



**MINUTES**  
of an  
**ORDINARY MEETING**

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

**VIRTUALLY ON  
MICROSOFT TEAMS**

**MONDAY  
AUGUST 22, 2022  
At 10:00**

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**MANGAUNG  
METROPOLITAN  
MUNICIPALITY**

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

**Held**

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**On**

**MONDAY, AUGUST 22, 2022**

**At 10:00**

**PRESENT**

**Councillor MI Mokoakoa(Chairperson)**  
**Councillor LC Kruger (Whip)**  
**Councillor ML Mothupi**  
**Councillor ND Siteo**  
**Councillor TL Setlai**  
**Councillor TV Menyatso**  
**Councillor KD Tshwane**  
**Councillor MC Lelala**  
**Councillor M Davies**  
**Councillor TD Masoeru**  
**Councillor JE Sebolao**  
**Councillor JI Mokoena**  
**Councillor A Qai**  
**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**  
**Ms R Mamatela**  
**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 10:03 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 and thereafter confirmed quorum. He then indicated that there will be another meeting on Thursday, August 25, 2022 to approve the minutes of today's meeting.

That the Terms of Reference which was circulated to members had missing pages but Mr. EM Tsosane sent the correct and complete ToR's on Sunday.

**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 PJ Rampai, Councillor NA Phupha (on whose behalf apology was rendered.)

**Noted.**

4.

**ACCEPTANCE OF AGENDA**

Councillor JE Sebolao moved for the acceptance of the agenda and was seconded by Councillor TD Maseou.

**Noted.**

5.1

**CONFIRMATION OF MINUTES**

03 March 2022

16 March 2022

06 April 2022

25 April 2022

05 July 2022

**19 July 2022**  
**10 August 2022**  
**12 August 2022 ( continuation meeting**

**This item was not dealt with at the meeting.**

**Noted.**

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

**None.**

**Noted.**

<b>ITEMS TO BE DEALT WITH</b>
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**6.1****MPAC 2020/21 OVERSIGHT REPORT FOR ADOPTION**

The Chairperson introduced this report and indicated it was for adoption. The amendments which were made by Members were duly incorporated into the report. That he will read through the report for members to verify and confirm if they were accepting the report.

**Councillor TD Masoeu made the following comment or addition, namely;**

- 1.1. That this was a very comprehensive report and the committee should be applauded for the good work but he was requesting clarity or to be reminded if the issue of Metro police was mentioned in the Auditor General's report;

**Thereafter Councillor LC Kruger raised the following issues, namely;**

- 1.2. That she was seeking clarity with regard to the recommendations that were mentioning forensic investigators, they had agreed they wanted to avoid duplication as there will also be an internal investigation;
- 1.3. That she was proposing those issues should firstly be investigated internally before they could be subjected or elevated to an external investigation;
- 1.4. That she was trying to mitigate a situation whereby MPAC would have to account for not doing their due diligence and if there will be a need for them to provide their own findings on these matters as mentioned in the recommendations

- Councillor JE Sebolao was of the view that if the investigations ran parallel it would end up not doing any justice to the reports. That he was suggesting the committee to get clarity from the intervention team on who has been appointed to do the investigation on IPTN, in order to check if it was possible to pursue their own investigation
- Councillor E Snyman van Deventer read out recommendation 8.14 whereon she pointed out that the sentence was not correctly captured as it did not make sense and requested that it be rephrased to clarify exactly what the committee was tasking the Accounting Officer to do. The recommendation was amended as reflected below.

**The Chairperson reminded the meeting of the following, namely;**

- 1.5. that MPAC was not taking final the decision but they were recommending to Council and that he coincide with the submission made by Councilors to perform their own internal investigations with the assistance of Anti-Fraud and Internal Audit prior to handing the matter to forensic investigators,
- 1.6. That we must be provided with a detailed report around issue of IPTN, as a committee we must go through the report and deliberate on it. They need to move on issues of their internal investigations in order to be able to account and provide their findings.

**Councillor JI Mokoena made the following remarks, namely;**

- 1.7. That the manner in which recommendation 8.14 was constructed it was implying the Committee was requesting information or a report on the implementation irrespective of the challenges that were there;
- 1.8. That he was concerned the Committee would be misinterpreted and was of the same view the recommendation should be changed as they were not only dealing with the issue of forensic investigation but it might escalate to include financial aspects and mismanagement;
- 1.9. That we also need to provide Council with progress reports on the ongoing investigation;
- 1.10. That they may also request Council approval for MPAC to be kept abreast on any developments by investigators sent by National as they were the custodians of such matters in the Metro;
- 1.11. That their report should clearly state National Government was investigating IPTN.

The General Manager: Internal Audit, Mr. G Ntsala commented that he does not think it would be a futile or prudent if we run the two investigations at the same time. That with regard to IPTN some information was requested by investigators from the Department of Transport, they have also provided them with reports from his Directorate. Furthermore he indicated he could liaise with the investigators through the Accounting officer for the Committee to be provided with a progress report as the investigations were continuing. On t Metro Police he requested time to verify if it was mentioned in the Auditor General's report.

**Councillor M Davies raised the following issues,**

- 1.12. That they wrote a letter to the chairperson requesting reports done by forensic investigators which was already underway with regard to unauthorized, irregular and

wasteful expenditures for the years 2016- 2017 to 2020- 2021;

- 1.13. That she was requesting the information and those reports to be availed ;
- 1.14. That the committee still needs to interrogate those outstanding reports and finalize on them
  - Councilor TD Maseou reiterated further and pointed out that there were a number of reports which still require to be interrogated and deliberated on by the Committee. That he was seeking direction from the Chairperson on when they intend on dealing and finalizing those critical matters.
  - The Chairperson responded by stating that he agreed there are a lot of issues that needs to be dealt with and finalised. The schedule of meetings was included in todays' meeting for adoption. That it would assist the committee to plan accordingly and address all those matters referred to MPAC for investigation.

**The Committee thereupon resolved the recommendations of the MPAC Oversight report 2020/21 be approved with amendments as follows,**

## **8. RECOMMENDATIONS**

Having thoroughly considered the contents of 2020/21 annual report and the findings of the Auditor General for the year under review, it is therefore recommended by the MPAC that:

1. Council adopt the Oversight Report;
2. In line with Section 129(1) Council approves the 2020/21 Annual Report with Reservations due to the unsatisfactory pace at which management is addressing risk areas/ control weaknesses mentioned under section 6 of this report;
3. The Accounting Officer provide the MPAC with a detailed report on the investigations that are currently underway with regard to the UIF&W for both MMM and Centlec within 14 days of the tabling of this report;
4. That compliance reports compiled in line with sections 52,71,72 and 88 of the MFMA be noted by Council and be handled as permanent referrals to the MPAC for further interrogation;
5. An audit action plan be developed to address audit findings. A progress report be submitted to the MPAC monthly;
6. The indigent register be updated as a matter of urgency and a report be submitted to the MPAC within 30 days of the tabling of this report;



7. A progress report be provided to the MPAC pertaining to the recruitment of support staff in political offices within 7 days of the tabling of this report;
8. The MPAC be provided with an action plan to curb overspending on overtime across all directorates within 30 days of the tabling of this report;
9. The Accounting Officer submit an updated risk register with mitigating risk strategies to the MPAC within 30 days of the tabling of this report;
10. The Accounting Officer must provide the committee with a monthly report on the recovery of debt from government departments and the top 20 businesses that owe the city for services rendered;
11. The Accounting Officer must provide the MPAC with a monthly progress report that details the ongoing negotiations with Bloemwater and resolving current disputes;
12. The National Intervention Team provide Council, through the MPAC, with a progress report on the ongoing forensic investigation on IPTN project within 60 days of the tabling of this report;
13. The Accounting Officer must ensure that a performance management system for all employees is developed and implemented. A progress report must be submitted to the MPAC within 60 days of the tabling of this report;
14. The Accounting Officer must ensure that a functional disciplinary board is properly constituted within 60 days of the tabling of this report;
15. Council must expedite the recruitment and appointment of Centlec board members within 60 days of the tabling of this report;
16. The Accounting Officer provide the MPAC with a comprehensive report regarding the status of the Zoo within 30 Days of the tabling of this report;
17. The Accounting Officer provide the MPAC with a comprehensive report regarding the status of FRESHCO within 30 Days of the tabling of this report;
18. The Accounting Officer must submit an action plan to address the challenges listed as bullet items under section 6 within 60 days of tabling of this report.

**6.2**  
**SCHEDULE OF MEETINGS 2022/23**

Councillor TD Maseou moved for adoption for the acceptance of the schedule of meetings and it was seconded by Councillor A Qai

**The MPAC Schedule of meetings 2022/23 was thereupon duly accepted by Committee members.**

Noted.

**6.3**  
**TERMS OF REFERENCE: MPAC**

**The MPAC members through the Chairperson were requested to make inputs and remarks regarding the Terms of Reference's of the Committee.**

The General Manager: Committee Services provided an overview of the approved ToR's from 5.1 to 5.13 and with the proposal that 5.7 paragraph (e *which read as follows, "the MPAC reports should be communicated to the Accounting Officer and the Rules committee prior to submission to Council"* be amended. The Chairperson also highlighted the importance of removal of the wording "Rules Committee as it also forms part of the Section 79 Committee and they all report to the Speaker.

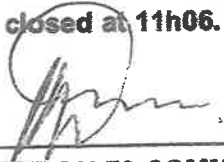
Councillor JI Mokoena requested that the Terms of Reference to be aligned with the amended Structures Act and further asked Committee services to circulate the Amended Structures act Circular 21 electronically to all members.

**It was thereupon resolved that Rules Committee in paragraph (e will be removed and the amended ToR's will be submitted to council for approval.**

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

The Chairperson thanked everyone for availing themselves for the meeting and further indicated there will be a continuation meeting on Thursday, August 25, 2022 to adopt the 10 set of minutes.

The meeting officially closed at 11h06.



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

DATE: 25 / 08 / 2022

*SECRETARIAT  
M MORAKABI*

