



DIRECTORATE
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CITY MANAGER

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Your Ref: Clr E. Rasoeu
Room 201, Bram Fischer Building

Our Ref: 12/1/9/4/2
Date: 5 July 2022

Clr E Rasoeu

D.A Councillor

Mangaung Metropolitan Municipality

Dear Councillor

RESPONSE TO RULE 38 QUESTION: NATIONAL INTERVENTION

Your letter dated 7 June 2022 with regard to the above-mentioned matter refers.

The National Cabinet has placed the metro into the hands of national government in terms of section 139 (7) of the Constitution read together with section 150 of the Municipal Finance Management Act (MFMA) 2003, which means that the National government will supersede the Provincial executive through:

- *Imposing the Financial Recovery Plan, and*
- *Assume the implementation of the Recovery plan according to section 139 (7) of the Constitution and section 146 (3) (b) of the MFMA.*

Response:

- 1. According to the Terms of References, specifically (e), is this report available? If not, why not? If it's available, can it be presented to Council?**

The progress report of performance for the month of ended May 2022 was submitted to both Ministers of Finance and CoGTA for consideration and approval. Once such process is finalised, the report will be tabled to Council for noting.

- 2. Any reviews in the Financial Recovery Plan? If yes, what and where are these reviews?**

The review of the Municipal Financial Recovery Plan will be undertaken by the Municipal Financial Recovery Services at National Treasury supported by the Interim Management

Team to address and or incorporate challenges identified since the arrival of the Interim Management Team. The reviewed Municipal Financial Recovery Plan will be tabled to the Ministers of Finance and COGTA for approval and subsequently to Council for noting and implementation.

3. **Kindly update if there are or where any re-allocation of resources and responsibilities to the city staff with regard to the implementation of the Financial Recovery Plan? If there are any kindly specify? If not, why?**

None. See question 2.

4. **Are there any control and corrective measures implemented for the Financial Recovery Plan?**

Numerous controls are implemented as part of the implementation of the financial recovery plan such as adherence of Basic Conditions Employment in so far as the overtime threshold is concerned, reduction of total staff compliments at political office bearers and austerity measures.

5. **Are there any changes to be made in the present Financial Recovery Plan? If yes, what are the changes if not why not?**

The Financial Recovery Plan is still to be reviewed. There might be possible changes due to the fact that three (3) years has since passed since approval of the Municipal Financial Recovery Plan.

6. **Is there a record of decisions register made, especially with regard to the decisions taken by Council and the Executive Mayor in so far as the implementation of the recovery plan is concerned? If not, why not? If there is such record kindly furnish it.**

Records of council are available. It is not clear whether the municipality kept register of past records on implementation of Financial Recovery Plan.

Yours faithfully



Tebogo Motlashuping
Acting City Manager

Date: 20/7/2002