



**MINUTES OF A
SPECIAL MEETING**

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

**MICROSOFT TEAMS
VIRTUAL**

**TUESDAY
AUGUST 16, 2022
At 10:00**

**MANGAUNG
METROPOLITAN
MUNICIPALITY**

MINUTES
of an
SPECIAL MEETING
Of the
SECTION 79 COMMITTEE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Held
Virtually on Microsoft Teams

On
TUESDAY, AUGUST 16, 2022

At 10:00

PRESENT

Councillor MI Mokoakoa(Chairperson)
Councillor LC Kruger (Whip)
Councillor ML Mothupi
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 A Qai
Councillor E Snyman van Deventer

IN ATTENDANCE

Acting City Manager
Acting CFO
Acting HOD

CORPORATE SECRETARIAT

GM: COMMITTEE SERVICES

GM: Internal Audit
GM: Legal Services
Chief Risk Officer
Co-ordinator MPAC

Mr. T Motlashuping
Mr. T Sediti
Mr. F Nel
Ms. M Morakabi
Mr M Mothekhe
Mr G Ntsala
Adv C Naidoo
Ms M Mototo

Mr M Tsosane
Ms P Wesi
Mr D Phakoe

The meeting only commenced at 10:07 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. He then addressed the meeting that another MPAC will be schedule for Friday, August 19, 2022 to approve the Oversight report, approve the schedule of meetings and then lastly to review the Terms of Reference for the committee. He was approached by the office of IDP whereon they requested to have a meeting with MPAC to highlight some of the challenges they were experiencing as a Department. That he will again schedule a meeting to invite the Office of IDP and also they need to finalize on the report of ghost workers.

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 NA Phupha (on whose behalf apology was rendered.)

Noted.

**4.
ACCEPTANCE OF AGENDA**

Councillor L Kruger moved for the adoption of the agenda which was seconded by Councillor JE Seboalo.

Noted.

**5.1
MATTERS ARISING**

None.

Noted.

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

None.

Noted.

<p>ITEMS TO BE DEALT WITH</p>

6.1.**Draft oversight report of the MPAC**

The Chairperson introduced the report and narrated it to members whereby the Whip, Councillor LC Kruger requested the Chairperson not to go through the introduction but continue to the contents of the report. Thereafter Councillors would be afforded the opportunity to make their inputs and contributions.

- Councillor TD Masoeu asked if the local community was invited to submit representations in relation to the Annual Report as prescribed in the document and if that information was available he was requesting for it to be attached as an annexure;
- That wanted to get clarity on whether all the libraries received the documents or was it only the 4 mentioned?
- That they should indicate which print media publication was used ;
- Ms. P Wesi from the Office of MPAC responded by confirming that they did not receive any representation after advertisements;
- Councilor JI Mokoena thereafter proposed that if no representation was received, it must be recorded and reflected as such in the report;
- Councilor TD Masoeu also made a suggestion that in the proposed solution on the Appointment of Political staff, perhaps they can include a summary and it should specify the Staff should have been appointed at the beginning of the council term. And it should indicate time frames for the Accounting officer or it may remain a statement and not get resolved. However the Chairperson responded to this by indicating it was mentioned in the recommendations.
- Councilor LC Kruger requested clarity on who was responsible for those appointments? On whether this matter should rather refer to the HOD; Corporate Services? But the Chairperson explained that the HOD: Corporate Service forms part of the EMT which reports directly to the City Manager;
- That they were requesting for the responses to be attached as an annexure to the report and it was noted by staff from the Office of MPAC;
- That they were concerned some of the critical issues were not mentioned in the report.

Particularly the matter of FRESHCO was not mentioned and moreover the Acting City Manager did not assist the committee at all by not providing a response. A number of issues were raised mainly who was responsible for collecting rent at those residents?

- The Chairperson, Councilor MI Mokoakoa responded that Cagro had attached those buildings and was collecting directly from the tenants and the Acting City Manager was requested to submit and provide all relevant documentation to the Committee;
- That a forensic investigator be appointed to look into the bailout money that was contributed to FRESHCO whereupon the Chairperson elucidated that the committee will peruse/scrutinize all those documents and he does not foresee it being a problem obtaining them from the Acting City Manager;
- Councilor JE Sebolao reiterated further that MPAC needs to attend and investigate all those critical issues raised by the Auditor General. They have been mentioned by the AG for more than 5 years, this means the committee had not been doing their oversight properly for these repeat findings to recur. That he wants the committee to work and not favor anyone in an effort to reduce these irregularities;
- That they should also pay attention to the ongoing construction at Moshoeshoe Road, and mention it in the report and put times frames for the Accounting Officer to provide a progress report;
- Councilor LC Kruger raised a question on the IPTN matter that was mentioned in the report as she was under the impression National Government was investigating the project. She wanted clarity on whether they were also embarking on their own investigation and if this was not a duplication of resources;
- The Chairperson responded that they cannot just rely on National Department but as MPAC they needed to perform their own investigation. That this matter was referred to MPAC by Council for investigation and to provide feedback
- Members were in agreement that they need to do a site visit on some of the projects and buildings with Mangaung Municipality that have been raised by the AG and in dire conditions, it can include ICT, IPTN, Supply Chain etc;
- That they should look into the service providers who have been paid without doing any work, they need to investigate individuals who authorized those payments;
- That they should be provided with compliance reports in predominantly reports from Supply Chain to interrogate prior to them serving at Council;

- **Councilor JI Mokoena made the following inputs;**
 - **That with IPTN, the Acting City Manager had indicated besides the issue of the Minister of Transport we also need to appoint a forensic investigator;**
 - **That they were all also collating some information on who has been paid. We can include in our recommendations an action plan on the way forward;**
 - **That in the immediate future they would be dealing with the issues of dealing with IPTN either through collating relevant information or doing a site visit to ensure there is compliance in terms of this recommendation;**
 - **That we also need to do follow ups and verify information received and check what was the standard procedure in authorizing payments at Supply Chain;**
 - **That there were alarming concerns at SCM whereby it shows other contractors being paid 90 days after submitting their invoices but some were paid the following day. This is evident that there was manipulation of cash flow and prioritization of certain service providers;**
- **On the issue of the Audit Committee, the General Manager; Internal Audit indicated that the committee was functional and they submitted two reports to Council for approval. However the chairperson of the committee was not in attendance at both meetings to present his report. That at the end of the financial year they held all their meetings as scheduled. The Chairperson, Councilor MI Mokoakoa pointed out they were basing their frustrations on the fact that the chairperson of the Audit Committee does not attend Council meetings to present his report nor does he delegate someone from the committee to attend on his behalf;**
- **The members also stated they would like the chairperson of the audit committee to attend the meeting when they present this report and they can also voice out their dissatisfaction;**
- **Members were then debating on the issue of Approving the report with reservations, that it may be misinterpreted in a lot of ways. That as a committee they were supposed to guide and assist Council. Councilor JI Mokoena was of a view that they needed to rephrase the sentence, it was correct to say with reservations as they do not have sufficient and adequate information to conclude on these matters and they were still awaiting critical reports to finalize;**
- **Mr. G Ntsala proposed that they can include the last recommendation to submit an action plan to address all those challenges mentioned in bullet no. 6 and indicate the date of submission by the Acting City Manager;**

It was thereon

RESOLVED

- ✓ that the inputs and contributions 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 12h03.



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

DATE: 25 / 07 / 2022

**SECRETARIAT
M MORAKABI**

