

Date: 24 January 2023

File Reference: Interim Management Team

Author: Adv NG Mpangane

Report Number: Designation:

Acting Head of Corporate Services

### NOTING AND APPROVAL

1<sup>st</sup> Level: EMT (N/A)

2<sup>nd</sup> Level: Section 80 Committee (N/A)

3<sup>rd</sup> Level: MAYCO (N/A)

4<sup>th</sup> Level: Council (28/02/223)

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## EXTENSION OF SECONDED INTERIM MANAGEMENT TEAM AT MANGAUNG METROPOLITAN MUNICIPALITY

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### 1. PURPOSE

The purpose of this report is to:

- 1.1 The purpose of this submission is to brief and seek approval of council for the extension of Interim Management Team (IMT) until the vacant positions of City Manager and Heads of Department are filled.

### 2. BACKGROUND

- 2.1 On 07 November 2022, council approved the extension of seconded Interim Management Team (IMT) upon approval of the Minister responsible for local government in her letter dated 31 October 2022, wherein in she gave council an ultimatum to council to finalise the appointment of the City Manager by end of November 2022 and Heads of Departments by end February 2023.
- 2.2 The recruitment, selection and appointment of city manager was executed until the tale end where the computation of time lapsed prior council making the appointment. With regard to advertised positions of Heads of Departments Corporate Services and Engineering and Chief Financial Officer positions, the shortlisting period has since lapsed on 10 January 2023, due failure of council to appoint selection panel for carry forward the recruitment, selection and eventually the appointment by council

### 2 DISCUSSION



- 3.1 The Minister 's approval had suspensive condition to be fulfilled by council regarding the termination of IMT that the handover to the new executive management team must occur to ensure smooth transition and continuity and that conditions has since not been fulfilled since those positions remains vacant.
- 3.2 The appointment process of senior managers is highly regulated, and appointment must be finalised within the specified time frames and failure to adhere to them renders the process null and void in accordance with the Municipal Systems Amendment Act.
- 3.3 The departure of IMT will have unintended consequences because the team is undated with strategic and operational tasks in the table below to ensure that the municipality is turn around.

	<b>Action/Activity</b>	<b>Purpose</b>	<b>When</b>	<b>Who</b>
1	IDP and Budget process and quality assurance/ internal controls	Approval of ward base IDP and budget Budget approval and IDP SDBIP implementation Risk and audit plan implementation	Current until May	ACFO (lead) All AHoDs ACM
2	Status Quo Assessment	Accurate diagnosis of challenges Leading to fit for purpose Financial Recovery Plan	Current until May	ACFO (lead) All AHoDs ACM
3	Development & implementation of post Audit Action Plan	Implementation – put new controls & systems as well as to enhance the existing ones and ultimate improvement on accountability regarding financial and non-financial performance of the organization.	Current until end June (AG report)	ACFO (lead) All AHoDs ACM
4	Readvertisement of ACM & HoD posts	Appointment of Executive Management – to stabilize the administrative arm of the municipality.  It must be noted that the appointment of Heads of Department is dependent on the appointment of City Manager. It would be prudent that the new City Manager lead the appointment of all HODs.	ACM – by end April 2023 Assume duties May 2023  All HoDs – May 2023 Assume duties by May/June	AHoD CS (lead) ACFO ACM
5.	Finalize both Macro & Microstructure, placing and march,	To give effect to the new amendments to MSA and municipal staff regulations to stabilize the institution	Microstructure – by end March	AHoD CS (lead) All AHoDs ACM ACFO

	development of policies			Organized Labour
6.	Placement and matching of staff	Placement of all General manager & Managers due to revised organizational structure	By end April	AHoD CS (lead) All AHoDs ACM ACFO Organized Labour
7.	Advertisement of critical funded positions below executive management	Filling of critical posts to reduce overtime & acting appointment to create stability in the organization	By end June	AHoD CS (lead) All AHoDs ACM ACFO
8.	Annual Financial Statements	Preparation of Annual Financial Statements for 2022/23 financial year.	<ul style="list-style-type: none"> <li>• Submission by end September.</li> <li>• Technical support and handover to substantive HOD</li> </ul>	CFO(lead) All AHoDs ACM
9.	AG Audit Phase	To support municipality with the audit process – easy access of information by AG. Past audit is an example.	<ul style="list-style-type: none"> <li>• Audit to conclude by end November.</li> <li>• Technical support and handover to substantive HOD</li> </ul>	CFO(lead) All AHoDs ACM
10.	Exit engagement with stakeholders	Presentation of exit report to Council, EXCO and relevant Ministers	Mid December 2023	National CoGTA (lead) National DGs New & old Executive Management

### 3 LEGISLATIVE PROVISIONS

3.1 The council may request secondment to the MEC responsible for local government and if he or she fails to do, then council may request the Minister responsible for local government to second official to fill vacant positions in an acting capacity until the position is filled -Municipal Systems Act.

3.2 If provincial executive cannot or does not fulfil this obligation, the Minister or the national executive may intervene by seconding a person with the necessary skills and expertise to act in such position. By virtue of national intervention in terms of section 139 (7) due to failure provincial executive to adequately intervene, cabinet took

decision to intervene and delegated those powers to both Ministers responsible for local government and Finance to implement and monitor the intervention on its behalf.

## **5. DELEGATIONS**

5.1 The Executive Mayor oversee the administration component of the municipality.

## **6. IMPLICATIONS**

### **6.1. FINANCIAL**

(a) The financial implication of the secondment is payment of secondment allowance ITM which is difference in salary paid by their respective departments and salary budgeted for the same position by the municipality. The Regulations provide for payment of salary, allowances, accommodation, subsistence allowances associated, However, due to the financial position of the municipality, the national departments continue to pay salaries, accommodation and subsistence allowances to IMT. The municipality serve salaries for period of 08 months thus far.

### **6.2. LEGAL**

(a) Municipal council must appoint suitable qualified persons in acting capacity as municipal manager if vacancy occurred or may request secondment from the MEC responsible for government and after the Minister responsible for local government. The request for secondment to the MEC is not applicable in this instance because the municipality under national Intervention and the executive powers to intervene are with the Minister responsible for local government

### **6.3. COMMUNICATION**

The Executive Mayor must report to the MEC for responsible for local government and subsequently to the Minister for responsible for local government on the process undertaken and the decision of council.

### **6.4. COMMUNITY & SERVICE DELIVERY**

The absence of head of administration impacts on development of long-term visions and strategies to improve service delivery. The uncertainty, high turnover of the municipal manager and managers reporting to the municipal manager brings in instability in administration, uncertainty, lack of continuity in administration leading to different approaches and turn around strategies.

## **7. RECOMMENDATION**

### **IT IS RECOMMENDED THAT COUNCIL:**

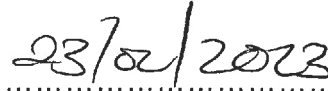
- 7.1 approve extension period of the acting City Manager and Heads of Department. Regarding the acting City Manager until 30 April 2023 and acting Heads of Department until June 2023.
- 7.2 direct acting city Manager and Heads of Department that upon their end of extension be

available for handover and audit processes to the newly executive management team respectively for period of 90 days period as envisaged and directed by the Minister responsible for local government.

**8. WRITTEN BY:**

  
**Adv. NG Mpanjane**

**ACTING HOD: CORPORATE SERVICES**



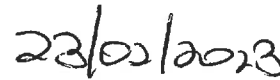
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**9. APPROVED BY:**



**T Motlashuping (Mr)**

**ACTING CITY MANAGER**



.....  
**DATE**

**10. APPROVED BY:**

  
**Cllr Mxolisi Siyonzana**

**EXECUTIVE MAYOR**



.....  
**DATE**

**11. RATIFIED BY:**

**MS Gugu Malaza**

**NATIONAL CABINET REPRESENTATIVE**

.....  
**DATE**

## **12. ANNEXURES**

- 12.1 ANNEXURE A : LOCAL GOVERNMENT : MUNICIPAL SYSTEMS ACT,**
- 12.2 ANNEXURE B : LOCAL GOVERNMENT : REGULATIONS ON APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS**
- 12.3 ANNEXURE C : COURT JUDGEMENTS**
- 12.4 ANNEXURE D : CIRCULAR NO. 24 OF 2022: IMPLEMENTATION OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS AMENDMENT ACT, 2022 (ACT NO. 3 OF 2022)**



21 February 2023

## MEMO

Attention of the Executive Mayor (Hon. M Siyonzana)

**RE: LOOMING EMERGING RISK OF INSTABILITY IN THE MANGAUNG METROPOLITAN MUNICIPALITY**

Dear Executive Mayor

The Audit Committee held its recent meeting on Friday, 17 February 2023. It is during this meeting that, the Committee learned about the lapsing of the acting appointments of the City Manager and Heads of Departments on 28 February 2023.

It is our responsibility to advise you as the Political Head of this municipality on, amongst other things, matters relating to effective governance as stipulated under Section 166(2)(a)(vi) of the Municipal Finance Management Act (MFMA).

It is our understanding that, the absence of the City Manager and Heads of Departments in the day to day running of the Municipality will greatly compromise effective governance and may lead to further instability of the Municipality.

It is against this background that, the Audit Committee advise you to put processes in place to ensure that, the current acting Executive Management Team does not leave vacuum come, 1 March 2023. You are therefore, advised to start the process of identifying officials to act in all Senior Management positions that will be vacant from 1 March 2023 as a result of the ending of the acting appointments of the current acting senior managers (i.e. the Acting City Manager and Acting HODs) and submit an item to Council in this regard, the latest by 28 February 2023 for consideration and approval by Council.

Trust you find the above in order.

Kind Regards,

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Ms. PME Kaota

Chairperson: Mangaung Audit Committee

CC. Hon Speaker of Council: Cllr. S Lockman- Naidoo

## TURNAROUND TIMES ON RECRUITMENT, SELECTION AND APPOINTMENT PROCESSES OF SENIOR MANAGERS

ACTION	TIMEFRAMES	RESPONSIBILITY	VARIABLES
<p><b>1. Notification of vacant post</b> The timeframe is calculated from the date of receipt of notice to resign or termination of service.</p>	<b>30 days</b>	Senior Manager: Corporate Services/ Municipal Manager /Mayor	
<p><b>2. Obtain approval from municipal council to fill the vacant post</b> The submission to council should include relevant approvals to fill the post; draft advertisement, the job description; total remuneration packages and the proposed selection panel members.</p>	20 days	Municipal Manager/ Mayor	Delays in approvals
<p><b>3. Advertisement of vacant post</b> The post must be advertised in a newspaper circulating nationally and the province where the municipality is located.  Issue an invite to the selection panel</p>	14 days	Senior Manager: Corporate Services	Delay in compiling a job description, confirming advertisement
<p><b>4. Compiling a long list</b> This activity entails the process to take all applicants and sort out the candidates that are not fulfilling the requirements. This is the step</p>	Within 5 days after the closing date of the advertisement (can be done during the advertisement)	Senior Manager: Corporate Services	Number of applications received



<p>where the formal requirements for a job are checked. This include the years of experience, the educational requirements, checking for relevant work experience etc.</p>	stage)		
<p><b>5. Compiling a shortlist</b> Analyse applicants according to their skills, competencies, qualification and experience.</p>	Within 3-5 days within after the compilation of long list (can be done after closing date)	Selection panel	Selection panel availability. Number of applications received
<p><b>6. Screening of candidates</b> Ensure that academic qualification, experience and competencies are verified; reference checks conducted; current and previous employer contacted; details of any dismissal for misconduct and any disciplinary actions.</p>	21 days	Senior Manager: Corporate Services	Delay in receiving screening reports
<p><b>7. Interviews, competency assessment and selection</b> One key challenge is to get all the right people, i.e. all applicants, all panel members into the same time zone and make sure they are reachable i.e. not traveling, being in a location with connectivity etc. Depending on the complexity of the job, several rounds of interviews can be conducted.</p>	5 days	Selection panel	Availability of candidates / selection panel members. Suitable candidate not recommended or found
<p><b>8. Submission of report and recommendation to municipal council/ appointment made</b></p>	10 days	Municipal Manager/ Mayor	Delay in council approving the appointment.

9.	Submission of report to the MEC	14 days	Municipal Manager/ Mayor
10.	Submission of the report to the Minister	14 days	MEC
11.	Total turnaround time	+ 55 days	

**Days which may be limited**