

Your Ref:  
Room 827, Bram Fischer Building

Our Ref: Acting CFO: Council Item  
Date: 04 February 2023

**THE COUNCIL SPEAKER  
CLLR STEFANI LOCKMAN-NAIDOO**

**COUNCIL ITEM: FEEDBACK ON CONCERNS RAISED BY COUNCILORS TO THE  
MINISTER OF FINANCE AT COUNCIL MEETING HELD ON 07 NOVEMBER 2022.**

**1. PURPOSE**

- 1.1 The purpose of this submission is to brief Council on the correspondence received from the Minister of Finance dated 02 February 2023

**2. BACKGROUND**

- 2.1 Council at its meeting on 31 October 2022 requested that Ministers of CoGTA and Finance must visit the metro to introduce new National Cabinet Representative (NCR) and governance expert and the extension of acting period of the Heads of Departments that emanated from the letters received by the Executive Mayor and Speaker of Council from both Ministers. The meeting of 31 October 2022 was deferred by council that eventually took place on the 07 November 2022.
- 2.2 It was during the said meeting that councillors raised number of issues ranging from poor service delivery, shortage of water and misappropriation of grant funding, debt owed to the metro by national and provincial government amongst others. The Minister of Finance made an undertaking to come back to the metro to provide responses of the concerns raised directed to the Ministers.

**3. Discussions**

- 3.1 The Minister in his letter reinforced the role and responsibilities of NCR and her supporting team and also indicated that together with the Minister of CoGTA they have been assigned by Cabinet to oversee implementation of the national intervention.
- 3.2 The Minister directed the Executive Mayor to execute his responsibilities including but not limited to the following:

- (a) The Executive Mayor must hold the acting City Manager accountable for his actions or inaction.
- (b) That the Minister of Finance has discretion on the composition of the national intervention team and to effect any changes should it be necessary.
- (c) That the allegations of misappropriation of conditional grant funding made by councillors is serious and he has referred the matter for further investigations of which the Executive Mayor and council will be informed on further developments accordingly.
- (d) The Minister also appealed to the municipality to cooperate fully in implementation of any remedial actions proposed by NCR and her support team whilst executing her roles and responsibilities. Copy of the detailed letter is attached at **Annexure "A"**.

#### 4. RECOMMENDATIONS

It is recommended that council:


- 4.1 Note the letter from the Minister of Finance in response to the matters raised by councillors at the council meeting held on 07 November 2022.
- 4.2 Forensic investigation on misappropriation of conditional grant funding will be conducted by the metro to provide accurate information on what has occurred in conjunction with the process initiated by the Minister of Finance.

Submitted by:



**ADV. NKATEKO MPANGANE**  
**ACTING HOD: CORPORATE SERVICES**  
**DATE: 05/02/2023**

~~APPROVED / NOT APPROVED~~



**MR TEBOGO MOTLASHUPING**  
**ACTING CITY MANAGER**  
**DATE: 05/02/2023**


#### 4. RECOMMENDATIONS

It is recommended that council:

- 4.1 Note the letter from the Minister of Finance in response to the matters raised by councillors at the council meeting held on 07 November 2022.
- 4.2 Forensic investigation on misappropriation of conditional grant funding will be conducted by the metro to provide accurate information on what has occurred in conjunction with the process initiated by the Minister of Finance and consequence management must be implemented for wrongdoing by the administration (if any).

**RATIFIED / NOT RATIFIED**

  
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**MS GUGU MALAZA**  
**NATIONAL CABINET REPRESENTATIVE**  
DATE: 5 Feb 2023

  
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**CLR MXOLISI SIYONZANA**  
**EXECUTIVE MAYOR**  
DATE: 05/02/2023



MINISTER: FINANCE  
REPUBLIC OF SOUTH AFRICA

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**Ref: M3/4/3/2(52/2023)**

Hon Councillor M.A. Siyonzana  
The Executive Mayor  
Mangaung Metropolitan Municipality  
PO Box 3704  
**BLOEMFONTEIN**  
9300

Dear Honourable Siyonzana

**FEEDBACK ON CONCERNS RAISED BY THE COUNCILLORS AT A  
MEETING HELD ON 07 NOVEMBER 2022, MANGAUNG COUNCIL  
CHAMBERS**

The concerns raised by the councillors of Mangaung Metro and the allegations of possible misappropriation of transferred conditional grant allocations refers.

Kindly be reminded that the Terms of Reference gazetted and published on 28 April 2022 are guiding the national intervention process at Mangaung Metro. The Terms of Reference clearly defined the roles and responsibilities of the National Cabinet Representative (NCR), including the supporting team. Council should be mindful of the following roles and responsibilities as defined in the published Terms of Reference, among others:

- (h) All reports for decision making by the delegated authority including the Municipal Council and Executive Mayor must be processed by the Accounting Officers (Municipal Manager) with the concurrence of the National Cabinet Representative.*
- (r) Assist the Executive Mayor and the Accounting Officer in the development of human resource capacity to a level that enables it to perform its functions and exercise its functions in an economic, transparent, effective, efficient and accountable ways.*
- (s) Assist in the recruitment and selection process for the appointment of Senior Managers, including the Accounting Officer in the municipality.*

The Cabinet has bestowed upon me and Minister Nkosazana Dlamini-Zuma, the responsibility to oversee the implementation of the national intervention on its behalf. Therefore, we take full responsibility for the decisions and actions by the NCR and members of the supporting team albeit limited to the functions published in the Terms of Reference.

Allegations made by some of the honourable councillors regarding the purported misappropriation of conditional grant allocations is serious and has been referred for further investigation. The City will be informed accordingly of my next course of action.

It is advisable for the Executive Mayor to investigate the circumstances that led to the disruption of water supply and the failure to replace the service providers, after their contracts expired. The investigation will ensure that corrective measures are taken against the responsible municipal officials. Also, the Executive Mayor should be reminded to hold the City Manager accountable for their action or inaction. This will ensure the prevention of a repeat in the future.

As explained at the Council meeting, the establishment and the composition of the intervention team are the discretion of the Minister of Finance. Therefore, Council is reminded that I am responsible for effecting any changes to the intervention team.

Once again, I'm appealing for the full cooperation and support by the municipality for the implementation of remedial actions by the National Cabinet Representative and her support team.

I hope you will find the above in order.

Yours Sincerely



**ENOCH GODONGWANA**  
**MINISTER OF FINANCE**

**DATE: 02/02/2023**

**CC:** Minister of Corporative Governance and Traditional  
Affairs  
Deputy Minister of Corporative Governance  
Acting City Manager – Mangaung Metro  
Speaker of Council – Mangaung Metro  
Deputy Minister of Finance  
Free State MEC for Treasury  
Free State MEC for COGTA