



MINUTES OF A SPECIAL MEETING

SECTION 79 COMMITTEE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

**COMMITTEE ROOM A
FIRST FLOOR
BRAM FISCHER BUILDING
BLOEMFONTEIN**

**TUESDAY
JULY 05, 2022
At 10:00**

**MANGAUNG
METROPOLITAN
MUNICIPALITY**

MINUTES

of an

SPECIAL MEETING

Of the

SECTION 79 COMMITTEE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Held

In the 1st Floor, Committee Room A

On

TUESDAY, JULY 05, 2022

At 10:00

PRESENT

Councillor MI Mokoakoa(Chairperson)
Councillor LC Kruger (Whip)
Councillor ND Siteo
Councillor TL Setlai
Councillor KD Tshwane
Councillor MC Lelala
Councillor M Davies
Councillor TD Masoeu
Councillor JE Sebolao
Councillor PJ Rampai
Councillor JI Mokoena
Councillor NA Phupha
Councillor E Snyman van Deventer

IN ATTENDANCE

CORPORATE SECRETARIAT

GM: COMMITTEE SERVICES

GM: Internal Audit

GM: Legal Services

Chief Risk Officer

Co-ordinator MPAC

Ms. M Morakabi

Mr M Mothekhe

Mr G Ntsala

Adv C Naidoo

Ms M Mototo

Mr M Tsosane

Ms P Wesi

Mr D Phakoe

Office of the AGSA

Irma Goosen

S Motloung

Sue-Ellen Steenbok

The meeting only commenced at 10:14 as to allow for all members to arrive and to be seated.

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**1.
OPENING: MOMENT OF REFLECTION**

The Chairperson, Councillor MI Mokoakoa officially declared the meeting opened and extended a word of welcome to all members present.

Noted.

**2.
NOTICE OF THE MEETING**

The Chairperson read the notice as on page 1 of the agenda.

Noted.

**3.
APPLICATIONS FOR LEAVE OF ABSENCE**

Councillor A Qai, Councillor TV Menyatso, Councillor ML Mothupi (on whose behalf apology was rendered.)

Noted.

**4.
ACCEPTANCE OF AGENDA**

Councillor PJ Rampai moved for the adoption of the agenda which was seconded by Councillor L Kruger.

Noted.

**6.
SECTION 79: MPAC COMMITTEE: ADMINISTRATIVE AND OTHER INTERNAL
RELATED MATTERS**

None.

Noted.

ITEMS TO BE DEALT WITH

**6.1.
INTRODUCTORY SESSION WITH THE AUDITOR GENERAL**

The Chairperson requested officials from the AGSA to introduce themselves to Committee members.

Noted.

**6.2.
MMM 2020/2021 AUDIT REPORT**

Ms Sue Ellen from AGSA made a slide presentation, she highlighted critical areas and narrated the Audit Report to the meeting which is hereto attached to the minutes for ease of reference. Following the presentations Committee members raised the following concerns/questions, namely -

- 1.1. That most of issues raised was due to lack of leadership, the issue of IPTN is quite alarming, there is no accountability and extensions were granted unnecessarily without following correct procedures;
- 1.2. That there needs to be accountability as to why contractors were paid but the work was not done and why is there no synergy between finances and the Department responsible for the project;
- 1.3. That why are funds not prioritised at other projects and not just IPTN whereas work they were not performing;
- 1.4. That this does not provide logic as payment should be linked to performance;
- 1.5. That as MPAC their powers were limited as they only recommend to Council however some of their recommendations were never implemented and ;
- 1.6. That water losses amounting to R3.3 million were as a result of officials not attending to water leakages;
- 1.7. That why was the overtime bill for VIP protection so high when that money can be utilised for service delivery;
- 1.8. That we must direct certain irregularities to the relevant Directorates to hold them accountable;

- 1.9. That our Internal Audit have made recommendations to the administration however they were not implemented

Councilor TD Maseou commented as follows

- 1.10. That it clear from these findings there is a need to monitor contract management because how was it possible that payment is made in full but no work was done;
- 1.11. That there was some discrepancy in supporting documents. These issues indicate there is no stability in Margaung Metro Municipality.;
- 1.12. That there is no follow-up on findings raised furthermore MPAC is reflected as red in the Audit Report and this raises a concerns as to why we are here if not to assist the Council especially if opinions are formed without all the supporting documents being provided. –

Councilor JE Sebolao reiterated further and stated that as MPAC they should take mandate and do what we are supposed to as “watchdogs”. Consequence management has been raised numerous times but nothing is being done nor is it implemented in MMM. FRESCO is not mentioned in the report even though a lot of money was invested into it when they struggling financially however it has been liquidates and no monies are being collected for services. Margaung municipality is not benefiting at all and this was as direct cause of political interference in the administration.

Ms Sue Ellen from AGSA responded as follows;

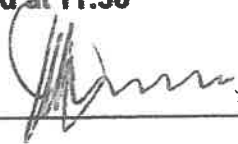
- 1.1. That they can start with putting monitoring systems in place and to partner with SALGA in order for them to guide the Municipality and the administrators as well;
- 1.2. That they have also made recommendations as well to the Acting City Manager and there have been several meetings whereby they had resolved to commence with their Audit earlier in an effort to guide them in the right direction;
- 1.3. That on page 13 of the report the responses will be forwarded to the Chairperson
- 1.4. That with FRESCO there is an agreement in place which commenced in 2010 however in last audit we did not get any findings relating to FRESCO but in the next financial year going to look into it;
- 1.5. That MPAC should continue to recommend as per their delegated powers. They can write report to the City Manager and Executive Mayor to promote accountability- write report and follow up- to know you did your job but nothing was done. Going to promote accountability- meeting with diff people. CM and the EM.

**7.
CLOSING OF THE SECTION 79: MPAC COMMITTEE: SPECIAL MEETING**

In closing the Whip Councillor L Kruger remarked that they can target one Department in the institution to make an example, if we want to achieve our mandate as MPAC. That we need to be consistent and persistent when dealing with issues of maladministration. We were elected by communities and therefore we should ensure service delivery was delivered. That a workshop can be arranged to familiarise members on what were the duties and delegated powers reserved for them.

The Whip, Councillor, LC Kruger, thanked members of the committee for attending the meeting, where after she officially closed the meeting.

The meeting closed at 11:38



**CHAIRPERSON: SECTION 79: MPAC
COUNCILLOR MI MOKOAKOA**

**SECRETARIAT UNIT
Bram Fischer Building
Bloemfontein
JULY 10, 2022**

*SECRETARIAT
M MORAKABI*

