CONFIDENTIAL

MINUTES
Of an
ORDINARY MEETING

MANGAUNG
METROPOLITAN MUNICIPAL
COUNCIL

COUNCIL CHAMBER
FIRST FLOOR
BRAM FISCHER BUILDING
BLOEMFONTEIN

FRIDAY
31 JANUARY 2025
AT 09:00

MANGAUNG

METROPOLITAN

MUNICIPALITY

MINUTES OF AN ORDINARY MEETING
of the
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL
held IN THE COUNCIL CHAMBER, FIRST FLOOR, BRAM FISCHER BUILDING
BLOEMFONTEIN
on FRIDAY, 31 JANUARY 2025 at 09:00

ATTENDANCE REGISTER

#	NAME	PARTY	LEAVE
1	Speaker Cllr Mathae (Bongani Lawrence)	ANC	
2	Executive Mayor Cllr Nthatisi (Gregory Mosala Solomon)	ANC	
3	Deputy Executive Mayor Cllr Titi-Odili (Lulama Magdeline)	ANC	
4	Council Whip Cllr Nikelo (Vumile Edwin)	ANC 28	
SECTION 79 CHAIRPERSONS			
5	Rules Cllr Mokgothu (Tona Kenosi Wilfred)	ANC 2	
6	MPAC Cllr Makoloane (Itumeleng Justice)	ANC 36	
7	Petitions and Community Liaison Cllr Morake (Molefi Andries)	ANC	
8	Remunerations Cllr Tladi (Motshewa Martha)	ANC	
9	Public Places and Street Naming Cllr Mogotloane (Thabo Joel)	ANC 39	
MEMBERS OF MAYORAL COMMITTEE			
10	Waste and Fleet Management Cllr Jonas (Vuyelwa Eunice)	ANC	
11	Economic Development Cllr Mosala (Motlhokung Theodorah)	ANC 11	
12	Public Safety Cllr Tsoleli (Sibongile Pearm)	ANC	
13	Technical Services Cllr Soqaga (Vusumzi Simon)	ANC	
14	Finance Cllr Kruger (Caprice Logan)	ANC 16	
15	Planning and Human Settlements Cllr Nhlapo (Ntombi Anna)	ANC	
16	Rural Development Cllr Twala (Pani Sidney)	ATM	Absent with apology
17	Community Services Cllr Qai (Alfred)	AIC	
18	Corporate Services Cllr Letawana (Manthuse Maria)	ANC	

PR COUNCILLORS			
19	Cllr Bothma (Andries Francois)	DA	Only until 13h00
20	Cllr Bouwer (Chadwine Lyle)	DA	Only until 13h00
21	Cllr Davies (Maryke)	DA	Only until 13h00
22	Cllr De Bruin (John Matthews)	PA	
23	Cllr De-Huis (Dikeledi Jane)	EFF	
24	Cllr De Kock (Valerie Belinda)	FFPlus	
25	Cllr Denner (John Henry)	FFPlus	
26	Cllr Dennis (Magdalena Elizabeth)	DA	
27	Cllr Ferreira (Thomas Ignatius)	DA	Only until 13h00
28	Cllr Klaasen Raynie Sarah	DA	Only until 13h00
29	Cllr Letsoko (Mantwa Sanah)	EFF	
30	Cllr Lipale (Gopolang Jeremiah)	EFF	
31	Cllr Makau (Pitso Elias)	EFF	
32	Cllr Malebo (Deliwe Lettia)	EFF	
33	Cllr Maliela (Motiki Edwin)	DA	Only until 13h00
34	Cllr Matobole (Mosala Abel)	DA	Only until 13h00
35	Cllr Matsoetlane (Maditaba Joyce)	ANC	
36	Cllr Mogotsi (Mamahlape Elisa)	EFF	Absent without apology
37	Cllr Mohlamme (Lebohang Lerato)	DA	Only until 13h00
38	Cllr Mokoena (John Itumeleng)	AASD	
39	Cllr Mongale (Mojalefa William)	AASD	
40	Cllr Moreeng (Kabelo Christopher)	DA	Only until 13h00
41	Cllr Mtshakazane (Eunice Xoliswa)	EFF	
42	Cllr Njiva-Lebajoa (Mamotse)	DA	Only until 13h00
43	Cllr Phohleli (Tsholwane Eddy)	EFF	

44	**Cllr Phupha (Ntsoaki Agnes)**	**PA**	
45	**Cllr Ramatlama (Mpho Joseph)**	**EFF**	
46	**Cllr Rammile (Tumelo Kingsley)**	**DA**	**Only until 13h00**
47	**Cllr Rampai (Pule Joseph)**	**ACDP**	**Only until 15h00**
48	**Cllr Sebolao (Jankie Elisha)**	**EFF**	
49	**Cllr Shale (Nkahiseng Reginah)**	**EFF**	
50	**Cllr Snyman (Pieter Adriaan)**	**DA**	**Only until 13h00**
51	**Cllr Snyman van Deventer (Elizabeth)**	**FFPlus**	
52	**Cllr Terblanche (Arthur Phillip)**	**DA**	**Only until 13h00**
53	**Cllr Thomas (Johannes Beleme)**	**EFF**	
54	**Cllr Viviers (Benhardus Jacobus)**	**DA**	**Only until 13h00**
55	**Cllr Vorster (Braam)**	**FFPlus**	
56	**Cllr Wewege (Mare-Lize)**	**FFPlus**	
WARD COUNCILLORS			
57	**Cllr Sefaki (Samuel)**	**ANC 1**	
58	**Cllr Machachamise (Tshepiso Oudious)**	**ANC 3**	
59	**Cllr Supi (Mahoko Harold)**	**ANC 4**	
60	**Cllr Lecoko (Lehlohonolo Nathaniel)**	**ANC 5**	
61	**Cllr Moiloa (Tshidiso Petrus)**	**ANC 6**	
62	**Cllr Sehloho (Siza Clement)**	**ANC 7**	
63	**Cllr Nyaphudi (Likeleli Julia)**	**ANC 8**	
64	**Cllr Tlhakung (Betty Masetlhabi)**	**ANC 9**	
65	**Cllr Setlai (Teboho Lesley)**	**ANC 10**	
66	**Cllr Hashatsi (Rafedile)**	**ANC 12**	

67	**Cllr Sitoe (Nombulelo Dorcas)**	**ANC 13**	
68	**Cllr Lekgetho (Lebogang Winston)**	**ANC 14**	
69	**Cllr Mohibidu (Pulane Martha)**	**ANC 15**	
70	**Cllr Mohatle (Mampone Sally)**	**ANC 17**	
71	**Cllr Van Noord (Gregory Owen)**	**DA 18**	**Only until 13h00**
72	**Cllr Peter (Seth Qondile)**	**ANC 19**	
73	**Cllr van Rensburg (Corize)**	**20 DA**	**Only until 13h00**
74	**Cllr Lotriet (Pieter Adam)**	**DA 21**	
75	**Cllr Cronje (Jan-Hendrik)**	**DA 22**	**Only until 13h00**
76	**Cllr van der Walt (Tjaart Botha)**	**DA 23**	**Only until 13h00**
77	**Cllr Kotze (Gerhardus Dirk Petrus)**	**DA 24**	**Absent with apology**
78	**Cllr Kotze (Paul Mare')**	**DA 25**	**Only until 13h00**
79	**Cllr van Niekerk (Hendrik Johannes Christiaan)**	**DA 26**	**Only until 13h00**
80	**Cllr Banyane (Zachous Nechodemus)**	**ANC 27**	
81	**Cllr Matsephe (Dikololo Elias)**	**ANC 29**	
82	**Cllr Tukula (Teboho Daniel)**	**ANC 30**	
83	**Cllr Mabena (Mere Joel)**	**ANC 31**	
84	**Cllr Menyatso (Thabang Victory)**	**ANC 32**	
85	**Cllr Mohono (Tshidiso Augustine)**	**ANC 33**	
86	**Cllr Tshwane (Kabi Daniel)**	**ANC 34**	
87	**Cllr Fantisi (Teboho Samuel)**	**ANC 35**	
88	**Cllr Ramolelle (Mmota Simon)**	**ANC 37**	
89	**Cllr Matsoso (Molahloane Florenciah)**	**ANC 38**	

90	**Cllr Pholoholo (Ntebaleng Petunia)**	**ANC 40**	
91	**Cllr Dintlhwane (Mantja Agnes)**	**ANC 41**	
92	**Cllr Mothupi (Maqoma Lazarus)**	**ANC 42**	
93	**Cllr Nkiane (Mpho Elizabeth)**	**ANC 43**	
94	**Cllr Pretorius (Selmé)**	**DA 44**	**Only until 13h00**
95	**Cllr Mathe (Lisiwe Jeanette)**	**ANC 45**	
96	**Cllr Majoro (Mpho Samuel)**	**ANC 46**	
97	**Cllr Maartens (Jan-Rudolf)**	**DA 47**	**Only until 13h00**
98	**Cllr Pretorius (Johannes Christiaan)**	**DA 48**	**Absent with apology**
99	**Cllr Lekhwele (Mohanuwa Julia)**	**ANC 49**	
100	**Cllr Monare (Thabo Nicholus)**	**ANC 50**	
101	**Cllr Mohulatsi (Mamoorosi Margaret)**	**ANC 51**	

OFFICIALS IN ATTENDANCE

#	DESIGNATION	NAME/S
1	**CITY MANAGER**	**MR SELLO MORE**
2	**CHIEF FINANCIAL OFFICER**	**MS ZUZIWE THEKISHO**
3	**HOD: TECHNICAL SERVICES**	**MR REVELATION MASOBENG**
4	**HOD: PLANNING, ECONOMIC & RURAL DEVELOPMENT AND HUMAN SETTLEMENTS**	**MS NOKUTHULA CHAKANE**
5	**HOD: CORPORATE SERVICES**	**MR MOKETE DUMA**
6	**HOD: PUBLIC SAFETY AND SECURITY**	**MR ISRAEL KGAMANYANE**
7	**HOD: COMMUNITY SERVICES**	**DR T THINDA**
8	**CENTLEC CHIEF EXECUTIVE OFFICER**	**MR MALEFANE SEKOBOTO**

9	**HEAD OF OFFICE OF SPEAKER**	**MR NCAMILE NXANGISA**
10	**CHIEF OF STAFF**	**MR ZOLILE MANGCOTYWA**
11	**HEAD OFFICE OF DEPUTY EXECUTIVE MAYOR**	**MS BONGA MNCUBE**
12	**HEAD OF MPAC**	**MR DIPHOKO SEKAKANYO**
13	**GM: INTERNAL AUDIT**	**MR GAUTA NTSALA**
14	**GM: COMMITTEE SERVICES**	**MS XOLISWA QILO**
15	**MANAGER: INTERNAL AUDIT**	**MS ASTRID SCHMIDT**
16	**ACTING MANAGER: COUNCIL SUPPORT**	**MS RINA MAMATELA**
17	**ACTING MANAGER: TRANSLATIONS**	**MS MANANA MORAKABI**

GUESTS

#	DESIGNATION	NAME/S
1	**AGSA MANAGER**	**MS NATALIE MAREE**
2	**AGSA MANAGER**	**MR BEUKES BOSHOFF**
3	**AGSA AM**	**MS NTOMBI QHOBOSHIYANA**
4	**AGSA BUL**	**MR ODWA DUDA**
5	**CHAIRPERSON APC**	**MS DIBUSENG SEMPPE**

Note by Secretariat

1. **Attendance Register:** Every member attending a meeting shall sign his/her name in the attendance register kept for this purpose before the commencement of the meeting.

2. **Leave Register:** In order to streamline administrative processes Councillors are humbly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register 12 hours before the commencement of the meeting (Rule 22.2) (Leave Form).

3. **Name-plates:** Councillors are humbly requested to please take along their name-plates and to display it throughout the meeting**.**

4. **Apologies during the course of the Council meeting:** Councillors are humbly requested to complete in full and submit the relevant apology form for this purpose (Leave Form).

5. **Code of Conduct:** Councillors are reminded of item 3, Schedule 1 of the Code of Conduct for Councillors which reads as follows, namely:

   Attendance at Meetings: A councillor must attend each meeting of the Municipal Council and of a Committee of which that councillor is a member, except when:

   (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council or
   (b) that councillor is required in terms of this Code to withdraw from the meeting**.**

6. **Meeting rules:**
   i. All Councillors must arrive at **least 15 minutes before the commencement** of the Council and all other Committee meetings;

   ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**; (Rule 50.2a)

   iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion**; (Rule 31)

   iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter**; (Rule 32)

   v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)

   vi. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).

INDEX

MINUTES
(OPEN COUNCIL)

1.
OPENING
(MOMENT OF SILENT CONTEMPLATION FOR MEDITATION AND PRAYERS)

The meeting commenced at 9h06 to allow all Councillors to be seated and to settle.

The Speaker in opening the meeting, he acknowledged the Executive Mayor, The Deputy Executive Mayor, the Council Whip, Members of Mayoral Committee, Chairperson of Section 79 Committees, Whips of the parties, Councillors, City Manager and HODs, guests, the media and the public.

- New year hoped that colleagues brought new sense of enthusiasm and that during the recess period all Councillors were able to rep their energies.

He indicated that 76 Councillors were present and thus forming a quorum. He officially declared the meeting open.

NOTED.

2.
NOTICE OF THE MEETING

The Speaker read the notice as on page 2 of the agenda.

He read Rule 6.1 and 7.1 of the Council's Standing Rules and Orders. He mentioned the following:

- It was a custom, that Councillors preferred hard copies however the rule did not prefer one method of providing the agenda over the other (hard copies and electronic)
- That Rule 7.1, unlikely event when notice not served.
- TROIKA considered the matter, and the Office of the Council Whip convened a multiparty whippery, all whips after the deliberation agreed that Council must proceed with business of the day.
- As the late delivery of documents was unintended, the Council would only deal with compliance reports.
- That it was important that Municipality go paperless in future and therefore ensuring that Councillors were provided with tools of trade.

- That the CM to attend to issues of the seven (7) Councillors who had not been provided with laptops and report to TROIKA in seven (7) days. Furthermore, taking into account the passwords where Councillors were unable to open the document.

Cllr MW Mongale addressed the Council as follows: “Hon. Speaker, Dr Mathae, Happy New Year. The issue I wanted to raise is that when we go paperless, we should consider the fact that we have been provided with laptops that are not working and councillors had to use cell phones to open the document that is being referred to which is not functional unlike using a laptop which also allows taking notes whilst opening documents and mind you, we are not IT experts and we have not been taken to orientation on some of those matters. The reason I raised this is because I am aware of the urgency of the council seating and making sure that we are compliant, but we should not compromise the tools of trade because this is where the whole thing started. My laptop is with IT of Municipality and has been there since October last year, and the report that was provided created an impression that councillors were to be equipped with new laptops whereas that was not the case, ditswa ho phandiwa – Those are not new laptops.”

The Speaker commented as follows: “Thank you Cllr Mongale for that valuable point, I think we also need to take into consideration that some councillors who joined us towards late last year are also without the tools of trade. I am going to make a specialty to the city manager to attend to this and provide a report to members of TROIKA in the next 7 days on the extent which they have been able to address this critical point as I am aware that in most cases in the past, councillors have informed that they received a zip code and they are unable to open a document and it is becoming difficult to make any meaningful contribution.”

Cllr GDP Kotze made the following input:

“Mister Speaker let me bring something to your attention, in the previous term, a resolution was taken by the council that the parking at the back can be used by councillors during meetings. It was recently brought to attention in a recent meeting that councillors are still struggling to park there. If we can maybe go back to that resolution and implement it again. Thank you.”

The Speaker thanked the Cllr and indicated that his point has been duly noted and further mandated the HOD Kgamanyane to attend to it and to ensure that this matter is avoided and allow councillors to freely park.

Cllr KC Moreeng remarked:

“Thank you for the opportunity. I will like to make a plea that we stick by our Standing Rules and Orders, some of us stay in Thaba Nchu where sometimes the network is bad and we are unable to use our gadgets to access the soft copies. Not accessing reports on time hinders my ability to fully participate in discussions.”

NOTED.

3.
APPLICATIONS FOR LEAVE OF ABSENCE

All relevant leave of absence and apologies were recorded and minuted as such in the attendance list on the first pages of the minutes.

NOTED.

4.
ACCEPTANCE OF THE AGENDA

Cllr M Davies addressed the council as follows:

“Thank you, Mr Speaker, I just want to rise on item 15 motions. The DA submitted 3 motions; an automated walk-in and online contact centre for MMM on 14 June 2023, a motion in terms of section 29 of the Mangaung standing rules and orders to establish a steering committee for water crisis in Mangaung on 14 June 2023 and another motion for the quarterly approvement of the indigent applications on 12 December 2024. We complied with the standing rules and orders rule 21.1 at ordinary council meetings motions will serve and also rule 29.2 – any notice of motion shall be submitted to the speaker or Chairperson before 12:00 – 10 days prior to the meeting of council or committee. We further did not receive any communication from the city manager in accordance with rule 29.2 that motions cannot be placed on the agenda paper, yet again our motions are not on the agenda paper for today's meeting. Could we please get answers why our motions are ignored as it is our constitutional right to bring motion to council for consideration.”

The Deputy Executive Mayor remarked: “Thank you, Hon. Speaker, I would just request that item 3 and 4 – section 52D and section 72 be combined and then item 5,6, 7 and 9, section 71 reports of October, November, December and to be combined when we table the item. Thank you.

If we can focus on the compliance items today and they must be considered in council today.”

Cllr CL Kruger seconded the proposal by the Deputy Executive Mayor.

Cllr GJ Lipale also raised a concern regarding the motions they had submitted on in-sourcing including the Rule 38 questions which as the EFF they had not receive any responses.

The Executive Mayor responded that the issues raised were administratively based and that the City had organised a Water Indaba to deal with how best the City can address this issue including other service delivery related matters.

The Speaker then put the item to a vote and thereafter announced that majority of Councillors voted in favour of the acceptance of the agenda with proposal as raised by the Deputy Executive Mayor.

He concluded discussions regarding the rule 38 questions which were unanswered and indicated that he will communicate with the City Manager and the administration to ensure rectification of this matter.

It was thereupon *unanimously* accepted with amendments proposed by the Deputy Executive Mayor, Cllr LM Titi-Odili

NOTED.

5.
ANNOUNCEMENTS

Cllr SP Tsoleli commented as follows: "Thank you, Speaker, and compliments to all the councillors and officials. I need to commend you the Speaker and committee services for providing sign language interpretation as this a milestone as a person who has a deaf child. It is important that they be recognised in council and follow. The Freedom Charter states that the doors of learning and culture shall be open, I am pleased that Department of Education has opened a new school in Langenhoven Park, and this project has been in progress for a long time due to resistance from people and parties who don't want diversity and inclusivity in our former white suburbs. This is a milestone for the government because this will be the first school that has been built in former white suburbs post democracy. We call upon people who have children in grade R until grade 3 to come and register their children as well as those who are in grade 8. Currently those learners are housed in San Duplessis and Lourierpark until construction is complete. The school is classified as a comprehensive school that will accommodate the demands of the demanding technologies. Thank you."

Cllr VS Soqaga:

"Thank you very much Speaker, happy new year. I am going to firstly apologise to people of Mangaung on the issue of water crisis in the city, however I must indicate that the rain experienced in Lesotho has an impact in the system which caused high turbidity at Welbedacht Dam which is causing the dam to reduce the dam to 15% which is a problem being addressed by Vaal Central. Thank you."

Cllr MT Mosala:

"Thank you, Speaker, one is honoured to announce the long-awaited investment summit wherein we will explore dynamic investment opportunities and connect with key industry leaders. The summit will be preceded by dinner with 34 embassies and their business chambers on the 18th of February 2025 and the actual summit will be on the 19th and 20th. A link to register will be publicised to those who are interested."

Cllr JM De Bruin:

"To be a ward councillor before was very nice but now it is a privilege to be a PR councillor because I can move in any ward to go and observe.

I just want to bring it to your attention that we are thankful for the library that you built in ward 50 that is standing as a white elephant because that building was built few months back, but it is just standing close, and our people need education. I am not here to gain any political points, but we are here to deal with wrongdoings in our metro. I went to visit Thaba-Nchu and Botshabelo, I never saw a pit toilet from when I was growing up, it's unacceptable that there are still pit toilets there."

Cllr MJ Ramatlama on a point of order, that Cllr JM De Bruin confine himself to the item on agenda, on announcements.

Cllr MT Mosala on a point of order that Cllr JM De Bruin should not mislead the public as the library at Ward 50 was functioning.

Cllr DL Malebo raised a point of order that how can Cllr MT Mosala address something that was already not in order as the point raised by Cllr JM De Bruin was not an announcement.

Cllr MW Mogale made the following input:

"Thank you, Speaker, I am happy that the investment summit is coming, and I think the people of Mangaung are more excited because of the opportunities. The announcement we want to make is related to the SANCOFA movement, the party that is finishing 6 years which is the AASD on the 16th of January. I know when I speak of SANCOFA people think it is a foreign language, but it actually means taking back what is rightfully yours, going back and reclaiming what is rightful yours like services we must receive and also the dignity of people of Mangaung as well as bringing back Siwelele. AASD we would like to thank the people of Mangaung and other relevant towns for their support and we hope that they have not lost confidence in us and they don't doubt the 2 seats they have given us, and they will continue to support us in a joint programme as we are an organisation that serves the community."

Cllr De Huis stated that there were no "laities" in Council therefore requested that Cllr JM De Bruin withdraw the word and he withdrew as requested.

Speaker: Demarcation Board undertaken public participation processes in Mangaung on determination of Municipal boundaries and therefore the invitation will also be extended to Councillors.

NOTED.

6.
MOTION OF SYMPATHY AND CONGRATULATIONS

Cllr VS Soqaga: "Honourable Speaker, I stand before this august house very much buoyed by the enactment of the Basic Education Laws Amendment Bill into law by our President, the President of the Republic. As a Country, we come from a very sad past of apartheid, which was institutionalized mainly through a skewed and inferior education system that was offered to our people.

Today through the BELA Bill, we have touched the very nerve that had facilitated the oppression of our people, education. If we do not address the total transformation of the education system in the same way at the BELA Bill seeks to do, we would inadvertently be perpetuating the very policies that subjected the masses of our people to inferior education system of the past. And history, and the coming generations will judge us harshly.

Schools and the broader basic education system, over and above their developmental objectives, should also be seen to be promoting solidarity and nation building as we continue to fight institutionalized discrimination being masqueraded as the rights to determine language policy in schools, the rights to determine admission policy of schools and other objects which the BELA Bill aims to address.

As I depart from this subject fully behind the President and the BELA Act, I take comfort in knowing that the Bill of Rights as enshrined in Chapter 2 of our Constitution, recognizes the need to create an equitable and effective education system for all learners and what better way to do that than through the BELA Act.

Expropriation Bill: Honourable Councillors. Undoing the damage that was caused by the policies of the previous white minority regime will take more than filling the seats of parliament, legislatures and councils with all the groups that make up the demographics of our Country. it requires the will to redress, redistribute, transform and bring equity among all our people.

We are still reeling from the aftershocks of the 1913 Land Act, a potent weapon that was used to deny our people ownership of land in their motherland. In this regard, 30 years of democracy should be construed to have been more than enough to have addressed the land issue. Through the years before and after the democratic dispensation, we have been bending backwards when it came to the land question.

The Expropriation of Land without Compensation is now ripe for implementation and our people, those that never had the rights to land ownership before are eager to see the land question being addressed and put to rest once and for all in the public interest.

The enactment of the Expropriation Bill into law and the resultant repeal of the Expropriation Act of 1975 should be seen as sunrise after a very dark night in the life of our fledgling democracy.

Again Mr. Speaker, I step off this matter comfortable that our Constitution, through section 25, recognizes expropriation as an essential mechanism for the state to acquire property in the public interest.

Seize-fire agreement between Israel and Hamas:

Recent actions that are taking place in the conflict between Israel and Hamas aimed at finding a lasting solution for the region need to be applauded and supported. As a country we have been vociferous about the suffering that the people of that region are enduring.

We need not shy away from the fact that yes indeed our action as a country to take matters to the International Court of Justice was fuelled by the knowledge and our experiences under the apartheid regime. We therefore could not be bystanders when the same was happening elsewhere. We, as a country had to assert ourselves and be an active player in the efforts to attain global stability.

As a country, we have a duty to ensure that where we have influence and are able to assist, we do so without fear, favour nor prejudice.

We are excited with the current seize-fire agreement and wish to urge all those involved to strengthen efforts towards attaining global peace, ending suffering and atrocities.

Democratic Republic of Congo fatalities:

Lastly Mister Speaker, since the dawn of democracy when the rest of world and Africa welcomed us back into the fold of nations and the international arena, we did not join as passengers into realm of world politics. We appreciated the huge task that would follow readmission into organizations such as Organization of African Union (African Union now), the United Nations and its Security Council, the Commonwealth and many bilateral and multilateral arrangements that we are active in.

Since the dawn of democracy and against the naysayers wishes, we have grown in stature, and we are now a significant player both in the SADEC and African Union. Our role seeks to achieve regional and continental stability, growth and development. We are signatories to the Agenda 2063, and we aim to contribute commensurate with the expectations placed countries like ours.

Therefore, our presence in DRC should be understood against the background and profile of our country — a Country which emerged from a dark past, mastered transition and democratization without bloodshed. It is these defining characteristics that now place enormous expectations on the role that South Africa need to play in global politics, and more so in the SADEC region.

Against the noise being made about our role and presence in the DRC in a defamatory tone, we cannot lose sight of the ball, that is the objective of our presence and the desired spirit of bringing stability to the DRC. For us peace, stability, regional development and a united Africa are sacrosanct.

As we take off our hats and bow our heads in salute to the fallen soldiers, let us show respect to the families of the deceased and not begin to play power politics in the name of the departed. The loss of one soldier on a mission sanctioned by the UN and the AU is not only a loss to South Africa. It is firstly a sad loss to his family, a loss to the noble missions aimed attaining conflict free continental and global peace. Time will prove that their efforts were not in vain, and we will soldier on for as players in bringing peace in Africa, motherland. I thank you, Honourable Speaker."

Cllr MM Letawana: "Thank you Speaker, the leadership of this council and all councillors present, the community of Mangaung – Good morning. We are from a very hectic period of festive where we have seen a number of road safety campaigns across the country, and we can report today that there were successes reported during the period under review as well as some sad news of lives lost. The road statistics shows there was a decrease of 1.1% recorded while fatalities decreased by 0.5%.

Free state indicated the highest decrease with regard to fatal crashes which was less than 13, it is disappointing at the same time to report that in the report provided we have seen that the drivers recorded in the age range 25-39 years which is referred to the future leaders is one of those that is not impressing in terms of the stats. Let me also indicate that the number of incidents that took place in our famous road which is n8 we have seen a sharp decrease in terms of incidents as well as other roads and we wish to take this opportunity to send our condolences to all families that lost loved ones during the said period. Let me take this opportunity on behalf of ANC to applaud the excellent performance of the matric class of 2024 for achieving a remarkable 95% pass rate which is a significant improvement from 2023. In believing that education is a societal issue, the result demonstrates a conceited effort of leadership of the Department of Education led by DR Mamiki Mabuya as well as the educators and SGBs in the field of education. We are also supporting that in 2025 – we say education Marung and they should continue to make the Free State shine. While on a celebratory mood, let me also congratulate the biggest political party in the continent – the ANC by celebrating its 113th years anniversary which the event thereof took place in Cape Town Khayelitsha. The theme was the year of renewal to make ANC a more effective instrument of the people, to achieve the vision of the freedom charter. As the ANC we observe the 70th anniversary of the freedom charter, a document that served as a policy blueprint, it is this policy framework that inspired. As we start 2025 may I call all of us to defeat any service delivery challenges in the city and together we can improve and have the ability to respond to the needs of the community and make a better Mangaung."

Cllr MW Mongale: "Tribute to Godfrey Oupa Mokakatleli who passed on this week and will be buried same week.

He is a guy who came here in Bloemfontein as a young guy and he became the most feared middle fielder of our time, I struggle to find people who play like him in SA. He played for Tigers and Free State Stars. He was born in Kroonstad but lived his entire life in Bloemfontein."

Cllr PJ Rampai read scripture and congratulated Matric Class of 2025 and the Free State Province. He passed condolences to three (3) learners who passed on at Dr Viljoen school who were critically injured. That on behalf of the ACDP, they extend their deepest sympathies.

Cllr DL Malebo: "Ke ya leboha motsamaisi wa dipuisano, ere ke qale ka ho leboha mokgatlo wa AASD ka dilemo tse tsheletseng. Ke re ho bona baye di conference'ng. Ke lebohise molekgotla Cllr Makang lenyalong la hae.

We gather to pay our respects and offers condolences to the family and loved ones of our brave soldiers who made the ultimate sacrifice.

They were deployed to DRC as part of the Unite Nations Peace Keeping with the noble goal of bringing peace and stability to a region, we mourn the loss of these brave men and women who have given their lives, we remember their courage, their dedication and their selflessness. However, we cannot ignore the concern raised by the EFF of the capacity of SANDF under Angie Motshekga, they have continuously called for accountability from department and governing party. The president of EFF has been vocal about President Ramaphosa's handling of the issue stating it was responsible not to withdraw our soldiers as they are ill-equipped to handle the complex situation in DRC and their deployment is merely public relations exercise. To make things worse, Minister Motshekga was summoned to appear in front of the parliamentary committee this week to answer the questions regarding the situation in Congo. The EFF had requested her presence to provide clarity but instead the allegedly abandoned the committee sparking concerns about transparency and she postponed to the 18th of February. To demonstrate how our leaders are treating matters of urgency with no care. We cannot ignore these concerns and we demand answers, how can we ensure that our soldiers are properly equipped, how can we hold our government accountable for deployment of soldiers and loss of lives occurred. As we move forward, we must prioritise the safety of our soldiers, and we must ensure that their deployment is guided by clear mandate. In closing let us remember the words of Mandela who said '' the greatest glory in living, lies not in never falling but in rising every time we fall'' let us rise to the challenge of honouring our fallen soldiers by continuing their work and striving for peace, may their memories be a blessing to us all. Thank you."

Cllr TK Rammile: "Mister Speaker our heartfelt condolences go out to this family following a tragic on N8 road January the 24th. We extend our deepest sympathy for the loss of the children, Ryan Smith (6 years), his brother Aiden (8), and their niece Leane van Popendag (8). Not forgetting Onalerona Motlhodi (28) who resided at Mokwena location in Thaba Nchu, who also lost her life in tragic car accident. Our thoughts are with all the families during this incredibly difficult time.

The DA would also like to extend the deepest heartfelt condolences to the families of SANDF members who lost their lives during the attack by M23 in DRC. May their families find peace and comfort.

We would like to also congratulate the Free State matric class of 2024 for being the best once again, and may all South African metrics archive success in their future endeavors.

The DA also wishes the newly appointed coaching staff of the Free State Cheaters best of luck. All of the respected Springbok and world cup winners let's continue to bring back the glory home. Not forgetting Bafana Bafana for being able to qualify for AFCON, you made us proud. We also hope and pray that Bloemfontein Celtic Football Club manages to get back to the Badway Premiership.

In closing Speaker, I would like to congratulate and applause the DA leadership for standing firm and true to the course of rescuing South Africa and building a better future, and not rolling out to the ANC's failed policies of the past 30 years. South Africa needs a functional and respectful coalition that delivers real solutions for our Country. Thank you, Mister Speaker."

NOTED.

7.
CONFIRMATION OF MINUTES

i. Special Meeting: Friday 5 July 2024 (initially scheduled for 4 July 2024)
Cllr VE Jonas moved for the adoption and was seconded by Cllr MW Mongale.

ii. Ordinary Meeting: Wednesday 31 July 2024
Council Whip moved for adoption and Cllr MW Mongale seconded.

iii. Special Meeting: Friday 30 August 2024
Cllr S Sefaki moved for adoption and was seconded by Cllr SC Sehloho.

The Speaker thereon announced the voting results were *unanimous.*

The Speaker then declared that the minutes were duly adopted as true reflection of what transpired in the Council meetings.

NOTED.

8.
DECLARATION OF INTEREST

None.

NOTED.

9.
PRESENTATION BY THE AUDITOR GENERAL ON THE ANNUAL REPORTS FOR MANGAUNG METROPOLITAN MUNICIPALITY AND CENTLEC FOR 2023/2024 FINANCIAL YEAR

Mr Odwa Duda presented slide 1 – 8 as follows: "Thank you, Speaker, and all present members, compliments of the new year. I trust that 2025 will be a good year characterised by good governance and oversight by this council to the best interests of the citizens. I want to appreciate the opportunity of making sure that today we are able to make sure that we comply with the legislation, by tabling the annual reports within the legislative time frame of which is something the Speaker has challenged for this Municipality for a number of years that we've been tabling our report. I would introduce myself my name is Odwa Duba, and I am the business unit leader responsible for the Free State province. Next to me is Mr Beukes and he was the manager on the job. I want to emphasize and mention it on record Speaker that these outcomes there was quite a lot of extensive engagement that took place between the old team with the leadership of the institution, we had quite a number of engagements with the leadership that is led by the City Manager to ensure that we reach the conclusion and accept the findings that the team have identified in the observation they made during the audit.

We even took it further Speaker that we also have engagement with the Mayoral Committee where we presented these outcomes, and we also engage the MPAC as well on these outcomes. So, I'm confident to stand here and present these outcomes because of the process that was fair and objective to ensure that the conclusions and the opinion that you expressed in the financial statements that you audited is the fair representation of the affairs of the Municipality that you gave us to come and present to this council.

Slide 2 indicates our vision and our mission and what is important there is the fact that for a number of years, we have been consistent with this mission because we believe that the role we are playing as the AG through the audit we conduct, we enable the oversight to ensure accountability in the public sector and our vision is clear that we ensure that the work we do is continuously making sure that we are relevant so that it can speak to the reality of the citizens.

The next slide – we are highlighting that we as the AGSA we are not working an island but together with the International Organisation of Supreme Audit Institutions which AG's global and those AGs subscribe to the principles of P12. The main philosophy is to ensure that the audit we conduct in government should have positive impact on the trust of society and we are driving that through the 3 pillars. The first pillar deals with transparency and integrity of government and public sector entities. The 2nd pillar deals with the supreme audit entities, we should be a model through leading by example. The 3rd pillar deals with demonstrating ongoing relevance to citizens, parliament and other stakeholders and this is the work we do to ensure that we don't just audit and leave but we share the insight with all role players that will use it to fulfil their responsibilities so that we can see improvements. What is key is that the insight must be relevant, I cannot table the report that says all is well whereas the citizens experience something different. In the centre is the fact that we want to make a difference to the lives of the citizens.

The next slide (4) speaks directly to how we translate the aspirations of the Global Institution of the Supreme Audit. As the AGSA we developed our own strategy which we are striving to achieve, and you can see there we said what we aspire which is to have a strong and consistent impact on improving the reality of SA and we do that by ensuring that the objectives that we put in our strategy will take us to the realisation of these objectives. We also have the objective that talks about influence which is impactful engagement, and we expect our teams to have those engagements. As we are aware that from 2019, we were given extended powers due to lack of consequences around the country which give us enforcement powers that in the event that accounting officers don't fulfil their responsibilities we give them the spice that they need to their responsibility.

What the constitution really requires, as can been seen on section 195 of the constitution which talks about the public sector culture which should be capitalized by good performance and by accountability, transparency as well as institutional integrity. Our strategy is that the work that we do is continuously aligned with the aspirations of the constitution that we are working towards and ensure that we influence good and better performance. The public institutions are driving the issues of accountability, which I think is what we are doing even today, that is why we are presenting it to the council and so that the council is able to take the insights and the observations that we've made during the audit so that you can start to hold officials accountable.

The issues of transparency that the citizens should know, that is why the annual report becomes a public document and also that is why even the council today is open to the public. That the public knows what the outcome of the audit that we performed and, lastly the issue around about the institutional integrity - we need to make sure that we implemented the consequences for poor performance as well as the lack of performance so that we are able to have the public sector that is driven by service delivery.

Slide 5 indicates the criteria that is being used which includes 4 areas – performance of public sector in terms of financial management, compliance, ethics and fraud. Mangaung is sitting at the block of doing harm due to the material irregularities and lack of documentation.

We are working very hard with management to ensure good governance.

All key performance targets need to be achieved under service delivery, and we have come the realisation that we need to get feedback from the citizens, and we are achieving via Asivikelani which is a service provider. If you get your basics, you will get a clean audit hence we are working closely with management. We came with an approach that is called the power of 5 and the key things we look at include the accountability instruments and what the council is doing to ensure the utilisation of the instruments. The section 47 is the report by the MEC which is a report that we are struggling to get. Section 133 refers to consequence management of non-compliance and are we utilising it effectively? Including the section 139 wherein we must have intervention. The last part in the slide indicates that there must be clarity regarding what is expected from officials and the expected performance. The performance agreements must be publicised. Mangaung is not improving at the level that it should be, and my team is forever available to support the metro.

The last slide indicates the accountability ecosystem, and it entails bringing in all role-players together so that they can complement each other."

Mr Beukes Boshoff: "I was responsible for the 2023-24 audit cycle and it's a privilege for me today to stand here in front of you and present the outcomes of those audits. Councilors on slide #9 you'll indicate, or you identify this five-year audit outcomes that's been shared in the past three financial years as well as the current financial year. The Municipality of the consolidated institution including Centlec has received a qualified audit opinion and the qualification audit opinion is as a result of the overtime payments made in terms of employee costs which could not be substantiated specifically when it comes to whether firstly a need was established for overtime to be worked and once it has, and worked within those hours has been confirmed before the payment is being processed. So, there's a decrease in terms of the number of qualification paragraphs, you'll recall in the prior year we had three qualification areas, in the current year there is one qualification area. As I mentioned the audit outcome does remain volatile at this stage, they require a lot of audit effort from our end in order to substantiate certain transactions to get the information that we require to ensure that what we publish in our financial statements and annual performance reports.

Slide #9 is our qualification area and the root cause is that we do not have an approved overtime policy or a standard operating procedure per user directorate. Overtime may be necessary but the processes that we have in place are letting us down and this is where the critical intervention is required.

We need to ensure, councilors, that there is monthly and daily processing of overtime transactions as I indicated to ensure firstly the need for overtime is confirmed and approved as well as the hours that's been claimed is actually being worked. If we continue then to slide #11, this is where we highlight our findings on the annual performance information of course as councilors would know this is where the Municipality reports back to oversight and to the community are the Municipality has performed in terms of service delivery during the financial year, unfortunately the Municipality has continued to receive a disclaimer opinion on the performance information. AI expand a bit on this slide for the reasons for this disclaimer for point #1 not all our indicators within the SDBIP or IDP or well defined so that it can be measured properly and consistently and key functioning areas within the Municipality are not always recorded as indicators in the annual performance report which begs the question whether it has been monitored measured and or implemented. It's critical, councilors that all our needs of the community is included in our annual performance report and measured and monitored against budget spending as what the current state of it could lead to increased community dissatisfaction when it comes to service delivery.

Point #2 audit opinion that we obtained or could not obtain in this case could not support the actual achievement that has been recorded in the annual performance report as well as material differences that we identify compared to the actual achievement that's been reported. In point #3, the quality of our performance report unfortunately before and after the report after the audit much remains to be desired as they continue to be material findings. I think one of the important matters on this slide is point #4 when it comes to impact and councilors, would note that 45% of our service delivery targets were achieved. However, 111% of our budget was spent so there is a misalignment between what we achieve as a Municipality and how our budget is being spent.

As I indicated previously this does have a negative impact on council and oversight bodies, especially when decisions have to be taken based on the annual performance report based on performance information that's being shared as it might not be a reliable source on which decisions can be taken as a result of the disclaimer. Opinion on slide #12 and 13, we highlight a couple of key service delivery areas that unfortunately were not achieved during the year under review. Councilors would note in the far-right hand column that all of these are reported as 0% achievements or non-achievements and some of the indicators or targets that we plan to achieve relate to the core functions of the Municipality specifically the provisioning of roads, water treatment capacity being implemented, and enriched delivering of sewerage related services. The individual households as well as the number of households in informal settlements provided with water unfortunately councillors have as reported in the annual performance report that there is 0 or non-achievement or some of these key service delivery areas.

Continuing to slide 14, I believe it's 14, 15 and 16 which I will deal with the non-compliance areas where we also identified the variance instances of material non-compliance. Councillors would note in the previous financial year cycle and there were 28 instances of non-compliance in the year under review 2023-24, there were 30 instances of non-compliance we identified also important to note that we cannot look at all non-compliance areas, we do limit the non-compliance or legislative areas we believe has a detrimental impact on the community.

Some of the instances I'd like to highlight is under contract management, the way some of our invitations for tender documents did not include the minimum threshold for local content which unfortunately does have a negative impact on local economic development and our contract management and monitoring of contracts are not being performed continuously and the impact of this sharing the latest slides in terms of expenditure management we unfortunately are not implementing reasonable steps to prevent unwanted expenditures such as fruitless irregular and authorized.

On slide 15 our conditional grants - the urban settlement development grant was not spent for its intended purpose in line with the grant framework while other grants were also not evaluated within two months after the end of the financial year that acquired on consequence management no action or investigation has started in terms of unauthorized, illegal and fruitless and wasteful expenditure in order to deal with it #1 but secondly also to implement funds sequence management from revenue management side and effective system of controls over our revenue system is not in place. Accounts have not been billed monthly, revenue has not been determined on a monthly basis and there were also areas where interest charged on overdue accounts were actually not charged. Finally, then on slide 16 in terms of human resource management the financial interest was not disclosed by the section 56 and 57 managers within 60 days of the appointment it was disclosed, I can confirm that just not within the legislated time frame 60 days. And job descriptions were not established for all posts in which appointments were made.

Finally on our environmental management various of our water - wastewater treatment works, and landfill sites are not operating effectively with under the licensing agreements, and they are not maintained, and they are depleted, effective malfunctioning, misused and vandalized leading to further breakdowns in service delivery. Councilors bringing it home to what the people on the ground are experiencing, in slide 17 to 19 is some of the key infrastructure services or projects that we visited during the audit under review first one is the Thaba Nchu wastewater treatment plant which was aimed to extend the capacity of the plant in order to treat effluent unfortunately this has been delayed by about 36 months, the delay compromises the current existing services to be delivered to the Thaba Nchu community and terms of wastewater management and overall we have identified poor quality management of the project and a loss of service potential to our community. The cause that we highlight is that leadership has not implemented the effective controls over management of key service delivery infrastructure funded by grants which will ensure that funds are spent within its intended purpose and, the maintenance plan is lacking when it comes to the maintenance of these projects or service deliverables. We recommend it to the leadership of the Municipality that while we have a project management unit now appointed in our staff establishment, we need to urgently capacitate this unit whose responsibility it should be to monitor progress on projects monitored against spending, monitored against grant funding and grant management. On slide #18 we also visited the Thaba Nchu which was the widening of the avenue unfortunately the project has also been delayed by 31 months items for deliverables that was previously paid for on this road project was again built and paid by the Municipality for the replacement contractor so in essence similar work was paid for twice. We also identified full quality work issues on this project the cause and the recommendations that we made that is similar to the top Thaba Nchu wastewater treatment plant.

Councillors on slide 19 and 20 just a high level overview of other infrastructure projects or key service delivery projects we visited first one being the Hamilton water pump station been delayed by 17 months and we have spent 92% on this project however the project is only at 84% completion so there is a misalignment as indicated in the annual performance information between what is being spent what is the progress round construction of the Caleb Motshabi Road also delayed by over 17 months the project is completed but it cost the Municipality 9% over and above what was intended. Slide 20 - Vista Park, the construction of Boston water and detention ponds delayed by over 7 months between the spending of our budget by about 20% in order to get this project completed similarly for Vista Park 3, construction of internal civil engineering services delayed by over three months as well as a 20% overspending on our achievement of this project. Councilors would note that all of these key projects are funded by conditional grants. In the next slide on 21 I will reflect instabilities, currently in terms of its fine you'll see that it's an unwanted expenditure for irregular, unauthorized and wasteful expenditure remains quite high and some losses the experience in the current financial year - there was revenue lost due to the Municipality due to accounts relating to service charges not prepared as also highlighted in the non-compliance areas this amounted to about R465 million in the current financial year. We've lost value of our property plant and equipment due to vandalism and lack of safeguarding amounting to about R58 million and our inventories are written off and this is based on the fuel losses that are not being safeguarded due to damaged and aged infrastructure of about R1.8 million. On the right-hand side some key financial indicators of the erosion of public funds those that I will highlight. Councilors would note that R194,000,000 spent of conditional grants were under spent that was received by the Municipality. National Treasury withheld R297 million of conditional grants due to slow implementation of projects, 45% of the 2024-25 budget will have to pay for the expenditure and commitments made in the 2023-24 budget cycle, 28% the activities contained in our financial recovery plan has been obtained or implemented the currently at 30 June 2024 remains material uncertainty whether the Municipality will continue operating as a growing concern in the foreseeable future.

On slide 22 a graphic depiction of motorized irregular and fruitless unfortunately as continuous steady increase in these unwanted expenditure incurred in the current financial year if I move on lane to slide 23 counters our closing balance here in balances will continue to show the increase and unfortunately there has not been any investigation as indicated previously the reason for this non investigation is the lack of a disciplinary board being appointed to investigate the unwanted expenditure understand this understanding the disciplinary board has been appointed this commitment unit of the Hispanic not capacitated and impacted I want to be investigated or even as I indicated the grant management feedback we can provide today as councilors would be aware after the grant funding is very critical towards achieving our key service delivery objectives and funding key service delivery projects when we look at the urban settlement development groups like transfer to current year and on slide 25 that formal since 2011 was full speed and previous ability of operations and funding causes service delivery and seeing the most final in our communities that's why you need to housing facilities as well as water treatment finally on slide 26 as indicated we do have the increased powers to ensure that our recommendations are implemented when it comes to material irregularities to date councilors we have 14 objective material irregularities within the Municipality one of these are not due for a response by the accounting officer yet.

On the right-hand side, we share some of the details of the 13 material irregularities-the first one is where we identified the home to the crew specifically the Municipality where information technology assets were not adequately safeguarded and maintained, we have a loss that was not prevented with the municipal. For contract price adjustments and extension of time on 3 projects and, this resulted in three separate material irregularities contractual obligations not settled within 30 days specifically on a key project one material irregularity aimed to the general public pollution of water resources not prevented and poor management of landfill sites sitting at 5 material irregularities further losses not prevented. Pension fund contributions not paid in accordance with the rules of the pension fund that's not safeguarded. Reasonable steps are taken to safeguard our zoo animals and finally, a reasonable step not taken to prevent few losses or overpayment made to suppliers for work already performed or not performed sitting at 2 material irregularities. Councilors in the next two slides I'll reflect briefly on the performance of the municipal entity Centlec, you'll notice that the municipal entity has maintained an unqualified with findings ordered opinion, there remains however a concern on the quality of performance reports produced by the municipal entity as they also struggles or they also struggle with a lack of sufficient evidence, instances of material noncompliance remain a concern as they've been reported on in the past three financial years with limited intervention or action.

Slide #28 I want to provide a high-level overview of the performance of the Centlec entity in terms of the quality of financial statements, there remains a concern in the publishing of the financial statements as various adjustments were required in order to maintain the unqualified opinion with findings, ordered opinion material misstatements were also identified but corrected in the financial statements and that resulted in the unqualified opinion. Performance reporting has improved from the qualification in the prior year to an unqualified opinion in the current year, however there is also a misalignment between spending and achievement of targets as 63% of the service delivery targets were achieved however, 87% of the budget was spent terms of compliance there has been a decrease in the number of compliance matters reported however inadequate actions remained in order to address transgressions or the OR take action against the transgressors of the legislation or entities policies when it comes to financial health the credit of payment period is increased from 73 days to 128 days a deficit of R114 million was recorded in the 2023-24 financial year and 52% of the debt of the entity is seem to be irrecoverable in other words they do not expect to recover those funds. The entity also experienced losses in terms of impairment of consumer receivables sitting at about R68,000,000 losing the value of property plant and equipment due to lack of safeguarding and vandalism setting at 3 million and our electricity losses is sitting at R202 million for the financial year. Unwanted expenditure further incurred irregular expenditure increased to 1.54 billion Rand, fruitless and wasteful expenditure also increased to 112 million rand, and our budget was overspent by R468,000,000 compared to the prior year. Consultants were appointed by the entity at the cost of 4.6 million Rand increasing from 3.5 in the prior financial year and from a human resources point of view they also remain instability and vacancies especially in the finance unit with a 28% vacancy rate.

Councillors my final two slides is to provide you as well with feedback on the five recommendations that we have provided to the municipal leadership, and I'm pleased to confirm that the Honorable Speaker the Mayor to implementing these recommendations while they might be a long road ahead of us in order to proper governance we believe that if these five recommendations are implemented we should see a significant movement in the right direction, we've added as well in the current financial year detailed actions that we believe if this is followed on a step by step basis it could lead to the implementation of the recommendation and we tried to link it to the specific areas of concern as we've highlighted throughout this presentation. Today I would like to take you through the recommendations that has been committed by the leadership of the Municipality:

RECOMMENDATIONS

1. Establish control process to address the weaknesses in our overtime system.
2. Implement actions to address readings of households where estimated consumption has been done for a long period.
3. Commence with the investigation of unwanted expenditure with the view of reducing backlog of uninvestigated expenditure.
4. Enhance our control processes to address weaknesses and in the maintenance and delivery of infrastructure.
5. The performance set in the SDBIP must be well defined, targets must be specific and relevant.

After the presentation, Councillors were afforded the opportunity to ask questions of clarity as follows:

Cllr GDP Kotze: “Thank you, Mister Speaker, through you, I raise the following questions to the Auditor-General.

In your previous report, you highlighted that the Mangaung Metro made payments for goods and services that were either not received or of poor quality, including an R8.1 million payment for ICT goods and services that were never delivered.

What is being done to recover the funds, and have any of the suppliers been held accountable for failing to deliver the goods and services?

You also found that employees with a private or business interest in suppliers were awarded contracts by the Municipality without disclosing their interests, which is a clear violation of procurement rules.

How much value is tied to the contracts awarded to employees with undisclosed interests? Were there any financial losses incurred due to these violations?

Have any of the employees involved faced disciplinary action or legal consequences for failing to disclose their interests? If not, why?

As noted in the report, there is a clear lack of engagement with the public by the Mangaung Metro leadership. Would your office be willing to accept an invitation to attend a public meeting in my ward, alongside the Executive Mayor, City Manager, and all the Heads of Departments, to present this report and address questions from the public? I thank you.”

Cllr GJ Lipale asked the following questions:

- How the Municipality got where it was?
- Whether can the Auditor General be corrupted?
- Who audited the Auditor General?

In your presentation, Auditor General, you mentioned that you met with all the stakeholders, including the HOD's, the MPAC and the MAYCO, what did you find from them? Especially the MPAC as that committee needs to investigate some of the things happening in the Municipality. You mentioned R190 m that is underspent by HOD's, why are we having HODs and all the officials whilst money is spending them, we have issues and money is not spent. Someone is not doing their job, either they are lazy or incompetent, there are also projects that are overspent and had to be stopped, how is that? How does it come to that point? It is so sad that we need to come here and listen to this and worst part, is that there is money, but some people don't want to spend it and that is wrong. There is no consequence management, heads need to roll. Thank you.

Cllr MW Mongale: "Thank you, Honourable Speaker, Dr BL Mathae. Mine is also in line with what Cllr GJ Lipale has raised about the efficiency of Auditor General. I remember some other time I had a fight with the colleagues at Auditor General during our training as Councillors where I said: *are the findings of Auditor General compulsory?* If they are binding like the one of Public Protector, why are the Hawks and SIU not immediately to safe public funds because it is not Municipal funds. I know in your report you said it is Municipal funds, it is not, it is funds. It was meant to help the public, but it ends up not reaching the intended objective.

For example, the project of water at Maselspoort and Thaba Nchu, could have addressed the water crisis we have in Mangaung where people had to leave their houses to go look for water and go where the delivery truck is standing to just fetch water. If one is working for these private sectors, it means you would not get water for that particular day and our children are going to suffer. This is crime against humanity. I don't know how you define it. Anything that denies our people services, it is a crime against humanity. You as Auditor General, you come to Mangaung year in and year out, you always come with findings that shows that things are not ok, but there are no consequence management. You want to relegate the entire power to MPAC. MPAC is limited because in Mangaung there is coalition of ANC, ATM and AIC. They constitute the majority. Once you want a particular decision to be taken, and they out vote us in the Council, we are defeated and now, where does AG come in? this is where we want you to come in. I have already made up my mind.

All I am saying, we are made to look useless in the eyes of the public, while we are raising these issues at MPAC, we are also raising these issues at Committees and in the Council, we are defeated by the coalition in Mangaung of ANC, ATM and AIC. I want it to be recorded. Those are the people who are defeating us every time in the meeting when we want to correct the wrongs. We are not saying every Councillor of the ANC is corrupt, all we are saying is that the power of the decision of that coalition paralyse this Council. We were progressing and now we are regressing because there is no one whose is keeping a constant check to this institution to say Hawks make arrest where you have to make arrests.

Hawks are waiting for President to give them declaratory order before they start to act. If the President does not give them order, it means those people will not be arrested. What kind of this democratic system do we have where people can steal, but when ordinary people steal, they are arrested immediately and they are taken to court, but when it is us legislators, it is either subjected to a commission or it would be a process where it would take time where Hawks can come and arrest me. What makes me special when I came here with a vote of the same people that gets arrested immediately. Auditor General do your job, if you can't do your job, reflect it to Parliament to say we have the following limitations, we want to get people arrested because people are blaming us that we always investigate but end up not getting the desired results at the end of the day. We are also trying on this side. Thank you, Miste Speaker."

Cllr SQ Peter: "Thank you, Mister Speaker. Greetings to Executive Mayor, Deputy Executive Mayor. MMCs, City Manager and his team and the Office of the Auditor General.

Let me thank the Office of the City Manager and the CFO for coordinating the audit for the 2023/24 to its conclusion. I must also thank the office of the Auditor General for their commitment in expressing unbiased audit opinion for 2024. As much as it remains a third qualification in a row, however looking at qualification paragraphs, we are at least moving a step forward despite the issues that were raised by the Auditor General in its findings. Ultimately, we are looking at finding a clean audit and we believe that it is achievable with the army of well qualified and experienced staff that we have as the City.

One has noted the issues surrounding the inability of the City in terms of substantiating the employee related costs especially overtime. This gives an impression of a loss of control in managing and approving overtime; however, the situation has been exorbitated by the inability to submit documents to the AGSA. I think you will remember that in most of the finding, he said overtime is not supported by certain documents. So, we are working very hard to deal with that particular matter in order to address issues that were raised by the Auditor General.

We have also noted with great concern that the number of things that we need to work upon as Finance to find strategies to manage business workflows. As the Municipality we planned to support the proposed an audit action plan that will be tabled by the City today in order to remedy the issues that were raised by the Auditor General, so that ultimately, we are working towards rectifying what is raised by the Auditor General. We also pledged to support and say anytime the Auditor General's office come to our offices, you are welcomed to make the City strive. Thank you, Mister Speaker."

The Office of AG responded as follows to issues raised by Councillors:

- On question regarding invitation to Auditor General to present to the Ward: that as much as the office want to be close to the public, they need to get things in an organised way, the office would not have the capacity to visit all the Wards. The Municipality is encouraged to use such platforms, Council meeting which is open to the members of the public and Councillors elected to represent the voice of the public. If there were any further questions, the office of AG was willing to give responses. Furthermore, it would not be practical as the office already started with auditing of the provincial government.

- That the office has started engaging community service organisations, which are the voice of the citizen. If there are more CSO, they were willing to engage with them so that they are able to represents the needs of the Council and listen to them and see how the office would respond to them so that the work that the Office is doing is relevant to their needs.

- On how the Municipality got there: this question everyone should be asking because for the past years, the office of the AG has been coming to the Council to present the outcome of the audit and with the worked performed and action proposed to address those issues.

- On the question of how is Council planning to conduct oversight? There office was happy that the Council was not comfortable with the outcome presented and Council should not continue doing the things they had done the previous years. The oversight should be done totally different to enable the Council to have impact on the issues raised.

- On how Council got there, it was because of all the findings the office of the Auditor General had been reporting for number of years. They highlighted that there were going concern issues in terms of finances, what did the Council do about that? The office had reported for number of years on irregular expenditure and that there were no investigations conducted to deal with irregular expenditure. Did the Council undertake the investigation to ensure that the people who needs to be held accountable, were held accountable and consequences implemented?

- The audit institutions subscribed to global/international organisations that check the work that is done by AGSA, the ethical conduct of each employee at AGSA who sign declarations that they would comply with ethics and if one transgressed any of the principles, those employees were not kept in the system. AGSA got audited and every year continued to get clean audit opinion.

- That AGSA has voluntarily as supreme audit institution subscribed to the Regularity Board which regulate the work done by the auditors. The Independent Regulatory Board for Auditors (IRBA), regulator for auditors, audit the opinions of AGSA and had been getting good feedback in terms of reviews to ensure that AGSA produce quality work and that the opinions expressed was supported by the right evidence.

- What AGSA does: the institution governed by legislation and whatever is done, there must be a legislation that state that whatever should be done. The responsibility of auditors is to audit and generate the insights and give to the role players entrusted to perform those duties.

- That If identified fraud or indicators of fraud, the first step of AGSA is to report to management and management to undertake own investigation. If there is an element of criminality, the legislation empowers AGSA to open a case with SAPS. Those powers are also given to the Council.

- That on issues raised by AGSA, the question would be, what had the Council done, had they reported such cases to SAPS.

- That the extended powers that AGSA had and which they had been implementing, a number of material irregularities had been identified, but AGSA had to follow the legal process, as AGSA would not take over the role of the accounting officer. If AGSA had identify material irregularity, the opportunity is first given to the accounting officer to implement.

- That on a question regarding the poor quality of ICT work, ICT procurement in the previous year: This matter had gone through the material irregularity process and AGSA had tried to provide insights and influence and unfortunately the actions were deemed inappropriate and has resulted into enforcement. The recommendations are included in the audit report.

- That on employees doing private work: followed it up in the current year and had presented the lack of consequence management and the inability of the Municipality to investigate and therefore can confirm that the payment made by the Municipality for the goods that has been received. There has not been actual financial loss on what has been received.

- That on project overspending: that what was critical was for the Council must find an alignment between project management, grant management and measuring the quality of work under the grant. Currently these matters were handled in isolation to each other which led to 100% completed projects but cost 120% of the completed budget which led to instances where grant funding is underspent. Hence AGSA is excited about the prospect of Project Management Unit and thus recommend that they must take the mandate and monitor and ensure that if 10% of project budget spent, there must be equal value on the ground.

Cllr GJ Lipale stated that it would be critical that the Auditor General be the office that open cases with the South African Police Services (SAPS) as they were in possession of documentation.

Mr O Duda replied that the legislation guided what supposed to happen when the matter was referred to the Hawks, SAPS and Public Protector.

The Executive Mayor made the following inputs:

"Let me extend our gratitude and thanks AGSA's representatives and the interaction we had with them through all the processes and indicate that some of the issues will be part of the document that will be presented going further into details with regards to efforts put in place. As the Executive Mayor and my team, we had our own interaction with AG and some of the things they are putting have been looked into how best we can salvage these tendencies that have been ranging for years.

I am happy that the report of the AG it does not believe some of the limitations we are faced, they get findings and criticise. We will work inside what has been presented in council and I hope at some point we will come back and say some of the challenges have been dealt with. We have noted with concern our interaction and we know we can engage the AG to physically share their experience with us but for now what has been withholding us is that we are a cash trapped Municipality, and their services are not for free. I would like to see such an endeavour where we need not enter with them into a boardroom, and we share experiences but also engage their office whereby physically they're not with us.

I would like to thank the office and say we are at your disposal. Thank you."

The Speaker thanked the office of AGSA, and that Council noted the contents of the report.

It was proposed that such a presentation as the AG presentation should be allocated enough time so that members can ask sufficient questions and clarity can be provided.

NOTED.

10	REPORTS FROM THE EXECUTIVE MAYOR

1.

SUBMISSION OF THE ANNUAL REPORTS FOR MANGAUNG METROPOLITAN MUNICIPALITY AND CENTLEC FOR 2023/2024 FINANCIAL YEAR

Deputy Executive Mayor addressed the council as follows:

"Thank you very much Speaker, in terms of section 121 & 127 of the MFMA 2003 act 56 of 2003, together with section 46 of Local government systems act the amendment provide for the preparation, adoption and tabling of the annual report.

All municipalities in the country, in the province are expected to prepare and process their annual report within 9 months after the end of the financial year. The purpose of an annual report as follows, is to provide an account of the activities of the Municipality for the year and under review the provider to provide a report on performance against budget of the Municipality and to promote accountability to the local community for decisions made throughout the year.

Honourable Speaker, and the house, the presentation made by the AG earlier has indicated a lot that needs to be done to improve on the findings as raised. The report tabled by the executive Mayor is regard to the annual report is a clear demonstration that the city is transparent in accounting to its residents through the drafting and engaging community members on implementation of important report hence tabling of annual report. I must emphasise on the delegation assigned to me by the Executive Mayor, the committee responsible for performance has already started with an analysis of some of the root causes and planning towards corrective actions the city needs to take. This is seen both by the site visits done by risk committee and audit committee ongoing assessment of the HOD on their return reports. The adjustment budget and revisions of the SDBIP should clearly focus on the findings raised by AG.

Lastly these corrective measures should not be based on improving the outcome on paper but be realised by the community on the ground by providing reliable and safe services. We took decision as a committee that we will monitor and evaluate the work that has been done by different departments in terms of this annual report when it comes back to council as it will be referred back to MPAC for more deliberations when it comes back, we will make sure the evaluation has been done accordingly and we will come with our own inputs. We support this annual report to be noted by this council. Thank you."

Cllr E Snyman van Deventer made her address as follows:

"Thank you, Speaker, the recommendations refer to noting, the first 4, however E & F refers to something that must be done, especially if reports must go to MPAC. The AG referred to role of MPAC and I want to ask council that in future, we take note of the reports that comes to council from MPAC. I want to focus on 5 issues as set out in the notes to Mangaung AFS and proving what the AG said that we are doing harm.

Firstly, on page 527 and I'm quoting ''a material and certainty exists that might cause significant doubt on the Municipality's ability to continue as a going concern and then a musicality is under financial distress requiring the implementation of a mandatory financial recovery plan during the year ending 30 June 2024 there is slow progress in dealing with financial difficulties as only 28% of the activities contained in the financial recovery plan have been fully implemented my question why and since I'm 30 June 2024 have; we made any progress on this implementation? why is the metro so slow in implementing the financial recovery plan? secondly the collection of date - the average for payment from consumers for their bills is 127 days this is worse than 2023 when it was only 114 days furthermore it seems as if 84% of receivables may not be collectible, this reflects on our credit control policy. My question - is the credit control policy implemented? expenditure was for repairs and maintenance of critical service delivery infrastructure and overall spending on critical service delivery was only 7.2%, this leads to under-quoting. the AG report indicates growing service delivery backlogs. I quote page 527 ''while the municipalities current assets exceed its current liabilities the Municipality will not be able to settle all its currents and short-term obligations with cash and investments'' that's the full view at any specific point does this mean that the metro is in a state of bankruptcy?"

Deputy Executive Mayor on a Point Of Order raised the following:

"The Prof is discussing the document. This document is coming back for deliberation, the Prof is member of MPAC where they will make sure that they will deal with this report as much as they want. I would just request that she must align herself strictly with the relevant questions. Thank you."

Cllr E Snyman van Deventer continued with her address as follows:

"I have a right to ask questions, this is for noting and we can ask questions. It's my democratic right representing my political party.

Another question is linked to MPAC – what happened to the work that MPAC does because we have reference to wasteful, fruitless expenditure etc. the AG says there is no investigations which were performed, or disciplinary action taken. As council we must ask why nothing happened.

Why are there late payments to suppliers?

Why are suppliers overpaid?

Why is there unauthorised expenditure of over R2 million?"

Cllr MW Mongale stated the following:

"Okay thank you Speaker, mine is just questioning part of the report especially the part related to socio-economic status. There seems to be a notion that wants to relegate unemployment only to those people that are seeking employment in the last 3 months and that is not a correct analysis because you might have sleeked employment in the last 6 months and that does not make you a person who is employed and content. We should stop playing to the hands of the IMF. In this case when you look at the unemployment rate in Mangaung, it says that its 30.5% and employment rate is 41.7%, that is 233 000 employees and then it goes further to say, unemployment is standing at 102 000 and those who are economically active 223 000.

There are those who are discourage work seekers which 42 000, here we are sitting with a dilemma, and they say other not-economically active is 180 000. My issue here is the labour force of Mangaung is 335 000 out of 500 000, there is no way that we can exclude people who are discouraged to look for a job and people who have given up as people who are now employed or can be excluded from the unemployed because unemployed must reflect the true figure of our current employment figure in the city."

Cllr CL Kruger raised the following Point Of Order:

"Thank you, Hon. Speaker, with all due respect, this is not necessarily a Point of order but a point of clarity. Cllr Mongale are you disputing the stats or what we define as unemployed, economically active or unactive? If you can just provide clarity. Thank you"

Cllr MW Mongale continued as follows:

"The point I was making is that we need to know how many people are unemployed in Mangaung so that when we look for opportunities, there must be truthful statistics. Hence, I am saying those who are discouraged, it does not mean you are working, you are still unemployed and not economically active. I am not accusing anyone, and this is not a trial, but I am saying Stats SA must also be taken to task as they are creating false expectations in our country. Thank you.

As I conclude, there is another matter that has been raised that we should take into consideration which is the issue of inter-governmental relations. SALGA must play a role to ensure there is a good working relationship between Mangaung and the Province so the province can pay the money they owe Mangaung. I appreciate the fact that we are recognised to have a traditional house in Mangaung, and I am happy that we will see his/her majesty in this council."

Cllr GJ Lipale: "Thank you, Mr Speaker. Ladies and gentlemen, Honourable speaker, and fellow councillors. We stand before you today to discuss a critical aspect of our Municipality's operations: the submission of our annual financial statements to the Auditor-General. Specifically, let's highlight the importance of Centlec's annual statements for 2024, which have recently been submitted for audit.

Let us quote Samuel Morse, when he says," If the presence of electricity can be made visible in any part of the circuit, I see no reason why intelligence may not be transmitted instantaneously by electricity". In that we all can say electricity is life.

As we all know, transparency and accountability are essential components of good governance. The submission of annual financial statements is a critical mechanism for ensuring that our Municipality is transparent and accountable to the public.

Our annual financial statements provide a comprehensive overview of our financial performance, including our revenue, expenses, assets, and liabilities. These statements are essential for stakeholders, including the public, to understand our financial position and make informed decisions.

The submission of our annual financial statements to the Auditor General is a statutory requirement, as outlined in the Municipal Finance Management Act (MFMA). The Auditor-General's office plays a critical role in ensuring that our financial statements are accurate, reliable, and comply with relevant laws and regulations.

But why is it so important for Municipality entities like Centlec to submit reports and financial reports? There are several reasons:

1. Firstly, it promotes transparency and accountability. By submitting our financial statements, we demonstrate our commitment to openness and transparency, allowing stakeholders to hold us accountable for our financial management.
2. Secondly, it ensures compliance with laws and regulations. The submission of financial statements helps us to ensure that we are complying with relevant laws and regulations, such as the MFMA and the Public Finance Management Act.
3. Thirdly, it facilitates informed decision-making. Our financial statements provide stakeholders with essential information to make informed decisions about our Municipality's financial management.
4. Fourthly, it promotes good governance. The submission of financial statements is an essential aspect of good governance, demonstrating our commitment to responsible financial management and accountability.

In conclusion, the submission of Centlec's annual statements for 2024 to the Auditor-General is a critical step in promoting transparency, accountability, and good governance. As a Municipality, we are committed to responsible financial management, and the submission of our financial statements is an essential aspect of this commitment.

We would like to take this opportunity to thank our Centlec financial team and MMM team under CFO for their hard work and dedication in preparing and scrutinising all these annual financial statements. We also like to thank the Auditor-General 's office for their critical role in ensuring the accuracy and reliability of our financial statements. Thank you."

It was thereupon *__with unanimously__*

RESOLVED that Mangaung Metropolitan Municipality Council noted:

a) The Mangaung and Centlec' s standalone – 2023/2024 annual reports and annual financial statements.

b) The Mangaung and Centlec' s standalone – 2023/2024 audit reports as presented by Auditor General.

c) The consolidated Mangaung 2023/2024 annual report and annual financial statements.

d) The Mangaung consolidated audit report as presented by the Auditor General.

e) That the presented audit reports by Auditor General will be incorporated in the annual reports.

f) Refer the above reports to the Municipal Public Accounts Committee that will process the said report and develop the oversight report and thereon advise Council accordingly.

2.
THE RISK MANAGEMENT COMMITTEE FIRST BI-ANNUAL REPORT FOR 2024/2025 FINANCIAL YEAR

Cllr E Snyman van Deventer raised the following questions:

"Thank you, Hon. Speaker, hopefully I'm allowed to ask questions. The FF plus wants to thank the risk management committee for the first bi-annual report for the 2024/25 financial year.

My questions:

- Which directorates failed to report and why?
- What is the current situation of service providers appointed to collect in the metro? Are the appointed service providers and how many?
- Have the measures been put in place to improve threat protection regarding the ICT?
- 49.85% water losses are due to aging infrastructure – this is identified as a risk. What is the metro doing about this problem?
- Will the City Manager forward letters of noncompliance to HOD's where mitigation strategies are not implemented? Thank you."

Cllr MW Mongale addressed the council as follows:

"Thank you, Hon. Speaker, Dr Mathae, on this item of risk, I have some few points. One is on the report which is referring to indigent registration and indicates that the city is not capacitated to handle the workload. There is a reference of law firm that it needs to confirm the money that they received. I am saying we seem to not get anywhere with all these issues. We appoint a firm, but we still have issues that must be clarified. There was a time where we proposed that this job can be made easy by ward committees so they can help us verify information regarding indigents. I alleged that some people in the indigent register do not qualify and some that qualify have not been included due to budget constraints. There is a letter that was sent out to debtors but there is a statement that indicates that the letters are still in progress.

There is the issue of the report between me and you, mayor of cyber-attack. I am not interested in the status, but I am concerned on the 22 compliance steps that seem not to have been done in terms of the POPI act, or has it been mitigated by action plan? But those steps were necessary, and somebody should have done their job. When you look at 3.3.6 – the status of the building. It is reported that there were some notices issued by department of labour referring to the condition of the building but there were reports that indicated that notices have been revoked which indicated that something had been done and that is progress. We appreciate when something has been done correctly.

The technical report on water – we can only be allowed 25% leakage, but we are at 49.85% which is basically 50% of water that goes to waste and Mangaung has to pay Bloem Water and its unacceptable. The last one is on the one I have been raising which is the R100 million of diesel. In the report, it is reflected as R500 000, now between Mr Sediti and whoever gave the report. One has doctored the report, in this case for us to reach finality on this matter, Mr Sediti must be found so that he can account as he was the CFO. Thank you.”

Cllr LN Lecoko made his address as follows:

“Keya leboha Speaker, Executive Mayor, Deputy Executive Mayor, batho ba Mangaung. This report from the committee it’s for noting, however I need to find some few things or to deal with a few things. And also, as we are on Facebook, we also need to make sure that our community understand where we are from in terms of dealing with the item because it is difficult to move if you don’t understand the purpose of the report. But the purpose is to present to the council the activities and performance of the risk management committee for the first bi-annual of 2024/25 financial – that will be the first point. That what the committee has been doing to date. It has interrogated different reports, but we needed to talk to the issue of the ICT status because in the report, we have been crying about it. The ICT unit reported that the investigation on the cyber-attack and the conclusive report is not available. The efforts to improve the system are being made by putting measures such as upgrading of cyber storage, firewalls etc. and appointment of an ICT steering committee, these are things that the committee has done and, the issue of diesel which has been a constant allegation that was missing between Botshabelo and Bloemfontein. To my recollection, it is about R500 00o but at least the committee has zoomed into that, and they have cleared up. We still have about 24 888 missing so that’s why we say the investigation should go. We thank you Speaker and thank you to the committee on the work done, there is progress since the appointment of the committee.”

Cllr JB Thomas: “Honourable Speaker, Members of Council, and Distinguished Guests. As part of the Section 80 Committee on IDP and Performance, I confirm that we recently convened to assess the work of the Risk Management Committee. After thorough deliberation, we are pleased that the committee has demonstrated commendable dedication in fulfilling its mandate. Their work has been conducted in accordance with their terms of reference, ensuring that risks affecting governance, service delivery, and institutional performance are identified and addressed.

We extend our sincere appreciation and congratulations to the Risk Management Committee for their diligence and commitment. Their efforts play a crucial role in strengthening accountability, transparency, and overall municipal performance. However, while the committee has successfully executed its responsibilities, risk management cannot rest solely on their shoulders.

It is imperative that management, particularly the City Manager and Heads of Departments to take full responsibility for managing risks within their respective areas of operation. Risk management is not just a compliance requirement but a fundamental leadership duty. Every department must actively implement the recommendations provided by the Risk Management Committee to ensure that risks are effectively mitigated.

As a Council, we have a duty to ensure that risk management is not seen as an administrative exercise but as a strategic tool that enhances service delivery, protects municipal resources, and strengthens public trust. We must hold management accountable for embedding risk management into their daily operations and ensuring that corrective actions are taken where necessary.

Moving forward, we must all work together — Council, management, and the Risk Management Committee — to create a culture where risks are proactively identified and managed, rather than waiting for crises to occur. By doing so, we will not only safeguard our institution but also improve service delivery to our communities.

Let us continue to support and strengthen the work of the Risk Management Committee while ensuring that management remains committed to implementing their recommendations. Thank you."

The Executive Mayor referred to question related to the debt collection and indicated that several service providers had been appointed which are tasked with collection from different debtors.

He furthermore referred to the issue of water losses and indicated that officials had been tasked with identifying the root causes of water losses.

That funds are never missing as indicated in council, that you often find that funds had been transferred back to Treasury, but due to non-accountability, it is portrayed as if the funds went mission. Thank you, Speaker.

It was thereupon

RESOLVED that Mangaung Metropolitan Municipal Council took note of the Risk Management Committee Report for the First Bi-Annual of 2024/2025 financial year.

3.
SECTION 52(D) REPORT FOR QUARTER 2 ENDING 31 DECEMBER 2024 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (2024/2025)

The Deputy Executive Mayor: “Thank you, Speaker, the SDBIP enables the council to monitor the performance of the Municipality as each activity, contains outputs, targets and timeframes and spending of the budget. The SDBIP yet another step forward to realise the principal of democratic and accountable local government in section 152A of the constitution of South Africa. Although the performance of these 2 reports, quarter 2 section 52D and midterm section 72, are averaging between 60-65%, more efforts are still needed to see the performance on the ground. These reports include the financial reports which are reflecting the same performance when comparing the OPEX and the CAPEX spending. The committee was indicating in this report that City Manager, with your team can you please focus on the CAPEX because the report mostly reflects the performance on the OPEX. I still encourage this council to work together with the administration to improve challenges. I therefore move for the adoption of these 2 reports as tabled by the Executive Mayor. Let’s work together to improve the performance of these committees, we are all responsible in ensuring that we deal with issues in our respective committees. Thank you.”

Cllr TO Machachamise: “Thank you Hon. Speaker, Executive Mayor, Deputy Executive Mayor, Council Whip, baahi ba ward 3 ba re beileng mona, batlo re beyang mona hape. This service delivery and budget implementation plan for 2024/25 means that as this council we need to reflect on the achievements that will see our council term come to an end with no results. As we table the section 52 and 72 report, which clearly display that the plans that the city had put for the city are realised despite the challenges the city is facing, however the lack of implementation on the capital is demonstrated in this report and should not be tolerated. The auditor general reports indicated that amongst other issues, is that we are spending more on budget than on actual performance on project. Consequence management must be enforced on non-performance of projects. As this council, you must make efforts to provide professional, reliable and environmentally friendly service to our community. This means that together with the administration, our community must join hands to make our city to be at the heart of it all. In closing, I support the item as presented by the Mayor, ha re lebohe.”

Cllr MJ Ramatlama addressed the Council as follows: “Thank you, Speaker, for the opportunity to address this house. We also take this moment to greet the residents of Mangaung; le Ntlo ka kakaretso, re re kgapukgapu ya mahlohonolo a selemo se sechaba.

Before we delve into the Section 52 and 72 reports, we wish to acknowledge the commendable work ethic and vision exhibited by Deputy Mayor Me Lulama Titi in the recent Section 80 Committee of IDP and Performance discussions. If she can maintain this level of consistency, this city will undoubtedly thrive once again.

For the first time in the history of this Municipality, we have been afforded a platform to engage with MMCs and their HODs to analyse these two reports. This initiative aimed to uncover the challenges faced by the political heads of directorates and their administrative teams. It was indeed an enlightening experience.

However, many may not receive this news well, as it implies that we will be required to verify the optimistic reports we often see on paper, on the ground regularly.

Through you, Chair, Mayor, as the EFF caucus, we scrutinized these reports and have come to the sobering conclusion that if the issues below are not addressed, you might as well consider resigning today:

1. Lack of Proper Performance Monitoring: This is a significant contributor to excessive overtime. People are merely filling seats while others are left unmonitored.

2. Inadequate Maintenance: Our failure to properly manage our limited resources forces the Municipality to outsource nearly every service. We must interrogate who benefits from this outsourcing.

3. Inadequate Human Resources: Reducing a directorate to a 'Skeem Saam' setup, with everyone acting in different roles, will yield nothing of value. Young people of Mangaung are in need of jobs; let's fill these positions.

4. Under-spending of Directorates: This continues to be a considerable challenge. Many are lacking the will to utilize their allocated ISPG and USDG funds. The solution is simple: if you cannot spend the money meant to uplift our citizens, then what is the purpose of your position?

5. Consequence Management: The Municipality received a forensic report regarding the misappropriation of taxpayers' money linked to the Hauweng project. Yet, those responsible remain unpunished while they continue to recycle pleasing phrases rather than addressing the matter.

Excessive overtime is not reflective of the true circumstances on the ground.

Ntate Nthatisi, I request your attention: As a community, we cannot afford to be complacent. Now, for the sake of time, we will address the KPIs of one or two directorates:

Technical Services, led by Cllr Vusi and HOD Masobeng are performing adequately, with their KPI reports aligning well with on-the-ground realities. However, we must condemn the overspending in this directorate. Additionally, a 100% reliance on outsourcing suggests we are missing an opportunity for local employment. It is imperative that we work towards a 75% target in the first quarter and aim for 50% in the second quarter, as the young people in Mangaung are educated and eager for sustainable jobs. Cllr Soqaga let's ensure that we prioritize Mangaung residents and avoid repeating the mistakes from Botshabelo and Thaba Nchu during the festive season.

Community Services, led by Cllr Nthabiseng Jonas and HOD Dr Thinda KPIs has shown disappointing progress, with a slight increase from 45% in the first quarter to 47%. This reflects stagnation rather than forward movement. It is concerning to note that all managerial positions are acting positions, which inevitably leads to creative, but misleading, report compilations.

We must highlight the lack of refuse removal in informal settlements. Claiming that 95% of 53 is accurate is simply untrue. How can we justify a R546 million budget with a 14% underspend when our communities desperately need services?

Human Settlement, led by Cllr Ntombi Nhlapo and HOD Chakane has seen a decline in our KPIs from 60% to 39%. This regression is unsurprising given the serious issues surrounding Vista Park 01 and 02, as well as the Botshabelo industrial park.

The singular request we made as the EFF to prioritize informal settlements has been blatantly ignored, demonstrating a severe disregard for our constituents' needs. Instead, our leaders prioritize the deceased by allocating R6.5 million for a fence around a closed cemetery, while countless living individuals lack basic housing.

In conclusion, we must address these critical challenges resolutely. The residents of Mangaung deserve better leadership and service delivery."

Cllr MW Mongale addressed the council as follows:

"Thank you, Speaker, Cllr Mathae, I am checking on the document here and I checked the document on page 3, where it is talking about departments performance overview, and it says finance – previous performance was 52% the next current performance is 48% which is not acceptable. We were told that departments can't perform due to shortage of staff and HOD's. appointments have been made and we expect upwards movement and not excuses.

You look at planning economic, rural development and human settlement – last performance was 60% and they dropped to 30% which is unacceptable as they have appointed HOD's. city performance overview out of 139% they performed 130%. When you look at the second document where it is dealing with performance, there are some improvements in some departments particularly the City Manager's office and PMO. Technical services was 55% and now it improved to 86% which is an improvement, and we say it's okay. But on corporate services from 47% to 46%, it means something is not happening and people dropped the ball. Finances there is a challenge there from 57% in the last quarter to 48% it is a serious drop which is unacceptable. There are certain departments that can underperform but when Centlec underperforms there is a problem in Mangaung as it was used as a model for other departments. The same goes with performance on the next page shows that overall performance of city has improved from 58% to 65%.

As a conclusion, I will go to this page that I will need the Speaker to help me on, on the document written item 4 – section 72 report for 1st July and that goes to SDBIP 2024-25. When you look at page 15 – there is something that is not right with that page 15, at the beginning of that document, it shows that the projects that were earmarked were not done and the last quarter indicates the scoring part per KPI it gives people 2's as it previously indicated. I rest my case. Thank you."

Cllr VE De Kock: "There is no water, can our residents please get answers as to why there is no water.

Honourable Speaker, Councillors, Officials, guests and Mangaung community. Thank you IDP for the opportunity we had to clarify certain matters with HODs before tabling this report. The truth is, progress in almost all Departments has been lacking, with the exception results of Centlec, which has shown some visible results. However, even Centlec' s progress is concerning, why is it that areas lie Bloemdal/Ferreira, Bainsvlei, Bloemspruit and Hilton/Hamilton (where a great section of our businesses are) continue to experience lengthy power outages weekly and are plagued by vandalism and theft, without a budget to address the matter. Only 45% of key service delivery targets were achieved, while 111% of the budget were spent.

Technical Services, the heart of service delivery for our residents, has only shown a 4% growth in performance. This is unacceptable, as it directly affects our rate-paying residents. Finance has regressed, as have Planning, Economic and Rural Development, and Human Settlement. And while the Office of the City Manager has achieved a 100% score, we are still waiting for answers to our Rule 38 questions, letters, and emails.

The main causes of this lack of progress are clear: staff vacancies, budget restraints, aging infrastructure, inadequate maintenance budget, and lengthy Supply Chain processes. These are not new challenges, but they continue to hinder our progress. And at the heart of it all is the issue of staff shortages, largely due to an un-finalized Micro-structure. It's astounding that as we head into the 2026 elections, and have a Micro-structure in places

Community services are suffering due to staff shortages, too few tools of trade, and a fuel contractor that cannot deliver on its promises. This raises serious questions about our procurement processes. Overtime is once again out of control. Landfill sites are unsafe, and a serious question mark hangs over our security services which cost us millions monthly.

We need to address the issue of water meters in Technical Services, which remain a significant problem. 15 Wastewater treatment works are not safeguarded or maintained. This Metro is putting the health of our residents and the environment in danger.

The Finance Department must take responsibility for the lack of revenue collection, which has been lacking for years. Our residents are suffering as a result. We need to find a way to make it easier for residents to pay their service dues. R456 million (R465, 896, 452) revenue lost due to accounts not prepared for service charges.

We cannot seriously make ourselves guilty of Irregular, Fruitless and Wasteful', Unauthorised expenditures to an amount of R2,541 million due to interest paid on outstanding creditors' accounts.

Indigency registration is another area that requires urgent attention. Why must residents wait years to be approved on this register? We need to fast-track this process and ensure that it gets the effort it deserves. And we need to stop penalizing our paying residents over December for processes that are not in their control. Meter readings should be done every month of every year and billed accordingly — residents cannot pay the higher tariff due to this department's lack of staff and resources.

It's time for us to take a hard look at our Service Delivery and Budget Implementation Plan and make some serious changes. Our residents deserve better, and it's our responsibility as councillors to ensure that they receive the services they pay for. Thank you."

Cllr De Bruin on a Point Of Order indicated that it is heartbreaking as we have continuously requested for the proper tools of trade as these hard copies came late yesterday. Just take note.

Cllr Ramatlama on a Point Of Order: "These are the consequences of sending grandfathers to council, they are wasting time, and we are hungry Speaker."

Councillors expressed their dissatisfaction with Cllr De Bruin as they indicated that he is wasting. Honourable Speaker dismissed Cllr De Bruin's point of order.

The Executive Mayor called the Councillors to order and furthermore expressed his satisfaction regarding councillors who are able to approach his office and raise their concerns. He indicated that several attempts are being implemented to alleviate the crisis of water in the City Manager including requesting financing from National and approaching UFS for their skills and knowledge.

Cllr Lotriet raised a point of order as follows: "Through you Speaker to the Mayor, the water crisis is an old issue, don't pretend as if we did not warn you, we warned you and you neglected**.**

Honourable Speaker responded and dismissed the point of order.

Executive Mayor continued: "The issues that we are dealing with in this council. You say I am new here and yet I found you fiddling with these issues. At least I am providing a platform for councillors to address their issues and actually account. Councillors should pray that there is rain so that the water crisis can be alleviated."

It was thereupon with _53 votes in favour, 5 against and 11 abstained_

RESOLVED

(a) That Council approved the MFMA Section 52(d) SDBIP 2nd Quarter report (1 October 2024 – 31 December 2024).

(b) That Council noted that the report will be published on the Municipal website and be submitted to the National Treasury.

4.
SECTION 72 REPORT FOR PERIOD 01 JULY 2024 – 31 DECEMBER 2024 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (2024/2025)

Discussed and voted upon have been minuted under item 10.3.

It was thereupon with *__53 votes in favour, 5 against and 11 abstained__*

RESOLVED

(a) That Council approved the MFMA Section 72 SDBIP report (1 July 2024 – 31 December 2024).

(b) That Council noted that the report will be published on the Municipal website and be submitted to the National Treasury.

5.
MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY FIANCIAL REPORT FOR THE MONTH ENDED 30 OCTOBER 2024 (MONTHLY BUDGET STATEMENT)

Items 10.6, 10.7 and 10.9 discussed and voted upon under item 10.5

Cllr M Wewege addressed the Council: "Honourable Speaker, All Protocols Observed.

The Freedom Front Plus is asking the following clarity-seeking questions about the monthly financial reports for October, November, and December 2024.

A. Capital expenditure

Why did the Department of Corporate Services only spend over 3 million rand of their approved budget of over 38 million rand, being only 8.12%, by the end of December 2024?

How can it be that none of the 1 million rand allocated to ICT security was spent by the end of December 2024, while this is still one of the risk factors that need urgent attention?

Why did the Department of Community Services only spend 14.7 million rand of their capital budget of 274 million rand by the end of December 2024, being only 5.37% of their capital budget?

Will the Northern landfill site ever be rehabilitated if only 3.8 million rands of the allocated budget of 38.5 million, being only 10.05%, was spent by the end of December 2024 and none of the allocated 4.7 million rands was spent for the development of a new landfill site?

Why did the Department of Planning only spend 15.5 million rand of its capital budget of 57 million rand, only 27.2%, by the end of December 2024?

Why did the Department of Roads and Stormwater only spend 10.9 million rand of their capital budget of 108 million rand, being 10.09%, by the end of December 2024?

Traffic intersections are of great concern to our citizens, yet none of the allowed funds of 6.8 million rand was spent by the end of December 2024, Why?

None of the allocated funds of almost 900 thousand rands allocated to Sand Du Plessis Road in Estoire was spent by the end of December 2024, why?

Why did the Department of Public Safety spend just over 55 thousand rands of their allocated budget of 21 million rands, being only 0.26%, by the end of December 2024?

Executive Mayor, through you Honourable Speaker, Is the reason for the underspending of our capital budget because of poor management or is there just no funds available?

B. Operational Expenditure

How can it be that the operational expenditure on the water already stands at. over 812 million rands while the budget makes provision for this expenditure of 768 million rands for the whole financial year?

This means that we already overspent on this expenditure by over 44 million rand by the end of December 2024.

How will the Metro explain this unauthorized expenditure to the auditor general by the end of this financial year?

Should it also not be of great concern that Waste Management already spent 61.85%, Technical Services 61.77%, Sanitation 65.74%, and Centlec 62.15% of their operational budget by December 2024? Thank you, Honourable Speaker.

Overtime – why was unauthorized overtime spending of over 62 million resulting in amount of 106 million in the first 2 quarters of the financial year. Why was overtime spending allowed.

Can the FF plus assume that the ANC-led has no political will to reduce overspending on overtime. Will you, Executive Mayor that the City Manager and HOD's lost control over the workforce of the metro. Will the recommendation on overtime be implemented and when?

How will service delivery in the metro ever be provided if community services only spend 5,46% , planning 46%, technical services 33,45%, public safety only 0,29 of their capital budget.

Is the project management fulfilling its mandate overseeing the capital projects. Is the underspending due to poor management or lack of funds?

What measures will be taken to reduce water losses at 49% in first 2 quarters? What debt collection measures will be taken so that accounts are paid, seeing that metro has debtors book of R11 billion and 84% of this is irrecoverable meaning it will result in actual loss of 9,3 billion.

Debtors report – what measures will be taken to collect debt under 1 year old, what measures will be taken to stop growing debt. Will the installation of prepaid water meters be prioritized?

What are the reasons for the slow recovery of outstanding government debt of 2.2 billion.

Lastly will these questions be answered? And if so when? Thank you"

Cllr CL Kruger addressed the council: "Thank you Hon. Speaker, Executive Mayor and Councillors, City Manager and entire EMT, members of public and media. I have prepared a nice introduction but in the interest of time, we must be fast.

Regarding the issue raised of the CAPEX budget – it is directly linked on our grants are being spent, I want to applaud the Mayor because for his responsive manner. On Tuesday we have a meeting where every department will respond on grant spending and for underspending of grants. We humbly implore the City Manager, if it is found a mistake can be attributed to the fact that HOD's are not playing their roles, indeed we must look at the performance agreement signed. That is upon investigation because we want the root cause. As the ANC-led government we cannot always take the blame whereas people don't comply.

Let me take this opportunity let me present the mid-term budget performance assessment report for 2024/25 financial year, period which ended on the 31st of December 2024 for Mangaung as well as Centlec.

The city's operational revenue excluding transfers is marginally exceeded the target the expenditure however is way above the target for the semester which has resulted in a budget deficit at the end of the midterm, it doesn't assist doing good in revenue collection but then we default in terms of managing our expenditure which is a core function from a financial perspective. The total revenue excludes a capital transfers and contributions and it and it is expenditure by time the actual year to day revenue for the period of is 5.5 billion which is higher than the year to date target of 5.3 billion sorry and the expenditure for the period is 5.6 billion which is higher than the year to date target of 4.8 billion respectively in terms of MFMA chapter 4 it is therefore required of the city to revise and adjust the operational revenue and expenditure and ensure an alignment between projections to secure a funded budget at the end of the year. the entity CENTLEC achieved 88% of the mid-term target in the amount of 1.8 billion versus the 2.1 billion an expenditure of 121% of the mid-term target which is 1.9 billion being the target and 2.4 billion that's a deficit of 669,000,000 versus a surplus of 116 million this performance necessitates an adjustment budget to align the revenue with expenditure reducing deficit towards a surplus as per the budget in the assessment of the performance indicators of the city the second quarter report is identified 130 out of 139 projects for implementation and the city's actual performance is sitting at 60% which indicate a decrease 1% from 61% of the first quarter the capital year to date spending for the month is 305 million 3.5 million which is constituted 45.65% compared to the year to date budget target of 6 169,000,000 on an annual basis we have thus spent only three 305,000,000 constituting a 22.82% over the year to date expenditure versus the approved budget of 1.3 billion based on this capital expenditure report taking into account projects rolled over from 2023-2024 it is imperative that the budget be revised and adjusted to take into consideration the conditional grants that were not approved in this case in as far as the entities and the performance below summarizes the performance in conclusion in the assessment of the indicators were quoted 2 it was determined that out of the 35 key performance indicators established 25 were applicable for this quarter and one of these 21 KPI's was successfully achieved resulting in a notable 84% achievement rate resulting in improved performance as compared to the previous quarter conversely. 4 KPI's were not met accounting for a 16% non-achievement, the remaining 10 KPI's were not applicable for reporting in quarter 2 the organizational performance for the second quarter stands at an improved 84% having assessed the results as I've summarized the recommendations are stipulated in the agenda and I therefore propose that option of the recommendations for the four respective items. Thank you, Speaker.

Cllr MW Mongale addressed the council as follows:

"Thank you, Hon. Speaker, Dr Mathae, my contribution from the AASD is that we should all be obsessed with trying to find a way to minimize the variants that we picked on page 7 of the report on page 76, that should have been our priority. To say how we deal with this excessive overtime that the Auditor General also complained about. In the office of the City Manager, Office of the Executive Mayor, Corporate Services, I don't understand how do they get overtime, what is it for? People in those offices are either senior managers or specialists. When you go to the office of the Mayor, they are contractual people whom their contracts stipulate they are working on a stipulated time but their hours are flexible meaning they might have to work over and they can't claim overtime. We must stop blaming one another and try to find the best solution.

If the overtime is R87 million, and out of that, that was the budget, but the money spent is R84 million, means something is not right. Its either we have a problem, or its corruption and we are failing our people if we can't put a stop to it as councilors as that is our primary objective.

It says we have overspent with 58,89, it means overtime exceeded with 59% which is unacceptable. The next page refers to contracted services whereby R620 million has been budgeted yet qualified individuals have been appointed. The issues are did we get the right people when we advertise? Over and above that the budget was R620 million and they increased it as well, we need a minute where we can sit down and find an amicable solution to reduce this crisis of contracted services.

In closing, I need to reflect that on the debt that the Municipality is owed, it is now showing that businesses have overtaken the provincial government as they have set a wrong precedent for not paying us and businesses are owing us R2 billion."

Cllr GJ Lipale made the following input: "Ladies and gentlemen, Speaker, and fellow Councillors,

Let's us indicate the importance of month-to-month municipal budgets, specifically for the Mangaung Metropolitan Municipality. These budgets are crucial for ensuring transparency, accountability, and effective service delivery.

As we review the financial statements, we have identified a few irregularities and questionable trends that require attention. Before we proceed with our questions, we would like to commend Centlec for their impressive spending, particularly in December, where they spent 43% of their budget. Unfortunately, other departments have been reluctant to spend, and we need to understand why.

The Economic Freedom Fighters (EFF) have raised several questions, which we will address today. We appreciate their diligence in holding us accountable for our financial management.

Let's accentuate the importance of prudent financial management in the Mangaung Municipality. As we deliberate on the Municipality's budget, it is crucial that we prioritize fiscal responsibility and ensure that our expenditure does not exceed our revenue. We could have engaged all the three documents one by one but we find it not important as we can make a generic statement about our financials as a Municipality.

The Mangaung Municipality, like any other local government, has a responsibility to manage its finances effectively. This means that we must strike a balance between providing essential services to our communities and ensuring that our expenditure is sustainable.

Unfortunately, the Municipality's financial performance has been a concern in recent years. The auditor-general's reports have highlighted instances of overspending, irregular expenditure, and poor financial management, These findings are a clear indication that we need to do better.

As we move forward, it is essential that we adopt a more prudent approach to financial management. We must prioritize our spending, focusing on essential services such as water, sanitation, electricity, and waste management. We must also ensure that our expenditure is aligned with our revenue, avoiding a situation where our expenditure exceeds our income.

The consequences of overspending are dire. It can lead to a situation where the Municipality is unable to meet its financial obligations, compromising our ability to deliver essential services to our communities. It can also lead to a decline in investor confidence, making it more challenging for us to attract investment and create jobs.

In contrast, a surplus budget offers numerous benefits. It provides a buffer against unexpected expenses, allowing us to respond to emergencies and unforeseen events. It also enables us to invest in critical infrastructure, promoting economic growth and development.

To achieve a surplus budget, we must be willing to make tough decisions. We must prioritize our spending, reduce waste, and eliminate inefficiencies. We must also explore innovative ways to generate revenue, such as public-private partnerships and investment in renewable energy.

October to December? This raises concerns about saving money instead of delivering services. We need clarification on this matter.

- Unspent Funds: Can we be told where the money is going if it's not spent? We request this information from all departments to ensure transparency and accountability.
- Human Settlement: Regarding the Soutpan water sewer constructions, which cost R200, 000 in December, we would like to know what was done and where. Unfortunately, the community has reported no work done, which is concerning.

- Economic Development: We are disappointed with the lack of job creation and economic growth in Mangaung, with 0% spending in this department. Can we get a clearer explanation on why most items there are stagnant?
- Financial Statements: The losses in October (-6%), November (-4%), and December (-1%) are alarming. Can we get an explanation for these losses and how we plan to improve our net income?
- Improving Net Income: We need to improve our net income; can we be given explanations on how we're going to achieve

In conclusion, the importance of prudent financial management in the Mangaung Municipality cannot be overstated. We must ensure that our expenditure does not exceed our revenue, prioritizing fiscal responsibility and sustainability. By doing so, we can create a brighter future for our communities, promoting economic growth, development and prosperity. The Economic Freedom Fighter will always provide direction where is needed. "

The Executive Mayor reiterated that the human settlement must find a way to regulate the water so that water losses can be avoided.

That the City Manager has been instructed as well as the CFO of Centlec with combining the bill of electricity to ensure payment of services.

That there is no overtime in the Office of the Mayor.

It was thereupon with *53 votes in favour, 5 against and 9 abstained.*

RESOLVED that the monthly report for the month ended 31 October 2024 (monthly budget statement) is noted.

6.
MUNICIPAL FINANCE MANGEMENT ACT (MFMA): MONTHLY FINANCIAL REPORT FOR THE MONTH ENDED 30 NOVEMBER 2024 (MONTHLY BUDGET STATEMENT)

Items 10.6, 10.7 and 10.9 discussed and voted upon under item 10.5

It was thereupon with _53 votes in favour, 5 against and 9 abstained._

RESOLVED that the monthly report for the month ended 30 November 2024 (monthly budget statement) is noted.

7.
MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY FINANCIAL REPORT FOR THE MONTH ENDED 31 DECEMBER 2024 (MONTHLY BUDGET STATEMENT)

It was thereupon with _53 votes in favour, 5 against and 9 abstained._

RESOLVED that the monthly report for the month ended 30 December 2024 (monthly budget statement) is noted.

8.
SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 – 2024/2025 FINANCIAL YEAR

Cllr SQ Peter addressed the council as follows: "Thank you Speaker, we will responded maybe in our next Section 80 but I know mentioning the names of the companies it's not an issue previously, if he can check the format of the report that we have now we tried to alter it based on the request that we made by Councillor Mongale in the past quarter or so for example the reason we have indicated to say how many companies have been appointed and also what can what level or what categories that is to exactly address other issues that you raise even to say the locality you must exactly look at that I think in the next report maybe we'll what we'll do we'll include that part but we'll discuss it in our next Section 8 so that at least it's covered there.

Without wasting any time let me then quickly make an abridgment of the supply chain quarterly report but like I've said earlier on you'll notice that this format has changed from the previous one that we had precisely because of those requests or those inputs that were made by councillors in order for it to address those issues of your local laborers, local content or local beneficiation and so on but without wasting anytime the city has adopted this supply chain policy which requires that the municipal manager submits the quarterly report of the implementation of the policy based on the above I'm pleased to report the following awards for the quarter 2 because remember you are you are referring to a quarter 2 vendors with 38 job opportunities were awarded from various panels of consultants and contractors so 32 of this is struggling BBB, remember and you wanted to check how are we awarding this so that the list will become clear in one of the councils we even said most of the bigger jobs are being taken by people outside Mangaung So what you wanted to do is to cut our garage to say in an event we have avoided this one which level is that which one which level is that and so on and so forth you'll also notice that seven small contractors with CIB grade 4 and less were also appointed and threatened us with the preconditions of great level grade level 7 which was the CIB7 so you will see at least we are trying to match that but without wasting anytime we also need to indicate that there were a number of deviations that the supply chain I did based on the on the protection regulation no. 36 but in the main, you'll notice that those deviations has to go through the office of the city manager for certain reasons is the only one who can approve them so and we must indicate in the main when you do the deviations in mostly because there might be an emergency, in that regard we only have one supplier that is able to provide that service so the number of reasons but suffice to say it's only approved by the city manager to have a number of issues whereby they will have things like irregular expenses and so forth and so on now again we need to also comment the entire committee that is dealing with supply chain issues including all the role players because in this regard you'll notice out of all those that are mentioned we didn't even have even a single objection so it's a result is an achievement however we need to indicate that in the next councilors what we'll do we'll make it more clear because on this one we just had how many opportunities will table it much better so that when you come to the next concept it makes more sense precisely for the fact that this is a new format that we would we change there's a supply is the finance in order to speak directly the issues that are raised by the councilors.

Lastly councilor the issue of oversight on tenders that are awarded that is not an issue we have said it even previously to say that counselors are allowed to do that the only thing that the system sector in MFMA says we mustn't have an overreach we must actually not interfere being an oversight is allowed so there are different ways to play an oversight you can either do it via Rule 38 Section 8 question or directly send it to participate with your Rep in the section 38 under Section 80 of finance whereby you'll be able to get that report which subsequently will come to what you are saying is that you are open for inputs so that we can make our report to more transparent and tangible. Thank you."

Cllr MW Mongale: "Thank you, Hon Speaker, Dr Mathae, I can see the improvement on the report of supply chain, you have tried to make a new document, but you did not address whether training of staff has been conducted and why are they not trained? There were 80 vacancies and 44 were filled and we need an answer to that effect because it will help us move forward because I watched them so that they don't get lost in the document with the aim of making sure we reach a desired destination of filling positions. We needed to make sure that supply chain policy addresses the people of local economy but now I don't see where it shows that the appointed company is local. There is other that I couldn't locate because they don't have an address. Are there corrupt activities in some of the companies? We also want to plead with you Executive Mayor in this case that if you can give us a chance as AASD to draft a local policy of supply chain and present it to you and then you'll panel beat it at a level of mayoral committee or section committee, up until its presented to council, maybe we can provide the draft as to what we want regarding supply chain policy as it must cover the interest of local people, we need your approval.

We can't ask somebody for a vote and when its harvest time, we look outside for foreigners, and we give them tenders. That is my humble plea, and I will be expecting a response from the Executive Mayor. It will be our pleasure to be of service to the Municipality, we are not opposition, but we are stakeholders which aim to ensure that the community benefits."

Cllr GJ Lipale: "Honourable speaker, esteemed councillors, and fellow viewers at home, Today, we want to address the Supply Chain Management (SCM) for the Mangaung Metropolitan Municipality, specifically for December 2024. The EFF has raised several concerns regarding the supply chain, and we will address each of them.

Firstly, as the EFF we have requested the list of 39 BBBEE companies mentioned in the document. We urge the Municipality to provide this list all the time when they mention such on their documents, reasons is for ensuring transparency and accountability in our SCM processes.

Secondly, as the EFF we have raised concerns the base estimated value, seeking clarification on its meaning and why no monetary value is mentioned. We need clear explanations to ensure that our SCM processes are transparent and fair.

Thirdly, the EFF has expressed concern about the public safety and security measures at the Rocklands offices. With only a register in place, the EFF has requested the price of one safe per person or gun to estimate the R389, 000 spent. This is crucial in determining whether there was any corruption involved.

Fourthly, the EFF has questioned the maintenance of cameras with a budget of R3 million, deeming it "preposterous." We need a clear explanation on how this budget is being utilized.

Lastly, the EFF has requested information on the projects and locations mentioned on pages 14 to 23, where various companies are listed with substantial amounts. We urge the Municipality to provide comprehensive information as deal with any SCM, that is to ensure transparency and accountability in our SCM processes.

As we conclude, as the Economic Freedom Fighters our concerns highlight the need for transparency, accountability, and fairness in our SCM processes. We urge the Mangaung Metropolitan Municipality to address these concerns and provide clear explanations to ensure that our SCM processes are aligned with the Municipality's goals and objectives.

As we move forward, let us prioritize transparency, accountability, and fairness in our SCM processes. We owe it to our communities to ensure that our resources are utilized efficiently and effectively."

Cllr Mare-Lize Wewege made the following inputs:

"Speaker and all protocols observed

Council can only take note of this very important yet ridiculous outstanding fruitless and wasteful expenditure report.

Appointment of a panel of registered debt collectors for the Mangaung metro Municipality, why are we outsourcing and not creating jobs for the employed citizens of Mangaung. This is a permanent process that must stay in place, why can't we create our own panel of debt collectors.

Then we have the oh so famous outsourcing for emergency unblocking, maintenance and replacement of manholes and sewer pipes around Mangaung metro Municipality on a as and when required. This Municipality as a metro is supposed to deliver these services for itself, not outsource it with a rate of R93 454 rand. It is ridiculous. I am however glad to see that the contactors are from within Mangaung.

Department, public safety and security: various security control measures were implemented, after the tragic incident were one of the city's senior officials were shot. May his soul rest in peace.

Why were these measures not already in place, why did we have to wait for more blood on our hands, as we know this was not the first in its kind. Will these systems be maintained and kept in working condition, or will it be white elephants, that later gets feet and goes missing.

Then we have catering, let's see how much the taxpayers had to cough up for catering. This came as a shock to me, there was a launch for the TID rollover for prepaid water meters. The catering for this delightful event was R243 000 and why was ward 2 the only ward that had a Christmas celebration for the kids. Why did R1 7 616 not come from the ANCs pockets as it was clearly a political agenda?

There are also funds going to the Metro police, that we don't even have.

I am afraid 5minutes will not nearly be enough to emphasize the amount of money that can be utilized and invested in better ways than outsourcing of services that can create jobs.

Once again, this report made me a few years older and not even wiser. I thank you Mr Speaker”

Council Whip, Cllr VE Nikelo responded: as follows:

“Thank you Speaker, I want to respond to Council Mongale that for any individuals or company that wants to bid for Municipality is allowed, amongst other requirement is that you must provide your recent taxes certificate or letter in that letter you receive there's an address there so at no stage supply chain can just provide the tender or go through the process whereby this checklist is not being looked at. I'm just trying to address the issue wherever he says there are no addresses. I think this for the second time we speak about this issue. Lastly there is a sense that somebody is using a different address also we even referred him to say go ahead and check your CSD what does it say in terms of with regard to that secondly the issue of providing the amendments to the supply chain policy under normal circumstance we do that like any other sectoral plans or any other budget related policies when we undertake the process of the IDP so I know that one will be catered there if he wants to make some money amendments in the supply chain rather than that we can't just do them Willy nilly and so on lastly the very same sentence paragraph is referring to of the trained staff, the number of vacancies and what in the last two sittings of council in fact when we presented this represented the supply chain there was an issue that we're doing copy and paste when we removed that in order to comply with that request is another story, so i'm going to say we need to be consistent in most of the times because so that at least whatever that we have requested and it's been tried to be rectified we must be appreciative and grateful for that. Thank you"

Executive Mayor summarized discussions and commended Cllr Mongale on his proposal to submit a draft local supply chain policy and indicated that he is welcome to do so.

He further indicated that outsourcing is not a solution and that tools of trade must be sufficient. That the metro police issue involves other aspects which must also be considered before it can be functional, and we need the metro police to alleviate the outsourcing of security companies. Thank you.

It was thereupon

RESOLVED that Council noted the progress report on the implementation of the Council's Supply Chain Management Policy for the quarter ended 31 December 2024.

9.
SUBMISSION OF THE MID-TERM BUDGET AND PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

Items 10.6, 10.7 and 10.9 discussed and voted upon under item 10.5

It was thereupon with *53 votes in favour, 5 against and 9 abstained.*

RESOLVED

1. That Council adopted the mid-term budget and performance assessment report.

2. That Council noted that based on the mid-term results, that the Accounting Officer prepares an adjustment that will seek to align revenue including capital transfers and expenditure including capital transfers and ensure that the annual budget results remain funded, credible and relevant as per the adopted budget.

3. That all systems, time and effort be put in fast-tracking capital expenditure to achieve the annual target of 95% overall (including conditional grants expenditure).

10.
AUDIT ACTION PLAN

Cllr GJ Lipale: “We stand before you today to discuss the audited action plans for Mangaung Metropolitan Municipality. As we delve into this critical matter, we would like our concerns as the EFF to be acknowledged, which will be addressed throughout this presentation.

Firstly, let's examine the audited action plans. The Municipality has developed a comprehensive plan to address the findings of the Auditor-General. This plan outlines corrective measures and actions to resolve the remaining issues and prevent their recurrence.

However, as the EFF we raised concerns about the transparency and accountability of the audited department. They believe that the HOD of the audited department may have hidden information or misled the AGSA, resulting in only 131 of 356 cases being traceable. The EFF questions the explanations provided for the unresolved cases, suggesting that they may be abating accountability.

We urge the Municipality to provide clear explanations and evidence to address these concerns. Transparency and accountability are essential in maintaining public trust and ensuring that the Municipality is working effectively.

Moving on to the issue of overtime, we have repeatedly raised concerns about the excessive overtime paid to certain employees. We have argued that senior management, including HR, has failed to address this issue effectively. One of the critical questions is why overtime cannot be lowered, considering it is higher than the employees’ wages.

We agree that this issue of overtimes needs to be addressed extensively and comprehensively.

Excessive overtime can lead to burnout, decreased productivity, and increased costs. We propose that the Municipality reviews its overtime policy and explores alternatives, such as hiring additional staff or adjusting work schedules.

Lastly, the EFF proposes that all HOD's be called to answer for the findings made in this document against their departments. As we support this proposal, as it promotes accountability and transparency. By holding HOD's accountable, we can ensure that they take responsibility for their departments' actions and implement corrective measures.

In conclusion, the audited action plans for Mangaung Metropolitan Municipality are a critical step towards addressing the findings of the Auditor-General. However, concerns raised by the EFF need to be addressed to ensure transparency, accountability, and fairness. we urge the Municipality to take these concerns seriously and implement corrective measures to promote good governance and public trust. Thank you."

Cllr VE De Kock made her address as follows: "We want to express our gratitude for this report and the diligent efforts in bringing it to the light. Whie it is disappointing to note once again the qualified audit opinion, particularly on overtime, I believe it's an opportunity for us to take concrete action to address these issues.

The summary points to several critical areas that require immediate attention:

The fact that 1750 employees may not have employment files is a concern that cannot be ignored. It's unacceptable that we're still struggling with billing and revenue collection, mainly due to the absence of an updated property register. These inefficiencies not only affect our residents but also result in significant revenue losses for our metro.

I'm encouraged by the proposed action plan, particularly the solutions for indigents, such as the web-based application system and self-service kiosks. However, indigents don't always have access to the devices plus data required to access these portals.

The issues surrounding overtime are well-documented and remains the proverbial "doring in ons almal se vlees". I will not elaborate on this, as I'm sure it will be discussed to its full extent today. Suffice it to say that it's a problem that requires a sustained effort to resolve.

The supply chain management concerns are alarming, with 15 findings that highlight control weaknesses and deviations from regulations. This explains many of the challenges faced by our departments, and I implore the office of the City Manager to take full responsibility for addressing these issues.

Lastly, I want to emphasize that the office of the City Manager cannot claim 100% performance when there are 17 findings under their responsibility. Accountability is key, and we must ensure that those responsible for implementing these action plans are held to task.

Let us commit to making this Action Plan a reality. This Action Plan should not just remain a Plan, it requires implementation to eradicate these inefficiencies and to ensure that our metro is run efficiently and effectively. We owe it to our residents. Thank you."

11B

Cllr CL Kruger addressed the council as follows:

“Thank you, Hon. Speaker, this morning the Auditor General did a presentation of the outcomes in terms of the audit report for Mangaung, and I think it is imperative that we must include context because in the midst of thing not being proper, progress should be noted as well. Our previous report, we were qualified for 3 reasons but in this report, its only1 and that is an improvement. We are not where we are supposed but there is movement. As for the report, we received a qualification based on our employee related costs and we know its overtime but what the AG is contextualising is that it’s based on lack of sufficient appropriate audit evidence for overtime included in employee related cost in note 42 to the financial statement, inadequate processes were not in place to ensure that the need was determined for overtime so the challenge is not overtime. Overtime is a normality but before overtime can be exercised, there must be a proven need for overtime and after it has been delivered, there must be proof of work conducted during overtime and those are the basis for the findings. What is important for us is though there was 1 item of qualification, the Auditor General also covers risky areas that if not being attended to, it may cause regression and the last thing we need is regression. I’ve just highlighted 15 areas that have been flagged by AG to say that we must focus before it results in regression. That is imperative as MMC’s to clarify the 15 areas that were flagged to ensure prevention than cure. In conclusion, the purpose of audit action plan is to address the control that must be implemented to ensure change. Our audit action plan says corrective action is to develop an overtime policy, develop a standard operating procedures, controls for request and an input on service delivery. The action plan must be completed within 90 days from the approval by council, after which we review the effectiveness of proposed action. Thank you.”

It was thereupon

RESOLVED

(a) That Council took note of the Audit Action Plan of the City.

(b) That the action plan is referred to MPAC for oversight.

11.
OUTCOME – APPLICATION FOR ROLLOVER GRANTS 2023/2024

Cllr Lotriet addressed the Council: “Honorable Speaker, through you to this ANC -led Metro, we told you so.

On 18 November 2024 this Metro lost R 141 000 000.00 of the Grants allocated to this Metro, because the Metro did not spend the Grants allocated in the 2023/24 financial year. It was effectively deducted for our Grants for the 2024/25 financial year. The R 141 000 000.00 that could be used for maintenance of infrastructure, infrastructure and service delivery.

If one dissects the report further it is alarming to see, for example, that for the Refurbishment of water supply R 17 541 508 was allocated, but only R 16 030 936 spend by end June 2024. R 1 510 572 lost.

For the Hamilton Park Pump Station refurbishment R 8 669 183 was allocated, but only R 6 115 119 spend on end June 2024. R 2 554 064 lost.

Furthermore, the service provider contract that was not properly in place, is now used as an excuse.

Unfortunately, today we must ask the question if this lack of responsibility and accountability by this ANC led Municipality Politicians and Administration is not the reason why once again, we have a water crisis on our hands.

What infuriates an Opposition Party like the Democratic Alliance, is that we have no other option but to approve the recommendations of this report otherwise the residents of our Metro will even have more scarcity of water but also realize that funds available to provide basic service delivery and maintenance of infrastructure will even be less.

What is further alarming is recommendation 3 that the City Manager puts mechanisms in place to evaluate project readiness before appropriation of funds is made, as this will ensure that projects are ready for implementation in the year they are allocated for. If accountability by the Head of the Administration was not taken for the 2023/24 financial year, why will it be different in the 2024/25 financial year?

Same story each and every year and it feels like it will never change.

Well, it can change. It can change in 2026/27 during our next Local Government Election when the Democratic Alliance takes over this Metro.

Then Grants will be spent to their best capacity and residents of the Mangaung Metropolitan Municipality will receive proper service delivery, new infrastructure and maintenance of infrastructure. Thank You."

Cllr E Snyman van Deventer addressed the council as follows:

"Thank you, Speaker, it seems to me as if projects are being moved from 1 year to the next. If I read this report, it indicates that projects not completed now will not be completed in 2024/25 as there will be new projects. This will mean that backlog on projects will just be getting more and more. It is a huge problem on page 3, that the projects listed there are all projects focused on water delivery, we need better oversight. Page 2 indicates underspending of informal settlement of R43 million – can we get a detailed action plan to prevent this in future. Page 5 there is a statement, 'the city will have to adjust its project implementation methodology'' the only adjustment is that the people we appoint to do a job, should do their job, they should do better planning and monitoring

Is the PMO functioning? We had the same problem a few years back, the 2023/24 ANC intervention team failed to manage these projects. Can we be provided with a more detailed plan to avoid the same rollover plan in the future."

Cllr CL Kruger commented as follows:

"Thank you, Hon. Speaker, in terms of the result in terms of the rollover request, the city received the sum of 1.32 billion from National fiscus as conditional grants in terms of the division of revenue act, conditional grants gazetted within a year, must be spent in the same year.

Money spent on committed to a project with at least 80% spending by the 30th of June, an application must be made to National Treasury to roll over the funds so and so on is it 30th of June of June a balance of 175,000,000 was not spent and on the application and an application was submitted this amount comprise of the USDG 5.5 million, IPTN 90 million ISUP 44 million, municipal disaster 12 million, human settlements provincial grant almost 23 million eventually human settlement grant was gazetted over period of three years and it ended the 30th of June 2024 and approval was granted for the rollover. Municipal design that was approved to be rolled over as the funds were gazetted late in the financial year is such 141 million remained which was the IPTN, ISUP & USDG over the 141 million they relate to the IPTN the capital portion of the grant could not be spent due to no projects approved by the department the national. Department of Transport I want to reemphasize could not be spend the capital budget or budget could not be spent due to the fact that no projects were approved by the national department because it even placed them on atrium told us not to spend that money so there's a difference between inability to spend and are unable to spend due to certain things. that ISUP was under spent by 43,000,000 due to delays in contacting service providers to implement projects same as USDG the National Treasury declined a roll over 141 million so this is not something honorable speaker that no person can even camouflage and present this is good news then again, history will dictate to us our future and we must measure ourselves against history to understand is there any improvement in the midst of that.

Now let me refresh your memory though it is an entitlement in the eyes of the public the funds returned then in the prior years in 2022 honourable speaker we returned 571,000,000 in 2023 we returned 370 million now returned 120 million , where we are is the improvement definitely for 2024 the city spent 83% of the grant and only returned 17% but please take into cognizance if it was not because of National Treasury but 90 million of our IPTN would not been part of this amount it actually means on speaker without IPTN the city could spent 92% of the USDG & SUPG I'm saying, Honourable Speaker, opposition parties when you criticize, do it within context and do not this certain information for grandstanding we are improving and we are not stopping 2026-2027 we are ready chief and we will fear to lose power and we will deliver as the proof organization. Thank you."

Cllr GJ Lipale addressed the Council: "Cllr Kruger sounds like a cheating lover who says they will do better next time but always cheat, there are so many unspent funds and incomplete projects. I don't know how the ANC wins elections, la loya man.

Honourable members, esteemed councillors, and the community of Mangaung,

Today, we want to emphasize the importance of spending grants allocated to the Mangaung Metropolitan Municipality. These grants are crucial for delivering essential services to our communities, addressing socio-economic challenges, and promoting sustainable development.

As the EFF we have raised critical questions regarding the grants, which we will address. Firstly, why was the contract of the civil engineers construction company working on the

Hamilton water pump site terminated, and why was a consulting engineer appointed for only 20% of the work? We need clear explanations for these decisions to foster a clean governance.

Secondly, the storeroom monetary value shows 0% spending, yet work was done. We request a clear explanation for this discrepancy, as highlighted on page 4.

Thirdly, the EFF has expressed concern about the underutilized amount of R253,672 for prepaid meters, considering the backlog in installations. We urge the Municipality to prioritize this project.

Fourthly, the disaster grants have a staggering 91% unspent, which is alarming. We still have families struggling to recover from last year's storms, and regular pipe bursts around the city must be treated as disasters. What is the Municipality doing to assist these families and address the disaster relief efforts?

Fifthly, the urban settlement has only 1% unspent, but we need clear indications of where and how these grants were spent. With rampant informal settlements in Mangaung, it is crucial that we provide essential services to these communities.

We also emphasized the need to spend grants on providing necessary services. With R91.1 million in human settlement grants remaining unspent, and an additional R43 million mentioned in the letter from the Treasury, we must prioritize spending these grants to address the socio-economic challenges facing our communities.

In conclusion, spending grants is crucial for delivering essential services, promoting sustainable development, and addressing socio-economic challenges. We urge the Municipality to address the EFF' s concerns, prioritize spending grants, and ensure that our communities receive the services they deserve. We all know for the matter of fact that the grands unspent all go back to the treasury, which means all forfeited and we have to wait for the new budget.

As outlined in the Mangaung Metropolitan Municipality's Integrated Development Plan, our Municipality's vision is to create a "city of excellence". To achieve this vision, we must prioritize spending grants, promoting transparency, accountability, and good governance.

Let us work together to ensure that our Municipality delivers on its promises and provides the necessary services to our communities. Thank you."

Cllr NA Nhlapo addressed the council as follows:

"Thank you, Speaker, let me support the MMC of Finance and what they tabled in the house. We share the same sentiments Cllr Lipale in terms of expenditure in informal settlements. I think you are correct in saying when we are passing the budget, there were a number of informal settlements that were in the budget of the current financial year. So, the rollover that we are speaking about is the rollover of last year 30th of June. So, in terms of the budget that was passed, that one still stands in terms of the projects that are there. I will get into much details in terms of what extent have we gotten to improve on the expenditure formal settlement but I don't think we can say to communities that the projects are gone.

The money we are speaking about is the money that was supposed to be spent. The budget we passed and the informal settlement projects that are still there for this financial year still stand.

I can accept the Whip for is ensuring that this 2nd quarter and the 3rd and 4th quarter, I will expect the whip to say that we ensure we spend to ensure that we don't continue with the norm whereby we return grants.

When we look at where we've been specifically human settlements – when we speak of the expenditure of formal settlement, we were in terms of 2022, we spent over 35% the same with 2023. So far, we spent 75% but still as the MMC indicated, it is not where we want to be. As the ANC, our position still stands that we don't want to see any cent being returned. This is where we are, what we looked into in terms of the root causes, and I will need your support to ensure that we don't lose funds in terms of the Municipality. Some of you are serving in the human settlement committee where you'd find that we still are understaffed but that cannot be an excuse, so what we did, we came together and decided to expediate spending in both grants. It is not something we are going to do; it is something that is being done. Some of the initiatives including section 80 that we attended, it is one of the mechanisms that will help us keep each other and all departments in par in terms of the targets. As the human settlement committee, we sit with councillors, so we check how far the spending is.

As I conclude, I want Speaker, that we don't scare people on the ground and there isn't misinformation. The rollover we are speaking on, is funds that were supposed to be spent. I am not justifying doing rollovers, but in terms of the budget and the projects that must be done in this financial year. The money is still there, and we need to work together so that we don't lose funds. Ke ya leboha."

It was thereupon

RESOLVED

1. That Council noted the correspondence from National Treasury that has declined the application to roll over conditional grants unspent as at 30June 2024.

2. That projects affected will be tested for readiness and urgency over the projects allocated in the 2024/2025, and where possible, funds be assigned through an adjustment budget to be tabled to Council by 28 February 2025.

3. That the City Manager puts mechanism in place to evaluate project readiness before appropriation of funds is made, as this will ensure that projects are ready for implementation in the year, they are allocated funds.

4. That Council approved the CFO to move funds from conditional grants to Equitable Share as reimbursement of withheld funds, to ensure that conditional and unconditional grants are fully accounted for in the general ledger.

12.
REPORT ON THE MATTER BETWEEN MANGAUNG METROPOLITAN// CENTRAL UNIVERSITY OF TECHNOLOGY (CUT) REGARDING THE VALUATION AND CATEGORISATION OF IMMOVABLE PROPERTIES OWNED BY CUT

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

13.

REQUEST FOR COUNCIL TO APPROVE THE TERMS OF REFERENCE OF THE DISCIPLINARY BOARD TO INVESTIGATE ALLEGATIONS OF FINANCIAL MISCONDUCT IN MANGAUNG METROPOLITAN MUNICIPALITY

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

14.
REPORT ON FUNCTIONALITY OF THE RETIREMENT FUNDS

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

15.
INCREASE IN SALA PENSION FUND CONTRIBUTIONS

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

16.
RATIFICATION OF EVERGREEN CONTRACTS IDENTIFIED DURING THE DEVELOPMENT OF FINANCIAL RECOVERY PLAN

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

17.
COUNCILLORS AND EMPLOYEES' SALARY DEDUCTIONS DUE TO ARREARS ON MUNICIPAL ACCOUNTS

The item was kept in abeyance and to be dealt with at the next Council meeting.

NOTED.

11	REPORTS FROM THE SPEAKER

1.

IN RE: CONSIDERATION AND APPROVAL OF REVISED STANDING RULES & ORDERS

Cllr TK Mokgothu made his address as follows:

“Ke ya ho dumedisa Speaker, le motse wa Ward 2, ke dumedise ba lekgotla bohle. Ntumelle pele ke buwa seo ke tlo se buwa, kere hela pelo tshweu bowela mannong, kgonneng matla akgo se bone. Ha kere jwalo kere we are here as the committee, mandated by this council as the committee of council to present before this house the considerations and approval of revised standing rules and orders.

Purpose of this item is to submit the municipal council the draft reviewed standing rules and orders by law for the council to consider and adopt.

Let me take the councillors back – on the 12th of December, this August house approved the review process plan, and on the 23rd of January, the committee considered all the reviewed inputs that were sent to the committee while the administration does all the incorporations on the 17th of January. Today we are here at the council that was supposed to sit on the 30th to come to this house to request that the council consider and approve the proposed reviewed standing rules and orders.

After this sitting, they will go for promulgation and be gazetted, now we are here humbly to request this house that within 7 days, all these things will be incorporated after considered after this sitting of today within 7 days, this document definitely will come for approval. We are here to request that at least today, the council consider and approve. Thank you, Speaker.”

Cllr GJ Lipale: “Thank you very much Speaker, I am in support of the committee chairperson for the council to consider, and to approve the changes on the amendments. Thank you.”

Council Whip, Cllr VE Nikel0: “Thank you, Speaker, I have noted everything that the chairperson has presented and I must indicate that we don’t have anything against what the chairperson presented. We agree with everything, however in addition to paragraph 19.1 – of the standing rules and orders as presented, we just want to make a small addition to that. It reads that ‘’ if the speaker of the council is absent or not available of the speaker or during a vacancy, the council must elect another councillor to act as the speaker and the acting speaker shall be the chairperson of the council’; we agree with it because it is captured as it appears in the amendment structures act, we wanted to add that ‘’ during the proceeding of council , if the speaker at any time, feels that he needs to be excused, he may appoint any other councillor to appoint a councillor to preside over the meeting without the council having to vote on it’’

The Speaker addressed the remarks regarding the accepted clothing in council and regalia of political parties and he read rule 53.1, 53.2 to the house.

Cllr MW Mongale: "Speaker, Dr Mathae, I thought my chair Councillor Mokgothu will go deeper in the details of the issues that were necessary burning matters. If you remember this council has been having a quarrel over when documents should be submitted to the councillors. I thought you will go there and just touch on it because those were burning issues."

Cllr MM Tladi seconded the Council Whip on his proposal.

Cllr TK Mokgothu responded as follows:

"Thank you, Speaker, to be honest, I did not see it necessary to reply because all councillors and political parties were given a chance to ventilate through submissions, so we did receive all the submissions even from Councillor Mongale, but I think I noted what you said.

What I can say is, nko ya khomo mokgala tshwara ka thata ese utlwa sebodu wa kgaokga. Ke ya leboga."

Cllr DE Matsephe clarified the hours required for the submission of documents and reiterated that all the information had been stipulated in the report. Honourable Speaker clarified that the hours do not include holidays and weekends.

Cllr MJ Ramatlama raised concerned regarding the previously dismissed statement by the Speaker which might have alluded to allowing members to wear political party regalia and he requested that the Speaker clarify and apologize for his statement. The Speaker apologized and further indicated that it was not intended to bring down the decorum of the house all members should be exemplary to their standing rules and orders.

Voting on proposal as raised by Council Whip (19.2) was voted and the entire house agrees.

RESOLVED

1. That the Council considered and approved the report.

2. That the Council considered and adopted the amendments effected in the attached copy of the Draft Review Version, 2024 of the Standing Rules and Orders By-Law ***with an addition to Rule 19: that the Speaker may appoint any Councillor during Council proceedings to act as Chairperson of Council proceeding during emergency*.**

3. That upon approval by the Council, the adopted amendments to the Standing Rules and Orders By-Law be published promptly, by the 28th of February 2025, in the Free State Provincial Government Gazette.

4. That a report with the attachments of the copy of the Provincial Government Gazette wherein the amendments to the Standing Rules and Orders By-Law will have been published and the copy of the cleaned-up version of the revised Standing Rules and Orders By-law be served before the Council, by the 31 March 2025, for noting of the newly applicable 2025 Reviewed Standing Rules and Orders By-law.

5. Further that, the Council considered and endorsed that the Municipality develop an Integrated Public Participation Policy to cover for matters the require, inter alia, community participation in the affairs of the Council, and how such public participation processes should be conducted to give effect to Chapter 4 (Community Participation) of the Local Government: Municipal Systems Act No 32 of 2000, as amended.

6. Further that, the Council considers and endorse that the Municipality develop an Integrated Public Participation Policy to cover for matters the require, inter alia, community participation in the affairs of the Council, and how such pubic participation processes should be conducted to give effect to Chapter 4 (Community Participation) of the Local Government: Municipal Systems Act No 32 of 2000, as amended.

12	REPORTS FROM MPAC

None.

NOTED.

13	REPORTS FROM AUDIT AND PERFOMANCE COMMITTEE

1.

AUDIT AND PERFORMANCE COMMITTEE REPORT TO COUNCIL FOR QUARTER 1 AND QUARTER 2, FINANCIAL YEAR 2024/25

The Chairperson, Ms P Semppe read and presented the report to the Council.

"Compliments to the Executive Mayor and Deputy Executive Mayor, MMC's, the Chairperson of MPAC and Councilors, The City Manager and executives and officials of the Mangaung metro. I also would like to take this opportunity to say compliments of the new year, I'm going to be sitting at the end of January, we're all hoping for a better year, and which will culminate to a better to service to the people of the of Mangaung. You will see in my report fortunately or unfortunately deals with a lot of items that the Auditor General has already touched on but what I'm going to do is I'm just going to highlight a few and perhaps give the council our take is as the committee on the matters that the Auditor General has raised. I'd like to move straight into the report without wasting any time, on page 5 which is a forward of the chairperson we've had four meetings in the in the quarters that are that are presenting today, presenting the report for quarter one and quarter 2 and we've had four meetings. We will answer that can get to the detail of my report on page 6 unfortunately we lost one of our members – Ntate Mabunda resigned he unfortunately has other commitments that are conflicting with his participation as an audit committee member.

There was commotion and disruptions in council regarding the documentation and rearrangement of agenda items and the Speaker clarified that the council would prioritise external presentation and deal with in-house items after.

Ms. P Semppe continued with the presentation as follows:

“The section 2 of the report deals with the meetings that we held on the 27th of August 2024. We had a meeting where we were discussing the draft financial statements that were represented by the CFO and her team and also performance information, that's the information that the committee went through as we are required by the FDA to review those documents before they are presented for audit purposes by the Auditor General, so we had a chance to give also our input on the documents. That 2.2 deals with a special meeting that we held where we looked at the internal audit documents.

Firstly, the internal audit plan which as a committee we are required to approve the plan for the audit for the internal audit unit and also the internal audit manual that they use as they do their orders. We also looked at our schedule and then in terms of the culture shift I'm not going to talk much about it because that's the part that the Auditor General presented earlier on, they took us through as a committee in terms of what the expectation is with regards to the to the culture shift and they also gave us a progress terms of how far away with the with the with the audit at that time. On the 7th of November we had our normal audit committee meeting where we deal with standing items on our agenda for example and the AGSA audit scope audit action plan, the ICT reports etc. I will get into details of each one later on in the in the report. On the 7th of November also we had an in-committee meeting with the with the city manager where we normally before every meeting ordinary meeting would have a committee meeting with the City Manager where we discuss issues that are sensitive that we can't discuss in an open forum, for example investigations that are underway and material irregularities in terms of what is the progress to that date etc. And on 2.5 we also had another meeting on the 9th of December where we were discussing the draft audit report from the Auditor General. Even the report that they were presenting today we also discussed it earlier this year in terms of the outcomes of the Municipality. I will get into the details later on in my report.

That 3.1 is record of the work performed by the committee, and we also reviewed the draft and annual financial statements. The draft is still reflecting so because at the time when we're looking at the draft annual financial statements, the ones that are going to be presented to the audit purposes, we raised certain concerns because the documents that was presented to us was still in draft and there was still a lot of work that needed to be done and we all know that we are required by legislation obviously give inputs on a set of financial statements before they are presented, so the danger that we know, we will always want to run away from is looking at a set of financial statements that still needs to go through an intensive review by management, then doesn't allow us to give that overview and oversight as a committee.

In terms of 3.2 which is the report of the internal audit, on the review as part of the internal audit, it requires the committee to look at the financial statements as well and performance information in order to review it before they approve, the draft is presented to us and before it is presented, or we recommend it to council for approval. The Internal Audit Unit also did that review and their findings were also factored into the reports that would also go for the annual performance information. In terms of 3.4 the report on internal audit review and the annual performance report that indicated there were certain findings that were identified by Internal Audit which were attended to by management before the financial statements were presented to the Auditor General in terms of the internal audit plan, as I indicated earlier, we are required by law to approve the internal audit plan to make sure that the audit plan internal audit plan that they have the right resources or enough resources.

Their plan is reach based and it covers key areas of concern of the Municipality and every year that's what we look at. Internal Audit manual, this is the manual that they use which when they're conducting their audits, it is more like a Bible that they use when they when they conducted their audit and performance schedule. Every year we supposed to determinate a plan with needs in terms of when we're going to sit and we're looking at the operations of the Municipality for that particular quarter. Normally what we do is we always want our days to synchronize with that of council so that when we present an interactive report it must also fall in the next council meeting shift, that is what the AGSA talked about, and I think I'm going to skip that. In terms of the audit progress, we've also discussed that earlier on.

On 3.10 it is what I want to spend a bit more time on which is now the information system we all know that the we have a serious problem at the metro with regards to our IT, and what we recommended as a committee is that the Auditor General does a lot of extensive work when it comes to auditing IT of the metro and it therefore becomes important that we use the outcome of the audit as basically as a yardstick just like the report that they presented today.

It gives us a status in terms of where we are, but what are the critical areas that we need to focus on - and because IT at the metro has so many challenges. We then said to the City Manager look at those findings and use that as a start in order to address all the issues which are quite a lot and given the resources that they have they might not be able to address everything but that report that the Auditor General presents gives them a very a good start in terms of what to take off so that's the main thing when it comes to the IT. Secondly there's also issues of skills shortage within the unit. I think what was presented to us by the city or was that they have 47 employees in that unit excluding the CTO and of that 47 only 7 people are qualified to or have the relevant qualifications when it comes to IT, so the other 40 then becomes a problem but now we're looking at an issue where we're sitting with 40 employees who do not have the relevant qualifications or skills and as a Municipality. So, what we then said to the city, that it is important that they obviously analyze the situation, come up with an extra plan.

In terms of what is going to happen some of the 40 people can be retrained or re-killed. I am not sure, but you can retrain the people and see how you can use them in other areas but the risk that we're sitting with here is that we have an IT unit that has a shortage of skills, and the question is as a city what we do about that.

Again there was also a concern that was raised to say our systems are working in silos, IT systems therefore we need to get this to a space or a point where our systems are interlinked in order to avoid human intervention from one system to the other, because that is what we'll then we'll be then prone to mistakes etc.

And then on the audit action plan, I think the Auditor General has also touched on this, but again as a committee our biggest concern was with the slow progress when it comes to the implementation of the recommendations of the Auditor General, we also have the same issue when it comes to the recommendations from internal audit, that the progress is quite slow and then like I explained in in the previous meeting sitting, is that internal audit looks at the control environment and the Auditor General looks at the fair presentation of financial statements, therefore when internal audit comes up with controlled deficiencies and they're not addressed they will eventually affect all those issues, which will then affect the outcome of their financial statements so it therefore becomes important that both these assurance providers that the findings are taken serious.

One of the things that is also a problem is overtime, but I will not get into much details. This financial year that just ended with the Auditor General's given us the audit findings, there was one which was there an abuse of overtime, secondly what are we doing with the transgressors, it then kicks in their consequence management that the Auditor General has been hammering on that we also as a committee are also hammering on.

On the ICT report I've already talked about the ICT shortage of skills but one of the biggest issues here is also that the IT committee it is still not functional, and that committee is quite critical. I did highlight it also in our previous reports to say it is important that we establish the ICT committee, if you look at the size and the complexity of the metro it is important to ensure that the committee is functioning and again as a Municipality we need to move away from working in silos, working manually and try and start moving towards automating most of our functions. Risk management again, the report that was presented by the chairperson of Risk Committee and also the CRO - the biggest issue here was lack of response from certain managers. I think if you listen to what the Auditor General is saying and what the risk people are saying and also, we need to get to a point where we plan in terms of what we want to do. And that plan must culminate into performance indicators and those indicators must be linked to the risks and then it must be linked to the budget, so all these three things must be aligned so that we don't find ourselves having achieved only 45% of the targets and yet we spend 111% of our budget. And moreover I think it all starts with planning and making sure that our plan is aligned to the budget and our plan is aligned to the risks, there's also a risk that was highlighted by the committee with regards to the Spaza shops and the fact that they were impacting on the health of our communities and the question is what is the Municipality doing about that in terms of the bylaws. On 3.14, page 10 section 52 report again the Auditor General did highlight this issue of the spending of the grants therefore I'm not going to dwell too much on that, but one of the things that we've emphasized to the City Manager is that because we know that the Municipality has lost a key person and in that newly established unit it is important that we capacitate that unit such and that we monitor the spending of the grants like the Auditor General has been has been hammering on.

The SCM report we took note of that report and then also the SDBIP just indicate again like the ancient saying we have too many indicators, as a Municipality obviously the management there off becomes a nightmare and we find ourselves in a situation where some indicators fall through the cracks, we are not able to monitor and come up with evidence that supports what we've done in the process, so I know for 2024-2025 we might be too late in terms of looking at the indicators but perhaps in the next financial year we really need to craft and make sure that we do away with operational indicators and focus on key service delivery which deals with financial management.3.17 which is the progress.

We did highlight this but the one thing that we want to highlight as a committee is that we had a workshop couple of weeks ago where the CFO was presenting to us to say you know the Municipality is sitting at 14 billion, and the AG also highlighted the same in terms of unwanted expenditure and the question is what are we doing because if we don't do anything about this unfortunately you know the people that have transgressed whether it's transgression are still part of the Municipality and are still continuing with everyday business again, there are those things where you find that there isn't a really wrongdoing at best maybe there was a misinterpretation or mis standard or misinterpretation of a policy things that we can quickly clear to reduce the 14 billion, so our prayer as a committee is that it is important that we see that MPAC is capacitated when it comes to such things. The DC board is capacitated so they can deal with financial misconduct if there is any and that 14 billion keeps on increasing year to year and that is a serious problem.

In terms of the recovery plan unfortunately at that time we did not we only received a verbal report but in the workshop that we had two weeks ago the CFO took us through the document in terms of how the Municipality came about to be placed under and financial recovery, secondly where are we with that etcetera so in our next meeting we will then get a formal report from the CFO that tells us where we are in in terms of that progress and will continue to monitor that on a quarterly basis.3.19 and first quarter audit progress report as I indicated we did approve the internal audit report and that the plan itself and the report that was presented by the chief audit executive and then the committee noted ongoing lack of responses from management on internal audit reports, unfortunately in some of those audits that they conducted they did struggle to obtain management responses on some of the findings and it is something that we have taken up with the city manager to ask for his intervention in this regard. 3.20 the IIA or the institute of internal auditors they've come up with new standards global standards where we were we're required to comply with by the 9th of Jan so we as a committee we also looked at that in order to ensure that our internal audit and assess and audit committee we do comply. 3.21 I've already spoken about the misalignment between the budget and the and our targets and that's our oldest outcome unfortunately it's stagnant as we did not improve from the previous financial year in terms of the findings from the progress. On the material irregularities the report that we received was that there is some progress on material irregularities but unfortunately some of these cases are very old cases and they are going to take a bit of time to resolve, and the most important thing is it's consequence management which is what we need to monitor as a committee and we will obviously continue to monitor this. In our quarterly meetings and then investigations the city manager will take us through the high level in terms of the investigations that are currently underway.”

RECOMMENDATIONS

1. Identify transgressors of overtime policies to ensure that consequence management is applied.
2. Debt collection and responsible spending should be implemented to improve the financial position of the Municipality.
3. There should be performance contracts with the City Manager so they can be held accountable for poor performance management.
4. ICT department should be improved in terms of capacity.

5. Management is expected to present a reviewed audit action plan in the next council seating.
6. Management should evaluate both current and emerging risks.
7. Management should review control systems to prevent repeat findings from AG and internal audit.

The Deputy Executive Mayor applauded the Committee for the work they had undertaken and indicated that it was important for the management to listen to the audit committee's recommendations and supported the report on behalf of the ANC.

Cllr KD Kotze addressed the council as follows:

"Thank you, Chairperson, for the report, you say the ICT is in ICU but when you go to ICU, the doctors and nurses don't tell you that we will wait for a miracle. If you listen to that report, we are clearly waiting for a miracle. Last year the concern was the appointment of a CTO and the person has been appointed for a year. She mustn't look at recommendations of the AG, she needs to be in power and implement the recommendations as they have been in the AG report for the past 5 years and that's a disgrace. The HOD needs to impower her, if you look at any company and look at the budget for ICT, it will be the second biggest item when it comes to expenses and it is budgeted for properly. You need to work on that because I am telling you now, every time you say we will get there and there are no solutions, only excuses and we need to stop that. There are people that can do it and are too afraid what is expected of them because of political interference."

Cllr JB Thomas commented as follows:

"Ke ya leboha motsamaisi wa dipuisano, hake buwe ka report empa ke worried ho latella molao wa tsamaiso which is rule 53 ya standing rules and orders, e buwang ka moaparo wa council. Ke ya kopa moo o dutseng, ke bona badge ya ANC sefubeng sahao, ana ho lokeleile ho aparo ka tsela eo haosa lokeya kopa o kwale badge eo."

The Speaker responded and called the speaker out of order and indicated that he was not being relevant

Ms P Semppe responded as follows:

"Thank you, Speaker, and thank you Deputy Executive Mayor for your recommendation. I must indicate we do feel the vacuum of the member that has resigned because he came with a lot of experience when it comes to governance, perhaps Mr G Ntsala, it is something we need to take up with the City Manager in terms of filling the vacancy.

Internal audit is understaffed but the way it works, is that we prioritise high risk areas. In terms of what Cllr GDP Kotze asked regarding the budget. Yes, a lot of institutions are moving towards capacitating ICT and that comes with budget, and it is something the metro would need to focus to turn things around and that would improve efficiency. Thank you."

Deputy Executive Mayor moved for the adoption of the report and Cllr NL Lecoko seconded.

The majority of the house accepted the adoption of the report.

It was thereupon

RESOLVED that the Council approved the Audit and Performance Committee report for Quarter 1 and 2 in accordance with the provisions of MFMA Section 166(2) and Regulation 14(4)(a)(iii) of the Local Government Municipal Planning and Performance Management Regulations of 2001.

14	IN COMMITTEE REPORTS

The Speaker requested all HODs, officials, media and the public in the gallery to be excused from the meeting and that the live streaming be switched off as the items would be dealt with "In Committee".

As these items are dealt with In Committee, the discussions are minuted separately.

1.
TABLING OF THE IPTN FINAL FORENSIC INVESTIGATION REPORT FOR IMPLEMENTATION OF THE RECOMMENDATION

It was *unanimously*

RESOLVED

(a) That Council approved report as well as the Legal Opinion and recommendations.

(b) That Council approved the implementation of recommendations as outlined in the Final IPTN Forensic Investigation report as well as Legal Opinion.

(c) That Council approved implementation of disciplinary steps against all implicated municipal employees in accordance with South African Local Government Bargaining Council Guidelines as well as National Treasury Municipal Staff Regulation.

(d) That Disciplinary Board be mandated to determine cases of financial misconduct.

(e) That Council note that all criminal matters have been referred to law enforcement agencies by the Executive Mayor.

(f) That the Executive Mayor report progress on the implementation of the Final IPTN Forensic Investigation Report recommendation on a quarterly basis to the Minister of Transport ***and the Council***.

15	MOTIONS

None.

NOTED.

16	QUESTIONS

QUESTIONS ASKED IN TERMS OF RULE 38 OF THE COUNCIL'S STANDING RULES AND ORDERS

The item was not discussed.

NOTED.

17	CLOSING OF THE ORDINARY COUNCIL MEETING

The meeting officially closed at 18h40

SECRETARIAT UNIT
COMMITTEE SERVICES