



# **MINUTES**

**for a  
SPECIAL MEETING**

**SECTION 79 COMMITTEE:  
MUNICIPAL PUBLIC  
ACCOUNTS COMMITTEE  
(MPAC)**

**INDABA AUDITORIUM  
GROUND FLOOR  
BRAM FISCHER BUILDING  
BLOEMFONTEIN**

**FRIDAY**

**AUGUST 12, 2022**

**At 10:00** (CONTINUATION OF THE MEETING  
HELD AUGUST 10, 2022)

---

**MANGAUNG  
METROPOLITAN  
MUNICIPALITY**

---

## **SECTION 79 COMMITTEE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**PRESENT:**

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:**

**Councillor MI Mokoakoa (Chairperson)**  
**Councillor LC Kruger (Whip)**  
**Councillor ML Mothupi**  
**Councillor TL Setlai**  
**Councillor KD Tshwane**  
**Councillor TD Masoeu**  
**Councillor JE Sebolao**  
**Councillor PJ Rampai**  
**Councillor JI Mokoena**  
**Councillor A Qai**  
**Councillor NA Phupha**  
**Councillor E Snyman van Deventer**

**IN ATTENDANCE:**

**National Cabinet Representative**  
**Acting City Manager**  
**CEO: Centlec**  
**Acting HOD: Waste Management**  
**Acting HOD: Engineering**  
**Acting GM Strategic Support: CFO**

**Mr P Maseko**  
**Mr T Motlashuping**  
**Mr M Sekoboto**  
**Mr F Nel**  
**Mr W Mcleod**  
**Mr SJS Van Zyl**

**Head: Office of MPAC**

**Ms P Wesi**  
**Mr. EM Tsosane**  
**Mr. D Phakoe**  
**Mr M Mothekhe**  
**Mr G Ntsala**  
**Adv C Naidoo**

**General Manager: Secretariat**  
**General Manager: Internal Audit**  
**General Manager: Legal Service**  
**Manager: Section 79**  
**Manager: Chief Risk Officer**  
**Secretariat**

**Ms M Mototo**  
**Ms R Mamatela**  
**Ms N Mhamha**

**The meeting only commenced at 10:20 as to allow for all members to arrive and to be seated.**

**INDEX**

<b>ITEM NO</b>	<b>ITEM</b>	<b>ANNEXURE</b>
1	<b>OPENING: MOMENT OF REFLECTION</b>	
2	<b>NOTICE OF THE MEETING</b>	
3	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b>	
4	<b>ACCEPTANCE OF THE AGENDA</b>	
6	<b>SECTION 79: MPAC COMMITTEE: ADMINISTRATIVE AND OTHER INTERNAL RELATED MATTERS</b>	
	<b>REPORTS CONSIDERED</b>	
6.1	<b>RESPONSES BY THE ACTING CITY MANAGER AND CEO: CENTLEC TO QUESTIONS EMANATING FROM THE 2020/21 ANNUAL REPORT</b>	
7	<b>CLOSING OF THE SECTION 79: MPAC COMMITTEE: ORDINARY MEETING</b>	

3

1.  
**OPENING: MOMENT OF REFLECTION**

Cllr CL Kruger (Whip of the Committee) officially opened the meeting and tendered an apology for the Chairperson as he was delayed and thereon suggested that members continued with the meeting. Thereafter, the GM: Secretariat confirmed that nine (9) Councillors were present and thus quorating.

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 ND Siteo, Councillor TV Menyatso ,Councillor MC Lelala, Councillor M Davies (on whose behalf apologies were rendered.)

NOTED.

4.  
**ACCEPTANCE OF AGENDA**

Cllr CL Kruger further stated that as this was a continuation of the meeting held on August 10, 2022, Centlec had already presented their responses and they would only be dealing with responses from the Acting City Manager.

Cllr TD Masoeu stated that they have not been provided with Corporate Services report, as agreed at the previous meeting whereon the Acting City Manager mentioned that it was send to Secretariat and the GM: Secretariat confirmed that it was not received by Secretariat.

The Chairperson, apologised for being late and indicated that the Acting City Manager can continue with his responses and the report from Corporate Services will be dealt with at a later stage.

NOTED.

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

The Chairperson indicated that the next meeting will be held on Monday, August 15, 2022.

NOTED.

**ITEMS DEALT WITH**

**6.1  
RESPONSES BY THE ACTING CITY MANAGER AND CEO: CENTLEC TO QUESTIONS  
EMANATING FROM THE 2020/21 ANNUAL REPORT.**

**In responding to concerns and questions raised, the Acting City Manager remarked:**

1. That at last meeting of MPAC, questions emanating from Annual Report of 2021 financial year, it was crucial that members of EMT get proper information and validation thereon as most members of EMT (Executive Management Team) were not part of the 2021/2022 financial year.
2. That an invite had been extended to Acting HoDs and those who were not present had been engaged with prior commitments i.e. the Acting HoD: Human Settlement, engaged with the National Department, Act HoD: Corporate Services attending LLF and Acting CFO not available due to family engagements.
3. That the National Cabinet Representative (NCR), Mr Paul Maseko was also in attendance as they would be overseeing the implementation of the Financial Recovery Plan (FRP).
4. On whether the budget was funded or not; the Municipality benchmarked with National Treasury to check if the budget was funded or not. The budget underwent the process whereon National Treasury indicated that the budget was funded. Thereafter they reiterated that although the budget was funded but it was not sustainable.
  - 4.1 That the budget sustainability was in relation to the Municipal collection rate thus the EMT were working towards ensuring that it is sustainable.
  - 4.2 That the Municipality had taken steps to ensure a sustainable budget by introducing strict financial controls, as the info that went out on the 7<sup>th</sup> August 2022 to suspend non-essential items. The Municipality would concentrate on essential/basic services and not precure beyond what was already there.
5. That tenants from Brandwag were identified in the top 100 defaulters and the Municipality together with Centlec had started to cut off services (water and electricity) on the top 100 to ensure that the budget is funded.
6. That the intervention team was embarking on engagement with stakeholders to ensure that they turn around the Municipality's finances.

**The NCR, Mr P Maseko reiterated that on revenue enhancement, the Municipality would be ensuring that Councillors as well as officials employed by Mangaung Municipality who were not paying for Municipal services make arrangements to pay services.**

**The Acting City Manager responded that notice have been given to all staff members with regards to procurement of non-essential item whereupon the Acting GM: Mr Hansie van Zyl read aloud the information that was shared via "info" (Annexure A and B)**

4A

7. That the National Treasury and NCR were responsible for the Financial Recovery Plan (FRP) and they were in the process of reviewing and once finalized, they would be submitting to Council and MPAC as the process had already started and that they will engage with management.

**The Acting City Manager thereon responded to question as raised by MPAC. The questions and responses had been circulated to all members of the Committee.**

**Thereafter, the Chairperson applauded the work done and welcome the responses as delivered by the Acting City Manager and made further comments and inputs as follows:**

8. That with regards to FRESHCO, the Committee be provided with performance agreements, service level agreement etc.
9. That under Engineering Services, the Municipality should consider putting more monies on maintenance and repairs of old infrastructure seeing that the Municipality would not be able to replace with new and also ensure that employees had sufficient equipment to execute their functions.
10. That the Municipality should also consider introducing shift system to curb overtime rate.
11. That on IPTN, they were impressed that the office will be moving to the relevant Department and therefore what would happen to the staff that was still there and furthermore, no request for the extension of work on IPTN had been submitted to Council even thou service providers had been paid?
12. That, whether the National and Provincial Government were prepared to pay their debt to the Municipality however no information had not been given on Free State Development Corporation (FDC).
13. That how far was the investigation by Hawks relating to bodyguards on overtime?

**The Chairperson then allowed Councillors to ask follow-up/additional questions of which the Acting City Manager and HoDs responded to as follows, namely:**

14. That a submission to Council on FRESHCO requesting for a forensic investigation would be submitted and should there be serious allegation, the SIU would be roped in and there had already been an engagement with the Acting HoD: Human Settlement on this matter.
15. That on old infrastructure, at a political level, there was a need to engage with MECs and Ministers that as they had send an intervention, resources were also needed as there were still be issues that cannot be postponed such as dealing with the old infrastructure that need to be replaced.

**4B**

- 15.1 That it was imperative that the matter on aging infrastructure be cascaded to the relevant Minister to acquire additional funds for replacement and, approximately R100 million was required for Bloemfontein and for other areas, the funding required might be less. An annexure had been attached to the responses.
16. That on IPTN, the staff had been given letters to return to their offices. KPMG was busy with investigations and the same staff when they were requested to respond to questions, they indicated that they were no longer in the IPTN Unit, they refused to cooperate. However there will be consequences for not cooperating.
- 16.1 That it was crucial that Moshoeshoe road be completed, however there were issues from the residents with regards to who was the service provider/people appointed to complete the work hence there has been a delay. That the target to complete the work is end of September 2022.
17. On liquidation of FDC, I had asked why was the Municipality paying them as they were also owing the Municipality. That they were part of the list that would be switched off.
- 17.1 That the process for switching off started on Wednesday and Councillors would be invited as requested.
18. That with regards to overtime, Hawks had already completed the interviews and then requested information from payroll which had been submitted.
19. On late submission of reports, they wrote to all HoDs to indicate that they must response to all enquiries including Rule 38 questions submitted by Councillors and if they do not comply, the Acting City Manager would individually write to their relevant Minister to indicate that the Acting Hod was not providing information as requested.
- 19.1 That acting HoDs were given targets to achieve and providing information was one of them.
- 19.2 That the frustrations experience by Councillors were understandable in relation to late submissions of reports and that, in five (5) year period, they had not received responses to Rule 38 questions raised and that currently, they had 68 outstanding.
20. That bids that had been awarded, Councillors need to be given information and not that they wanted to participate. In future, they would attach the reports from Bid Specification Committee (BSC), Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC).
- 20.1 That they agreed that when submit the SCM quarterly reports, they would attach all the necessary documentation.
21. In relation to Policies of the Municipality, the Department of CoGTA had given generic policies for municipalities and therefore they will be reviewed and will be submitted to Council.

4C

22. That appointment of Chartered Accountants as one of the priorities, it will be attended to even prior appointment of senior officials.
23. That in the EMT that took place the previous day, he (the Acting City Manager) was harsh to the HoDs. That Section 139 was initiated by Province, and then National Government intervened in terms of Section 139.7 as the last intervention.
- 23.1 That should the intervention by National Government fails, then it will be a failed state therefore all HoDs, were aware that they were not expected to fail and by accepting the position, they had accepted that failure was not an option.
- 23.2 That by not addressing issues of infrastructure (sewer spillage and uncollected refuse), overtime etc. would nullifies all what the administration had been doing.

**Cllr JI Mokoena reiterated the importance of communication. That what has been happening, the first 2 (two) meetings of Council, he indicated that the handover report submitted was inadequate to enable Councillors to be of fair on what the situation was in the Municipality.**

- o That he also raised the issue of the FRP which has not been submitted.
- o That as Councillors, their jealousy and commitment to this City, its of the nature that they would not accept failure and in that regard, they were in support of the intervention and were not intending to work against the Acting City Manager and intervention.
- o That they were grateful that the Acting City Manager was frank in giving information on the situation and giving facts. And that the participation by Councillors was to fix the situation which could only be through provision facts which will also assist the Auditor General and Council to do the oversight and thus commending the frankness and helpfulness as some problem come from long time.
- o That in terms of Council meetings, reports of Executive Mayor supposed to be reports for Council decision.
  - ✓ There supposed to be reports for noting, reports for decision taken under delegated powers, reports of the City Manager taken in terms of delegated authority and once the Councillors have them, they can timeously intervene, act and assist and what had been happening in the Municipality, was about withholding information and Council working with limited information to can properly do the oversight and that included information on Bid Committees.

**The Acting City Manager responded to additional questions raised:**

24. That with regard to the PMU (Performance Management Unit), the Municipality was lacking because it was not doing what other metros were doing. For instance, the PMU in the Office of the City Manager (OCM), the PMU dealt with all conditional grants irrespective if there was a user Department or not and ensuring that no monies would be returned to the national fiscal and therefore they were looking at resuscitating that Unit in the OCM and not outsourcing the service.



4D

25. Traffic officers/Law Enforcement working overtime, that the law also allowed essential services to work overtime, however under special circumstances.
- 25.1 That it was the intention that the Municipality should do away with service providers gradually and build internal capacity to undertake some of the work that should be done internally as per "info" disseminated to Department not to procure non-essential services.
26. That the Municipality had paid a lot for the biometrics system and that they had taken a decision that the system should be re-instated and also at other Municipal buildings/areas.
27. That with regards to upper limits for Councillors. The laws states that Councillors must not owe the Municipality and the Chairperson of the Section 79 Committee: Remunerations had already attended to that.
- 27.1 That they had since find out that salaries of Councillors were not the same, something went wrong with payroll and the matter is under investigation.
28. That on Zoo, a complete report would be provided and the Municipality had already engage with businesses. That the first step would be to work on the complete cleaning of the area as the zoo would be coming back to the same venue.
29. That issues on wrong invoices, the Municipality would ensure that it get back the monies and NCR was busy attending to the matter.
30. Insource security, the Municipality had written to PSIRA and information will be in the City Manager's report, which would address the financial implication of insourcing versus outsourcing. The report would be submitted to the relevant Section 80 Committee, subsequently Mayco and then Council.
31. That taxi operators were paid for their licenses however they refused to leave and still operating. The Municipality had (two) 2 meetings with them and indicated that in October 2022, the Municipality would be putting the buses on the road and the taxi operators must be out.
- 31.1 That the bus stops had not even been erected/ properly constructed, and only a sign was being put in the area where the bus must stop. A space for bus parking was not even created, next to the bus stop. That Glad Africa was the Project Manager for IPTN project.
- 31.2 That the Municipality want to start in October 2022, where would the prospective clients buy their tickets seeing that August is almost finished?
- 31.3 That a transport specialist brought in by Minister of Transport would be attending to issues relating to IPTN including issues of bus lanes.
- 31.4 The IPTN Project was supposed to be housed in Planning Department and not the Office of the City Manager as it was part of Transport Integrated Planning.

4E

- 31.5 There were no specialist, no engineers etc. decision were taken with no consultation with the relevant specialist. The Unit was wrongly placed, and therefore they were looking at how to remedy the situation.
- 31.6 That indeed the issue relating to buses donated was true and how can the Municipality abdicate their responsibility? There were no information relating to the company, such as the memorandum of understanding, who were the people in the company etc however such matter would not be accepted.
32. That the Committee will be provided information on service provider company Maine working with Finance Department on the indigent register.
33. That an audit on all Municipal properties will be undertaken including the retirement home and the report would be submitted to Council.
34. That the IDP and Performance Management is correctly placed in the Office of the City manager and currently there were only two (2) officials who had been working with no complaints. And from the onset, they had never excise pushback in terms of accepting the new team coming in and had ensured that they produced quality documents and even the level that they were working, they were not supposed to be there but higher.
- o That the proposed structure to capacitate/ beef-up the Unit had also been submitted.

**The Chairperson thereon indicated that the PMU must be established as soon as possible furthermore that someone from the Office of the City Manager need to sit as a full time member of MPAC.**

**It was thereon**


**RESOLVED** that the responses were noted and will be incorporated in the MPAC's Oversight Report on the 2021/2022 Annual Report.

7.

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

**The Chairperson thanked everyone for availing themselves for the meeting.**

**The meeting officially closed at 13h50.**



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

**DATE: 25/08/2022**

**SECRETARIAT  
COMMITTEE SERVICES**