that is spending on conditional grants on track?</li> <li>• that if not, what measures are put in place to ensure all grants are spent for the intended purpose?</li> <li>• that How much did the municipality budget for repairs and maintenance?</li> <li>• that Is this budget in line with the guidelines of 8% of the net book value of infrastructure assets?</li> <li>• that the annual performance report is silent on fleet management, why was this not included?</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that the annual performance report does not reflect on the yellow fleet that was stolen from municipal premises, what are the reasons for this omission? Provide the Committee with a report.</li> <li>• that which areas/regions does Centlec service apart from Mangaung and how much did Centlec generate? Why was this information not included in the annual performance report?</li> </ul> <p><b><u>COMPONENT C: PLANNING</u></b></p> <ul style="list-style-type: none"> <li>• that how effective is the established municipal planning tribunal in ensuring that land use applications are processed timeously?</li> <li>• that what are the details and progress of the 181 notices issued and 25 court cases related to land use in the City?</li> <li>• that none of the set targets for the IDP objective of Spatial Integration were reached. What is the status quo with regard to the unlocking of the <b>N8 nodal development, 7 land parcels development and IPTN project?</b></li> <li>• that what factors hindered the conduction of environmental awareness campaigns for the 2014/15 financial year?</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that what are the reasons for the non-achievement of the targets set for the IDP objective of Rural Development?</li> </ul> <p><b><u>COMPONENT D: COMMUNITY AND SOCIAL DEVELOPMENT</u></b></p> <ul style="list-style-type: none"> <li>• that when will the relocation of the zoo be completed?</li> <li>• that why has the City not upgraded the access roads to Kwaggafontein nor commenced with a detailed designs of the facility?</li> <li>• that when, where and what kinds of library outreach programmes (4472) did the City conduct during the 2014/15 financial year?</li> <li>• that does the City intend on buying or leasing a new office block and why were the offices not obtained during the year under review?</li> <li>• that how many elderly shelters are there within the Metro as a whole? Why was the target for the inspection of these facilities not reached?</li> </ul>
--	--	---



		<ul style="list-style-type: none"> <li>• that how many child headed households are there within the Metro as a whole and what kind of support did these households receive?</li> <li>• that where was the funding for 40 street children to attend a camp sourced? What were the objectives and logistical details thereof?</li> <li>• that table 3.53 indicates that of three senior posts two have been filled. Considering all the targets reached for the 2014/15 financial year and given the magnitude of the scope of work done by employees that deal with child care; care of the aged and social programmes, how are the duties and responsibilities split between two employees? Do they claim overtime? If so, what is the value of the claims that were paid out to both officials during the year under review?</li> <li>• that what youth development initiatives did the youth unit embark on during the year under review? Why are these not included in the annual performance report?</li> </ul>
--	--	---

<p>Working Session Day 1</p>	<p>Wednesday 17, February 2016 MPAC Board Room 111, Leslie Monnanyane Building.</p>	<p><b>The Chairperson, Councillor Titi Odili</b> and members of the committee sat immediately after the presentation of the Auditor- General to outline the program and allocate responsibilities accordingly as follows:</p> <p><b><u>DAY 1</u></b></p> <p><b>Wednesday, 17 February 2016</b></p> <p><b>09:00 – 09:15</b> Opening and Welcome</p> <p><b>09:15 – 10:30</b> Presentation by Auditor General</p> <p><b><u>DAY 2</u></b></p> <p><b>Thursday, 18 February 2016</b></p> <p><b><u>CHAPTER 3</u></b></p> <p><b>10:00 – 10:45 DISCUSSIONS LED BY CLR NKOE</b></p> <p>3.1 Water Provision</p> <p>3.2 Waste Water (Sanitation)</p> <p>3.3. Waste Management</p> <p>3.4 Road and Storm water</p> <p><b>10:45 – 11:30 DISCUSSIONS LED BY CLR VAN BILJON</b></p> <p>3.5 Electricity provision</p> <p>3.6 Housing</p> <p>3.7 Planning</p> <p>3.8 Local and Economic Development</p>
------------------------------	---	---

		<p><b>11:30 – 12:15                      DISCUSSIONS LED BY CLR POWELL</b></p> <p>3.22 Information and Communication Technology</p> <p>3.23 Legal, risk management and internal audit services</p> <p><b>12:30 – 13:30                      Lunch</b></p> <p><b>13:30- 14:15                      DISCUSSIONS LED BY CLR MOLOABI</b></p> <p>3.12 Bio-diversity and landscape – Parks</p> <p>3.13 Pollution control</p> <p>3.14 Health inspection, food and abattoir</p> <p><b>14:15-15h00    DISCUSSIONS LED BY CLR MOSHWADIBA</b></p> <p>3.15 Introduction to policing</p> <p>3.16 Fire</p> <p>3.17 Disaster Management</p> <p><b><u>DAY 3</u></b></p> <p><b>Friday, 19 February 2016</b></p> <p><b><u>CHAPTER 3 (CONTINUED)</u></b></p> <p><b>09:00-09h15    Opening and Welcome</b></p> <p><b>09h15- 10:00    DISCUSSIONS LED BY CLR RAMOKOTJO</b></p> <p>3.18 Introduction to sports</p> <p>3.19 Executive and Council</p>
--	--	--

<p>MPAC meeting Councillors for inputs</p>	<p>Tuesday 23, February 2016</p>	<p><b>10:00-10:45 DISCUSSIONS LED BY CLR MONONYANE</b></p> <p>3.20 Financial services</p> <p>3.21 Human resource services</p> <p><b>10:45-11:30 DISCUSSIONS LED BY CLR PATO</b></p> <p>3.9 Libraries, archives community facilities other theatres, zoo</p> <p>3.10 Cemeteries and crematoriums</p> <p>3.11 Child care, care of the aged, social programs</p> <p><b><u>CHAPTER 4</u></b></p> <p><b>11:30-12:15 DISCUSSIONS LED BY CLR TITI-ODILI</b></p> <p>Organisational Development and Performance</p> <p><b><u>CHAPTER 5</u></b></p> <p><b>12:15 – 13:00 DISCUSSIONS LED BY CLRS DYOSIBA AND BRITZ</b></p> <p>AG Report</p> <p>Annual Financial Statements</p> <p>Financial Performance</p> <p><b>13:00 – 14:00 Lunch</b></p> <p><b>The Whip of the committee, Councillor F Ramokotjo</b>, officially declared the special meeting of the Municipal Public Accounts Committee opened and extended a word of welcome to everyone present.</p> <p><b>The Chairperson, Councillor Titi Odili</b> informed members that the committee made a resolution that it was important for the Councillors to be given a platform to provide their inputs and</p>
--	--------------------------------------	---

		<p>comments prior to the tabling of the report and further afforded Councillor Britz to provide a brief overview;</p> <ul style="list-style-type: none"> <li>• that the committee annually go to the community for their inputs on the report during public participation meeting therefore;</li> <li>• that the Financial statements were a bit complicated and consisted of 3 parts which were the statements, the policy and the notes;</li> <li>• that the financial statements is referred to the notes on the report and they are the most important in the report and contain details on the individual items;</li> <li>• that the committee went through the report and have already made inputs ad comments;</li> <li>• that the first part of the report was the performance report which was also very important;</li> <li>• that the was a chapter that spoke about the Executive Mayor’s foreword and the ensuing chapters covers governance, administration, service delivery performance etc.</li> <li>• that the Auditor General presented to Council indicated that in terms of service delivery performance the City needed to improve i.e. water loses;</li> <li>• that the Auditor General reported that the Municipality received a unqualified audit but with findings however the City will work very hard to get a clean audit;</li> <li>• that members should comment whether are they satisfied with the services that should be implemented in the City as per the report;</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that it should also be looked at whether the City was taking action against corruption;</li> <li>• that the issue of electricity and the performance of Centlec was also looked at and the next Financial year the entity will have its own separate report;</li> <li>• that according to the document monitoring of project or services were not implemented;</li> <li>• that the committee took note that there was false information on the maintenance or the gravelled roads as indicated and follow up would be made;</li> <li>• that the committee perused and scrutinised the report and forwarded questions to the City manager therefore members would not respond but take note of the comments raised;</li> <li>• that the water loss the officials of the Municipality should be monitoring the contractors and were bursting the pipes but do not pay;</li> <li>• that the Municipality does not have the unit that does monitoring i.e. the hawkers are not registered but selling products for the reason that there is no proper monitoring;</li> <li>• that the committee would request that different departments provide them with monitoring reports;</li> <li>• that there are VIP toilets problem that should be eradicated however there are unspent grants in the City;</li> <li>• that regarding the issue of water losses and water cuts the committee has decide to meet with Bloem water to discuss on</li> </ul>
--	--	---

		<p>how to overcome the problem;</p> <ul style="list-style-type: none"> <li>• that the issue of the title deeds received there should be verifications in the wards that the title deeds were indeed received;</li> <li>• that it was indicated that the N8 corridor projects would be commencing very soon;</li> <li>• that the issue of the indigents was noted and the system of the indigent register should be re-visited;</li> <li>• that on the issue of Centlec the Municipality would attend to it</li> </ul> <p><b>The Whip of the committee afforded the opportunity to Councillors to make inputs and comments and the following were raised;</b></p> <ul style="list-style-type: none"> <li>• that the Chairperson indicated that there was a reduction of 34% in water losses therefore what does the committee do regarding the monitoring such events;</li> <li>• that there should be restrictions and mechanisms put in place to eliminate the challenges faced by the community;</li> <li>• that the Mpac committee was also applauded for the oversight work that they were doing;</li> <li>• that there should be mechanisms to fight corruption in the Municipality as it gives the City a bad name;</li> <li>• that the Centlec was a big entity however there was just a brief summary on report regarding the work they do therefore they submit a detailed report;</li> <li>• that information that the road had been</li> </ul>
--	--	---

		<p>gravelled was false information as those road indicated in the report were never gravelled;</p> <ul style="list-style-type: none"> <li>• that the committee must take the allegation to the relevant department to confirm and if the road is indeed not gravelled they should be instructed to gravel the road;</li> <li>• that the report does not state any information on the N8 corridor and on how much had been spent and how far were they;</li> <li>• that there were community members working at the N8 corridor as they were told to stop working and that the project had stopped therefore information should be supplied on such matters;</li> <li>• that the people at the location did not have water as the Municipality just cuts water totally and even the indigent do not have water;</li> <li>• that the yellow fleet was stolen in Botshabelo however the report does not provide any information on the matter;</li> <li>• that the issue of the water cuts was a huge challenge at the location therefore the committee was requested to please follow and resolve the matter;</li> <li>• that there was no monitoring system in the Municipality therefore what would the committee do to attend to the matter;</li> <li>• that the number of title deeds transferred to legible people did the people really receive the title deeds;</li> <li>• that the indigent people should be assisted and attended as it was a challenge for them at their households;</li> </ul>
--	--	---



		<ul style="list-style-type: none"> <li>• that the under spending on conditional grants is not cleared in the notes and how can the Municipality under spend when there is much service delivery to be provided;</li> <li>• that placement of employees has been happening for a period of 5 years however it is not completed nor implemented therefore the committee should make enquiries;</li> <li>• that in ward committee members were part of the public participation meetings however the information provided in the report regarding the wards was incorrect;</li> <li>• that there should be a monitoring department and a Chairperson should be responsible to provide feedback to the committees and focus on all the monitoring for different wards;</li> <li>• that the contractors that has project/tenders with the City utilises the water and there is no one responsible for supervising;</li> <li>• that the audit committee had 22 meetings however they provided only 1 report to the Auditor General;</li> <li>• that the appointment of the monitoring committee was supported;</li> <li>• that the Municipality has the internal audit office therefore what exactly is their work;</li> <li>• that the report stated that certain contractors and service providers were not monitored therefore they were paid for not performing;</li> <li>• that under leadership they were not effectively monitoring anything and does</li> </ul>
--	--	---

<p>Public Hearing Meetings</p>	<p>Tuesday 01, March 2016 Thaba Nchu Civic Centre @ 10h00.</p>	<p>not enforce corrective actions;</p> <ul style="list-style-type: none"> <li>• that the MPAC should receive monthly reports to be interrogated and for the responsible personnel to account;</li> <li>• that the turnaround time for the cases should be clarified as some cases submitted long ago had not been attend to therefore there should be a turnaround time and</li> <li>• that the community will enquire on the number of meetings and committees provided in the report.</li> </ul> <p><b>The Chairperson, Councillor LM Titi Odili</b>, officially declared the public participation meeting of the Municipal Public Accounts Committee opened and extended a word of welcome to everyone present whereupon she requested all to observe a moment of silence for meditation and prayer.</p> <p><b>The Chairperson, Councillor Titi Odili</b> requested Councillor Moloabi to introduce members of the committee and further afforded an opportunity to <b>Councillor Nkoe</b> to highlight on what the report entails whereupon he explained to members that the report consisted of three parts which were, the Annual Performance Report which dealt with the performance of the Municipality from June 2013 to July 2014, the Financial Performance Report and the Audit Report and further stated the following;</p> <p>that it was the duty and responsibility of the Mangaung Metropolitan Municipality to comply with the Municipal Finance Management Act and present the community with the annual performance report as required by the act;</p>
--------------------------------	--	--

		<ul style="list-style-type: none"> <li>• that the purpose of the annual performance report was to provide a record of activities by the Municipality and its entity Centlec, to report on the performance regarding service delivery in terms of the IDP document and budget implementation and lastly to promote accountability to the local community and</li> <li>• that notice was sent out as well as media advertisement both print and radio to inform the community about the Public Participation meeting and transportation was to be provided for the residents to attend the meeting in order for to them give comments, inputs and ask questions on the annual performance report.</li> </ul> <p><b>The following questions were raised by members of the community regarding service delivery</b></p> <ul style="list-style-type: none"> <li>• that in ward 49 at house 376 Ratua there is no electricity, and it has been years since Municipality promised the community that they would install electricity;</li> <li>• that in ward 49 zone 3 Skhokho construction installed toilets whereas they used poor material;</li> <li>• that in ward 41 there were no water readings and unemployed residents still receives water bills;</li> <li>• that the indigents qualifying for 5 years were told to renew their indigents contract as they were not qualified;</li> <li>• that the community were complaining about the lights that were switched off at 5 am while it was still dark outside and</li> </ul>
--	--	---

		<p>they had to go to their workplace;</p> <ul style="list-style-type: none"> <li>• that there were no road signs that showing Thaba Nchu from as far as Botshabelo;</li> <li>• that in zone 3 house no 627 RDP houses was unfinished;</li> <li>• that the community were asking of who should fix busting water pipes;</li> <li>• that there were RDP houses demolished and the community were promised that they will be reconstructed;</li> <li>• that in ward 40 there is a lot of improvements on potholes and leakages;</li> <li>• that the Community were in need of traffic lights in Thaba Nchu;</li> <li>• that in Thaba Nchu community were not satisfied with appointed contractors</li> <li>• that in Thaba Nchu the roads were in bad condition and should be attended to;</li> <li>• that in zone 4 the church was very unclean as there was no waste removal;</li> <li>• that in Kagisanong there is no water readings;</li> <li>• that in Thaba Nchu some of the paid properties did not have tittle deeds;</li> <li>• that there was an old woman that has been staying in Thaba Nchu since 1965 and she has no place to stay;</li> <li>• that in station view there was a property sharing one municipal account in two different names and</li> <li>• that in ward 40 there was a Tavern that was operating without a fence and it was</li> </ul>
--	--	--

<p>Public Hearing Meeting</p>	<p>Tuesday 01, March 2016 Thaba Nchu Sediti High School @ 14h00</p>	<p>disturbing the neighbours and</p> <ul style="list-style-type: none"> <li>• That ward 41 was very unclean as there was no waste removal.</li> </ul> <p><b>The Chairperson Councillor LM Titi Odili,</b> thanked members of the Committee for attending the meeting and for the inputs made, where after she closed the meeting.</p> <p><b>The Chairperson, Councillor LM Titi Odili,</b> officially declared the public participation meeting of the Municipal Public Accounts Committee opened and extended a word of welcome to everyone present whereupon she requested all to observe a moment of silence for meditation and prayer.</p> <p><b>The Chairperson, Councillor Odil Titi</b> requested Councillor R Moloabi to introduce members of the committee and further afforded an opportunity to <b>Councillor Nkoe</b> to highlight on what the report entails whereupon he explained to members that the report consisted of three parts which were, the Annual Performance Report which dealt with the performance of the Municipality from June 2014 to July 2015, the Financial Performance Report and the Audit Report and further stated the following;</p> <ul style="list-style-type: none"> <li>• that it was the duty and responsibility of the Mangaung Metropolitan Municipality to comply with the Municipal Finance Management Act and present the community with the annual performance report as required by the act;</li> <li>• that the purpose of the annual performance report was to provide a record of activities by the Municipality and its entity Centlec, to report on the performance regarding service delivery in terms of the IDP document and budget</li> </ul>
-------------------------------	---	--

		<p>implementation and lastly to promote accountability to the local community and</p> <ul style="list-style-type: none"> <li>• that notice was sent out as well as media advertisement both print and radio to inform the community about the Public Participation meeting and transportation was to be provided for the residents to attend the meeting in order for to them give comments, inputs and ask questions on the annual performance report.</li> </ul> <p><b>The following questions were raised by members of the community regarding service delivery;</b></p> <ul style="list-style-type: none"> <li>• that in ward 43 in Rooinek there houses were dilapidated and should have been completed;</li> <li>• that in Kgalala the VIP toilets were full, and the RDP houses was incomplete and it's in a very bad condition;</li> <li>• that in ward 41 the roads were in a bad condition and should be attended to;</li> <li>• that in ward 41 there were no water readings and unemployed residents were not receiving water bills;</li> <li>• that in Sediba there is no electricity, and it has been years since Municipality promised the community that they would install electricity;</li> <li>• that in Kgalala the toilets were full, and the RDP was incomplete and it's in a very bad condition, it has been many years since the Municipality promised the community flushing toilets;</li> <li>• that in kgalala there has been water leakage for the past five (5) years;</li> <li>• that in ward 41 an old woman has been</li> </ul>
--	--	--

		<p>staying in 1 room for a long time and their house was in a very bad condition;</p> <ul style="list-style-type: none"> <li>• that in ward 41 the toilets were full and it's in bad condition;</li> <li>• that in Mothusi there were extension without electricity and it should be indicated on how far were the electricity connections;</li> <li>• that in Tankiso the community were in need of toilets;</li> <li>• that in Sediba bridge there was overflowing of water during rainy days and children could not go to school;</li> <li>• that in Seroalo the community indicated that there're were in need of a recreational facilities and satellite police station;</li> <li>• that in Roineck it should be indicated that the community were in need of public school and RDP Houses requested;</li> <li>• that in Feloane trust the roads were in a bad condition and the toilets should be improved;</li> <li>• that in Thela river there were no toilets and the water supply was not sufficient for the community;</li> <li>• that in ward 41 there were no toilets and electricity supply;</li> <li>• that in Motho wa Mmona there were unemployed youth and the community indicated that the farms would assist in growing their own food;</li> <li>• that in Mariasdal the community were in need of primary school and RDP houses,</li> </ul>
--	--	--

Public Hearing Meeting	Tuesday 23, February 2016 Claredon Hall @ 10h00	<p>and the community were not certain of whether they belong to ward 41 or farm and</p> <ul style="list-style-type: none"> <li>• that in Sediba people were in need of RDP houses and home affairs satellite.</li> </ul> <p><b>The Chairperson, Councillor Titi Odili</b> thanked members of the community for their time, questions and inputs and further reminded them that they could submit their comments and questions in the comments box at all the Municipal libraries.</p> <p>All the efforts made to advertise and mobilise for this meeting but the attendance was so poor that this meeting could not ensue. The committee asked for written inputs from the members of the minority that attended the meeting.</p> <ul style="list-style-type: none"> <li>• It could have been due to its timing, the committee remained concerned.</li> <li>• It is also noted with concern that no inputs reached MPAC office during the stipulated deadline.</li> </ul>
Public Hearing Meeting	Thursday 03, March 2016 Kagisanong Hall @ 10h00	<p>The Chairperson, <b>Councillor LM Titi - Odili</b> officially opened the meeting, extended a word of welcome to everybody present and apologized for starting the meeting late where after she requested a community member to lead the house with a hymn and prayer.</p> <p>The Chairperson, <b>Councillor LM TitiOdili</b> afforded the opportunity to the Whip of the committee <b>Councillor FP Ramokotjo</b> to continue with the proceedings of the meeting whereupon he welcomed all present and indicated that the MPAC Committee was there to listen to inputs</p>



		<p>and questions relating to the annual report and further highlighted the following;</p> <ul style="list-style-type: none"> <li>• that the meeting should not be treated as a service delivery failure meeting however any service delivery challenges experienced by the community would be noted and forwarded to the City Manager and</li> <li>• that the Municipal Public Accounts committee was a multi-party committee appointed by Council to perform an oversight role on the work done by the Executive Mayor and his team;</li> </ul> <p>The <b>Whip</b> of the committee <b>Councillor FP Ramokotjo</b> afforded the opportunity to <b>Councillor Nkoe</b> to briefly elucidate on the role of the committee whom provided a brief summary of the report and highlighted the following;</p> <ul style="list-style-type: none"> <li>• that notice was sent out as well as media advertisement both print and radio to inform the community about the Public Participation meeting, and that transportation was to be provided for the residents to attend the meeting in order for to them to partake the discussions on the annual report.</li> <li>• that according to the MFMA it was the responsibility of the Municipality to present the public with the Annual Performance Report;</li> <li>• that the purpose of the report was to provide the public with a record of activities undertaken within a certain financial year by the Municipality and its entity Centlec, to report on the performance regarding service delivery in terms of the IDP document and budget implementation, and to promote accountability to the local community;</li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• that the Annual Performance Report covered the following three main issues which were the; <ul style="list-style-type: none"> <li>(i) Performance of the Municipality</li> <li>(ii) Financial Statements/Performance and</li> <li>(iii) Auditor General Audit Findings</li> </ul> </li> </ul> <p>The Chairperson, <b>Councillor LM Titi Odili</b> elucidated the following;</p> <ul style="list-style-type: none"> <li>• that according to the legislation the Mangaung Metropolitan Municipality had to allow members of the community to make inputs and comments on the draft Annual Performance Report and</li> <li>• that members of the community should thus introduce themselves and indicate in which ward they came from prior to making their inputs and comments on the report.</li> </ul> <p><b>The following questions were raised by members of the community regarding service deliver;</b></p> <ul style="list-style-type: none"> <li>• that she was unemployed and at an old age living on the government grant however she was requested to pay for the Municipal services when she but she was indigent;</li> <li>• that in ward 13 they had been attending the IDP meetings submitting a reports that there should be a road in Phelindaba however the Engineering department went to see the roads but nothing has been done thus far;</li> <li>• that in extension 5 the road were in a very bad state therefore the Councillor should</li> </ul>
--	--	---

		<p>attend to the roads and that there were continuous water shortages in that extension;</p> <ul style="list-style-type: none"> <li>• that the Municipality should urgently attend to the water billing as the readings were only estimates for the reason that service providers do not make accurate readings;</li> <li>• that at the Library they refused to give community members the annual report and instead told to peruse the report and it at the library;</li> <li>• that in some water extension they do not have toilets and the roads were in a bad state and there are double parking's and people are always fighting for the yards;</li> <li>• that in ward 13 there were service providers appointed to do projects the sewer project in MK square however the system was already blocked therefore the material used might not meet the specifications;</li> <li>• that the Municipality should make the community aware if there is going to be property evaluation and not just sent people to the community without their knowledge;</li> <li>• that the Municipality should inform the community about the processes of applying as indigent;</li> <li>• that during the IDP meeting the community raise inputs on service delivery however they are not included the draft report;</li> <li>• that at Albert Luthuli some people do not receive water;</li> <li>• that MPAC should monitor the service providers appointed to carry out the work</li> </ul>
--	--	--

		<p>in the different wards;</p> <ul style="list-style-type: none"> <li>• that in extension 7 there are people who own two sites and the Municipality was not aware of the situation;</li> <li>• that some community members applied as indigents however within one (1) the services were terminated;</li> <li>• that there should be a hump in Lesedi street due to speeding cars at that road;</li> <li>• that there was a drainage problem at Mabilela school therefore the matter should be attended to and Lehasa road were in a bad state;</li> <li>• that in 2703 ntema street the member has not been receiving the water bill since 2003;</li> <li>• that in 2161 Albert Luthuli there was a problem with the electricity cable and has since been calling Centlec with no assistant;</li> <li>• that there were two backrooms in her yard owned by another person who does not want to remove them therefore the Municipality should assist on the matter;</li> <li>• that in 221 Ntema street the community member is an indigent however she has been receiving inconsistent to pay for services and water billing;</li> <li>• that the service providers gravelling the roads were doing an improper work therefore they should be monitored by the relevant people at the Municipality;</li> <li>• that the Municipality always employ people however the people in ward 13 are not appointed by the Municipality and</li> </ul>
--	--	---

<p>Public Hearing Meeting</p>	<p>Thursday 03, March 2016 Batho Hall @ 14h00</p>	<ul style="list-style-type: none"> <li>• that there should be speed humps in Medet road;</li> </ul> <p>In closing of the meeting the Chairperson, <b>Councillor LM Titi Odili</b> thanked members of the community and indicated that a feedback session would be arranged in the ensuing months.</p> <p>The Chairperson, <b>Councillor LM Titi-Odili</b> officially opened the meeting, extended a word of welcome to everybody present and apologized for starting the meeting late where after she requested a community member to lead the house with a hymn and prayer.</p> <p>The <b>Chairperson, Councillor Titi-Odili</b> provided a brief summary on the report and highlighted the following;</p> <ul style="list-style-type: none"> <li>• that notices were sent out as well as media advertisement both print and radio to inform the community about the Public Participation meeting, and transportation was arranged for the community to attend the meeting in order for to them to partake the discussions on the annual report.</li> <li>• that the annual report was availed to members of the community for collection at all the Municipal libraries and</li> <li>• that according to the MFMA it was the responsibility of the Municipality to present the public with the Annual Performance Report;</li> </ul>
-------------------------------	---	--

		<p>The <b>Chairperson, Councillor Titi-Odili</b> further requested <b>Councillor Nkoe</b> to highlight the purpose of the report whereupon he indicated the following;</p> <ul style="list-style-type: none"> <li>• that the purpose of the report was to provide the public with a record of activities undertaken within a certain financial year by the Municipality and its entity Centlec, to report on the performance regarding service delivery in terms of the IDP document and budget implementation, and to promote accountability to the local community;</li> <li>• that the Annual Performance Report covered the following three main issues which were the; <ul style="list-style-type: none"> <li>(i) Performance of the Municipality</li> <li>(ii) Financial Statements/Performance and</li> <li>(iii) Auditor General Audit Findings</li> </ul> </li> <li>• that according to the legislation the Mangaung Metropolitan Municipality had to allow members of the community to make inputs and comments on the draft Annual Performance Report and</li> <li>• that members of the community should thus introduce themselves and indicate in which ward they came from prior to making their inputs and comments on the report.</li> </ul>
--	--	--

		<p><b>Councillor Z Khi allowed members of the community to raise questions and inputs on the annual report whereupon they highlighted the following;</b></p> <ul style="list-style-type: none"> <li>• that in ward 1 there was a slot near the Batho police station and several requests had been made to close the slot as it was hazardous for young children and women;</li> <li>• that community members had been requesting to have paving in the roads of Bochabela and Batho location however nothing been done to date;</li> <li>• that the annual report was a very thick document for members to read and comment on promptly therefore it was suggested that the meeting be postponed in order to allow the community ample time to peruse the report;</li> <li>• that the annual report did not cover anything on the youth employment etc. therefore does the Municipality even budget for the youth;</li> <li>• that it was the third (3<sup>rd</sup>) Financial year whereupon the community had been requesting to have paving in 7 Days location however the Municipality did not attend to their needs;</li> <li>• that in ward 6 speed humps were very high and should be adjusted as they were damaging the residents vehicles;</li> <li>• that the slot in ward 6 should be closed down to minimise the risk of criminals attacking the community;</li> <li>• that there were people working at the slot in Batho location however the work was stopped and thus the community wanted</li> </ul>
--	--	---

		<p>to know if there would be any employment in the future;</p> <ul style="list-style-type: none"> <li>• that the Municipality was applauded for the good work they did on the high mast lights which were installed and working properly and the roads were also in good condition;</li> <li>• that the Municipality should intervene on the matter of the slot near Batho police station that had been turned into a dumping site for the reason that it was creating a health risk for the nearby residents;</li> <li>• that in Mapikela road the Municipality should assist the community and install high mast lights as there were 2 cases of women who had been sexually assaulted and murdered in that road;</li> <li>• that there should be speed humps put up starting from Bantu police station to Maboloka school for the benefit of school kids who were cross the streets daily;</li> <li>• that in ward 2 near Batho Primary School the community always burn the field and have turned it into a dumping site which was a health risk for nearby residents;</li> <li>• that the street in Joe Slovo was very narrow which made it very difficult for community members to move around the streets therefore the relevant department should attend to the street;</li> <li>• that in Maleikamp location there was a Sabath church ministry however the community have created a dumping site near the church premises and thus the Municipality should assist in the matter and</li> <li>• that in the quarry of Santo and Ramathe there was an old lady staying in an RDP close to the street who had been</li> </ul>
--	--	--



<p>Public Hearing Meeting</p>	<p>Friday 04, March 2016 Sampson Sefuthi Hall @ 10h00</p>	<p>requesting for a speed hump as the vehicles were always speeding nearby her house;</p> <p>In closing of the meeting the Chairperson, <b>Councillor LM Titi-Odili</b> thanked members of the community and indicated that a feedback session would be arranged in the ensuing months.</p> <p>The Acting Chairperson, <b>Councillor TWG Pato</b> officially opened the meeting, extended a word of welcome to everybody present and apologized for starting the meeting late where after she requested a community member to lead the house with a hymn and prayer.</p> <p>The Acting Chairperson, <b>Councillor TWG Pato</b> allowed <b>Councillor MJ Nkoe</b> to continue with the proceedings of the meeting whereupon he welcomed all present and indicated that the MPAC Committee was there to listen to inputs and questions relating to the annual report and further highlighted the following;</p> <ul style="list-style-type: none"> <li>• that the meeting should not be treated as a service delivery failure meeting however any service delivery challenges experienced by the community would be noted and forwarded to the City Manager and</li> <li>• that the Municipal Public Accounts committee was a multi-party committee appointed by Council to perform an oversight role on the work done by the Executive Mayor and his team;</li> </ul> <p>The <b>Councillor Nkoe</b> elucidated on the role of the committee and provided a brief summary of the report and highlighted the following;</p>
-------------------------------	---	--

		<ul style="list-style-type: none"> <li>• that notice was sent out as well as media advertisement both print and radio to inform the community about the Public Participation meeting, and that transportation was to be provided for the residents to attend the meeting in order for to them to partake the discussions on the annual report.</li> <li>• that according to the MFMA it was the responsibility of the Municipality to present the public with the Annual Performance Report;</li> <li>• that the purpose of the report was to provide the public with a record of activities undertaken within a certain financial year by the Municipality and its entity Centlec, to report on the performance regarding service delivery in terms of the IDP document and budget implementation, and to promote accountability to the local community;</li> <li>• that the Annual Performance Report covered the following three main issues which were the; <ul style="list-style-type: none"> <li>(i) Performance of the Municipality</li> <li>(ii) Financial Statements/Performance and</li> <li>(iii) Auditor General Audit Findings</li> </ul> </li> </ul> <p>The Acting Chairperson, <b>Councillor TWG Pato</b> highlighted the following;</p> <ul style="list-style-type: none"> <li>• that according to the legislation the Mangaung Metropolitan Municipality had</li> </ul>
--	--	--

		<p>to allow members of the community to make inputs and comments on the draft Annual Performance Report and</p> <ul style="list-style-type: none"> <li>• that members of the community should thus introduce themselves and indicate in which ward they came from prior to making their inputs and comments on the report.</li> </ul> <p><b>The following questions were raised by members of the community regarding service deliver;</b></p> <ul style="list-style-type: none"> <li>• that in ward 35 the Mandela day project and Spingo sun project was supposed a continuous projects however they had been stopped for long period of time;</li> <li>• that in number street 339 and 539 there were big rocks in ward 35 section L which were blocking the street needed to be removed by the Municipality;</li> <li>• that in ward 35 there are many unemployed youth which had turned into gangs therefore the Municipality should assist in terms of employing the youth</li> <li>• that in ward 36 there roads in a bad state especially when it rained therefore the Municipality should attend to the roads;</li> <li>• that the Municipality was applauded for the developments in the N8 road and the upgrade of the stadium;</li> <li>• that there should be stormwater at the Nicro for the reason that it was difficult for the school to access the roads when it is raining;</li> <li>• that the old aged were experiencing difficulties at the clinic in W section therefore the Health department should attend to the matter;</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that in ward 30 section H the roads were in a bad state and there were storm water problems;</li> <li>• that the EPWP project should be continuous project for the reason that there is always a need to clean the City;</li> <li>• that in ward 30 the community was thankful for the RDP houses given to them however the road was in a bad state and the bridge was a danger for young children;</li> <li>• that in ward 35 number 3452 the Municipality should attend to the storm water problem;</li> <li>• that in ward 35 in L section there should be storm water as it was a problem when it is raining and the community does not have toilets and that unemployment is the main contributor to young turning into criminals;</li> <li>• that in ward 30 the toilets were not in a good state therefore when will the Municipality assist in vacuuming the VIP toilets;</li> <li>• that in 30 in 344 section G there were too many trees and there was a dam which was a risk factor for young children especially when it is raining;</li> <li>• that in ward 35 number 429 the community member had reported several times that the toilet had been dilapidated due to the heavy rains however there had not been any assistance from the Municipality;</li> <li>• that in section D ward 38 there should be speed humps due to the traffic congestion more specifically during the Easter weekend;</li> </ul>
--	--	---

		<ul style="list-style-type: none"> <li>• that in ward 35 section D house number 1495 the street should be gravelled and the Municipality indicated there would be tunnel however nothing had been done thus far;</li> <li>• that in ward 31 section C to assist the youth from becoming criminals the Municipality should provide plastic tents for the people selling vegetables etc.</li> <li>• that there stands in N section which did not belong to anyone therefore the criminals were occupying those stands which do not have owners;</li> <li>• that there should be tunnels in the N section for heavy water coming from other sections;</li> </ul> <p>In closing of the meeting the Chairperson, <b>Councillor TWG Pato</b> thanked members of the community and indicated that a feedback session would be arranged in the ensuing months.</p>
--	--	--

**3. OTHER CONSULTATIVE MEETINGS; NOTIFICATION AND QUESTIONS TO THE CITY MANAGER**

The Committee has formulated questions from the report under review which were forwarded to the Office of the City Manager on 17 March 2016 which are attached hereto as **Annexure A**

The City Manager responded to the questions in line with MFMA section 129(2)(a) and attached as **Annexure A**

The minutes are hereto attached as **Annexure B**

<b>Type of a meeting</b>	<b>Date and Venue</b>	<b>Summary and Outcome</b>
Ordinary Meeting	Thursday 24, March 2016 MPAC Board Room 111, Leslie Monnanyane Building.	Confirmation of all minutes as well as consideration of the Draft Oversight Report; Resolutions and Recommendations by the MPAC

#### 4. CHALLENGES AND PROPOSED SOLUTIONS

The table below shows challenges noted by the Committee during the public hearings and proposed solutions to these challenges;

CHALLENGES	PROPOSED SOLUTIONS/RECOMMENDATIONS
<p>1) MPAC has noted that over the years the copies of the Performance Report does not reach the communities as envisaged.</p>	<p>a) Ward Councillors, through the assistance of ward committees, to convene community meeting where the objectives and purpose of the annual report are extensively discussed, in preparation for the MPAC's public participation</p> <p>b) The annual report contains information that may be received as complex for ordinary community members, it is therefore recommended that a simplified version of the original document be made available to the community so as to ensure that the matters from the report are easily understood.</p> <p>c) The points of dissemination of document to be reviewed</p>
<p>2) MPAC has noted that mobilization of the communities towards the MPAC Public Hearings remains a challenge.</p>	<p>a) Public Participation Unit be intensified and work closely with MPAC towards its Public Hearings.</p> <p>b) MPAC Office Head to facilitate an intense planning meeting with Public Participation prior and post public hearings to share the challenges and successes.</p>
<p>3) Non / Late Responsiveness of the representatives of different Units and Departments when called by MPAC</p>	<p>a) This unresponsiveness is not only hampering the performance of MPAC but the entire betterment of clean governance in the Municipality. It is therefore recommended that everyone be timeous and accountable.</p>
<p>4) A number of workshops were conducted by SALGA and Treasury to educate all the Officials and Cllrs on what is MPAC and its terms of reference since its establishment here in our Municipality. Cases of resistances from others are still unequivocally noted.</p>	<p>a) MPAC urges everyone to come to party in the interest of striving for a best performing Municipality that delivers unquestionable services to its public.</p>

## 5. MATTERS OF CONCERN NOTED BY MPAC

The Committee records its concerns on the matters of emphasis expressed in the Audit Report. These matters include:

### Root causes:

- Ineffective implementation and monitoring of action plans
- Lack of consequences to ensure implementation of action plans
- Slow response to weaknesses identified in the systems and processes developed for reporting of performance management
- Human resource constrains.

### Financial statements:

The municipality submitted financial statements with material misstatements.

- Adjustments to the disclosures of property, plant and equipment, the disclosure of commitments, the provision for the rehabilitation costs for landfill sites and the cash flow were made
- Unreliable and inaccurate set of financial statements was submitted for audit on 31 August
- No review of the credibility and accuracy of information done.
- No display of skill from the officials collating information and preparing reports.

### Unauthorised expenditure:

The 5 year analysis of unauthorised expenditure remains the worrying factor and has increased tremendously in the year under review.

- 14-15 :**R996 013 695**
- 13 - 14 :**R673 096 965**
- 12 - 13 :**R19 535 661**
- 11 - 12 :**R307 256 486**
- 10 – 11 :**R67 711 892**

Unauthorised is the value of **R731 514 661**

Over expenditure is the value of **R264 499 034**



### **Irregular expenditure:**

Irregular expenditure remains the worrying factor. It is the role of council to investigate all irregular expenditure to determine whether it constitutes **misconduct, fraud** or **losses** that should be recovered and where deemed necessary, to recover these expenditures.

- The value of the irregular expenditure at year end in respect of which investigation have not commenced or are in progress is not clear.
- Non completion of irregular expenditure investigations remains a challenge
- No clear measures that are put in place to ensure that irregular expenditure is prevented going forward

### **Financial losses:**

The municipality is incurring financial losses as a result of the write – off of uncollectable debtors as well as distribution losses on both water and electricity supplies.

- Water losses is exorbitant and worrying to the value of **R167 576 335** in the year under review.
- Debtors write off needs a strategic approach.
- Electricity distribution losses has increased since the 12 – 13 financial year which puts it to **R154 232 114** in the year under review.

## **6. CONCLUSION**

The committee has balanced received information from report with what is happening at operational level. The committee is committed to ensure that there no space for maladministration and any form of corruption and it is impressed with erasing tendency of squatting public resources. Inputs from stakeholders show everyone was committed to interrogate the report and recommendations to the Council are not biased.

## 7. RECOMMENDATIONS

Having considered the report, the committee made its recommendations to the Council.

It is therefore recommended that:

- (i) The annual performance reports of Mangaung and Centlec be compiled and tabled separately.
- (ii) The accounting officer develop mechanisms to ensure that the city's performance monitoring and planning capacity is strengthened
- (iii) The accounting officer ensure that conditional grants are spent and that directorates that do not adhere to this be held accountable
- (iv) Measures be put in place to reduce spending on overtime
- (v) That The Council investigate all irregular expenditure to determine whether it constitutes **misconduct, fraud** or **losses** that should be recovered and where deemed necessary, to recover these expenditures.
- (vi) That the CFO give account of the increase on unauthorised expenditure in the year under review and the measures to curb it in future.



.....  
Cllr. L. M. TITI ODILI  
Chairperson: Mangaung Metro MPAC