

*CONFIDENTIAL*

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**MINUTES**  
of a  
**SPECIAL MEETING**

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**MANGAUNG**  
**METROPOLITAN**  
**MUNICIPAL COUNCIL**

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**COUNCIL CHAMBERS**  
**FIRST FLOOR**  
**BRAM FISCHER BUILDING**  
**BLOEMFONTEIN**

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**FRIDAY**  
**FEBRUARY 28, 2020**  
**AT 14:00**

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**MANGAUNG**  
**METROPOLITAN**  
**MUNICIPALITY**

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**MINUTES OF A  
SPECIAL MEETING**

of the

**MANGAUNG METROPOLITAN MUNICIPAL COUNCIL**

held in the

**COUNCIL CHAMBER  
FIRST FLOOR, BRAM FISCHER BUILDING  
BLOEMFONTEIN**

on

**FRIDAY, FEBRUARY 28, 2020**

at 14:00

**SPEAKER**

1 **COUNCILLOR SIYONZANA MA**

**EXECUTIVE MAYOR**

2 **COUNCILLOR MLAMLELI SM**

**Absent with leave**

**DEPUTY EXECUTIVE MAYOR**

3 **COUNCILLOR MASOETSA LA**

**CHIEF WHIP**

4 **COUNCILLOR MANGCOTYWA ZE**

**MEMBERS OF MAYORAL COMMITTEE (MMC) (SECTION 80 CHAIRPERSONS)**

5 **COUNCILLOR JONAS-MALEPHANE VE**

6 **COUNCILLOR MAHASE MM**

7 **COUNCILLOR MONYAKOANA NP**

8 **COUNCILLOR MORAKE MA**

9 **COUNCILLOR NKHABU M**

10 **COUNCILLOR NOTHNAGEL J**

11 **COUNCILLOR PONGOLO XD**

12 **COUNCILLOR THIPENYANE G**

13 **COUNCILLOR TITI-ODILI LM**

**SECTION 79 CHAIRPERSONS**

- 14 COUNCILLOR MOTHIBI-NKOANE MM
- 15 COUNCILLOR NKOE MJ
- 16 COUNCILLOR SHOUNYANA MM
- 17 COUNCILLOR RATSIU NA
- 18 COUNCILLOR TLADI MM

**PR & WARD COUNCILLORS**

- 19 COUNCILLOR BOLT W
- 20 COUNCILLOR BOTES FR
- 21 COUNCILLOR BRITZ JF
- 22 COUNCILLOR CAMPHER ZMC **Absent with leave**
- 23 COUNCILLOR NB CEZULA
- 24 COUNCILLOR CHAKA NS
- 25 COUNCILLOR DAVIES M
- 26 COUNCILLOR DE BRUYN MAP
- 27 COUNCILLOR DENNIS ME
- 28 COUNCILLOR DYOSIBA S **Absent with leave**
- 29 COUNCILLOR FERREIRA TI
- 30 COUNCILLOR GAILELE IL
- 31 COUNCILLOR GOLIATH EK
- 32 COUNCILLOR KGANAKGA M
- 33 COUNCILLOR KHOLOMBA KJ
- 34 COUNCILLOR KHUNOU LM
- 35 COUNCILLOR KLAASEN RS **Absent with leave**
- 36 COUNCILLOR KOTZE GDP
- 37 COUNCILLOR LEBONA NJ

38	COUNCILLOR LEECH D	
39	COUNCILLOR LITABE TK	Absent with leave
40	COUNCILLOR LOTRIET PA	
41	COUNCILLOR MADELA BNV	
42	COUNCILLOR MAJARA LJ	
43	COUNCILLOR MAKHALANYANE TS	
44	COUNCILLOR MALELEKA PT	
45	COUNCILLOR MAPHATHE LM	
46	COUNCILLOR MAPOTA A	
47	COUNCILLOR MARAIS P	Absent with leave
48	COUNCILLOR MASOEU TD	
49	COUNCILLOR MATETHA NR	
50	COUNCILLOR MCKAY DMC	
51	COUNCILLOR MICHAELS SO	
52	COUNCILLOR MOFOKENG MJ	
53	COUNCILLOR MOGAPI KT	
54	COUNCILLOR MOHAPI TD	
55	COUNCILLOR MOHIBIDU PM	
56	COUNCILLOR MOHLABANE RJ	Absent without leave
57	COUNCILLOR MOHLOKI MM	Absent with leave
58	COUNCILLOR MOHULATSI MM	
59	COUNCILLOR MOKHOANATSE EM	
60	COUNCILLOR MOKOAKOA MI	
61	COUNCILLOR MOKOLOKO PR	
62	COUNCILLOR MONONYANE MB	
63	COUNCILLOR MOOPELO TM	
64	COUNCILLOR MOREENG KC	

- 65 COUNCILLOR MORURI MM
- 66 COUNCILLOR MOTHUPI ML
- 67 COUNCILLOR MOTLOUNG MV
- 68 COUNCILLOR MVALA-MAJOLA DS
- 69 COUNCILLOR NAILE TJ
- 70 COUNCILLOR NDZUZO T
- 71 COUNCILLOR OLIVIER GJ
- 72 COUNCILLOR PETERSEN JE
- 73 COUNCILLOR POONE-RANKHOLO PP
- 74 COUNCILLOR PRETORIUS JC
- 75 COUNCILLOR PRETORIUS S
- 76 COUNCILLOR RAMABOLU MJ
- 77 COUNCILLOR RAMAINOANE TD
- 78 COUNCILLOR RAMPAI CF
- 79 COUNCILLOR RANCHOBE T
- 80 COUNCILLOR RANTAI JH
- 81 COUNCILLOR RASILE MM
- 82 COUNCILLOR RASOEU LE
- 83 COUNCILLOR SEBOLAO JE
- 84 COUNCILLOR SEFUME NR
- 85 COUNCILLOR SEFUTHI NM
- 86 COUNCILLOR SEKAKANYO DM
- 87 COUNCILLOR SELEBELI MG
- 88 COUNCILLOR SELEKE PL
- 89 COUNCILLOR SEWISA OP
- 90 COUNCILLOR SNYMAN VAN DEVENTER E
- 91 COUNCILLOR TERBLANCHE AP

Absent with leave

92	COUNCILLOR THATHO MV	
93	COUNCILLOR THWALA ZJ	
94	COUNCILLOR TLALE ME	
95	COUNCILLOR TSIANE MMP	
96	COUNCILLOR VAN DER MERWE R	
97	COUNCILLOR VAN DER WALT TB	
98	COUNCILLOR VAN NIEKERK HJC	
99	COUNCILLOR VIVIERS BJ	Absent with leave
100	COUNCILLOR QWEMA MB	

**MEMBERS OF BAROLONG TRADITIONAL COUNCIL**

1	SETLOGELO M	
2	MOROKA PE	
3	MOLETSANE KC	Absent
4	SETLOGELO MB	Absent
5	MANYASHE V	
6	MOKAKE KP	
7	RANCHO TB	Absent
8	SESING LD	
9	MOROKA MP	Absent
10	MOHAPI M	

**OFFICIALS PRESENT:**

1	CITY MANAGER	ADV MEA TB	
2	CHIEF FINANCIAL OFFICER	MR MOFOKENG SE	Apology
3	HEAD: ENGINEERING SERVICES	MR NDLOVU M	Apology
4	HEAD: PLANNING	MR MTHEMBU BS	
5	HEAD: SOLID WASTE AND FLEET MANAGEMENT	MR MORE S	Apology
6	HEAD: SOCIAL SERVICES	MR NKUNGWANA MG	
7	HEAD: HUMAN SETTLEMENTS	ADV PHALADI MJN	
8	HEAD: CORPORATE SERVICES	MR NKAISENG D	
9	HEAD: ECONOMIC AND RURAL DEVELOPMENT	MR MAINE TA	
10	CHIEF METRO POLICE	MR KGAMANYANE K	Apology
11	CEO: CENTLEC	MR MGOQI AN	
12	CFO: CENTLEC	MR MATSIMELA M	
13	HEAD IN OFFICE OF SPEAKER	MS MNCUBE B	
14	CHIF OF STAFF	MR MOKOENA T	
15	GM: COMMUNICATIONS	MR KHEDAMA Q	
16	GM: INTERNAL AUDIT	MR NTSALA G	
17	MANAGER: COUNCIL SUPPORT	DR VAN DER MERWE JP	
18	SENIOR ADMINISTRATIVE OFFICER	MS MAMATELA R	

**ADMINISTRATIVE TEAM PRESENT:**

1. Adv Mofokeng M
2. Mr Mkaza T
3. Ms Mokheseng L

**Note by Secretariat**

1. **Attendance Register:** Every member attending a meeting shall sign his/her name in the attendance register kept for this purpose before the commencement of the meeting.
2. **Leave Register:** In order to streamline administrative processes Councillors are friendly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register 12 hours before the commencement of the meeting (Rule 22.2) (Yellow Form).
3. **Name-plates:** Councillors are friendly requested to please take along their name-plates and to display it throughout the meeting.
4. **Apologies during the course of the Council meeting:** Councillors are friendly requested to complete in full and submit the relevant apology form for this purpose (Yellow Form).
5. **Code of Conduct:** Councillors are reminded of item 3, Schedule 1 of the Code of Conduct for Councillors which reads as follows, namely:

Attendance at Meetings: A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when:

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

**6. Meeting rules:**

- i. All Councillors must arrive at **least 15 minutes before the commencement** of the Council and all other Committee meetings;
- ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**; (Rule 50.2a)
- iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion**; (Rule 31)
- iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter**; (Rule 32)
- v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)
- vi. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).



4

INDEX

ITEM NO	ITEM	PAGE NO
11	OPENING	5
12	NOTICE OF THE MEETING	5
13	APPLICATIONS FOR LEAVE OF ABSENCE	5
14	ACCEPTANCE OF THE AGENDA	5a
15	ANNOUNCEMENTS	5a
16	REPORTS OF THE EXECUTIVE MAYOR	
16.1	SUBMISSION OF THE OUTSTANDING COMPONENTS OF THE CONSOLIDATED ANNUAL REPORT OF THE MANGAUNG METROPOLITAN MUNICIPALITY FOR 2018/2019 FINANCIAL YEAR	6
16.2	MANGAUNG METROPOLITAN MUNICIPALITY ADJUSTMENT BUDGET 2019/2020	6 – 7
16.3	2019/2020 AUDIT ACTION PLAN – MANGAUNG METROPOLITAN MUNICIPALITY	7
17	REPORTS OF THE SPEAKER	
	NONE	8
18	REPORTS FROM MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	
	NONE	8
19	REPORTS TO BE DEALT WITH IN COMMITTEE	
19.1	APPOINTMENT OF AUDIT COMMITTEE MEMBERS	8
20	CLOSING OF THE SPECIAL COUNCIL MEETING	

**5**  
**MINUTES**  
**(OPEN COUNCIL)**

**11.**  
**OPENING**

**The meeting commenced at exactly 14:00.**

**The Speaker, Councillor MA Siyonzana, in opening the meeting requested Councillor ME Dennis to give a short prayer.**

**The Speaker after welcoming all to the Council meeting, he officially declared the meeting opened.**

**NOTED.**

**12.**  
**NOTICE OF THE MEETING**

**The Speaker read the notice and declared that the Special meeting of Mangaung Metropolitan Municipal Council was convened in terms of Rule 5.1 of the Standing Rules and Orders of the Council.**

**NOTED.**

**13.**  
**APPLICATIONS FOR LEAVE OF ABSENCE**

**The Speaker announced that the Executive Mayor was called by the President of the Country hence she was absent from the meeting.**

**All relevant leave of absence and apologies were recorded and minuted as such in the attendance list on the first four (4) pages of the minutes.**

**NOTED.**

**14.  
ACCEPTANCE OF THE AGENDA**

**Councillor TD Masoeu remarked as follows:**

“Mister Speaker, I just want to ask clarity seeking question. This item 19.1, why is it deal with ‘in committee’ because the interviews about the public protector was done, stream lived on television. Why this one or is there even specific reason why we have to hide some information?”

**The Speaker responded that they would deal with any issue when dealing with the item.**

**NOTED.**

**15.  
ANNOUNCEMENTS**

**The Speaker made the following announcement:**

“The Office of the Auditor General is here, and they are going to present the consolidated report and give us an opinion. Today, we are also going to deal with the adjustment budget as well as the consolidated report but the officials of Mangaung Municipality not here; they are undermining this Council. We are taking decisions here and they are supposed to implement these decisions. I want you to check, each Council meeting, they come and then they leave but most of the time they are not even coming to the Council meeting.

Remember, we are dealing with policies and they have to implement those policies. We pass a budget which must be implemented by them. If they don’t understand the type of decisions that we are undertaking and the kind of discussions we are having and the sensitivity thereof, they won’t take it serious and so I am saying to you City Manager and Advocate M Mofokeng, this has been happening for quite some time and it is the fifth time I have been talking about it.”

**NOTED.**

**The Deputy Executive Mayor tabled the items as follows:**

“Thank you, Honourable Speaker, the Executive Mayor in absentia, the Chief Whip, fellow Councillors, Administrator and his team, the City Manager, the officials in attendance and the office of the Auditor General. I greet you all.

Honourable Speaker, we are meeting here today to consider reports submitted during the year, the very trying times, socially and economically. The recent national budget speech by Minister of Finance bears testimony to the fact that the whole government must tightened the belt and do more with less and it is in this same vein that we are tabling the adjustment budget.

Honourable Speaker, we all recall that in November 2019, we approved the first adjustment budget as a result of the need to reduce our revenue budget by an amount of R147.2 million and operating expenditure by R362.6 million and capital expenditure by R249 million. Today the adjustment budget requires us to further reduce our budget as submitted.

We also circulated the assessment letter of National Treasury which certify that this adjustment budget is credible and fully funded. We note the pressure that this exercise places on the City especially in relation to service delivery. We must therefore double our efforts in providing the services within the limited resources whilst pursuing collection of our revenue. Some of these measures and pledgers are also highlighted in the documents.

The office of the Auditor General is here today to present the consolidated audit report of the Municipality. In January we received and referred to the MPAC components of the annual report. The AG’s consolidated report is the last component that we are tabling for referral to MPAC.

Honourable Speaker, I wish to withdraw item 16.3 and it will be resubmitted in the next ordinary Council meeting. I thereby table the remaining reports. Thank you, Honourable Speaker.”

**On a point of clarity, Councillor GDP Kotze asked that Audit Action Plan has been withdrawn for the second time as it was tabled on the 24<sup>th</sup> of December 2019 as well and what was the reason thereof?**

**On a point of clarity, Councillor MM Tladi remarked:**

“Thank you, Mister Speaker. I wanted to understand because the Deputy Executive Mayor said he is referring the annual report to MPAC. My clarity seeking question is that there are other component reports of the annual report that are missing even in the Council of the 30<sup>th</sup> January, the documents that came to Council were ‘short’ in terms of the MFMA so now as MPAC which 60 days are we going to consider in order for us to do our oversight? Council cannot just refer to MPAC without other components of the annual report.”

**On a point of order, Councillor TI Ferreira indicated that Councillor GDP Kotze asked why item 16.3 was withdrawn and he has not been answered.**

**6A**

**The Speaker responded that the Executive Mayor withdraw her item and even if she is not around.**

**The Speaker thereupon requested that Councillors draw items for discussion.**

**Councillor M Davies requested to draw item 16.1 and the Speaker stated that the item was not for discussion whereupon Councillor M Davies further states that in accordance with Rule 33.7 of the Standing Rules and Order she had the right to draw the item for discussion as it was part of the agenda.**

**The Speaker responded that it was submitted for noting hence Chairperson of MPAC asked that should the item be referred to MPAC which 60 days was applicable however, for now, it was not for discussion. He further stated that he knows Councillor M Davies, she would not ask clarity seeking questions.**

**Councillor JC Pretorius raised a point of order that it was clear in the Standing Rules and Orders, each political party represented in Council had a right to speak on each item of the agenda and so why was this item on the agenda, were they not allowed to even ask clarifying questions, therefore you must allow her. The Speaker thereupon ordered Councillor JC Pretorius to sit down.**

**The Speaker remarked:** "Councillors, this item is for noting, it is not for discussion. We are not going to discuss it, but you are allowed to ask clarity seeking questions. The AG is going to present and thereafter you will then be allowed to ask clarity seeking questions and that is exactly what we have been doing each and every Council when the AG is presenting. It is only now that the AG is going to present and yet you have clarity seeking questions and that is why I am not allowing that. After the AG has presented and you still feel that you want to ask clarity seeking questions, it is only then that I am going to give you an opportunity but for now because he has not yet presented, you cannot have questions. In the presentation, what if you will be covered? Let us allow the AG to make presentation and thereafter, it is only then you can raise your hand and ask clarity seeking questions."

**Councillors thereon continued to draw items for discussions.**

**Councillor TD Masoeu requested to draw item 19.1 and the Speaker indicated that the item will be drawn when they are dealing with it as it was 'in Committee'.**

**Councillor JC Pretorius remarked as follows:** "Mister Speaker, I am not going to speak that much if you just follow the rules. The problem is, my colleague asked in the beginning that we have a problem that, that item is serving 'in Committee. We have a problem with the fact that it is 'in Committee' and we don't understand why. You need to explain to us why? Because it is an open public institution. Why do you want to hide anything, please explain that to us."

**The Speaker stated that he was not going to explain but refer Councillor JC Pretorius to Rule 3.2.2 of the Standing Rules and Orders.**

**NOTED.**

**6B**

**16.1**

**SUBMISSION OF THE OUTSTANDING COMPONENTS OF THE CONSOLIDATED ANNUAL REPORT OF THE MANGAUNG METROPOLITAN MUNICIPALITY FOR 2018/2019 FINANCIAL YEAR**

The Speaker introduced officials from the office of the Auditor General: Mr Sam Zwane the Senior Manager and Ms Irwan Goosen, the Manager. The Speaker thereafter allowed Mr Sam Zwane to present (see copy attached) to the Council.

After the completion of the presentation, the Speaker referred to the question that was raised by the Chairperson of MPAC regarding the counting of the 60 days, whether it would start today or January 30, 2020? That on the 30<sup>th</sup> of January two standalone reports were submitted.

**Mr Sam Zwane responded as follows:**

“Honourable Speaker, you would remember that the structure in which the manner the Municipality reports, it is three sets of financials and three sets of audit performance together with three sets of financial statements. In this case, this is the last set as you have indicated but now, since the actual legislated dateline of tabling was the 31<sup>st</sup> of January and the last set was not part of that annual report; we will have to get back to you in terms of what happens in this instance because the first part was part of the annual report but this one came later to say how do we now comply in terms of the 60 days.”

**Councillor M Davies requested a 10 minutes DA caucus and it was granted by the Speaker. After the DA caucus, Councillor M Davies gave a report back as follows:**

“Thank you, Mister Speaker. First of all, we would like to congratulate the Auditor General on the un-biased report presented to us today and we want to make an appeal to the Administrator to please launch a full investigation...”

**The Speaker interjected as follows:**

“No Councillor, you cannot ...Listen, this report designed for you go out there and check...there is going to be public participation. You supposed to go out there for instance if we said on that particular road, the money of Mangaung Municipality was used, you supposed to check quality etc and then come back with a report and then make these recommendations you are making. You cannot make the recommendations now. This is the report of the AG; in order words, you can ask clarity seeking questions that is why I said I know you; you are now making recommendations and congratulating the AG, you are supposed to ask clarity seeking questions.”

**On a point of order, Councillor D Leech indicated that Councillor M Davies was giving feedback on the caucus she called and so she was allowed to congratulate and make recommendations and that the document was now public and not held in Committee and that they were of the opinion that they had the fullest right to ask the Administrator to conduct investigation and take note of what had been said in the meeting and launch the investigation.**

6C

**The Speak responded:** “This process Councillor is legislated on how we supposed to conduct this. It is there in the MFMA. We receive the reports, we take the 60 days and then we come and discuss. It is very clear as it is legislated but for now, I will allow her to ask clarity seeking question. It is only after that 60 days that I will allow her, that is why we asked which 60 days that we are going to start counting, if it is from today or the 31<sup>st</sup> of January...”

**Councillor D Leech on a point of clarity remarked:** “Mister Speaker in other words, because of the legislation that is not really in accordance of what is happening here because this is special circumstances, we are put under administration but because of that, you will like that Administrator to wait another 60 days before investigating what has already happened and to take action and so, for the next 60 days, we need to sits with the culprits in this Metro Municipality and go forward ...”

**The Speaker interjected as follows:** “Councillor, if there is a case, do not deliberately try to...we are talking legislation how these things are done. You cannot investigate when matter did not first go to MPAC. This matter must go to MPAC where all political parties are represented. MPAC must first bring the report for instance, there was a report tabled by MPAC, December and there were certain recommendations and the said the Speaker must investigate the allegations levelled against... The Speaker will bring the report, the report of 2017/18. That report, the Speaker is busy with it. This time around, whatever is here, MPAC will bring the report. What is good about MPAC is that, it is very clear, and it doesn't take sides ad I am happy about the work that they are doing. We will give a direction on how this matter would be dealt with.”

**Councillor JF Britz commented:** “While we are on the legislation, I just want to draw your attention to the Systems Act which states clearly, immediately after the document has been tabled, it must be made public by the person sitting next to you and then it is in the public domain and so Monday, we will discuss it with the Administrator if we want to and you cannot do anything about it. We cannot wait 60 days for the MPAC work and then it is a Council item that we will discuss here but it is in the public domain now and we will do what we think it is necessary. Thank you, Mister Speaker.”

**The Speaker explained:** “What Councillor JF Britz is saying is correct. After today, this document must be in our website, deal with public participation. We are supposed to advertise in number of platforms. That is what we supposed to do and that is what we are going to do. MPAC will call public participation with the Office of the Speaker so that community knows about this document. He is correct but we cannot discuss it today in terms of the legislation, it will be after 60 days.”

**Council M Davies, on clarity seeking questions, re remarked as follows:**

“Thank you, Mister Speaker. According to the MFMA, Chapter 12, Section 127.3A, if the Executive Mayor for whatever reason is unable to table in the Council the annual report of the Municipality or the annual report of any Municipal entity under the Municipality's sole or shared control within seven months to the end of the financial year to which the report relates, the Executive Mayor must promptly submit to the Council a written explanation referred to in Section 133.1A, stating out the reason for the delay together with any components of the annual report listed in Section 121.3 or 4 . Why is the Executive Mayor not complying with financial legislation ...”

6D

**The Speaker interjected as follows:** “Councillor M Davies, I know that you have prepared; this matter is not discussed, that is part of the discussion. For clarity seeking question should be based on the presentation made by the AG. If there is something that you don’t understand in the presentation of the Auditor General, you can ask them and that is why I said earlier to you, you are not allowed to ask questions because the officials from the office of the AG are the one who are going to respond to your clarity seeking questions.

Now you are asking them about the Executive Mayor. Why the Executive Mayor cannot comply? When we are discussing, you can ask that question, the Executive Mayor will respond. At the moment it was a presentation and you can ask clarity seeking question on that, but you cannot ask them about the Executive Mayor, it then becomes a discussion. The Executive Mayor if she was here, she would answer.”

**Councillor M Davies on point of clarity:** “Mister Speaker, the report deals a lot about traffic fines not being able to be recovered, we will like to know what happen to the money of those community members...”

**The Speaker interjected and used his gavel to call Councillor M Davies as she was trying to discuss the item. Councillor E Snyman van Deventer asked the Speaker which Rule he was referring to.**

**The Speaker explained:**

“Councillors, at the moment, in terms of the MFMA, it reads, when you are tabling the report before the end of January, you must take it back to community for discussion and thereafter, discuss as MPAC and then later it will come to Council for discussion. If you are going to do that, we will start discussing it and we will be breaking the law. We are not supposed to do it that way and all these years, we have been doing it that way; even in January, we dealt with it in that way and so, visit your MFMA, it is very clear, it guides us how we supposed to handle this matter. I am saying I won’t allow discussions on this matter.”

**Councillor FR Botes commented:**

“Mister Speaker, you are totally off record today. You don’t listen to all people; you are so important person that President Donald Trump must get permission from you to do his job. Can I ask a clarity from the Auditor-General? I don’t know you must phone Trump but nevertheless; according to the President’s office, they signed new legislation in December that said they will delegate certain powers to the Auditor-General to operate with the powers to certain municipalities and to officials. I want to know is it true and if it is true, will they operate and take action against municipalities and officials. Thank you, Mister Speaker.”

**The Speaker responded:**

“The question you are asking Councillor FR Botes, needs a workshop. Secondly, it is important to understand properly all of us; we need to understand those powers, the dos and don’ts. You must know that I am not a dictator?”



6E

**Mr Sam Zwane explained as follows:**

“Yes, Honourable Speaker, the Public Audit Act was amended to give Auditor General powers. Those powers are:

- to refer any material irregularity to the public body for further investigation.
- to issue binding remedial actions
- to issue certificate of debt

But, there is indeed a detailed presentation that deals with that. We have been invited by many stakeholders to give presentation. What I suggest is that even this Council can invite us to give a detailed presentation, it covers everything about the new powers and how we will implement them. I have summarised the new powers and they are captured under Section 5.A and B of the PAA. Thank you, Honourable Speaker.”

**The Speaker confirmed with the office of the Auditor-General that he should invite them to come and make a comprehensive presentation on the matter whereby all Councillors would be invited.**

**Chief Whip remarked:**

“Honourable Speaker, we have visitors today, the office of the Auditor-General and we cannot be seen to be holding the office of the Auditor-General at ransom. This is not for the first time that the annual report comes to Council and we know that it has to go for public participation and then discuss. I wonder what is this interest today. Honourable Speaker put this matter to vote so that we can proceed, please. Thank you, Honourable Speaker.”

**After Councillor had voted, the Speaker allowed the officials from the office of the Auditor-General to leave and thanked them and further stated that the Council heard their recommendation and that his office will contact them as Council need the workshop.**

**Councillor JC Pretorius stated that it be noted that the DA abstained from voting as they were not recognising the item.**

**Councillor JF Britz corrected the Speaker on the announcement of voting results that 72+3+28 equalled to 103 and there were only 100 Councillors.**

*It was thereupon with **72 votes in favour and 3 votes against***

***RESOLVED*** that the recommendation as set out in the agenda, be accepted, adopted and approved, by the Council as follows:

That Mangaung Metropolitan Municipality Council:

- (a) Note the consolidated Annual Financial Statements;
- (b) Note the Auditor General’s audit report on the Consolidated Financial Statements of the City and Centlec;

**6F**

- (c) Note Appendix F on the recommendation of the Audit Committee for the 2018/2019 financial year; and
- (d) Refer the tabled consolidated Annual Report to the Municipal Public Accounts Committee that will process the said report and develop the oversight report and thereon advise Council accordingly.

**16.2**

**MANGAUNG METROPOLITAN MUNICIPALITY ADJUSTMENT BUDGET 2019/2020**

**Councillor DMC McKay addressed the Council:**

“Thank you, Mister Speaker. We as the DA take cognisance of the fact that the budget needs to be adjusted due to the low revenue collection; however, we cannot understand why the target for collection from Provincial government is so low. Surely, if the Province has sent an administrator to oversee the Metro’s administration, it should realise that the outstanding money from its own departments is partly to blame for the mess the Metro Municipality is in and thus settle the outstanding amount. A gesture like that will go a long way in gaining the public’s confident that the administrator will be able to turn things around.

Secondly, reducing the budget because of reduction in capital grants is preposterous to say the least. Grants are use it-or-lose-it. Why were and are the grants not being used? That is throwing much needed income for the Metro Municipality away, instead of implementing grants like EPWP to help purge the onslaught of unemployment and lack of service delivery. We lost in excess of R460 million as mentioned by the Auditor-General; absolutely shameful!

Mister Speaker, the DA has repeatedly indicated that it is illegal to use Centlec to cut electricity for outstanding rates and taxes, as it is a separate identity, however if Centlec is disbanded and reincorporated into the Municipality, it will be legal. Centlec should then cut the Provincial buildings first to recover the outstanding millions owed by various Provincial departments a total of R1.4 billion if memory serves.

The replacement of conventional water meters with prepaid is a novel idea, but first the backlog of pre-paid meters and broken pre-paid meters has to be resolved. Apparently, there is no stock, so I fail to see how is going to work. Furthermore, if I were the administrator I would investigate why the current supplier TB&C only pay over an average of R6 million per month to the Municipality for water usage, while more than 50% of Mangaung Municipality’s residents make use of prepaid meters and the average bill to Masselspoort is R25 million per month and to Bloemwater R55 million, thus giving you a total average of R80 million per month. Simple mathematics, even with the 50% pass rate, will tell you that there is a shortfall on average of roughly R44 million from TB&C. We as the DA demand that this be taken seriously, and that TB&C be investigated immediately.

When the presentation was given by the administrator on the 24<sup>th</sup> of December, one of the factors that were welcomed was that service delivery would be a priority throughout Mangaung Municipality; well it seems that the southern suburbs were forgotten as nothing is happening there.

## 6G

This adjustment budget is not going to help either, as it is reducing the budget of the most critical departments, namely Waste and Fleet Management, Engineering Water and Centlec, but increasing finance in order to procure office chairs, explain this like I am a two year old. My question is thus, are we buying comfortable chairs so that those officials that were doing nothing and I am not saying all officials, I am saying those that were doing nothing, can they now do even less more comfortably?

Last but not least, we in the DA trust and hope that the intervention team is making use of real-time *'what-if-type'* financial management tool that can automatically calculate the effect of actual versus budget, at least on a monthly basis. If we are serious about providing leadership, the budget breakdown should be on a weekly basis to constantly provide indications of where we stand on target achieved to those responsible. Could you please answer the questions I have stated above now or in written format before our next ensuing ordinary Council meeting? Thank you, Mister Speaker."

### **Councillor JF Britz addressed the Council:**

"Mister Speaker, this adjustment budget contains figures that cannot be verified from the report. If I elaborate on what is unclear it is impossible to do so in the five minutes, I am allowed to speak on this item. This item should have been referred to Section 80 Committee: Finance where this restrictive rule doesn't apply and where one can seek clarity before the item is submitted to Council.

Mister Speaker, the best I can do in the limited time is to highlight certain consequences of this adjustment budget as mentioned by the Administrator in the report.

1. Because the Municipality was forced to cut on contracted services this can lead to service delivery failure.
2. The Municipality will be unable to fully enforce credit control measures as debt collection and water disconnection services will not be funded.
3. High level of water and electricity losses can experience further losses due to the reduction in budget allocations.
4. Grant funded projects will be reduced by R124 million as a result of unplanned interruptions in the project, deficiencies in managing projects and poor planning by user department and there are no consequence for the responsible employees as the Auditor-General also mentioned.

One of the main changes in this adjustment budget is the increase in debt impairment with R717 million to R1 107 billion. This is an expenditure item in the budget and equals 17.15% of the total adjusted operating budget. To balance the budget in order to accommodate this huge provision cuts must be made to funds earmarked for service delivery with consequence as mentioned earlier.

For the month ended January 31, 2020 the outstanding debt escalated with R121 million to R6.4 billion. Just to remind you again, the portion owed by government is R1. 4 billion.

## 6H

Mister Speaker, seven measures are mentioned in the report that are currently being implemented to improve and realize debt collection to 83% - 85% by June 2020. I just want to comment on two of the measures:

1. Debt Incentive Scheme aimed at encouraging consumers to pay for services. This has not been approved by Council yet. Previous incentive scheme did not yield the expected results.
2. Centlec to ensure that electricity is used as a tool for disconnection of businesses to recover arrears accounts. The DA has pointed out on numerous occasions that this is not legal whilst Centlec is operating as a company under the Companies Act. The reasons for this were explained on numerous occasions.

Mister Speaker, the capital budget is reduced by R249 million from the approved budget amount of R1 266 billion to R1 017 billion.

Taking into account that on annual basis the Metro Municipality have spent only 18.34% (R209 million) of the year to date capital expenditure on January 31, 2020 and that there is only five months left of this financial year one can safely say that this capital expenditure adjustment is again an exercise in futility. Looking at the increases and decreases in the reprioritized capital budget as indicated in the report creates the impression that it is more a political exercise than a service delivery exercise.

Mister Speaker, the DA voted against approval of the budget and adjustment budgets in the past because it was not properly prepared. We warned you that the day will come where we find ourselves in the position; we are in now because of that. The DA is of the opinion that this adjustment budget is also not prepared properly.

Just to give you one example, the adjusted amount for overtime for the year is R104 million. The audited outcome for the 2018/19 financial year was R150 million. As at January 31, 2020 the year to date expenditure amounted to R82. 630 million. If this figure is projected for the full financial year we will probably end up R141. 651 million for the full financial year as it is happening every year.

Mister Speaker, in closing, our only solution to fix this Metro Municipality is to increase revenue by collecting the ever-growing outstanding debtors, cutting grass is nice but without a sustainable cash flow this Metro Municipality is doomed. Mister Speaker, the DA can again not support this adjustment budget. Thank you, Mister Speaker.”

### **The Speaker remarked:**

“Councillor JF Britz is saying Centlec is governed by the Companies Act...I am saying there are pieces of legislations that governs Centlec which is MFMA, Systems Act, the Companies Act as well. So now, if we just take money from Centlec and take it to Mangaung Municipality, it may create problems when it comes to accounting because there are accounting standards. I want us as we discuss to point out that point that he made because at one point, we were qualified for that point and we ended up getting a disclaimer. He is reminding us about our bad history.”

**Councillor M Kganakga requested the Speaker to call to order Councillors who were chatting at the back whilst Councillor DCM McKay and Councillor JF Britz were addressing Council whereupon the Speaker agreed and indicated that it was also interfering with the audio recording of the meeting.**

**Councillor JE Sebolao commented:**

“Mister Speaker, we know we had visitors, important people for that matter but, I am surprised that the CFO of the Municipality is not here and we are dealing with serious matters; will this Municipality ever be right when people are running away from their duties? Nobody is saying anything about it; it cannot be right Mister Speaker.”

**The Speaker commented:**

“I must tell you, when officials are not attending the Council meetings, they supposed to apologise to the Speaker in writing, Administrator and City Manager. I don't even know what happening with them. There is no apology that came to my office. It is an order of the day, they don't care.

**Councillor EM Mokhoanitse addressed the Council:**

“Thank you, Honourable Speaker. We have a problem here; the invite that was sent out from your office regarding this meeting had an attachment that came from the officer of the Treasurer, the National Treasury. I don't know if Councillors had a look at that particular communication from a certain Jan Hatting, Chief Director, Local Government Analyst, dated 26<sup>th</sup> February 2020. I will just read the final paragraph with regard to the adjustment budget, it says in as much as the Municipality is under administration, there are certain things we can do and others we cannot do. We are now being directed and it reads as follows: *‘the plans outlined, the plans presented at National Treasury on rapid debtor collection must be approved by Council’*. Not ought to be but must be approved by Council and so the adjustment budget that has been presented at National Treasury, from the content of this letter has to go through Council for approval.

Now the question that we need to understand is, do we have 100% control of this Council or is the intervention team clipping our wings on certain functions of this Council? Need Council approval. My understanding is that, we are actually working under administration and this instruction is very clear, this budget must be adjusted. For the Treasury to release this, for the intervention team to work, it would need the Council approval. If we do not approve this, we are basically rendering the intervention null and void. Thank you, Mister Speaker.”

**Councillor LM Titi-Odili addressed the Council:**

“Thank you, Honourable Speaker. I was covered by Councillor EM Mokhoanitse about the letter that we received from National Treasury. Two Deputy Ministers were here. The Deputy Ministers of Treasury as well as COGTA and they were very clear that they are going to monitor the budget that we will be formulating for the City. Honourable Speaker, the same adjustment budget submitted, we have done it hand in hand with National Treasury.

6J

We have own opinion in terms of this adjustment budget but unfortunately the people who are monitoring us, were guiding us to do the realized budget. Once something has been approved by the National Treasury, we have done what they said we must do.

We are not going to be exceptional Honourable Speaker and do what we want to do as the City. Yes, we have our own things that we wanted to do in terms of this adjustment budget, but processes did not allow us. We are here today; we have done the budget that has been approved, the budget that is funded but other parties are saying they are not going to approve the budget that has been assessed, the budget approved by our monitor National Treasury.

In this document we brought in front of the Council, we also indicated as the ANC that there are issues, pressures that are going to be there on service delivery because of this budget, we did not hide it. The administrators are here, and they will see to it how they are going to implement the adjustment budget that is going to be approved by Council.

As the ANC, we are supporting this budget because it was guided and approved by National Treasury. We do have the letter as Council. We approve it because National Treasury approved it. We are aware that this budget will have some consequences, but we are saying, we want to fix this Municipality. Yes, we are in Section 139 and the section is clear, we must implement financial recovery plan. We are there now; the adjustment budget is here, and we must do it as requested by the National Treasury. As the ANC we are supporting the budget as is, with those recommendations. Thank you, Honourable Speaker.”

**On a lighter note, Councillor JC Pretorius indicated that he was confused because Councillor LM Titi-Odili was talking about the ANC, but she looked like if she had joined the EFF.**

*It was thereupon with **64 votes in favour, 23 votes against and 1 abstained***

***RESOLVED*** that the recommendation as set out in the agenda, be accepted, adopted and approved, by the Council as follows:

1. Based on details as outlined above, it is recommended that Council approves the Special Adjustment Budget as contained herein, together with resolutions as contained here below;
2. That Council approves changes as contained in Table B1 to Table B10 as well as all other supporting schedules for the Adjustment Budget;
3. The Municipal Cost Containment Regulations be implemented by all departments;
4. That debt collection levels for all services be improved and that all departments contribute to revenue collection;
5. That unnecessary commitments be avoided and some of non-core service delivery items be scaled down in order to curtail the costs.

## RESOLUTIONS

- (a) That the annual budget (as approved on the 31<sup>st</sup> May 2019 and Special Adjustment Budget as approved by Council in November 2019), the Municipality's Total Revenue be decreased by R147, 260 million to an adjusted budget amount of R7, 891, 725 million, Operating Expenditure be adjusted downwards by R362, 581 million from original budget of R6, 819, 795 million to the revised amount of R6, 457, 213 and Capital Expenditure Budget be reduced by R249, 094 million to the revised amount of R1, 017, 167 million, be adjusted for the 2019/2020 financial year as set out in the following tables:

		<b>Page</b>
Table B1	Consolidated Adjustment Budget Summary	5
Table B2	Consolidated Adjustments Budget Financial Performance (Revenue & Expenditure by Municipal Vote)	6
Table B3	Consolidated Adjustment Budget Financial Performance (Standard Classification)	7
Table B4	Consolidated Adjustment Budget Financial Performance (Revenue and Expenditure)	18
Table B5	Consolidated Adjustment Capital Expenditure, Budget by Vote and Funding	21

- (b) That the financial position, cash flow, backed reserve/accumulated surplus, asset management be adopted as set-out in the following tables:

		<b>Page</b>
Table B6	Consolidated Adjustment Budget Financial Position	23
Table B7	Consolidated Adjustments Budget Cash Flows	25
Table B8	Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation	26
Table B9	Consolidated Asset Management	27
Table B10	Consolidated Basic Service Delivery Measurement	30

- (c) That the Municipal Cost Containment Regulations be implemented by all departments;
- (d) That debt collection levels for all services be improved and that all departments contribute to revenue collection and
- (e) That unnecessary commitments be avoided and some of non-core service delivery items be scaled down in order to curtail the costs.

### 16.3

#### 2019/2020 AUDIT ACTION PLAN – MANGAUNG METROPOLITAN MUNICIPALITY

**WITHDRAWN.**

17

**REPORTS OF THE SPEAKER**

None

**NOTED.**

18

**REPORTS FROM MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

None

**NOTED.**

19

**REPORTS TO BE DEALT WITH IN COMMITTEE**

19.1

**APPOINTMENT OF AUDIT COMMITTEE MEMBERS**

Councillor JC Pretorius read Rule 3.2.2 of the Standing Rules and Orders: *“personal and private information of any councillor or an employee of the municipality”* that the Speaker must take note.

The Speaker requested all officials, media and citizens to leave the Council Chambers as the item was dealt with ‘In Committee’ except the General Manager: Committee Services.

All officials, media and citizens left at 16:10.

**NOTED.**

20

**CLOSING OF THE SPECIAL COUNCIL MEETING**

The Speaker declared the meeting officially closed at 16:35.

.....  
**CITY MANAGER  
ADVOCATE TB MEA**

.....  
**SPEAKER  
COUNCILLOR MA SIYONZANA**

SECRETARIAT UNIT  
Bram Fischer Building  
BLOEMFONTEIN