



**MANGAUNG**  
METRO MUNICIPALITY  
METRO MUNISIPALITEIT  
LEKGOTLA LA MOTSE

OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: MAAP**

**Ref: MMM Council 008/23**

**Phone: (051) 405 8037**

**Fax:**

06 March 2023

The Acting City Manager  
Mangaung Metropolitan Council

**Attention :** Mr. T. Motlashuping

**RE: ATTENTION TO MATTERS RAISED BY THE AUDITOR GENERAL (MAAP)**

The above matter refers.

Section 131 of the MFMA, Act 56 of 2003 dealing with issues raised by the Auditor General states that **"A municipality must address any issue raised by the Auditor General in an audit report. The Mayor of a municipality must ensure compliance by the municipality with this sub-section"** It is our interpretation that the development of the Management Audit Action Plan (MAAP) is the responsibility of the Accounting Officer and the oversight thereof, is the responsibility of the Executive Mayor.

National Treasury has developed the web-enabled audit action plan system to assist Municipalities like Mangaung through Circular 113. Circular 113, attached to this letter for ease of reference, further states that **"this Circular is to be brought to the attention of municipal Councils, Board of Directors of municipal entities and the relevant oversight structures, such as Finance Committees, Audit Committees as well as Municipal Public Accounts Committees"** We have not seen this taking place at Mangaung, despite our previous alerts to the Acting City Manager at Executive Management Meetings (EMT) and Audit Committee meetings. National Treasury has also issued circular 114 which has also been attached for ease of reference.

We have perused the Management Report from the Auditor General and it has more than four hundred (4000) pages of action that is required from the management as part of the Management Audit Action Plan (MAAP). We are already in March, leaving the council with three (3) full months to implement the MAAP. This is surely insufficient time to address all the issues raised by the Auditor General.

We urgently request a full report from the office of the City Manager on how they plan to deal with the Management Audit Action Plan (MAAP) in line with Section 131 of the MFMA, read with circulars 113&114 issued by the National Treasury. I further wish to warn the Acting City Manager, that failure to comply might result in the withholding of the last tranche of the equitable share to the council by the National Treasury.

**Circulars 113 and 114 have been attached for ease of reference.**

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc:   The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting CFO – Mangaung Metropolitan Municipality**  
**The GM: Internal Audit – Mangaung Metropolitan Municipality**  
**The Chief Risk Officer – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**

Annexure: C

## Nkhosi Mthombeni

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**From:** Nkhosi Mthombeni  
**Sent:** Tuesday, 21 February 2023 12:14  
**To:** Tebogo Motlashuping  
**Cc:** Mxolisi Siyonzana; Stefani S. Lockman; Mpangane Nkateko; Kagisho Masiu; Sibusiso Ndinisa; Mxolisis Nkosi; Gugu Malaza  
**Subject:** NCR Inputs on the Payment of Acting Allowance Beyond the 28th of February 2023  
**Attachments:** NCR Inputs on the Payment of Acting Allowances Beyond the 28th of February 2023.pdf

Tracking:	Recipient	Delivery	Read
	Tebogo Motlashuping		
	Mxolisi Siyonzana	Delivered: 2023/02/21 12:14	
	Stefani S. Lockman	Delivered: 2023/02/21 12:14	
	Mpangane Nkateko	Delivered: 2023/02/21 12:14	
	Kagisho Masiu	Delivered: 2023/02/21 12:14	Read: 2023/02/21 12:17
	Sibusiso Ndinisa		
	Mxolisis Nkosi		
	Gugu Malaza		

Good day ACM,

As per directive of the NCR, kindly receive the attached for your attention.

  
Regards

**Nkhosi Mthombeni**  
**Acting Snr Secretary**  
**Office of the NCR**  
**Tel No. 0514058125**  
**Email Address: [nkhosi.mthombeni@mangaung.co.za](mailto:nkhosi.mthombeni@mangaung.co.za)**



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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: ACTING ALLOWANCES**

**Ref: MMM Council 006/23**

**Phone: (051) 405 8037**

**Fax:**

**21 February 2023**

The Acting City Manager  
Mangaung Metropolitan Council

**Attention : Mr. T. Motlashuping**

**RE: NCR OFFICE'S INPUTS ON THE PAYMENT OF ACTING ALLOWANCES  
BEYOND THE 28TH OF FEBRUARY 2023**

The above matter refers.

The office of the NCR is currently inundated with the request for payments of the Acting Allowances for the period ending February 2023. Some, if not all of these submissions go up to the 30<sup>th</sup> of April 2023. This is despite the resolution taken at the EMT of January 2023 of holding this into abeyance until all the outstanding matters including the availability of funds and the identification of critical vacant posts had been addressed.

May I further bring it to your attention that the submissions before the NCR's Office do not adequately address all the matters raised previously by this office. These includes amongst others the following:

**Acting Appointments**

- 1) **A history of the acting appointment** - the history of the acting allowances has revealed that some people have been acting for as long as 13 years. This is unacceptable and cant be allowed to go any further;
- 2) **Information indicating whether the acting appointment has been rotated or not** – in a lot of submissions before me, there are lots of acting appointments that have not been rotated for a long time. A number of complaints are currently being dealt

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with by my office where junior personnel is preferred for acting positions against the immediate subordinate of the incumbent. Such actions compromise the integrity of the NCR's office.

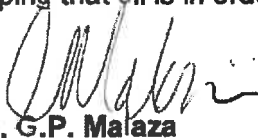
- 3) **Concurrence of the Acting CFO** – all recommendations lack the concurrence of the Acting CFO with regard to the availability of funds, to avoid incurring further UIFWE;
- 4) **Disparity between the current level of the incumbent vs the recommended acting level** – most of the submissions before the NCR's office are recommending payment for acting more than two levels below the incumbent. This is against the regulations issued by the National COGTA and the Acting City Manager has totally disregarded this. In addition, there are no plans as to how the City Manager intends to address this matter. This is a material non-compliance which could lead to irregular expenditure and the NCR's Office is entrusted with reducing the UIFWE

Based on the above, kindly note that the office of the NCR will not be in a position to consider for ratification acting allowances beyond the 28<sup>th</sup> of February 2023 until all outstanding matters have been addressed. As such, no request for ratification relating to the payment of acting allowances should be forwarded to the NCR's office, for the period beginning the 1<sup>st</sup> of March 2023.

You are accordingly requested to communicate this to the Heads of Departments and General Managers before any person can start working at an acting capacity on the 1<sup>st</sup> of March 2023.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

2110212023  
cc: **The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**



Annexure: C



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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: ACTING ALLOWANCES**

**Ref: MMM Council 010/23**

**Phone:** (051) 405 8037

**Fax:**

15 March 2023

The Acting City Manager  
Mangaung Metropolitan Council

**Attention :** Mr. T. Motlashuping

**RE: PAYMENT OF ACTING ALLOWANCES BEYOND THE 28TH OF FEBRUARY 2023**

The above matter refers.

On the 19<sup>th</sup> of January 2023, the Executive Management Team (EMT) took a resolution to place on hold the payments of the Acting Allowances, Secondment allowances as well as Overtime until such time that the matters raised by the NCR with regard to the UIFWE had been resolved. It was then resolved that this will be effective from the end of February 2023. It was further resolved that once the UIFWE problem had been resolved, Acting allowances would be considered on three month basis whilst overtime would be pre-approved on a monthly basis. At the same meeting, it was resolved that the Acting City Manager would then issue a circular to the Management, Labour and all employees regarding this matter. My office has never been copied with that memo, nor have I been requested to ratify the same.

Seeing that the office of the NCR was still inundated with requests for Acting Allowances beyond the 28<sup>th</sup> of February 2023, a letter was written to the Acting City Manager on the 21<sup>st</sup> of February 2023. This letter was neither acknowledged nor responded to. The letter of the 21<sup>st</sup> of February 2023 is attached herewith for ease of reference.

Today, the office of the NCR has received an influx of ratification requests for acting allowances beyond the 28<sup>th</sup> of February 2023. These requests, if not all, the majority of them go up to the 30<sup>th</sup> of April 2023. This is a complete disregard of your own EMT resolutions as well as the advice provided by my office.

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**E-Mail:** @mangaung.co.za **Website:** [www.mangaung.co.za](http://www.mangaung.co.za)

Regrettably, the submissions before the NCR's Office still do not adequately address all the matters raised in my previous correspondence with your office. These includes amongst others the following:

### **Acting Appointments**

- 1) **A history of the acting appointment** - the history of the acting allowances has revealed that some people have been acting for as long as 13 years. This is unacceptable and can't be allowed to go any further as it is against the regulations issued by the National COGTA;
- 2) **Information indicating whether the acting appointment has been rotated or not** – in a lot of submissions before me, there are lots of acting appointments that have not been rotated for a long time. A number of complaints are currently being dealt with by my office where junior personnel is preferred for acting positions against the immediate subordinate of the incumbent. Such actions compromise the integrity of the NCR's office.
- 3) **Concurrence of the Acting CFO** – all recommendations lack the concurrence of the Acting CFO with regard to the availability of funds, to avoid incurring further UIFWE;
- 4) **Disparity between the current level of the incumbent vs the recommended acting level** – most of the submissions before the NCR's office are recommending payment for acting more than two levels below the incumbent. This is against the regulations issued by the National COGTA and the Acting City Manager has totally disregarded this. In addition, there are no plans as to how the City Manager intends to address this matter. This is a material non-compliance which could lead to irregular expenditure and the NCR's Office is entrusted with reducing the UIFWE

The presentation of these submissions to the office of the NCR without adequately addressing the EMT resolutions and with no communication to the labour is a deliberate act to place the office of the NCR on a direct confrontation course with labour. It further threatens to create chaos within the entire organisation as employees are likely to down tools as soon as they learn that their acting appointments have not been ratified by the NCR.

As such, kindly provide this office with reasons as why the EMT resolution of the 19<sup>th</sup> of January has not been communicated to management, labour, and the NCR. In addition kindly inform this office, of the changes, if any on the EMT resolutions of the 19<sup>th</sup> of January 2023, as evidenced by your approvals of March 2023, currently before the office of the NCR.



Lastly, in the letter to your good office from the NCR dated the 21<sup>st</sup> of February 2023, you were accordingly requested to communicate this to the Heads of Departments and General Managers before any person could start working at an acting capacity on the 1<sup>st</sup> of March 2023. Kindly inform this office whether such information was circulated, and if indeed it was circulated, please explain the influx of the acting submissions before the office of the NCR.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc: The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Executive Management Team (EMT) – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**  
**NCR Service Delivery Expert**  
**NCR Financial Expert**





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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: LITIGATION REGISTER**

**Ref: MMM Council 007/23**

**Phone: (051) 405 8037**

**Fax:**

23 February 2023

The Acting City Manager  
Mangaung Metropolitan Council

**Attention :** Mr. T. Motlashuping

**RE: NCR OFFICE'S INPUTS ON THE LITIGATION REGISTER**

The above matter refers.

The office of the NCR has just completed the review of the Litigation Register as presented to this office by the Acting HOD Corporate Services, Adv. Nkateko Mpangane. Our summary of the review is as follows:

**OBSERVATIONS**

1. **Materiality of the litigation matters** – we have noted that the litigation register has cases in excess of 285 with a possible contingent liability in excess of **R 750 million**. This poses a serious financial and liquidity risk to the council and need to be addressed as a matter of urgency;
2. **Services rendered but not paid for** - We have noted 42 cases with a potential liability of **R 136,401,091.73** for services rendered but not paid for. This further exacerbate the liquidity of the council as cases where services have been rendered without the other party paying for services are not winnable cases in the courts of law; we have noted that these could be attributed to poor contracts management and failure to implement the conditions of the contracts. We further noted that some construction contracts had signed the JBCC contracting agreement and the GCC contracting agreement recommended by the National Treasury;

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3. **Supply Chain Management Systems** - We have noted 12 SCM related cases to the value of R 98,258,185.44 where the council is being interdicted from proceeding with the appointment of the preferred service providers. This could be the root cause for the failure of the council to spend conditional grants, especially on the capex side. This could further be the case of the council failing to implement sub-regulations 49&50 of the SCM Regulations dealing with objections and complaints as well the regulations of disputes, objections, complaints and queries;
4. **Municipal Property Rates Act (MPRA) related matters** – we have noted 97 cases with a contingent liability of R 10,604,123.50 challenging the valuation of property valued in excess of R 3,360,310,455.81. The root cause could be the Council's failure to set up appeal structures for the Development of the Valuation roll. Although such cases take long to conclude, when they do, they are usually against the municipalities. To this end, we wish to warn the Council against allowing such matters to drag, a case in point is a case of the Greater Kokstad ratepayers Association vs the Greater Kokstad Local Municipality, which was recently concluded after four years and it ruled against the council. As a result, the council has to adjust its revenue for the past four years;
5. **Planning** – we have noted 25 cases dealing with planning related matters. These had no monetary value attached to them and the NCR's office is of the view that this is incorrect and monetary value should be attached to any litigation. In addition, the NCR's office is of the view that the high number of litigation on planning matters can be attributed to non-compliance with SPLUMA and the absence of the Planning Tribunal and the Appeals Tribunal;
6. **Insurance Claims** - we have noted 25 insurance related litigation matters with a contingent R 22,351,811.81 . this could be attributed to the delay in process claims and forwarding same to the insurance company. On enquiry we were informed about the following:
  - 6.1. Claims are received and sent to records where the file is opened and sent back to the claims section;
  - 6.2. The claim is sent to the insurer Lateral Unison to be registered;
  - 6.3. A request is then sent to Roads and Stormwater for a technical report which entails whether there is such a pothole in the said area, whether the claim was reported and Roads and Stormwater is aware of such and whether it is on the programme for repairs and whether the municipality takes responsibility for the accident;
  - 6.4. An offer is made to claimant based on the thread remaining on the said tyre;

- 6.5. If the claim is less than **R100,000** it falls within excess, we then instruct the insurer to pay and when the claims reach R100,000 the insurer stops the payments and send an invoice to Mangaung for a refund;
- 6.6. The insurance excess was recently increased from **R 10,000** to **R 100,000**;
- 6.7. The main reason for the backlog that leads to litigation is the absence of turnaround times for receiving departmental reports. We were informed that it sometimes takes years to get the departmental reports from the relevant departments. We were further informed that this is due to the fact that all the technicians don't have this function in their KPA's and this is dealt with as a favour to the insurance claims section;
- 6.8. There are no control measures in place to detect and protect the council against fraudulent claims;
7. **Concluded matters still appearing in the register** – when reviewing the register, we noted that there were some matters reported as concluded but still included in the Litigation Register, it is incorrect to include such cases in the Litigation Register as they tend to inflate the contingent liability;

## REQUEST

- 1) We request that we be furnished with the details of an independent person appointed by the Accounting Officer in terms of Sub-regulation 50(1)(a) to assist in the resolution of disputes between the municipality and other persons regarding any decision taken by the municipality in the implementation of its SCM System; if at all possible, terms of reference for such should be included as well;
- 2) We request the road map that was developed for the roll out of the valuation roll including the objection and appeal structures;
- 3) We request all the information relating to the appointment of the Authorised Officer, the establishment of the Planning Tribunals as required in terms of the law; If at all possible kindly provide the link between the Council Planning Tribunals and the Appeals Tribunal that is supposed to be established by the Free State MEC for COGTA;
- 4) We request a copy of the insurance policy with Lateral Unison with an intention to review what is covered and what is not covered. We further request the reasons for the reduction of the excess from R 10,000 to R 100,000;

## RECOMMENDATIONS

1. We recommend that the Litigation register be separated between matters against the Council and matters for the council;
2. We recommend that all cases should have a reasonable contingent liability attached to it, most if not all legal matters have financial implications for or against the council and a zero cost could be misleading;
3. We recommend that the Acting City Manager revisit sub-regulations 49&50 of the SCM Regulations and solicit technical support from the Provincial Treasury in dealing with SCM Disputes and objections;
4. We recommend that the Acting City Manager develops Insurance Claims Standard Operating Procedures (SOP), (this could include a system that will automatically make it possible for everyone to access claims and also see outstanding claims and flag them as outstanding for dealing with insurance claims), and allocate timeframes for everyone involved in the processing of claims especially the technicians that should provide the claims section with technical reports;
5. Alternatively, we recommend that due to time pressures, the Claims Section be empowered to go do the inspections, take photos and draft the reports, should the impasse within the roads section continue, this would make it easier to fast track claims as the function would be centralised;
6. We recommend that Legal services be included in this system in order to facilitate an efficient workflow of work so that litigations can be resolved timeously should they arise;
7. We recommend that the Acting City Manager review the Insurance Policy for delictual claims with a view of reducing the excess on the policy back to R 10,000 as the excess of R 100,000 is not assisting the council against such claims;
8. We recommend that the City Manager revisits the objection and appeals structures for the valuation roll as provided for in the Municipal Property Rates Act (MPRA);
9. We recommend that the City Manager revisits/establish the Planning and Planning Appeals Tribunals as provided for in the Spatial Planning & Land Use Management Act (SPLUMA) to minimise litigation against the council;
10. We recommend that the Litigation register be updated as per the comments above;

11. We recommend that the updated litigation register be presented to the council with a view of soliciting council approval to settle some matters out of court to save the council some money;

12. We recommend that the Contingent Liability be amended to reflect the Litigation register;

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc: The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**







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OFFICE OF THE  
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**Our Ref: PMS**

**Ref: MMM Council 009/23**

**Phone: (051) 405 8037**

**Fax:**

**06 March 2023**

The Acting City Manager  
Mangaung Metropolitan Council

**Attention :** Mr. T. Motlashuping

**RE: DEVELOPMENT OF THE PERFORMANCE MANAGEMENT SYSTEM**

The above matter refers.

Section 38 of the Municipal Systems Act, Act 32 of 2000 under the establishment of performance management system states that ***" a municipality must (a) establish a performance management system (PMS) that is commensurate with its resources"***

Section 67 of the Municipal Systems Act, Act 32 of 2000 under the Human Resource Development states that ***" A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure that efficient, effective and transparent personnel administration"***

Regulations issued by the National COGTA under section 72 read with section 120 of the Municipal Systems, dated 20 September 2021, states that ***" a municipality must adopt a performance management and development system that complies with the provisions of this chapter. In short the regulations require a performance management system that :***

- 1) Applies to all employees except employees on fixed term contracts;
- 2) Is collaborative transparent and fair; "

In the 2021/22 Management Report, the Auditor General raised amongst other things the following regarding the Municipality's performance management system:

- 1) **Paragraph 75** - The performance management system and related controls were inadequate due to the significant internal control deficiencies identified resulting in usefulness and reliability findings on indicators and targets, as required by municipal planning and performance management regulation.
- 2) **Paragraph 78** - Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act 32 of 2000.

On arrival, I identified this gap, before the Auditor General had completed his work, and directed the NCR Governance Specialist, Mr. Nkosi, to develop a Performance Management System (PMS) in line with the Act and the Regulations referred to above. This was done by our NCR Governance Specialist and emailed to the Acting HOD Corporate Services, Adv. Mpangane on the 26<sup>th</sup> of November 2022. On enquiry from Adv. Mpangane, the draft policy was re-emailed to her on the 15<sup>th</sup> of February 2023. Despite this, there seems to be no progress in the development of the PMS, nor any feedback on the draft developed by the office of the NCR.

We urgently request the Acting City Manager to attend to this, as a matter of urgency and develop a road map for the adoption of the PMS by the Council.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc: The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**

Annexure' C



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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: G Malaza**

**Ref:**

**Phone: (051) 405 8125**

**Fax: (051) 405**

14 November 2022

Attention: Acting City Manager

Greetings ACM

I have received a number of requests for my concurrence on matters regarding the acting appointments and overtime. I understand that these are required for the provision of the much needed services to the people of Mangaung.

However, in order to assist this office to expedite its concurrence on such matters, I request that the following be included when making such submissions for my concurrence:

## **1. Acting Appointments**

- 1.1. A history of the acting appointment should be attached to the request, this will assist in ascertaining whether the incumbent is acting for the first time or this is a recurring appointment. It will further assist, if it is a recurring appointment to ascertain whether this acting appointment has not exceeded the regulated 9 month period;
- 1.2. Information indicating whether the acting appointment has been rotated or not. This is to protect the office of the NCR against favouritism and preferential treatment of certain employees thus creating a discord with the labour. If the acting appointment is not rotated, reasons for not rotating the appointment should be advanced;
- 1.3. Concurrence of the Acting CFO to be solicited prior to bringing such requests to the NCR office with a confirmation from the Acting CFO that funds are available to pay for the Acting Allowance. This is to avoid incurring further UIFWE;
- 1.4. Clarity on the current level of the incumbent vs the recommended acting level. This is to ensure compliance with regulations and to ensure that people are not appointed to act in positions that are more than one level above their current level.

## **2. Overtime pre-approval**



- 2.1. It is my considered view that overtime pre-approval should not exceed a period of one month; this will give time to all concerned to assess its effectiveness and improvement in the delivery of service;
- 2.2. Concurrence of the Acting CFO to be solicited prior to bringing such requests to the NCR office with a confirmation from the Acting CFO that funds are available to pay for the Overtime. This is to avoid incurring further UIFWE;
- 2.3. Salary details of the incumbents to be attached in order to determine whether the incumbents are below or above the overtime threshold;
- 2.4. Where the incumbents applying for overtime are above the threshold, I request that a condonation from the SA Local Government Bargaining Council be attached in order to avoid irregular and unauthorised expenditure;

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

14/11/2022

Annexure: C

To the Acting City Manager

Attention : Mr. T. Motlashuping

Dear Colleague

RE: REGULAR ENGAGEMENTS BETWEEN THE INTERVENTION TEAM AND THE NCR TEAM

The above matter refers.

As you will recall, I took over the responsibilities of NCR from Mr Maseko on the 1<sup>st</sup> of November this year. I have used the whole of November to get an understanding of the challenges confronting the Metro through various engagements with stakeholders. During that process, the NCR team was busy updating the status quo as well as making new inputs to the Financial Recovery Plan. To this end a presentation was made to National Treasury regarding our approach to the Mangaung intervention and this was endorsed by the National Treasury.

Having outlined these issues above, it remains my considered view that the effective and efficient implementation of the Financial Recovery Plan will depend on regular engagements between the two teams. Accordingly I want to suggest that at least the following engagements take place on a weekly basis

1. **NCR/ACM one on one meeting** –We had agreed to a weekly Monday morning meeting, but none of these meetings have taken place. I want to suggest that this meeting takes place once a week, which are already agreed and committed to be scheduled and we both have our diaries booked for that;
2. **NCR Technical War room** – my team is working and has weekly targets to meet on a weekly basis. Some of these matters require to be handed over to the operational side once done. This meeting will require all HOD' s and certain General Managers to attend this meeting. I request your office to agree on a standing weekly day for this meeting. This meeting should not take more than two hours each week.

Kindly revert back to me soonest so that I can start planning accordingly for these engagements.

Regards



Gugu Malaza

NCR



Annexure 'C'



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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: NT STOPPING FUNDS**

**Ref: ACM GRANTS 001/01**

**Phone: (051) 405 8037**

**Fax:**

21 February 2023

The Acting City Manager  
Mangaung Metropolitan Council  
**Attention:** Mr. T. Motlashuping

**RE: STOPPING OF FUNDS DUE TO UNDER PERFORMANCE/NON-COMPLIANCE ON THE URBAN SETTLEMENTS DEVELOPMENT GRANT, THE INFORMAL SETTLEMENTS UPGRADING PARTNESHIP GRANT, THE NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT, AND THE PUBLIC TRANSPORT NETWORK GRANT.**

The above matter refers.

On the 20<sup>th</sup> of February 2023, National Treasury brought the above matter to our attention. I can assume that you are aware of this matter and possibly attending to it.

It is unfortunate that the Municipality continues to under-perform on spending on the various conditional grants, while under national intervention. I have no doubt you are also concerned about it. As you may have noticed, National Treasury intends to stop R269.5m for under performance under the USDG (R143.5m), ISUPG (R75m), NDPG (R7.1m) and PTNG (R43.9m).

Under these circumstances, it is disappointing that the Municipality will once again lose funds when new infrastructure assets are critically needed for the people of Mangaung.

An urgent intervention is required in the following and other areas:

- Project Management
- Contract Management
- Supply Chain Management

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Our service delivery expert is available to join hands with your team and has been expressing his willingness to assist the AHODs in areas where technical assistance is needed. He has been expressing this sentiment since he arrived in July 2022. So far, the AHODs have not taken advantage of his offer for assistance in the above and other areas of need. But since his involvement would constitute getting involved in operational work in one way or another, he can only get involved if requested to avoid creating conflict with the AHODs.

Furthermore, while participating in the budget adjustment process for the 2022/23 financial year, he identified the risk of losing conditional grant funds due to underspending.

He contacted the service delivery AHOD to try and arrange weekly meetings at their convenience to assist on several areas that he believes would add value to the project and contract management processes on the various infrastructure projects that are funded through the conditional grants.

So far, he is still waiting for some AHODs to indicate which days and times will suite them to attend the work sessions. Mr Ngomane always informs me that he does not believe in seating on the fence and blaming his colleagues. He is aware of their busy schedules and that is why he offers his assistance.

In the meantime, ACM, may you please share with me how the above intention to stop the above funds is being addressed and to what extent will the Municipality be able to address the issues raised by National Treasury, to save as much of the above funds, as possible.

In the future, ACM, may you please share such critical matters with the NCR team in order to find workable solutions together.

Your cooperation in this regard, will be highly appreciated.

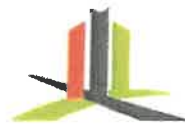


**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc:**    **The Executive Mayor – Mangaung Metropolitan Municipality**  
         **The Speaker – Mangaung Metropolitan Municipality**  
         **The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
         **NCR Governance and Institutional Development Expert**



Annexure C



**MANGAUNG**  
METRO MUNICIPALITY  
METRO MUNISIPALITEIT  
LEKGOTLA LA MOTSE

OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: ACTING ALLOWANCES**

**Ref: MMM Council 006/23**

**Phone: (051) 405 8037**

**Fax:**

**21 February 2023**

The Acting City Manager  
Mangaung Metropolitan Council

**Attention : Mr. T. Motlashuping**

**RE: NCR OFFICE'S INPUTS ON THE PAYMENT OF ACTING ALLOWANCES  
BEYOND THE 28TH OF FEBRUARY 2023**

The above matter refers.

The office of the NCR is currently inundated with the request for payments of the Acting Allowances for the period ending February 2023. Some, if not all of these submissions go up to the 30<sup>th</sup> of April 2023. This is despite the resolution taken at the EMT of January 2023 of holding this into abeyance until all the outstanding matters including the availability of funds and the identification of critical vacant posts had been addressed.

May I further bring it to your attention that the submissions before the NCR's Office do not adequately address all the matters raised previously by this office. These includes amongst others the following:

**Acting Appointments**

- 1) **A history of the acting appointment** - the history of the acting allowances has revealed that some people have been acting for as long as 13 years. This is unacceptable and cant be allowed to go any further;
- 2) **Information indicating whether the acting appointment has been rotated or not** – in a lot of submissions before me, there are lots of acting appointments that have not been rotated for a long time. A number of complaints are currently being dealt



with by my office where junior personnel is preferred for acting positions against the immediate subordinate of the incumbent. Such actions compromise the integrity of the NCR's office.

- 3) **Concurrence of the Acting CFO** – all recommendations lack the concurrence of the Acting CFO with regard to the availability of funds, to avoid incurring further UIFWE;
- 4) **Disparity between the current level of the incumbent vs the recommended acting level** – most of the submissions before the NCR's office are recommending payment for acting more than two levels below the incumbent. This is against the regulations issued by the National COGTA and the Acting City Manager has totally disregarded this. In addition, there are no plans as to how the City Manager intends to address this matter. This is a material non-compliance which could lead to irregular expenditure and the NCR's Office is entrusted with reducing the UIFWE

Based on the above, kindly note that the office of the NCR will not be in a position to consider for ratification acting allowances beyond the 28<sup>th</sup> of February 2023 until all outstanding matters have been addressed. As such, no request for ratification relating to the payment of acting allowances should be forwarded to the NCR's office, for the period beginning the 1<sup>st</sup> of March 2023.

You are accordingly requested to communicate this to the Heads of Departments and General Managers before any person can start working at an acting capacity on the 1<sup>st</sup> of March 2023.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order

  
**Ms. G.P. Malaza**  
**National Cabinet Representative**

2110212023  
cc: **The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**



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OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: REQUEST FOR INFORMATION 004**

**Ref:**

**Phone: (051) 405 8037**

**Fax:**

10 January 2023

The Acting City Manager

**Attention: Mr. T. Motlashuping**

Greetings ACM

**RE: REQUEST FOR INFORMATION 004 – MONTHLY PROGRESS REPORTS**

The above matter refers.

On the 2<sup>nd</sup> of November 2022. A letter was written to your good office requesting monthly performance reports for the period ending 31<sup>st</sup> October 2023. In the said letter, I indicated, that the request was informed by my Terms of Reference (ToR) which read as follows:

***“The NCR will be required to report progress as determined (either quarterly or monthly) to the municipal council”, and that***

***“The appointed NCR will submit monthly progress reports to the intervention Oversight Structures and the National Treasury”***

In addition to the above, I alerted the Acting City Manager that it was a norm for Accounting Officer and Senior Managers to submit monthly performance reports so that the council could provide effective oversight, in compliance with the Municipal Systems Act. Without repeating the letter of the 2<sup>nd</sup> of November 2022, a copy has been attached to this letter for ease of reference.

Regrettably, none of the reports mentioned in the letter dated the 2<sup>nd</sup> of November 2022 have been submitted to the NCR and as such, we are struggling to monitor and report progress on the Financial Recovery Plan and other initiatives that we have sponsored to the administration. This then means that the following reports are outstanding:

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**October 31, 2022**  
**November 30, 2022**  
**December 31, 2022**

- the reports were due on the 10<sup>th</sup> of November 2022;
- the reports were due on the 10<sup>th</sup> of December 2022; and
- the report are due today (10 January 2023) with the Section 72 report due to the council on or before the 25<sup>th</sup> of January 2023

As things stand, Section 71 (monthly financial report) report is due today and Section 72 report is also due no later than the 25<sup>th</sup> of this month. There is currently no indication that this report is being prepared and will be available for consideration by the Council on or before the 25<sup>th</sup> of this month.

Kindly note that these reports remain outstanding and are expected by the office of the NCR in order to be able to assess progress on the performance and financial status of the council as well as progress on the implementation of the Financial Recovery Plan (FRP). In addition, we need to attach some of these reports as annexures to our monthly reports to the National Treasury as part of our portfolio of evidence.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order



**Ms. G.P. Malaza**  
**National Cabinet Representative**

**cc:** The Executive Mayor – Mangaung Metropolitan Municipality  
The Speaker – Mangaung Metropolitan Municipality  
NCR Governance and Institutional Development  
NCR Service Delivery  
NCR Financial Services

Annexure C



**MANGAUNG**  
METRO MUNICIPALITY  
METRO MUNISIPALITEIT  
LEKGOTLA LA MOTSE

OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: ICT FRAMEWORK REVIEW**

**Ref: MMM Council 002/23**

**Phone: (051) 405 8037**

**Fax:**

**31 January 2023**

The Acting City Manager  
Mangaung Metropolitan Council  
**Attention: Mr. T. Motlashuping**

**RE: NCR OFFICE'S INPUTS ON THE ICT FRAMEWORK**

The above matter refers.

During the month of January 2023, the office of the NCR had to review the ICT framework project conducted by TANOSA Group. The purpose of our review was in response to the ICT challenges identified during the development of the Financial Recovery Plan, which amongst others included the following:

- 1) Inadequate ICT governance strategy and framework;
- 2) No ICT Business Continuity Policy/Plan;
- 3) No ICT Disaster Recovery Policy/Plan;
- 4) Outdated infrastructure not timeously replaced;
- 5) Weak general controls on ICT systems;
- 6) Functionality issues with the ERP system; and
- 7) Risk assessment on ICT not performed in financial year 2022/23 and there is a number of un-integrated ICT systems in use;
- 8) Almost 20 unintegrated ICT Software's and licences in use

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Although not covering all the weaknesses mentioned above, the ICT project by Tanosa is a positive step in the right direction. During the review of Tanosa work, it was brought to the attention of my office that at least two other companies had conducted ICT related work which could be cross cutting or duplicating what Tanosa has done. We have not been furnished with the work done by the other IT Companies and the inputs in this letter are confined to work done by Tanosa and reviewed by my office.

## **1. OBSERVATIONS**

1.1. The following twenty-one (21) policies, charters and framework were reviewed:

- 1.1.1. Acceptable use of Information Technology Assets Policy;
- 1.1.2. Access Control Policy;
- 1.1.3. Bring Your Own Device (BYOD) Policy;
- 1.1.4. Change Management Policy;
- 1.1.5. Clear Desk Policy;
- 1.1.6. Concept Strategy;
- 1.1.7. Corporate Governance Framework;
- 1.1.8. Desktop and Laptop Policy;
- 1.1.9. Disaster Recovery Plan Policy;
- 1.1.10. Email and Internet Policy;
- 1.1.11. Firewall Policy;
- 1.1.12. ICT Charter (2);
- 1.1.13. ICT Governance Framework (1);
- 1.1.14. ICT Steering Committee Charter (3);
- 1.1.15. Incident Management and Response Plan;
- 1.1.16. Information Systems Security Policy- Procedure;
- 1.1.17. Intellectual Property Policy;
- 1.1.18. Password Policy;
- 1.1.19. Project Management Policy;
- 1.1.20. Remote Access Policy;
- 1.1.21. ICT Request for Change (RFC) and Release Documents Procedure

1.2. The following observations were made by the NCR's office during the review:

- 1.2.1. A number of policies listed have failed to include councillors in the scope of the policies, it is advisable that councillors, especially those who are using municipal IT equipment, be included in these policies;
- 1.2.2. A number of titles used in the policies are not in line with the current Mangaung Structure and will need to be attended to (the example is the reference to the Heads of Departments as Directors, reference to President and Vice President, etc.);

- 1.2.3. Other corrections have been made to the files that will be submitted back to the office of the Acting HOD Corporate Service for corrections. It is requested that once the corrections have been made, the original work of the office of the NCR be returned as part of the Portfolio of Evidence (PoE);
- 1.2.4. After review, the office of the NCR has also furnished the Acting HOD Corporate Service with a list of ICT Policies that have been developed elsewhere by a local government specialist with Legal and ICT background, we recommend that in making the suggested amendments, reference be made to these policies;
- 1.2.5. We further noted that the reviewed policies were not in any particular order and the framework and the Charters were in the middle of policies. We recommend that the ICT Framework should start with the;
- 1.2.5.1. ICT Governance Framework,
  - 1.2.5.2. ICT Charter;
  - 1.2.5.3. The ICT Steering Committee Charter; and
  - 1.2.5.4. Policies, in no particular order.
- 1.2.6. We have recommended certain policies for consolidation;
- 1.2.7. We have further noted that the policies have not been developed with some form of uniformity in terms of the clauses. This makes it difficult to follow the policies. Having reviewed the policies and identified the common clauses in these policies, we recommend that your policies should have the following standard clauses:
- 1.2.7.1. Definitions;
  - 1.2.7.2. Acronyms;
  - 1.2.7.3. Purpose of the Policy;
  - 1.2.7.4. Scope of the Policy;
  - 1.2.7.5. Legislative framework
  - 1.2.7.6. Policy Statements (the finer details of the policy);
  - 1.2.7.7. Adoption of the Policy by Council; and
  - 1.2.7.8. Review of the Policy.

## 2. CONCLUSION

- 2.1. It is therefore the view of the NCR's office, that subject to taking care of the matters raised above; the following policies should be processed for adoption by the Council as soon as possible;

- 2.1.1. Acceptable use of Information Technology Assets Policy;
- 2.1.2. ***Access Control Policy (suggested that it be combined with Password Policy and remote access policy);***



- 2.1.3. Bring Your Own Device (BYOD) Policy;
- 2.1.4. Change Management Policy;
- 2.1.5. Clear Desk Policy;
- 2.1.6. Concept Strategy;
- 2.1.7. Corporate Governance Framework;
- 2.1.8. Desktop and Laptop Policy;
- 2.1.9. Disaster Recovery Plan Policy;
- 2.1.10. Email and Internet Policy;
- 2.1.11. Firewall Policy;
- 2.1.12. ICT Charter (2);
- 2.1.13. ICT Governance Framework (1);
- 2.1.14. ICT Steering Committee Charter (3);
- 2.1.15. Incident Management and Response Plan;
- 2.1.16. Information Systems Security Policy- Procedure;
- 2.1.17. Intellectual Property Policy;
- 2.1.18. **Password Policy (suggested that it be combined with Access control Policy);**
- 2.1.19. Project Management Policy;
- 2.1.20. **Remote Access Policy (suggested that it be combined with Access Control and Password Policy;**
- 2.1.21. ICT Request for Change (RFC) and Release Documents Procedure

The NCR Support Governance Expert, Mr. Nkosi, will avail himself to discuss the reviews as per above with the Acting HOD Corporate Services as well as your IT Service Provider for ease of clarity.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order.



**Ms. G.P. Malaza**  
National Cabinet Representative

01/03/2023

cc: The Executive Mayor – Mangaung Metropolitan Municipality  
The Speaker – Mangaung Metropolitan Municipality  
The Acting HOD Corporate Service – Mangaung Metropolitan Municipality  
NCR Governance and Institutional Development Expert





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LEKGOTLA LA MOTSE

OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

## **Internal Memorandum**

**To : The Acting City Manager**  
**CC : NCR - Governance and Institutional Development**  
**NCR - Service Delivery**  
**NCR - Financial Services**

**From : The National Cabinet Representative**  
**Ms. Malaza**

**Date : 02 November**

**SUBJECT: MONTHLY PERFORMANCE REPORTS FOR THE PERIOD ENDING 31<sup>st</sup> OCTOBER 2022**

---

Greetings Colleague

1. The above matter bears reference;
2. According to the Terms of Reference (ToR), which have been shared with your good office, under oversight and progress reporting, states that:
  - 2.1. ***"The NCR will be required to report progress as determined (either quarterly or monthly) to the municipal council"***.
  - 2.2. ***"The appointed NCR will submit monthly progress reports to the intervention Oversight Structures and the National Treasury"***
3. In addition, the Accounting Officer and the Heads of Departments (HOD's) are expected, on a monthly basis to submit departmental performance reports to the council as part of oversight, in compliance with the Municipal Systems Act;
4. In order to enable me to fulfil my responsibilities as the National Cabinet Representative (NCR), the following reports are expected by the NCR for the period ending 31<sup>st</sup> October 2022 and for the ensuing months;

## **5. Office of the City Manager;**

- 5.1. Progress report on the submission of the Auditor General's (AG's) RFI's (departmental inputs);
- 5.2. Departmental Monthly performance report (SDBIP);
- 5.3. Organisational Monthly performance report (Organisational SDBIP) and performance against the Organisational Balanced Score card;
- 5.4. Litigation report;
- 5.5. Progress report on the implementation of the Financial Recovery Plan (FRP);
- 5.6. Monthly communication report.

## **6. Budget and Treasury Office (BTO);**

- 6.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 6.2. Departmental Monthly performance report (SDBIP);
- 6.3. Section 71 report; (Section 72 report due 25 January each year);
- 6.4. Paragraphs 6, 32 and 36 report (SCM regulation);
- 6.5. Section 66 report;
- 6.6. Section 52(d) report (quarterly);
- 6.7. UIF&WE report (Section 32(3&4);
- 6.8. Section 116 report, contracted services;
- 6.9. Progress on the implementation of the procurement plan;
- 6.10. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **7. Corporate Services**

- 7.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 7.2. Departmental Monthly performance report (SDBIP);
- 7.3. Monthly HR Report;
- 7.4. Monthly ICT Report;
- 7.5. Monthly Leave report;
- 7.6. Monthly Litigation report;
- 7.7. Monthly Labour relations report;
- 7.8. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **8. Engineering Services;**

- 8.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 8.2. Departmental Monthly performance report (SDBIP);
- 8.3. Section 116 (2) (a, b, c & d) Report;
- 8.4. Progress report on the implementation of the Financial Recovery Plan (FRP);
- 8.5. Water losses report;
- 8.6. Electricity losses report;

## **9. Planning**

- 9.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 9.2. Departmental Monthly performance report (SDBIP);
- 9.3. Section 116 (2) (a, b, c &d) Report;
- 9.4. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **10. Social Services**

- 10.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 10.2. Departmental Monthly performance report (SDBIP);
- 10.3. Section 116 (2) (a, b, c &d) Report;
- 10.4. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **11. Economic and Rural Development**

- 11.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 11.2. Departmental Monthly performance report (SDBIP);
- 11.3. Section 116 (2) (a, b, c &d) Report;
- 11.4. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **12. Human Settlement**

- 12.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 12.2. Departmental Monthly performance report (SDBIP);
- 12.3. Section 116 (2) (a, b, c &d) Report;
- 12.4. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **13. Waste and Fleet Management**

- 13.1. Progress report on the submission of the AG's RFI's (departmental inputs);
- 13.2. Departmental Monthly performance report (SDBIP);
- 13.3. Monthly Fleet management report;
- 13.4. Progress report on the implementation of the Financial Recovery Plan (FRP).

## **14. Metro Police**

- 14.1. Progress report on the submission of the AG's RFI's (departmental inputs);

- 14.2. Departmental Monthly performance report (SDBIP);
- 14.3. Progress report on the implementation of the Financial Recovery Plan (FRP).

15. Kindly note that these are standard monthly reports that are expected to be submitted by each GM to the office of the NCR on or before the 7<sup>th</sup> of each month;

16. Should there be additional reports regarded as important, the office of the City Manager is welcome to include same when submitting the above-mentioned reports;

17. In addition, the NCR request that the reports be submitted in the word format;

18. Hoping that all is in order.

Yours Faithfully



**Ms G. P. Malaza**  
**NCR**

Annexure C



11 December 2020

To : The Speaker  
Cllr M. Siyonzana

## **MANDATORY FINANCIAL PLAN - MANGAUNG METROPOLITAN MUNICIPALITY**

### **1. PURPOSE**

The report is aimed at informing Council about approved Mandatory Financial Recovery Plan developed in line with the provisions of Municipal Finance Management Act 56 of 2003.

### **2. BACKGROUND AND DISCUSSION**

- The request for intervention at Mangaung Metropolitan Municipality emanated from a letter by the Deputy Minister of Finance addressed to the Premier of the Free State Province in December 2019 highlighting the deteriorating fiscal position of the Metro, including non-compliance with laws and regulations, declining financial health, collapse of governance and institutional structures and significant complaints from the communities on service delivery challenges.
- After consideration of the issues highlighted by the Deputy Minister of Finance, on 19 December 2019, approval was granted by the Free State Provincial EXCO to invoke an intervention in the Mangaung Metropolitan Municipality in terms of Section 139(5) (a) and (c) of the Constitution, 1996.
- Subsequently, EXCO approved an intervention team to primarily address the financial failure of the Mangaung Metropolitan Municipality and to ensure through support and monitoring that the financial health of the municipality is restored and the team commenced its work on 15 January 2020;

- The intervention team used the Voluntary Financial Recovery Plan while developing the Final Mandatory Financial Recovery Plan which was finally approved by The Minister of Finance and MEC for Finance during May 2020;
- Appended hereto as Annexure "A" is the approved Mandatory Financial Recovery Plan for noting and endorsement by Council as well as Approval by MEC Finance (Annexure "B").

### **Implementation and Monitoring of the Financial Recovery Plan**

The Intervention Team submits monthly progress reports to the Provincial Executive Committee.

- On 11 February 2020, the Deputy Ministers of COGTA and Finance established the War Room Committee comprising of representatives from:
  - National Treasury;
  - National COGTA
  - Provincial Treasury
  - Provincial COGTA
  - SALGA
  - Members of the Intervention Team
  - City Manager
  - Executive Management Team
- The War Room was established to monitor progress in the implementation of the Mandatory Financial Recovery Plan
- It is worth noting that the intervention team with the administration submitted monthly progress reports to the War Room on implementation of both the Voluntary and Mandatory Financial Recovery Plans;

Progress reports on implementation of the Mandatory Financial Recovery Plan will be submitted to Council on a quarterly basis.

The municipality committed to continue implementing Mandatory Financial Recovery Plan. The following is high level summary of the milestones contained in the Mandatory Financial Recovery Plan:

No.	MILESTONE	REMARKS
1	Submit revised Financial Recovery Plan	Achieved
2	Adoption of a funded Adjustment Budget for 2019/2020 Financial Year	Achieved

No.	MILESTONE	REMARKS
3	Prepare a funded budget for the 2020/2021 Financial Year	Achieved
4	Prepare a funded Special Adjustment Budget for 2019/2020 Financial Year	Achieved
5	Monitor implementation of Cost Containment measures	Ongoing daily/achieved
6	Ensure Conditional Grants are ring-fenced and used for intended purpose	Achieved
7	Daily Management of cash and Bank balances	Ongoing daily/achieved
8	Management of debtors including revenue enhancement and protection	Ongoing/achieved
9	Management of Creditors including prioritisation of payment for critical services	Ongoing/achieved
10	Assessment of contractual obligations and negotiate contractual payments and scope with service providers	Ongoing/achieved
11	Improve level and quality of service provision within the Metro	Ongoing/achieved
12	Improve institutional arrangements including the function of the Local Labour Forum	Partly achieved
13	Review organizational structure	Partly achieved
14	Reduction in personnel costs e.g. overtime and acting in higher positions	Partly achieved
15	Arrange Head Count	Partly achieved
	Governance support including functionality of the Executive Management Team and Performance Management System	Partly achieved
16	Conduct continuous engagements with stakeholders, e.g. Moody's, universities, businesses, government departments, Bloem water, Human Rights Commission, etc.	Ongoing/achieved

### 3. LEGAL IMPLICATIONS

Municipal Finance Management Act 56 of 2003

**4. FINANCIAL IMPLICATIONS**

**No Financial Implications.**


**5. RECOMMENDATIONS**

1. That Council takes note and endorses the Mandatory Financial Recovery Plan for implementation;
2. That Council commits to ensure that the municipality continues to implement Mandatory Financial Recovery Plan;
3. That progress reports on the implementation of the Mandatory Financial Recovery Plan be submitted to Council on a quarterly basis by Intervention Team.

**Submitted by:**

**Recommended by:**

**Approved by:**

  
\_\_\_\_\_  
Adv. T.B. Mea  
City Manager

  
\_\_\_\_\_  
Adv. M.M. Mofokeng  
EXCO Representative

  
\_\_\_\_\_  
Cllr L. Masoetsa  
Acting Executive Mayor



Annexure: C



**MANGAUNG**  
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LEKGOTLA LA MOTSE

OFFICE OF THE  
NATIONAL CABINET  
REPRESENTATIVE

**Our Ref: DELEGATIONS OF POWER POLICY**

**Ref: MMM Council 005/23**

**Phone: (051) 405 8037**

**Fax:**

**16 February 2023**

The Acting City Manager  
Mangaung Metropolitan Council  
**Attention: Mr. T. Motlashuping**

**RE: NCR OFFICE'S INPUTS ON THE REVIEW OF THE DELEGATION OF POWERS POLICY**

The above matter refers.

During the month of February 2023, the office of the NCR had to review the Delegation of Powers Policy as part of the Action Plan. The Policy under review was the 11<sup>th</sup> Version of the Delegation of Powers Policy, last reviewed in June 2016 (7 years ago);

We have reviewed the policy and benchmarked against the policies of other high capacity municipalities. On review we have found the policy to be adequate in addressing the delegations within the Council. We recommend that the following be considered by the Acting City Manager:

1. **Appointment of an Acting City Manager** for a period of 1-10 days with no financial implications, this is not covered in the policy and we recommend that such powers be delegated to the Executive Mayor;
2. **Appointment of an Acting Head of Department** for a period of 1-10 days with no financial implications, this is not covered in the policy and we recommend that such powers be delegated to the City Manager;
3. **Further recommendations**

- 3.1. **Index page (pages 1-2)** – we recommend that the delegations be aligned to the recently adopted MACRO Structure;
- 3.2. **Review of policy (page 3)**– according to the policy it says this shall be reviewed on an annual basis, this is practically impossible and we recommend that this be changed to once every five years at the inauguration of the new council.
- 3.3. **Power A71 (page 23)** – this needs to be reviewed and delegated to the Executive Mayor;
- 3.4. **Power A98 (page 25)** - this needs to be reviewed and delegated to the Executive Mayor;
- 3.5. **Power B4 (bottom page 29 and top page 30)** – there is reference to the District Municipality, and this should be corrected;
- 3.6. **Power B6 (page 30)** - there is reference to the District Municipality, and this should be corrected;
- 3.7. **Power C28 (page 67)** – correct the conditions as directed;
- 3.8. **Powers A4 & A5 (page 71)** – it is recommended that these powers be limited to the City Manager
- 3.9. **Power A51 (page 77)** - it is recommended that these powers be limited to the City Manager
- 3.10. **Power A60 (page 78)** - it is recommended that these powers be limited to the City Manager
- 3.11. **Power C1 (page 79)**- this should include all budget related policies;
- 3.12. **Power D3 (page 91)** – this should be reviewed and perhaps removed, the Metro doesn't have capacity to deliver on its mandate and can't be helping other municipalities;
- 3.13. **Powers (D11 and D12) two new recommended delegations** – the policy is silent on the extension of contracts for consultants and the approval of variation orders. It is recommended that these powers be granted to the City Manager and numbered D11& D12;
- 3.14. **Powers F13&F14 two new recommended delegations** - the policy is silent on ensuring that municipal properties are leased at market related rates and that proper maintenance takes place to avoid dilapidation. It is recommended that these powers be granted to the City Manager and numbered F13& F14;
- 3.15. **Power G9 (page 98)** - makes reference to Tempe Airport, it is not clear as Tempe is the same as the Bram Fischer Airport;
- 3.16. **Page 105** – the position needs to be aligned to the recently adopted MACRO structure of the Metro;
- 3.17. **Page 107** – delegations for the HOD Economic and Rural Development are silent on matters of Tourism marketing and development;

With the above comments, it is the view of the NCR's office, that subject to taking care of the matters raised above; the Delegation of Powers Policy should be processed for adoption by the Council as Version 12<sup>th</sup> as soon as possible;

The NCR Support Governance Expert, Mr. Mxolisi Nkosi, will avail himself to discuss the reviews as per above with the Acting HOD Corporate Services should a need arise.

Your cooperation in this regard, will be highly appreciated.

Hoping that all is in order.



**Ms. G.P. Malaza**

**National Cabinet Representative**

*20/02/2023*

**cc: The Executive Mayor – Mangaung Metropolitan Municipality**  
**The Speaker – Mangaung Metropolitan Municipality**  
**The Acting HOD Corporate Service – Mangaung Metropolitan Municipality**  
**NCR Governance and Institutional Development Expert**





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**Our Ref: Cost Containment Policy**

**Ref:**

**Phone: (051) 405 8125**

**Fax:**

The Acting City Manager  
Mangaung Metropolitan Municipality

**DATE:** 01 December 2022

Dear Acting City Manager

**RE: REVIEW OF THE COST CONTAINMENT POLICY**

The above matter bears reference.

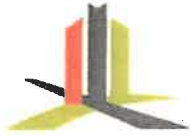
The Governance and Institutional Development component of my office conducted an in-depth review of your Cost Containment policy. In addition, a benchmarking exercise with the following municipalities was conducted:

1. Saldanha Bay;
2. Sedibeng District;
3. Knysna
4. Ekurhuleni;
5. Msunduzi;
6. Nelson Mandela Bay and
7. City of Umhlathuze.

In addition, your policy was subjected to compliance check with the Municipal Cost Containment Regulations (MCCR) as well as Circular 97, dealing with cost containment, issued in terms of the MFMA.

We have found your policy to be adequate and complying with the MCCR as well as Circular 97. Your policy was the only one on the benchmarking exercise that was found to have attempted to address the challenges of overtime. The only omission identified in your policy was its silence on dealing with acting appointments, which are a material contributor to the council's expenditure. We however do not think that the absence of Acting appointments in your policy will in any way render it ineffective. We therefore recommend that you apply the policy in its current form and consider adding the overtime when you review your policies during the budget preparation process.

We further noted in your policy and all the others that there is a requirement to report to the council on a regular basis on the progress regarding the implementation of this policy. According to the council secretariat, and the minutes provided to us, it would appear that no such report has been presented to council. Accordingly, we recommend



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that the Acting City Manager, through the office of the Chief Financial Officer, prepare and present monthly reports to council on the impact of the Cost Containment Policy.

Hoping that all is in order

**Ms G. Malaza**

**National Cabinet Representative**

6/12/2022

Annexure: c



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**Our Ref: Cost Containment Policy**

**Ref:**

**Phone: (051) 405 8125**

**Fax:**

The Acting City Manager  
Mangaung Metropolitan Municipality

**Attention: Mr. T. Motlashuping**

**Date: 17 January 2023**

Dear Acting City Manager

**RE: COUNCIL ANNUAL CALENDAR AND MATTERS TO BE DISCUSSED**

The above matter bears reference.

The Governance and Institutional Development component of my office remains concerned about the monthly performance reporting, sitting of council meetings and accountability in general. It remain a considered view of my office that if accountability and compliance reporting compliance could be improved, this could bring about the much needed change in the institution within a very short space of time.

Accordingly, attached please find the proposed statutory compliance and performance reporting items to be considered by council in each meeting. We further advise that before such items are considered by the Council, they be processed through the Section 80 Committees and the MAYCO. We further recommend that this communicaire be shared with the Senior Management of both the Council and CENTLEC.

Hoping that all is in order.

**Ms G. Malaza** 17 Jan 2023  
**National Cabinet Representative**

**cc:** The Executive Mayor  
The Speaker  
Head of Department Corporate Services









[illegible]

[illegible]



Annexure: C



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## Internal Memorandum

**To :** The Acting City Manager  
**CC :** NCR - Governance and Institutional Development  
NCR - Service Delivery  
NCR - Financial Services

**From :** The National Cabinet Representative  
Ms. Malaza

**Date :** 14 November 2022

**SUBJECT: REQUEST FOR INFORMATION 002**

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Greetings Colleague

1. The above matter bears reference;
2. According to the Terms of Reference (ToR), which have been shared with your good office, under oversight and progress reporting, states that:
  - 2.1. ***"The NCR will be required to report progress as determined (either quarterly or monthly) to the municipal council";***
  - 2.2. ***"the appointed NCR will submit monthly progress reports to the intervention Oversight Structures and the National Treasury"***
3. A number of areas have been identified as weaknesses in the Financial Recovery and would need an in-depth review from the NCR Support: Governance and Institutional Development;
4. In order for the NCR Support: Governance and Institutional Development to do his work diligently, we require the following documents:
5. **Finance related matters:**
  - 5.1. Standard Operating Procedures (SOP) for Contracts Management;
  - 5.2. Contracts Register as at 31<sup>st</sup> October 2022;

- 5.3. Contracts currently on operation after the expiry of their term;
- 5.4. Section 116 report on contracts (latest);
- 5.5. UIFWE Policy and Reduction Plan;
- 5.6. All Section 32 Reports conducted and progress report on implementation;
- 5.7. Details of arrears and non-payment for services by Cllrs and Employees;
- 5.8. Register of consequence management as a result of UIFWE and progress report on each case;
- 5.9. Progress report on how MPAC has dealt with UIFWE
- 5.10. Cost Containment Policy;

## **6. Governance and Oversight**

- 6.1. Institutional calendar of meetings for EMT, Section 79&80 Committees, MAYCO and Council;
- 6.2. Financial Misconduct Disciplinary Board, its terms of reference, council resolution appointing the Board, its schedule of meetings and the date it was inducted;
- 6.3. All council resolutions taken since the beginning of the intervention;
- 6.4. All forensic investigation reports and progress on how the council has processed them;

## **7. Litigation**

- 7.1. Litigation Register and progress report on each matter;
- 7.2. Total amount of the current contingent liability
- 7.3. List of the panel of attorneys and their charge out rates;

## **8. Policy Framework**

- 8.1. Copies of all policies, and by-laws and the latest council resolutions adopting the same;

## **9. Audit Findings**

- 9.1. Copy of the latest Management Audit Action Plan (MAAP)
- 9.2. Register and progress on the Request for Information (RFI's) made by the Auditor General (AG);
- 9.3. Register of Material Irregularities (if any) and progress report on dealing with those;
- 9.4. Progress report on dealing with material losses as identified by the Auditor General;

## **10. Risk Management**

- 10.1. Internal Audit Charter and council resolution adopting same;
- 10.2. Audit Committee Charter and council resolution adopting same;
- 10.3. Risk Management Policy and council resolution adopting same
- 10.4. Risk Management Strategy and Plan and council resolution;

- 10.5. Three-year Risk Based Internal Audit Plan;
- 10.6. Details of the Audit Committee and its schedule of meetings;
- 10.7. Copy of the Council's Business Continuity Plan;
- 10.8. Internal Audit Progress report on:
  - 10.8.1 the implementation of the Internal Audit Plan;
  - 10.8.2 the Management Audit Action Plan (MAAP);
  - 10.8.3 the implementation of the MPAC resolutions;
  - 10.8.4 the implementation of the recommendations from other investigations

## **11. Systems of delegations**

- 11.1. Systems of Delegations adopted by Council and council resolution;
- 11.2. MFMA delegations adopted by Council and council resolution;
- 11.3. Latest report (if any) on the implementation of delegated authority;

## **12. Information and Communication Technology (ICT)**

- 12.1. ICT Governance Strategy and Framework;
- 12.2. ICT Business Continuity Plan;
- 12.3. ICT Disaster Recovery Plan;
- 12.4. ICT Systems in use (all) and what they are used for;
- 12.5. Risk Assessment report on ICT;
- 12.6. Latest report on ICT related matters presented to Council;

## **13. HR Strategy and Plan**

- 13.1. Copy of the HR Strategy & Plan adopted by the council;
- 13.2. Council resolution adopting the HR Strategy;
- 13.3. Roadmap for the filling of critical vacant posts (City Manager and Senior Managers (section 54 Managers));
- 13.4. Organisational Structure;
- 13.5. Total of number of employees per department including the vacancy rate;
- 13.6. Vacancies in the ICT, Internal Audit and Risk Management units;
- 13.7. Indication of positions with and those without job descriptions;
- 13.8. Indication of positions that have been subjected to Job Evaluation;
- 13.9. Current cost of employment per month showing cost vs budgeted (Section 66).

## **14. Skills and Competencies**

- 14.1. Copy of the Workplace Skills Plan (WSP) adopted by the Council and the council resolution;

- 14.2. Report on the latest skills audit that was conducted and progress report on recommendations;
- 14.3. Approved skills development budget with the current actual vs budget;
- 14.4. Funding and budget set aside for meeting the minimum requirements (CPMD) in terms of the MFMA;
- 14.5. List of all Managers and their level of compliance with minimum requirements (CPMD) in terms of the MFMA;
- 14.6. Skills Development Plan (if any) to assist Managers to comply with minimum requirements (CPMD) in terms of the MFMA

#### **15. Staff discipline and Consequence management**

- 15.1. Register of disciplinary matters pending and progress report
  - 15.1.1 For Senior Managers;
  - 15.1.2 For the rest of the employees;
- 15.2. List of Managers and employees trained as initiators and presiding officers in disciplinary matters;
- 15.3. Register of matters referred to the Financial Misconduct Disciplinary Board and progress report;
- 15.4. Consequence Management Policy (if any) adopted by the Council and council resolution;

#### **16. Performance Management System and Change Management**

- 16.1. Performance Management System;
- 16.2. Performance Management Policy for non-Section 54 Managers adopted by the council and council resolution;
- 16.3. Performance agreements for all managers;
- 16.4. Quarterly performance assessment reports for all managers;
- 16.5. Register of consequence management cases (if any) that have been initiated as a result of poor and/or non-performance;
- 16.6. Change Management Strategy adopted by Council and council resolution;
- 16.7. Report on the last employee satisfaction survey and progress report

17. Kindly note that this is a second request for information, with the first one having been served on the 2<sup>nd</sup> of November 2022. To date, the office of the NCR has not received any of the documents requested on the 2<sup>nd</sup> of November.

18. Any inconvenience suffered is deeply regretted.

19. Hoping that all is in order

Yours Faithfully



14 November 2022

**Ms. Gugu P. Malaza**  
**National Cabinet Representative**