

Date: 01 March 2023

File Reference: Interim Management Team

Author: Adv NG Mpangane

Report Number: Designation:

Acting Head of Corporate Services

APPROVAL

1st Level: EMT (n/a)

2nd Level: Section 80 Committee (n/a)

3rd Level: MAYCO (n/a)

4th Level: Council (03/03/2023)

EXTENSION OF SECONDED INTERIM MANAGEMENT TEAM AT MANGAUNG METROPOLITAN MUNICIPALITY

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 by the selection panel appointed by council on 31 August 2022. However, the report of the selection panel was incomplete the NCR who was observers did not sign off the final report raising issues that the panel failed to recommend to council candidates in order of preference and calculations of point on the outcome of the competency test were not done. In addition, the computation of time lapsed prior council making the appointment. Regarding 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 eventual recommend to council to appoint in consultation with the City Manager. Ideally, the appointments of Heads of Departments are dependent on the appointment of the city manager to carry the process forward as the Chairperson of the all the selection panels for Heads of Departments. The readvertisement must be done at intervals after shortlisting of candidates by the selection panel whilst the process of appointment. (Three (3) positions to be readvertised for period of 14 days whilst the rest of the positions four (4) be advertised for period of 30 days.

- 2.3 Request to appoint service provider for capturing of applications has been submitted to SCM through the acting Chief Financial Officer and it must be fast trucked.

3. DISCUSSION

- 3.1 On 20 April 2022, the Minister of CoGTA, Dr Nkozana Dlamini Zuma visited the metro to inform council cabinet decision to intervene in terms of section 139 (7) of the Constitution. In her report the Minister advised council that I quote *“this national intervention places the metro firmly into the hands of national government in terms of section 139 97) of the Constitution of the Republic of South Africa read together with Section 150 of the MFMA, meaning that national government will act in the stead of the provincial executive by-*
- (a) imposing the financial recovery plan*
 - (b) assuming the implementation of the financial recovery plan in terms of section 139(7) read together with section 146 93)(b) of the MFMA.*
 - (c) that the minister will assume her assignment by cabinet jointly with ministry of finance and other ministers including forestry, fisheries and environmental, human settlements, water and sanitation and transport.*
- 3.2 *In the same report she also indicated that National Treasury will deploy National Cabinet Representative to assume the implementation of the national intervention supported by four experts in the field of governance, finance, human resource, and service delivery. She further indicates that NCR will perform her /her duties guided by the Terms of Reference signed by the Minister of Finance.*
- 3.3 It was at the aforesaid council meeting that the Minister introduced the acting City Manager and acting Heads of Department, due to high turnover of acting City Manager since the departure of the substantive city manager in June 2021 and employment contracts of Heads of Department were coming to an end. The secondment was for period 6 months which was extended until 28 February 2023 after request was made to her and Minister of Finance by the Executive Mayor. The Minister of Finance also made changes to the NCR team due to resignation of governance expert and ill health of the former NCR.
- 3.4 In her approval of extension of secondment, the Minister made suspensive condition to be fulfilled by council that is appointment of City Manager and Heads of Departments and guided council on the exist process to ensure smooth transition and continuity that the acting City Manager and Heads of Department must handover to the new City Manager and Heads of Department for period of 90 days. As things stands those suspensive conditions agreed by council were not fulfilled, the position of the City Manager and Heads of Department remains vacant and the recruitment processes has to commence afresh to ensure compliance with the Municipal System Amendment Act

and its Regulations as the appointment process of senior managers is highly regulated, and appointment must be executed within the regulatory framework to avoid that the decision of council to appoint be rendered null and void in terms of the Municipal Systems Amendment Act.

- 3.5 The Executive Mayor received letter dated 21 February 2023 from the Chairperson of the Audit Committee warning him of emerging risks because the secondment period was coming to an end on 28 February 2023 whilst the positions of city manager and senior managers remained vacant. Based on that advise, the Executive Mayor wrote letter dated to both Minister requesting extension until positions are filled and that the conditions of the Minister that hand over must be made to new incumbents must made to ensure continuity and smooth transition between the seconded team and the new incumbents.
- 3.6 Regulation 20 is descriptive on the roles and responsibilities of the seconded persons to municipalities, however silent on signing of performance contracts and personal performance reviews and regardless of no expressive provision, the acting City manager and acting Heads of Departments assumed full responsibilities associated with the positions there are currently seconded and even signed performance contracts that were tabled in council. It is not clear of the regulatory framework to personal performance reviews to be undertaken either by the Executive Mayor (for City Manager) and the acting City Manager (for Heads of Departments). The organizational performance reviews are conducted quarterly by ensuring implementation of SDBIP and such reports have been tabled to council on quarterly basis.
- 3.7 The acting City Manager and acting Heads of Departments had challenges during the audit process for the financial year ended June 2022 because technically the team arrived two (2) months before the end of the financial year and AG raised concern on responses to request for further information due to dependent to officials that were present in that particular financial year. Therefore, the abruptly departure of the acting City manager and acting Heads of Departments without proper handover as directed by the Minister will have unintended consequences as the strategic and operational tasks illustrated below must be executed and in the absence of new incumbents who will the team hand over to. Some of the strategic areas are outline in the table below:

	Action/Activity	Purpose	When	Who
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 (lead) ACFO ACM CS
5.	Finalize both Macro & Microstructure, placing and march, development of policies	To give effect to the new amendments to MSA and municipal staff regulations to stabilize the institution	Microstructure – by end March	AHoD (lead) All AHOds ACM ACFO Organized Labour CS
6.	Placement and matching of staff	Placement of all General manager & Managers due to revised organizational structure	By end April	AHoD (lead) All AHOds ACM ACFO Organized Labour CS
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 (lead) All AHOds ACM ACFO CS
8.	Annual Financial Statements	Preparation of Annual Financial Statements for 2022/23 financial year.	<ul style="list-style-type: none"> Submission by end September. Technical support and handover to substantive HOD 	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"> Audit to conclude by end November. 	CFO(lead) All AHOds ACM

			<ul style="list-style-type: none"> • Technical support and handover to substantive HOD 	
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

4. LEGISLATIVE PROVISIONS

- 4.1 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 in terms of the Municipal Systems Amendment Act.
- 4.2 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. The request for extension by the former Executive Mayor is within the regulatory framework.

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 the seconded acting City Manager and Heads of Departments. 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 the acting Executive Mayor/Mayor to immediately commence with the performance evaluation process of the Acting City Manager and all Acting HOD's for the period worked.
- 7.3 Direct the acting Executive Mayor/Mayor to immediately enter into revised performance agreements with the Acting City Manager and All Acting HOD's with realistic performance targets.
- 7.4 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 to be determined by the new incumbent City Manager and Heads of Departments.

8. WRITTEN BY:



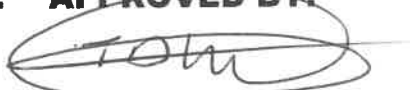
Adv N Mpangane

01/03/2023

ACTING HOD: CORPORATE SERVICES

DATE

9. APPROVED BY:



**T Motlashuping (Mr)
ACTING CITY MANAGER**

01/03/2023
.....

DATE

10. APPROVED BY:



**Ms Mapaseka Nkoane
DEPUTY EXECUTIVE MAYOR**

01/03/2023
.....

DATE

11. RATIFIED BY:

**MS Gugu Malaza
NATIONAL CABINET REPRESENTATIVE**



DATE

01/03/2023

12. ANNEXURES

12.1 ANNEXURE A :

REPORT PRESENTED IN COUNCIL BY MINISTER FOR COGTA (20 APRIL 2022)

12.2 ANNEXURE B :

LETTERS BY EXECUTIVE MAYOR (25 OCTOBER 2022) AND MINISTER FOR COGTA DATED 31 OCTOBER 2022

12.3 ANNEXURE C :

LETTERS BY CHAIRPERSON OF AUDIT COMMITTEE (21 FEBRUARY 2023) ; EXECUTIVE MAYOR (23 FEBRUARY 2023), speaker (24 FEBRUARY 2023) AND MINISTER FOR COGTA (26 FEBRUARY 2023)



MINISTRY
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

NATIONAL INTERVENTION IN TERMS OF SECTION 139(7) OF THE CONSTITUTION READ IN CONJUNCTION WITH SECTION 150 OF MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) AND SECTION 154 OF THE CONSTITUTION

1. PROVINCIAL GOVERNMENT REQUEST FOR NATIONAL GOVERNMENT INTERVENTION IN MANGAUNG METROPOLITAN MUNICIPALITY

The Mangaung Municipality was initially placed under section 139 (5) (a)&(c) in December 2019 the Free State Province was to support the Municipality with the implementation of its Financial Recovery Plan.

The province in a letter dated 29 March 2022, however, requested national government to intervene because the municipality failed to implement the Municipal Financial Recovery Plan and as a result it had a negative impact on services delivery.

2. CABINET REPORT SUBMITTED BY MINISTERS OF FINANCE AND COGTA

Minister of Finance in concurrence with the Minister of COGTA, we subsequently tabled a report to Cabinet on 6 April 2022, where Cabinet approved national governments intervention in Mangaung Metropolitan Municipality.

This national intervention places the metro firmly into the hands of national government in terms of Section 139(7) of the Constitution of South Africa read together with Section 150 of the Municipal Finance Management Act, 2003 (MFMA), meaning that National Government will act in the stead of the Provincial Executive by –

- *Imposing the Financial Recovery Plan, and*
- *Assuming the implementation of the Recovery Plan, in terms of Section 139(7) read together with Section 146 (3)(b) of the MFMA.*

As Minister of Cooperative Governance and Traditional Affairs, I will undertake this assignment jointly with Ministry of Finance and other Ministries including Forestry, Fisheries and Environments, Human Settlements, Water and Sanitation and Transport to provide technical and administrative support in the areas where challenges have been identified.

National Treasury will therefore deploy a National Cabinet Representative to assume the implementation of the national intervention supported by four experts in the fields of **governance, finance, human resource, and service delivery**. The National Representative of Cabinet will perform his/her duties **guided by the Terms of Reference signed by the Minister of Finance**, which includes the responsibility of the National Cabinet Representative (NCR) as follows:

- Providing strategic leadership and guidance necessary to ensure the effective and efficient implementation of the Financial Recovery Plan (FRP);
- Reporting to the Ministers of Finance and Cooperative Governance, Municipal Council and Cabinet on progress made;
- Assessing and ensuring that reports required for decision-making in the municipality are aligned to the FRP and the objectives of the intervention;
- Undertake quality assurance processes;
- Submit monthly performance progress reports in terms of the prescribed framework to Minister of Finance, NT MFRS, Cabinet and Municipal Council;
- Attend meetings of the Mayoral Committee, Council and Top Management in an advisory capacity;
- Ensure that all reports for decision making by any delegated authority including the Municipal Council and Executive Mayor must be processed by the Accounting Officer in concurrence with the National Cabinet Representative (NCR);
- 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 in an accountable way;

The support team is accountable to the NCR in the execution of the following duties:

- **Support the NCR** in the implementation of the terms of reference;
- Provide strategic leadership and direction on the relevant pillars of sustainability as provided for in the FRP;
- Identify challenges and propose solutions to ensure provision of uninterrupted basic services to the community and prudent financial management;
- Advise and support on the approach to the implementation of FRP activities to optimise the reduction of operational expenditure and increase of revenue for the municipality;

- Recommend and ensure implementation of internal controls, procedures and systems for good governance, prudent financial management and effective service delivery in compliance with statutory prescripts;
- Preparation and submission of monthly reports on the implementation of the FRP;
- Provide written inputs and advise on all reports for decision making in terms of council approved system of delegations

3. INTERIM MANAGEMENT TEAM / VACANT POSITIONS

Three Senior Executive Management positions namely, City Manager, HoD Waste and Fleet and HoD Planning, are vacant due to the lapse in fixed term contracts and another three namely CFO, Engineering Services and HoD Human Settlements will lapse at the end of April 2022. The following secondments will therefore be undertaken with immediate effect for a period not longer than six (6) months:

- Acting City Manager – Mr Tebogo Motlashuping – COGTA
- Acting HoD: Corporate Services (suspended) – Adv Nkateko Mpangane – CoGTA
- Acting HoD: Engineering Services - Mr George Joma, Chief Engineer - MISA
- Acting Senior Engineer: Dr Tseliso Ntili, Department of Water and Sanitation
- Acting HoD Human Settlements – name to be provided - Department of Human Settlement
- Acting HoD: Waste and Fleet Service – Name to be provided - Department of Forestry Fisheries and the Environment
- Acting Chief Financial Officer – Name to be provided- National Treasury.
- Other technical support will be provided from Department of Transport

4. PERIOD OF THE INTERVENTION

The success of the intervention depends on the absolute cooperation by all in the Municipality.

This National intervention shall end when the governance, financial health and responsive service delivery has improved significantly, and its financial commitments are secured in terms of section 148 of the MFMA.

NC Zuma
 DR NKOSAZANA DLAMINI ZUMA, MP
 MINISTER

DATE: 20. 04. 2022.



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE



PO Box 3704, Bloemfontein, 9300
8th Floor, Bram Fischer Building, De Villiers Street, Bloemfontein
Tel: +27(0)51 405 8555, Fax: +27(0)51 405 8108

Your Ref: National Intervention
Room 827, Bram Fischer Building

Our Ref: Interim Management Team
Date: 25 October 2022

Dr Nkosazana Dlamini Zuma, MP
Minister for CoGTA
Private Bag x 802
PRETORIA
0001

and

Mr Enoch Godongwana, MP
Minister of Finance
Private Bag x 115
PRETORIA
0001

**RE: EXTENSION OF DEPLOYED NATIONAL INTERIM MANAGEMENT TEAM AT
MANGAUNG METROPOLITAN MUNICIPALITY**

Dear Colleagues,

The above matters bears reference.

As you would recall that Minister for CoGTA, visited Mangaung Municipal Council on the 20th of April 2022, to inform council of the Cabinet's decision to invoke section 139 (7) of the Constitution. In her report she advised council that an interim management team comprising of Heads of Department and Municipal Manager will be deployed in an acting for a period of 6 months due to vacancies that had occurred. At the time, due to political instability and collapsed administration due to high turnover of acting Municipal Managers, the municipal council did not prepare for the departure of the officials by developing a recruitment, selection, and appointment strategy when it was known that most of the contracts were coming to an end during the month of March and April 2022. The position of the Municipal Manager had been vacant since July 2021 upon resignation of the former Municipal Manager. The Municipality has since failed to fill the position despite two attempts made previously.

During the visit of the Minister, she advised council that the national intervention shall end when there is significant improvement with regards to governance, financial health and service delivery and the municipality is able to meet its financial obligations. Minister of Finance also visited the municipality to introduce the Cabinet Representative and technical experts to complement the interim management team and ensure development of municipal financial recovery plan.

On behalf of council, I convey my sincere gratitude to the national government and cabinet for the technical support provided to the municipality through the deployed interim management team. It is also important to appreciate the laws of this country that allows for interventions in another spheres of government when there is poor service delivery in communities. Significant strides and improvement are evident in council such as consistent council sittings, functional committees of council, etc. The interim management team has been operating under difficult conditions and were still able to display an element of professionalism despite the challenges they were faced with such as political instability that continued to manifest itself during council meetings. I must confirm that during the first two months of their deployment, the situation was volatile with resistance on the intervention by different stakeholders including employees of the municipality.

As you would recall, council had high turnover of acting Municipal Managers prior the arrival of the interim management team. Through the advice and technical support of the team, the municipality is now at the point of finalising our recruitment process of a Municipal Manager. The interviews for shortlisted candidates are planned to take place in two week's time, thereafter candidates will be subjected to a competency assessment in line with the regulations. The management team is also working tirelessly to ensure improvement of service delivery which had initially collapsed due to existing old infrastructure, lack of planning and budgeting for operation and maintenance.

Taking into cognisance of the laws governing the appointment and recruitment of the senior managers including Municipal Managers visa-a-vis the laws that mandates that of the Executive Mayor to monitor the management of administration, it is prudent that the Ministers acknowledge that the release and termination of the Interim Management Team at the municipality without filling vacant positions of Municipal Manager and Heads of Department would nullify all the good work done including stabilising council and administration. This will take the municipality on a backward spiral to where it was prior the deployment of the team.

It is based on the above background that we hereby request for an extension period of the interim management team until such time all positions of Heads of Department are filled. The first position to be filled soon is that of a Municipal Manager, which means that the current Acting Municipal Manager will be released once the appointed Municipal Manager has assumed duties. The Acting Municipal Manager should be made available as and when there is a need for him to provide technical support including the Heads the Heads of Departments once positions were filled. The targeted date for appointment of Municipal Manager is end of November 2022.

The review of the macro-organisational structure for Heads of Departments has since been concluded. This will give effect to the new Municipal Staff Regulations that introduced the new span of control on the ideal number of Heads of Departments reporting directly to the Municipal Manager. The structural review process includes the reduction and reconfiguration of current directorates. Some of the directorates were merged to improve service delivery

functions. Critical stakeholders were consulted on the organisational review process in line with relevant legislation.

As things stands, the reviewed organisational structure has passed all council committees to be tabled before council for approval on 31 October 2022. This Council approval will afford the municipality an opportunity to advertise the vacant positions of Heads of Departments. Once again, the urgent appointment of the Municipal Manager is critical for him/her to play an important role in relation to the appointment of all Head of Departments.

The presence of the Interim Management Team at the Metro is useful and meaningful as they continue to remedy deficiencies that were previously identified. These deficiencies were some of the contributory factors resulting in the municipality not being able to implement local government legislations resulting in the current financial, dysfunctional administration and poor service delivery.

I hope and trust that my request for the extension of the interim management team will receive your favourable considerations.

Yours Sincerely,



CLER MXOLISI SIYONZANA
EXECUTIVE MAYOR

Copy: Ms Avril Williamson: Director-General, Department of Cooperative Governance
Mr Ismail Momoniat: Director General (Acting), National Treasury



MINISTRY
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Private Bag x 802, PRETORIA, 0001 Tel: (+27 12) 334 0705 Fax: (+27 12) 336 5950
Private Bag x 9123, CAPE TOWN, 8000 Tel: (+27 21) 469 6701 Fax: (+27 21) 461 0651

Ref: 24656/1

Cllr M Siyonzana
Executive Mayor: Mangaung Metropolitan Municipality
PO Box 3704
BLOEMFONTEIN
9300

Dear Executive Mayor,

**EXTENSION OF DEPLOYED NATIONAL INTERIM MANAGEMENT TEAM AT
MANGAUNG METROPOLITAN MUNICIPALITY**

Your letter dated 25 October 2022, refers.

It is with great concerns that the positions of Municipal Manager and Heads of Department remain vacant, although you had advised that the position of Municipal Manager will be finalised with target date as end November 2022.

I would like to emphasise that municipal councils are mandated to fulfil their executive and legislative obligations amongst which is to ensure that administration is effective and efficient. The filling of management positions has reached a critical point, and it is not acceptable that the metro continues to function for almost six (6) months or more without any of these positions being filled. I would like to remind the Executive Mayor that secondment from national government was mainly to address the vacuum that existed at the time which was created by previous and current leadership by not developing recruitment, selection, and appointment strategy for Senior Management positions. I hereby urge that council led by yourself and troika must without fail prioritise filling of all management positions by end of February 2023.

In the interest of service delivery and facts presented to me, I hereby grant approval for the extension of national interim management team with inclusion of Mr George Joma, Chief Engineer from MISA to provide technical support and strengthen the team to address the issue of sewer spillages and water shortages. The Chief Engineer will be made available to the municipality on bi-weekly. Additional conditions to the extension are as follows:

- That the recruitment, selection, and appointment of the Municipal Manager be finalised and filled by end of November 2022. The secondment of the acting Municipal Manager will be terminated as soon as the successful candidate has confirmed availability to commence with his or her new assignment.

- That the macro-organisational structure be tabled to council on 31 October 2022 as advised in your letter.
- That all Heads of Department positions must be filled on or before end February 2023 and no extension will be granted beyond this period. In the event council fails to make this appointment within the stipulated period, national government will have no other option but to implement remedial actions provided for in the Constitution. That the interim management team will be made available for hand over purposes on a monthly basis for a period of 90 days upon existing the metro to avoid possible regression.
- That you provide me with bi-weekly progress reports on filing of the senior management positions.
- That you identify areas where technical support is required from national government to enable the metro to continue providing the necessary basic services to the community.

Any further queries may be directed to Ms Mohanuoam Mabidilala, Chief Director, Office of the Director-General at cell number 066 475 2000 or at mohanuoam@cogta.gov.za

Yours Sincerely



DR NKOSAZANA DLAMINI ZUMA, MP
MINISTER

DATE: 30.10.2022

CC: Mr Enoch Godongwana, MP
Minister Of Finance

Ms Thembi Nkadimeng
Deputy Minister of CoGTA

Dr David Masedo
Deputy Minister of Finance

Premier of Free State
Ms Sefora Ntombela

Mr M Dukwana
MEC for COGTA

Ms Ms Gadisa Brown
MEC for Finance

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,



.....
Ms. PME Kaota

Chairperson: Mangaung Audit Committee

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



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

OFFICE OF THE
EXECUTIVE MAYOR

PO Box 3704, Bloemfontein, 9300
8th Floor, Bram Fischer Building, De Villiers Street, Bloemfontein
Tel: +27(0)51 405 8555, Fax: +27(0)51 405 8108

Your Ref: National Intervention
Room 827, Bram Fischer Building

Our Ref: Interim Management Team
Date: 23 February 2023

Dr Nkosazana Dlamini Zuma, MP
Minister for CoGTA
Private Bag x 802
PRETORIA
0001

Mr Enoch Godongwana, MP
Minister of Finance
Private Bag x 115
PRETORIA
0001

**RE: EXTENSION OF SECONDED NATIONAL INTERIM MANAGEMENT TEAM AT
MANGAUNG METROPOLITAN MUNICIPALITY**

Dear Colleagues,

The above matters bears reference.

On behalf of Municipal Council of Mangaung Metropolitan Municipal, I would like to convey sincere gratitude for the support provided by the Interim Management Team (ITM) from various Department to occupy vacant positions of City Manager and Heads of Department since 20 April 2020.

In her letter dated 31 October 2022, Minister Dr Dlamini Zuma made an ultimatum that council must ensure that these positions are filled by end February 2023 and that the termination of the IMT was dependent on the appointment of permanent incumbents in all these executive positions to allow the current seconded ITM to formally hand over to the appointed City Manager and Heads of Departments to ensure smooth transition in governance in the municipality.

As you are aware that the municipality is entangled in political instability, political infighting, and lack of consensus amongst others, these appointments have not taken place. The main

cause of not filling these positions is that the computation of time has since lapsed for appointment of the City Manager and shortlisting of applications for the three advertised posts of Heads of Departments on 23 December 2023 and 10 January 2023 respectively and the implications thereof is that these positions must be readvised and the process of recruitment, selection and appointment commence from the beginning. It is worth noting that the even if the processes of appointment of City Manager would have been within the prescribed computed time, council had appointed the selection panel constituted by members contrary to the regulatory framework.


In her letter, the Minister also explicitly prescribed that ITM must be available for a period of 90 days to provide the necessary handover and smooth transition to the newly appointed City Manager and Heads of Department and avert possible regression of which the departure IMT will defeat that purpose. To that end, I hereby request extension of seconded IMT until these positions are filled within 3 months from the date of readvertisement.

It is worth noting that the Chairperson of the Audit Committee, in her letter dated 21 February 2023 raised concern of the emerging risk should IMT depart the municipality without any measure put in place, hence this request for extension to ensure continuity, avoid instability in administration. Copy of her letter is attached hereto for your ease of reference.

As things stands, a detailed recruitment has been developed to ensure completion and speedily recruitment, selection and appointment of the City Manager and Heads of Department. IMT is currently consumed with IDP processes in preparation of the budget, implementation of the post audit plan, status quo engagements with National Treasury in preparation of long outstanding Financial Recovery Plan, development of policies, finalisation of micro-organisational structure, placement of staff amongst others.

I would like to assure the Ministers, the commitment of council to fast track filling of the position within period of 3 months and that ITM had shown resilience and commitment in their work and their presence has brought certainty and stability in the municipality. I hope and trust that my request for the extension will receive your favourable considerations.

Yours Sincerely,


GLLR MXOLISI SIYONZANA
EXECUTIVE MAYOR

CC:

Deputy Minister of Finance
Mr David Masondo

Deputy Minister for DCoG
Ms Thembi Nkadimeng

Director-General, Department of Cooperative Governance
Ms Avril Williamson

Director General (Acting), National Treasury
Mr Ismail Momoniat



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

Private Bag X804, Pretoria, 0001 Tel: (012) 334 0600, Fax: (012) 334 0603
Cnr Hamilton and Johannes Ramokhoase Street, Arcadia, Pretoria

Councillor S. Lockman-naidoo
Speaker: Mangaung Metro
P.O. Box 3704
BLOEMFONTEIN
9300

Dear Hon Speaker

**RE: INVITATION TO ATTEND MUNICIPAL COUNCIL MEETING SCHEDULED 27
FEBRUARY 2023**

I refer to your letter dated 24 February 2023, wherein we have been invited to a council meeting scheduled for the 27th February 2023 at 10am.

Please be informed that it is not possible for me to attend the said meeting due to short notice and other prior commitments.

This letter confirms that the current Acting City Manager, Mr Tebogo Motlashinguping contract will be extended for a period of 3 months or less in order to provide for an opportunity to hand over to the incoming City Manager.

All other Acting Heads of Department can be extended beyond this point pending the finalization of the relevant appointment processes, and following consultation with the relevant departments on their continued secondments.

Kind regards,

NC Zuma

DR NKOSAZANA DLAMINI ZUMA, MP
MINISTER

DATE: *26.02.2023*

PO Box 3704, Bloemfontein, 9300
7th Floor, Bram Fischer Building, De Villiers Street, Bloemfontein
Tel: +27(0)51 405 8667/8642, Fax: +27(0)51 405 8676

Your Ref: M3/4/3/2 (1519/2022)

Our Ref: 4/4/1

Room 701, Bram Fischer Building

Date: 24 FEBRUARY 2023

TO HONOURABLE MINISTERS

**MR ENOCH GODONGWANA, MINISTER OF FINANCE, MP
DR NKOSAZANA DLAMINI-ZUMA FOR COGTA, MP**

Dear Honourable Ministers,

**INVITATION TO ATTEND MUNICIPAL COUNCIL MEETING SCHEDULED 27
FEBRUARY 2023**

The above matter refers.

This letter serves to invite both the Honourable Ministers of Finance and Corporative Governance and Traditional Affairs (COGTA) to the Mangaung Municipal Council scheduled to take place on Monday 10:00 am February 27, 2023.

This invitation is informed by the report to be tabled in the Council agenda, item No. 3 (Extension of Deployed National Interim Management Team at the Mangaung Metropolitan Municipality).

As the Chairperson of programming meeting aimed at ensuring prior preparation and smooth running of council, it was then recommended that Ministers be invited to address council similar to the processes followed by the Ministers when the intervention and interim management team was introduced in April 2022 and July 2022 respectively.

To that end, I hereby seek and request the presence of the Honourable Ministers in council of Monday 27 February 2023. Copy of the Municipal Council agenda is enclosed for ease of reference.

Yours Sincerely



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COUNCILLOR STEFANI LOCKMAN-NAIDOO
SPEAKER
FEBRUARY 24, 2023