



OVERSIGHT REPORT FOR MATJHABENG LOCAL MUNICIPALITY-2018

DRAFT

No.	Item	Page
1	OVERVIEW BY THE CHAIRPERSON: MPAC	3
1	INTRODUCTION AND LEGISLATIVE BACKGROUND OF AN OVERSIGHT FUNCTION	4
2	PURPOSE OF AN OVERSIGHT REPORT	5
3	RESPONSIBILITIES OF MPAC	5
4	COMPOSITION OF MPAC MEMBERS	6
5	FINANCIAL GOVERNMENT FRAMEWORK APPLICABLE TO LOCAL GOVERNMENT	7
6	COUNCIL MANDATE FOR MPAC	7
7	DRAFT ANNUAL REPORT 2015/2016	8
7.1.	PURPOSE	8
7.2.	MAIN COMPONENTS OF THE 2015/2016 DRAFT ANNUAL REPORT	8
7.3.	LEGISLATED PROCESS FOLLOWED	9
8.	SUMMARY OF COMMENTS AND INPUTS ON THE DRAFT ANNUAL REPORT AS PER COUNCIL RESOLUTION	9
8.1.	OVERVIEW OF THE PROCESS	9

8.2.	AUDITOR GENERAL	14
8.3.	CORPORATE SERVICES	15
8.4.	FINANCE	19
8.5.	INFRASTRUCTURE	24
8.6.	STRATEGIC SUPPORT SERVICES	32
8.7.	COMMUNITY SERVICES	35
8.8.	LED, PLANNING AND HUMAN SETTLEMENTS	37
9.	COMMUNITY PARTICIPATION PROCESS	43
10.	COMMITTEE RECOMMENDATIONS	44
11.	SUMMARY AND RECOMMENDATIONS TO BE SUBMITTED TO COUNCIL	45

1. OVERVIEW BY THE CHAIRPERSON: MPAC

The committee and I were appointed by council in September 2017 as a process to ensure that we preside over oversight processes delegated to us during council committee meetings. On behalf of the committee, I would like to appreciate the trust that council has on us as a committee. I know that it is quite a daunting task and expectations are forever deepening every year.

We have started with process this financial year and a period expected to take five years of the current council which is from the 2017/2018 financial year until 2021/2022. This year's public participation was very difficult to undertake and I believe committee who managed to take the field trips will attest to this. I believe that the challenges we experienced go with the tasks that council has put on our shoulders and we appreciate that as part of delivering on council mandate, we keep on growing as part of a nation longing to be a better people.

As in the past, we ensured that we involve everyone who matter in ensuring that the draft annual report is reflective of all our inputs. The process cannot be better as the years go by. I really appreciate the insightful opinion that we received and the Ubuntu elements that underlined each consultation.

Not least is the overly positive response we receive each time we invite office of the Auditor General to our meetings. They have never disappointed us and have given quite immense information and angle to base our recommendations. Let me also appreciate the fact that our draft annual report has come to council within the required time frame. We were able to then able to engage with the community in a procedural manner although challenges would form the body of the report. I so appreciate this legal milestone and hope that we continue for the remainder of council term with the same speed and vigour.

2. INTRODUCTION AND LEGISLATIVE BACKGROUND OF AN OVERSIGHT FUNCTION

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members. Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides adequate framework and guidelines within which such committees of council shall operate.

During the 2009 Association of Public Accounts Committee (APAC) Conference a resolution was taken stating that the Conference supports the establishment of Municipal Public Accounts Committees (MPACs) in each municipality in the country as part of improving financial management and accountability at local level.

The national Department of Cooperative Governance and Traditional Affairs, in consultation with the National Treasury and SALGA, gave instruction that all municipalities should establish MPACs. Membership to these committees should depend, among others, on affordability as well as political parties forming council. The focus of the MPAC will be to assist Council to hold the executive to account and to ensure the effective and efficient use of municipal resources.

The draft annual report for the 2016/2017 was tabled in council on the 31st January 2018. In noting the draft annual report, a resolution was taken that public participation process be undertaken by the MPAC within time frames as set by legislation.

The above process was to comply with section 121(1) of the MFMA which is construed to mean that the draft annual report must have undergone a public process and approved within nine months after the beginning of a new financial year.

3. PURPOSE OF AN OVERSIGHT REPORT

The purpose of the oversight report of MPAC is to provide an analysis of the veracity of the report as compiled by administration. This verification has been done threefold:

- As per the public participation process as derived from the Municipal Systems Act and relevant regulations on public participation;
- Departmental consultation on specific areas that the auditor general had identified to be challenges;
- Review of past recommendations on similar audit issues and the extent to which progress had been achieved.

With the outcome of the above process, the committee is then able to determine whether the draft report truly and fairly represent events as confirmed through public participation. It is only through this process that the committee can come to a particular conclusion.

It must be understood in the context of evidence put before the committee that a particular recommendation gets made.

4. RESPONSIBILITIES OF MPAC

The MPACs must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- Unforeseen and unavoidable expenditure (Section 29);
- Unauthorized, irregular or fruitless and wasteful expenditure (Section 32);
- The quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d));
- Monthly budget statements (Section 71);
- Mid-year budget and performance assessment (Section 72);
- Mid-year budget and performance assessment of municipal entities (Section 88);
- Disclosures concerning Councillors, directors and officials (Section 124);

- Submission and auditing of annual financial statements (Section 126);
- Submission of the annual report (Section 127);
- Oversight report on the annual report (Section 129);
- Issues raised by the Auditor-General in audit reports (Section 131);
- Audit Committee (Section 166); Disciplinary action instituted in terms of the MFMA;
- Review of the IDP post elections (Section 25);
- Annual review of the IDP (Section 34);
- Performance management plan (Section 39);
- Monitoring that the annual budget is informed by the IDP.

5. COMPOSITION OF MPAC MEMBERS

An MPAC Committee was established by Council resolution COUN 01 11/11 in terms of section 79 of the Municipal Structures Act, 117 of 1998. The Committee consists of:

- | | |
|------------------------|------------------------------|
| ○ Cllr. M.D Masienyane | Chairperson and member |
| ○ Cll. J.S Marais | Councillor and member |
| ○ Cllr. P.F Botha | Councillor and member |
| ○ Cllr E Nqeobo | Councillor and member |
| ○ Cllr Mafa M | Councillor and member |
| ○ Cllr Mosia TJ | Councillor and member |
| ○ Cllr Senxezi | Councillor and member |
| ○ Cllr Molefi | Councillor and member |
| ○ Cllr I Poo | Councillor and member |

6. FINANCIAL GOVERNMENT FRAMEWORK APPLICABLE TO LOCAL GOVERNMENT:

INSTITUTIONS	RESPONSIBLE FOR	OVERSIGHT FOR	ACCOUNTABLE TO
Council	Approving Policy & Budget	Executive Committee	Community
Executive Committee	Policy and Budgets	Municipal Manager	Council
Municipal Manager	Outputs and Implementation	The Administration	Executive Committee
Chief Financial Officer & Senior Managers	Outputs and Implementation	Financial Management and Operational Functions	Municipal Manager

7. COUNCIL MANDATE FOR MPAC

It is the responsibility of council to mandate MPAC to deal with the draft annual report in a manner that would satisfy communities with regards to council budget against the actual outcomes as reflected in the draft annual report. Members of MPAC are therefore mandated by council to undertake a public participation process to satisfy this mandate. MPAC is also given two months to ensure that all inputs are sourced from the community

in order to pronounce itself on whether to approve or reject the draft annual report from inputs received as per the consultation process.

A programme for public consultation was developed in association with the IDP schedule as they were both adopted at the same council meeting. A principle approach was devised by MPAC to only visit specific wards and not the whole venues of the IDP consultation. This principle was adopted in order to limit unwarranted spending on PA system as that was already procured for venues identified for IDP consultation schedule. The schedule is attached for annexure on the draft oversight report.

8. DRAFT ANNUAL REPORT 2016/2017

8.1. PURPOSE

- To provide a record of the activities of the municipality during the financial year to which the report relates;
- To provide a report on performance against the budget of the municipality for the financial year; and
- To promote accountability to the local community for the decisions made throughout the year by the municipality.

8.2. MAIN COMPONENTS OF THE 2016/2017 DRAFT ANNUAL REPORT

- We have assessed the annual report for 2016/2017 on the basis of the requirements that it contains these main components without which a negative assessment would arise.
- We have ensured that we comply with both MFMA requirements as stated in Section 121 as well as **MFMA Circular No. 32** on the preparation of the oversight report and confirmed that the following legislated components are part of the report:
 - ✓ *(2.3.1) The annual financial statements of the municipality, and in addition, if Section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of Section 126(1);*

- ✓ (2.3.2) *the Auditor-General Audit Report in terms of Section 126(3) on those financial statements;*
- ✓ (2.3.3) *the annual performance report of the municipality prepared by the municipality in terms of Section 46 of the Municipal Systems Act;*
- ✓ (2.3.4) *the Auditor-General's Audit Report in terms of Section 45(b) of the Municipal Systems Act (Act 32 of 2000); (2.3.5) an assessment by the Municipality's Accounting Officer of any arrears on municipal taxes and service charges;*
- ✓ (2.3.6) *an assessment by the Municipality's Accounting Officer of the municipality's performance against the measurable performance objectives referred to in Section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;*
- ✓ (2.3.7) *Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraph (b) and (d);*
- ✓ (2.3.8) *any explanations that may be necessary to clarify issues in connection with the financial statements;*
- ✓ (2.3.9) *Any information as determined by the municipality;*
- ✓ (2.3.10) *any recommendation as determined by the municipality; and any information as may be prescribed.*

8.3. LEGISLATED PROCESS FOLLOWED

- ✓ In terms of Section 127(5) of the MFMA, the Accounting Officer must immediately after the Annual Report is tabled,
 - make public the annual report,
 - invite the local community to submit representations in connection with the annual report and submit the annual report to the Auditor-General,

- the relevant Provincial Treasury and the Provincial Department responsible for Local Government in the Province.
- ✓ According to Section 129(1)(a)(b)(c) of the MFMA, the Council must consider the Annual Report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing the Council's comments on the annual report which must include a statement whether:
 - The Council has approved the Annual Report with or without reservations;
 - Has rejected the Annual Report; or
 - Has referred the Annual Report back for revision of those components that can be revised.

9. SUMMARY OF COMMENTS AND INPUTS ON THE DRAFT ANNUAL REPORT AS PER COUNCIL RESOLUTION

9.1. OVERVIEW OF THE PROCESS

The draft annual report was presented to council by the Executive Mayor, Councillor NW Speelman and the draft report was noted pending a public participation process. During that meeting of the 31st January 2018, council took a resolution to refer the draft annual report to a public participation process to ensure that communities engage on the veracity of the contents and make recommendations in any specific area that is felt needs to be improved. The committee met on a few occasions to discuss the draft annual report and **minutes and agenda are attached**. The committee undertook a process where the following institutions were invited for presentations:

1. Office of the Auditor General
2. Internal Directorates

The next process was developing presentation and made the presentations were made in specific units of the Municipality. The following six units were visited as per the clustered venues/wards:

1. Kutlwanong
2. Thabong
3. Welkom
4. Meloding
5. Phomolong
6. Nyakallong

Summary of issues raised / comments made by the Public during the MPAC Public Participation meetings March 2018.

The following meetings were postponed / disrupted;

Date	Venue	Participating Wards
01 March 2018	Kutlwanong Community Hall	10, 18, 20, 21 & 22
06 March 2018	Phomolong Community Hall	2 & 3
07 March 2018	Ventersburg Town Hall	1
15 March 2018	Ferdie Meyer Hall	27, 32, 33, 34 & 35
22 March 2018	Bronville Community Hall	11,23,24

Comments / Issues

Ward 6: Phahamisanang Primary School

- The project in ward 6 is not labour inclusive; not all wards are employed.
- Harmony donated an amount of R6 millions for development of Bronville & Meloding, only R200 000.00 was allocated.
- Multipurpose Centre in Meloding is too small
- SASSA, ESKOM & HOME AFFAIRS must be decentralised
- There was a poultry project in Virginia which never kicked off from the ground, what happened to the project?
- The MPAC is not assisting since answers from previous meetings are not forthcoming.
- Need humps; clinics and police station. Expenditure must be reported per ward
- 7000 sites promised in the previous reports must be finalised. The AG made recommendations such as vacant positions; when will the institution fill those vacancies?
- Municipality must appoint strategies for collection; the arrangement of 25% is too much. The municipality has employed careless employees who prefer bribes more than clean job. The issue of record keeping must start internally; within the municipality
- Skills audit to be done and report be publicised
- How does the municipality monitor social responsibility of Harmony within the society?
- A firm can be opened from allocation of dividends from the mine.
- Time frame to be developed for filling of vacancies
- MPAC documents to be develop in local languages – preferably Sesotho & Xhosa.
- Community always gives recommendations and possible solutions to municipal challenges, nothing gets implemented.

- The municipality must give account on bursaries
- Local clinics need security – break-ins
- How does the institution measures water usage on houses without metres and its leakages?
- How does the committee monitor ward councillors’ performance?
- Issues raised by the community are not responded to, the committee must monitor the implementation of such.
- Estimation of water readings too expensive, use readings instead.
- Municipality needs extra plumbers, why not advertise?
- High mass lights and storm water canals not working.

WARD 19 AND 36

- A request was made of the report to be submitted to ward councillors so that the community peruse it timeously and be written in a language that’s understandable to the community.
- Tell the mayor to stop wasting money on candle light events, the whole ward is full of clean running water because of old infrastructure.
- When does job creation happen in Nyakallong? the youths are unemployed.
- Jager Technologies get paid for doing nothing so we must stop service providers (out sourcing)
- Who came up with a discussion to erect a fence around the city council because it is a waste of tax payers money.
- What happens to the sites that was allocated to the community
- Infrastructure is too old
- How do you monitor and evaluate service providers e.g. storm water project is unfinished and the service provider is gone.

Ward 29

- Cllr is selective in terms of people to be hired in projects
- Paving in ward 29 too small; a truck and a car won’t fit at the same time if moving to opposite directions.
- George Mooi street – paving still outstanding
- The Cllr of ward 29 is very selective when giving services, she has preferences.

Ward 31

- Sewerage in Thula Mntwana Thabong is unbearable.
- The G-Hostel project was stopped without valid reasons; the community claimed that they were fed lies.
- Allegation that Cllr Speelman feeds Zama Zamas
- Stop the process of tenders in G-Hostel project and create jobs.
- The claimed expenses of R1 million that were used to renovate the hall in Thabong do not tally with the job value.
- Lot of water is water on pipe burst not attended to on time.

- Paving projects are normally paid in full to service providers yet the scope is not finished, like, sidewalks and storm water canals next to the paving as per specifications.
- There are not municipal accounts in ward 25; Thandanani area.
- A lot of water is wasted by car washes
- Man-made mountains in Chiume to be abolished
- Need sites
- There are no projects in other wards; but in ward 17, everything is in order in ward 17. Budget allocations of ward 16 taken to ward 17
- Project calculations – 1.6m long project worth = R9 millions yet the 1.2m long is worth R1.2millions.
- Wasteful expenditure not monitored accordingly
- When will the audit of Thandanani houses be finalised?
- By-laws to be effective – people are wasting water
- Overtime not monitored, Employees are not local based. Indigent policy – how does it work? Give feedback on issues raised. What action is taken against reckless employees?
- Criteria used to identify beneficiaries of sites in Dagbreek (next to Arm Village)
- Roles and mandate of the committee (MPAC)
- How often does the municipality do the inspection on its properties?

9.2. AUDITOR GENERAL

Office of the Auditor General was invited to make a presentation to the MPAC and in the process identified critical issues that needed to be addressed. Flowing from the presentation by the AG Office, all Directorates in the Municipality were afforded an opportunity to identify areas of concern and propose how each would assist in resolving AG issues that were reflected in management report and some of which had a negative impact in the audit outcome.

9.3. CORPORATE SERVICES

MATTER RAISED /FINDING	DISCUSSIONS	REMEDIAL ACTION	DELIVERABLES/RESOLUTIONS
<p>PERFORMANCE MANAGEMENT SYSTEM</p> <p>Regulated by section 67 (1)(D)of the Municipal Systems Act</p> <p>Council have approved the PMS framework on the 13th December 2016.</p>	<p>The committee have noted that the individual performance item was tabled in last LLF.</p> <p>Salga has initiated support for the implementation.</p> <p>A project roll out plan will be submitted to recent Executive Committee Management.</p> <p>It was further discussed that no Performance Management System in Matjhabeng Municipality to motivate employees.</p> <p>The skilled full people left the Municipality and not replacing.</p> <p>Matjhabeng Municipality does not utilised skilled people to capacitate them.</p> <p>New structure is going to take long and it becomes unlawful to have critical positions that were not filled.</p>		<p>It was resolved that Council to APPROVE the current structure as the current structure, those positions were budgeted for.</p> <p>The item was discussed for CONSIDERATION.</p>

<p>MANAGEMENT VACANCIES</p>	<p>OF</p>	<p>Mr FF Wetes have indicated that Matjhabeng Municipality have 1431 vacancies.</p> <p>The current utilization in the current structure is 62%.</p> <p>The committee have noted that in terms of the cost for vacancies, there are lot of critical offices not having people with relevant skills.</p>	<p>To effect the placement Committee.</p>	<p>That the current critical positions be FILLED.</p>
<p>COMMUNITY OFFICERS and</p>	<p>LIAISON</p>	<p>Cllr Molefi enquired about the role of the Community Liaison Officers emanating from presentation.</p> <p>The Executive Director: Strategic Support Services indicated that the Community Liaison Officers assumed the same responsibilities as those of the Councillors.</p> <p>The committee further raised a concern that the Unit Managers are seemingly redundant.</p> <p>Cllrs Nqeobo have indicated that there is a confusion of community development officers as the community is concern about one community</p>		<p>It was resolved that the Directorate Strategic Support Services MUST ENSURE that Community Liaison officers improve their performance in terms of public accountability and participations.</p> <p>That their work need to be DEFINED.</p>

<p>REDUNDANCY OF UNIT MANAGERS</p>	<p>development worker moved to ward 17 and in ward 17 there is a community development worker thus for which ward services did he offered to the community? as he resides in the non-allocated ward.</p> <p>Mr FF Wetes responded that in terms of redundant positions ,the placement committee will assist with the relevant appointments.</p>		<p>Committee resolved that the Office of the Municipal Manager and the office of the office of the Speaker MUST PROVIDE the committee with the scope of work for the unit managers.</p>
<p>CONSEQUENCE MANAGEMENT</p> <p>FINANCIAL MISCONDUCT AND THE DISCIPLINARY COMMITTEE WAS NOT PROPERLY CONSTITUTED IN ACCORDANCE WITH THE PROVISIONS OF THE FINANCIAL MISCONDUCT AND CRIMINAL PROCEEDINGS.</p>	<p>The committee discussed on the Financial misconduct manners incurred within Municipality entities and regulations to avoid such.</p> <p>Cllr Molefi pleaded to head of departments to ensure they comply with section 67 regulation in terms of consequence management.</p> <p>The committee took note that a disciplinary committee to deal with Financial misconduct was not properly constituted.</p>	<p>Efforts to be built internally for reduction of financial misconduct.</p>	<p>That employees INVOLVED in the Financial misconduct should face criminal proceedings.</p> <p>That programmes such as year-end CLOSINGS FUNCTIONS caused a lot of money to Municipality be stopped.</p>
<p>JOB SECURITY</p>	<p>Cllr Masienyane made the Committee aware on the issue of 99 Month to Month Contract emanating from the presentation, and that brought inconvenience for them as they would not be able to plan high with life, some of them were qualified to hold</p>	<p>The placement committee to be appointed to assist with verification of skills and job evaluation.</p>	<p>That the item was submitted for CONSIDERATION.</p>

	positions, he made an example about: Mr E Kobuoe LED Manager who passed on recently and still on month to month contract with certain qualifications, thus cause inconvenience, Audit Query in terms of the organogram and Job Security.		
ORGANISATIONAL STRUCTURE	Committee raised concerns over the pending organisational structure as there won't be constraints in terms of the budget, the positions on the structure were budgeted for.	Aimed at prioritising the structure to fill critical posts.	That the item of the current structure BE TAKEN to the next council for approval. That critical positions BE FILLED .
LEGAL FEES /IRREGULAR EXPENDITURE	Mr Wetes further presented about the Legal fees matters. He made example of recent uprisings whereby Virginia employees boycotted to work, that led to sudden requisite to legal action against them.	To redress irregular expenditure, legal services initiated procurement processes to ensure that the municipality enlists services of attorneys appointed on the panel of attorneys.	That panel of attorneys be APPOINTED . END.

9.4. FINANCE

MATTER : CHALLENGES IRREGULAR EXPENDITURE	DISCUSSIONS	REMEDIAL ACTION	DELIVERABLES/RESOLUTION
<p>JAGER TECH –CONTRACT EXPIRED</p>	<p>The committee have noted that Jager Tech was not paid, kept on reading, they were stopped and did not gave hand over to the new meter readers company.</p> <p>The committee have noted that new company was appointed 3 years ago and they started to do the work from then until 2019.</p> <p>CFO suggested to call the company to present their plan of their work their doing and time frames.</p> <p>The committee have advised CFO not to call the company but to put meter readings advert to tender.</p> <p>Cllr Molefi reminded Committee that</p>	<p>Extension be approved through council.</p> <p>To effect internal measures to advertise expired contracts.</p> <p>CFO have indicated that there was a PLAN initiated in terms of rolling those matters.</p>	<p>That the MPAC Committee and Finance SHOULD VERIFY if there was a VALUE FOR MONEY on the payment of Jager Tech,</p> <p>Municipality must GO OUT to tender for meter reading.</p> <p>That the letter/memo SHOULD SPECIFY the work the company supposed to do, will be reduced according to the number of meters read counted .Memorandum of understanding)</p> <p>It was resolved that the Revenue committee must be CALLED to respond to Cllr Marais “s concern not to receive the account as he paid by estimation.</p> <p>Discussed FOR CONSIDERATION.</p>

their role was not only to advise the Municipality administrations but to take responsibilities to ensure that the Municipality have control on public account funds and to apply MFMA regulations.

Cllr Marais did not received the account and he only made payments by estimations:

Cllr Molefi asked CFO, The issue of the company appointed on 2017 and said the contract will end on 2019, what were the corrective measures taken then

Cllr Marais further indicated that the Municipality incurred the irregular expenditure because of non-tendering of the expired contracts.

<p>MANNA HOLDINGS –BID COMMITTEES NOT COMPOSED AS PER POLICY.</p>	<p>The committee have noted that the bid committee were not composed as per supply chain regulation.</p> <p>CFO have further indicated that</p> <p>The work was not done only the misinterpretation from Auditor General Statement.</p>		<p>That the issue of manna holding was IRREVOCABLE as the finding was self-explanatory.</p>
<p>FRESHMARK SYSTEMS-DEVIATION NOT IN TERMS OF THE REQUIREMENTS OF SCM POLICY.</p>	<p>Cllr Marais advised the committee that the head of department must follow the supply chain regulations about the orders deviations and give reasons why deviation.</p> <p>The committee have congratulated the CFO regarding the internal control measures taken pertaining deviations.</p> <p>Cllr Molefi talked about section 131 the role of MPAC, consequential management be implemented, the</p>	<p>Deviation questionnaires were introduced as a means of new system to reduce the deviation, to ensure that the once approved meets the requirements of sec 36 (1)-(8)of MFMA</p> <p>That the departments will have to VERIFY if there was a sole provider and the matter was urgent to BE PUT for deviation or not.</p> <p>Irregular register have been INTRODUCED to be filled on a monthly basis.</p>	<p>That new deviation form INTRODUCED BE EFFECTIVE AND IMPLEMENTED.</p> <p>That the UNAUTHORIZED MATTERS be AUTHORISED by the Accounting Officer to avoid UIF & Wasteful Expenditure.</p>

	Executive Mayor and Accounting Officer to take reasonable steps on the issues of UIFW be addressed, he further mentioned the section 152 of the MFMA to be followed.		
SYNTELL	The contract expired has not been formally extended.	Deviation is non-compliant	That the contract must be ADVERTISED . The MPAC committee to REPORT UIF& Wasteful Expenditure matters quarterly to council in terms of the Auditor General findings.(EXPIRED CONTRACTS)
<u>FINDING ON UNAUTHORISED, IRREGULAR,FRUITLESS AND WASTEFUL EXPENDITURE</u>			
ESKOM ACCOUNT R182,169,994.91 SARS VAT CASH FLOW- R2,954,547.85-SAMWU-NPF R62,746.94, FS PENSION FUND- R42.425 .37,SALA PENSION FUND-45,253.45 -FS PROVIDENT FUND R20.433.24(Fruitless and Wasteful Expenditure)	The committee took note of items that will reflect until the address of cash flow of the Municipality end, as most dealt with the penalties charged:	To improve the revenue collection.	That the item of Sedibeng and Eskom account BE TAKEN to the next council for write off proposal.

<p>FINANCIAL RECOVERY PLAN</p>	<p>Cllr Molefi raised the issue of indigent scheme be redressed to the Public for the sake of revenue enhancement, it seems as if for the public members the indigent policy meant to be free flow, are not supposed to pay viewed as a wrong perception, in that plan Municipality will have a good Financial Recovery Plan.</p>		<p>That the indigent scheme processes be TAKEN to the next council for REDRESS.</p> <p>That the overtimes be critically REVIEWED AND INVESTIGATED.</p> <p>The matter was SUBMITTED for CONSIDERATION.</p>
<p>INTEREST ON THE PAYMENT OF THE SERVICE PROVIDERS</p>	<p>The Committee discussed further about overtimes as the matter of Financial recovery plan and it be noted to take a resolution on it.</p> <p>Cllr Marais indicated that Municipality will recover the loss of Finances only if it can stick to the exact payment date to the third</p>		

	parties or our debtors.		
--	-------------------------	--	--

9.5. INFRASTRUCTURE

MATTER /FINDING	DISCUSSIONS	REMEDIAL ACTION	DELIVERABLES
<p>OVERVIEW, REQUESTED TO DO ORGANISATIONAL STRUCTURE, ANNUAL PERFORMANCE REPORT, EXCEPTIONS BY AUDITOR GENERAL FINDINGS OF AUDITOR GENERAL ORGANISATIONAL STRUCTURE -</p>	<p>The 2009 approved structure , 1344,, 817 vacant post identified 175 of Critical positions,59 already people are acting drivers, plumbers supervisors' and technician approval reduced the acting's ,that will assist in reduction of actings and overtimes without increasing municipality salary bill.</p>	<p>To identify the critical position</p>	<p>The current structure be TAKEN to Council for approval.</p>
<p>SEWER NETWORKS WATER TREATMENT</p>	<p>The committee took note that in 2016/17 financial year, different programmes were delayed such as sewer networks WWTW developmental and maintenance programmes, led to less achieved percentage.</p> <p>It was further discussed that out of 16 KPIS 3 was achieved and department obtained 19% due to delayed procurement processes, Mrs Maswanganyi made an example of bid committees were not appointed in the time of Adv. Lepheana, due to non-approval.</p> <p>The committee was made aware of disruptions of briefing sessions by local emerging</p>	<p>Though Budget constraints contributed some projects were funded and some were not funded.</p> <p>Theronia treatment projects they managed to get funds.</p>	<p>That all departments be REALISTIC of the project need funds before submission for budget.</p>

	<p>contractors, caused the delay of programmes.</p> <p>Roads and storm water 3 KPIS, only 2 were achieved as the challenge was shortage of staff and well learned supervision, she alluded that non-approved structure was frustrating as department Compressed teams to work overtime.</p> <p>The shortage of resources for water</p> <p>Also contributed to have less percentage in terms of performance. Proposed organisational structure never approved.</p>	<p>Bid committees were appointed to improve situation.</p> <p>Implementation of new PPP-FA Effective 01 APRIL 2017.</p> <p>To appoint proper trained supervisors and employees.</p> <p>Procurement of fleet to avoid hiring of vehicles on emergency basis.</p>	<p>The item was considered for consideration.</p> <p>That all departments to HAVE a breakdown of critical positions need to be filled.</p> <p>That procurement of fleet both white and yellow be TAKEN to council to redress.</p>
PROCUREMENT FLEET	<p>Procurement of fleet that was very old, and is frustrating as water department in central area struggled to do water maintenance.</p>	<p>Procurement of fleet to avoid hiring of vehicles on emergency basis.</p>	<p>The Municipality plan to PROCURE new fleet or COME UP with resource plan of a fleet management system to improve situation at fleet.</p>
WATER NETWORKS AND WATER DEMAND MANAGEMENT.	<p>The committee have realised of stores re-open will be fully secured emanating from presentation already there was a personnel exist as it was difficult to get stock, or material, no tracking on what has been taken from the store or received.</p>	<p>Re open stores</p> <p>Action plan having the stores opened</p> <p>Proper way of managing store.</p>	<p>The item was submitted for CONSIDERATION.</p>

<p>WATER DEVELOPMENTAL AND MAINTENANCE PROGRAMMES, AND ANCILLARY ITEMS/PERFORMANCE REPORT/KPIS</p>	<p>The committee have noted department was aware of the shortage of funds for the projects.</p> <p>Executive Director made example about Odendaalsrus offices,</p> <p>Virginia offices that need to be maintained though the department lack resources and internal capacity to do the job.</p> <p>Cllr Marais asked Mrs Maswanganyi how did they have the projects with the lack of funds or Budget constraints?</p> <p>She responded that on the Maintenance issue budget was there but no cash back and that was a bit of a challenge.</p> <p>Cllrs Molefi quoted from what the Executive Director have presented about recovery plan more especially on the material losses.</p>	<p>Fill critical artisan technicians/technologists and supervisory positions.</p> <p>Introducing a Dora Bill for the projects and programmes</p>	<p>That departments be REALISTIC of the projects and key performance areas before finalisation of their departmental SDBIP and IDP budget.</p>
<p>ELECTRICITY URANIA SUBSTATION 1 KPA NOT ACHIEVED DUE TO NO FUNDS; URANIA SUBSTATION NOT ACHIEVED.</p>	<p>Executive Director Mrs B Maswanganyi further indicated that there were no funds at all they took a chance to advertise but not succeeded because of the wrong specification kept on re-advertising the tender.</p> <p>Cllr Masienyane requested the department to be realistic when making their project KPA budget.</p>	<p>Funds were secured from INEP (DOE) professional engineering company appointed for the project.</p> <p>Securing funds from DOE Prof engineering company that has designed for them for the specification currently tender has waiting for evaluation, that's progress.</p>	<p>Professional designs has been APPOINTED.</p> <p>That is important to SEEK budget authorisation with finance before finalising.</p> <p>Departments be REALISTIC when making their budget</p>

			plan for the Public participation's sake.
ELECTRICITY STREET LIGHT 3 KPIS AND ONLY ONE ACHIEVED.	<p>Mrs Maswanganyi went in detail with the Item went to council requested for Authorization to get GIZ (with DOE) legal and procurement processes which prolonged and to assist with street light and high mass lights source, no movement so far</p> <p>Cllr Marais have advised the departments not to have projects that would not be funded, Mrs Betty responded that it was due to the wrong English wording utilised instead of the budget constraints rather than to say no funding.</p> <p>The tender was advertised but the funds were not available.</p>	Reprioritised the programme something that they have control over.	<p>The item was discussed for CONSIDERATION.</p> <p>That departments be REALISTIC to the project that need to be funded and to request authorisation to finance before, planning budget process.</p> <p>To IMPROVE the Dora bill.</p>
REPAIR MAINTAINCE/ KPA	<p>Budget funds for the projects were not available.</p> <p>Cllr Masienyane advised the department to be realistic especially on the public participations be specific about the project and the budget as Mme Betty have said that they planned to have such particular projects but there was no money for repair maintenance.</p> <p>He further advised that it is better to be realistic to Public pertaining projects budgeted for especially on the Public</p>		<p>That the departments BE REALISTIC for the Budget plan.</p>

	Participations, explained as municipality have planned this but will be determined by the budget of Council.		
ORGANOGRAM	<p>The Committee was aware that this item was considered as it covered both departments as Ms Tindleni have seconded it.</p> <p>She have indicated further to Committee members as They are trying to save money but loosing at the same time due to reckless drivers.</p> <p>She have raised the incident happened in December 2017 whereby the acting driver killed the subordinate by heating him un intentionally.</p>		<p>It was resolved that all departments TO GIVE BREAKDOWN of the critical positions to be filled.</p> <p>The critical vacant positions be RESTRUCTURED as they were budgeted for.</p> <p>That the organogram be taken to Council for RESTRUCTURING of the critical vacant positions.</p> <p>That the Executive Director Corporate support services must BRING training people to PRESENT Skills Audit report including the claims to MPAC as the departments struggled to take people for training.</p>
PERFORMANCE INFORMATION/COMMUNICATION OF FINDING:	<p>The committee have noted that Supporting documents were differ from reported actual.</p> <p>Management did not exercise oversight responsibility</p>	<p>Link the Job control system to the GIS (Advanced Technology)</p> <p>Fill critical supervisory</p>	To IMPROVE quality control and capacity building control in terms of performance be implemented.
INACCURATE REPORTED RESULTS	The committee took note of the municipality did not prepare regular accurate and complete reports, Supervisors not in manageable or qualified work	Improve the quality control system that must be verified by managers.	That Job control system be IMPROVED and IMPLEMENTED .

<p>CRITICAL SUPERVISION; SDBIP AGAINST POTFOLIO OF EVIDENCE.</p>	<p>stereotyped, due to acting's and foreman's not learned that led to the unlinked GIS</p>		<p>That quality control system be IMPLEMENTED.</p>
<p>SCOPE LIMITATION/COMMUNICATION FINDING.</p>	<p>Mrs Maswanganyi have indicated to the committee that the finding was due to department not keeping their records properly in a timely manner to ensure that complete ,relevant and accurate information was accessible.</p> <p>She made the example of Thabong re-graveling as the report was differ to portfolio of evidence.</p>	<p>To link the job control system to the GIS (advanced technology)</p> <p>Capacity building of all personnel</p>	<p>That they must IMPROVE records keeping.</p> <p>That ensure to keep their POES on a monthly basis.</p>
<p>GRAVEL ROADS CONSTRUCTED/COMMUNICATION OF FINDINGS.</p> <p>FEW ROADS IN THABONG AFTER THE LOCAL ELECTIONS</p>	<p>Lack due to management and quality control ,not properly measured</p> <p>Differences to what they reported and verified.</p>		<p>To IMPROVE quality control</p> <p>The MPAC committee to CONDUCT a side visit</p>
<p>MATTER OF EMPHASIS IRREGULAR EXPENDITURE</p> <p>CONSTRUCTIVE GRAVEL ROAD NOT COMPLETE.</p>	<p>The committee have took note of the difference between reported and recalculated distance of gravel roads constructed, she made an example on the roads not clearly verified due to storm water sometimes, on the time of verification due to storm water at times Auditor General could not find exact job done as some roads were spoiled by the bad storm weathers.</p> <p>Management did not exercised oversight responsibility</p>	<p>Link the job control system to the GIS (advanced technology)</p> <p>Fill critical supervisory positions.</p> <p>Improve the quality control system that must be verified by managers.</p> <p>Capacity building of all personnel.</p>	<p>The MPAC committee to conduct a side VISIT to the mentioned project.</p>

	<p>regarding financial and performance reporting.</p> <p>Cllr Masienyane indicated that this finding justified the laziness of the Municipality employees as alleged that they did not work but relaxed most especially the one who works in the streets.</p>		
<p>IRREGULAR EXPENDITURE /MATTER OF EMPHASIS</p> <p>EXPIRED CONTRACTS</p>	<p>The Executive Director Infrastructure: Mrs B Maswanganyi presented to the Committee the irregular expenditure of R323 171 276 (million) incurred due to non-compliance with Supply Chain Management processes the reason because of hiring outsources due to emergencies of the sewer , pipe bursts and so on</p>	<p>Advertise a term contracts in case of an emergency need for a particular service where resources were inadequate to avoid rushed procurement and possible irregular expenditure due to emergency. Fill critical artisan, technicians/technologist and supervisory positions.</p> <p>Procurement of fleet to avoid hiring vehicles on emergency basis.</p> <p>Reopen of Municipal stores for ease of Material availability.</p>	<p>That the RE-OPEN of Municipal stores be PRIORITISED.</p>
<p>MATERIAL LOSSES OF WATER /MATTER OF EMPHASIS.</p>	<p>Mrs betty Maswanganyi presented 2.9 million and 74 million incurred as a results of water and electricity distribution loses respectively, she alluded that from current financial year Allanridge town was prioritised to prevent water losses, in the next Financial Year Thabong and Kutloanong will follow.</p>	<p>Water Losses are estimated at approximately 52% of which about 30% is actual losses due to ageing infrastructure.</p> <p>Approximately 250km of the water pipelines (mostly AC and GS) material and related valves and hydrants are in bad condition.</p> <p>Therefore funds must be sought to implement a</p>	<p>The money SPEND unrecoverable should be recoverable, people must held liable personally.</p>

	<p>Cllr Masienyane asked the Executive Director what was contribution she made on the water material losses in her department?</p> <p>He further enquired about the classification of water meters in the areas such as Henneman, Virginia and Ventersburg where there are people who gets water straight connection from Municipality.</p> <p>Cllrs Masienyane again raised the issue of the Public Participation problems whereby some things requested by community were not implemented for instance he mentioned other lady was crying about pit toilets not been addressed during public participations.</p>	<p>refurbishment programme of the water reticulation network with target of at least 50 KM per annum for the next 5 years in order to reduce water losses.</p> <p>By laws approved by Council, pending public participation and promulgation.</p> <p>Revenue protection strategies must be implemented.</p> <p>Install smart meters.</p>	<p>That by laws must be PROMULGATED to enhance revenue.</p> <p>The item was submitted for consideration.</p>
<p>SMART METER READING INSTALL EG/PREPAID METERS</p>	<p>Cllr Masienyane wanted a clarity on the Installation of meters classification areas, as he have a picture that Hennenman, Virginia and Ventersburg some people get water straight from the Municipality, some developed illegal by pass.</p>		<p>The committee have AGREED that infrastructure and finance to seek opinion on meters and prepaid meters installation.</p> <p>That applicants or Parties should be ALLOWED to apply for the prepaid meters with the agreement that they must make arrangements of</p>

			<p>PAYING outstanding balance.</p> <p>It was resolved that infrastructure to have</p> <p>INVESTIGATION together with finance to review whether the resolution will be helpful or not.</p>
PREDETERMINED OBJECTIVES	<p>Mrs Maswanganyi indicated that they planned to link job controls and building capacity</p> <p>Management already developed action plan-supervised.</p>	Action plan to link job controls be taken.	<p>That action plan to LINK job control be IMPLEMENTED.</p> <p>(END)</p>

9.6. STRATEGIC SUPPORT SERVICES

MATTER /FINDING –STRATEGIC SUPPORT SERVICES REPORT TO MPAC	DISCUSSION	REMEDIAL ACTION	DELIVERABLES/RESOLUTION
APPOINTMENT OF AUDIT COMMITTEE	Cllr Molefi enquired about process of the appointment of audit committee members	To appoint the new audit committee members.	An item must BE SEND to the next council on the appointment of Audit Committee Members.
ANNUAL FINANCIAL STATEMENT	<p>The committee noted that the Municipality incurred Unauthorised Irregular, Fruitless and Wasteful Expenditure in that the annual financial statements were not prepared in compliance with the MFMA.</p> <p>Mr Makofane made an example of roads re-gravel 10km in a certain place and the portfolio of evidence becomes a handover, Auditor General need an invoice not not the same as POE, that's where they have realised that their departmental strategy must be linked to the targets.</p>	<p>Municipality to table its annual report within one month of receiving the audit report.</p> <p>To improve linked performance in terms of the portfolio of evidence.</p>	<p>The Committee resolved that the Directorate must SEEK assistance from the Auditor General in the preparation of the Portfolio of Evidence for the next Annual Financial Statement.</p> <p>That the department should RE-ALIGN the Portfolio of Evidence prior Auditor General receiving.</p>
ALIGNMENT OF ANNUAL FINANCIAL STATEMENTS	Cllr Molefi noted misalignment between annual financial statement and integrated development plans	To get report corrected before it goes to different stakeholders, with Internal Audit assistance.	There SHOULD be ALIGNMENT of IDP and SDBIP.
BUDGET	<p>The committee took note of the projects mentioned on SDBIP were not budgeted for.</p> <p>Projects gets planned and there were no funds</p>	<p>Before submit of IDP for approval to consult with finance whether the project will be funded or not.</p> <p>Instead of putting amount it's better to correct the English wording.</p>	It was resolved that each department should CONSULT the Finance department pertaining budget before submission of their IDP's PLAN.

<p>INTERNAL CONTROL DEFICIENCIES –INTERNAL AUDIT DEPARTMENT PLAN</p>	<p>Cllr Molefi noted with concern that certain unnecessary things occurred whist we have internal auditors.</p> <p>Mr Makofane have responded that there was an Audit plan though it was not approved.</p>	<p>To ensure the internal audit section plan is proper utilised.</p> <p>The Directorate aimed at intensifying internal control measures in redress of Audit Findings.</p>	<p>It was resolved that all internal control measures TAKEN be implemented to avoid poor performance management.</p> <p>That the Strategic Support Services must ENSURE That Internal Audit Plan is REVIEWED and CONSIDERED.</p>
<p>PENALTY INTEREST ON THE MATTER OF EMPHASIS/ESKOM AND SEDIBENG</p>	<p>Cllr Masienyane raised an issue on penalty interest occurred by municipality particularly on Sedibeng and Eskom account from the report.</p> <p>The municipal manager have indicated the Class action against Municipality by the big companies such as Sparta.</p>	<p>Negotiations and engagement to Sedibeng and Eskom in process as Salga has facilitated negotiations in that regard.</p> <p>To look at the root causes of the water losses.</p>	<p>The municipality will NEGOTIATE with Sedibeng and Eskom pertaining to the interest penalties and payment plan.</p> <p>That Sedibeng and Eskom accounts be taken to Council for WRITE OFF proposal.</p>
<p>DISSEMINATION OF THE ANNUAL REPORT</p>	<p>Cllr Nqeobo raised concern that the public is unable to participate meaningfully in public participation meetings in that they do not have access to the Annual Report before such meetings.</p>		<p>The committee resolved that the ward Councillors and Ward committee members must BE SENSITISED about the Annual Report and that the report must be DISSEMINATED in domain public arrears. END</p>

9.7. COMMUNITY SERVICES

MATTER RAISED/FINDING	DISCUSSION	REMEDIAL ACTION	DELIVERABLE /RESOLUTION
DRIVERS WITHOUT LICENCES	The Committee raised concerns over drivers without licences especially in the waste department.		<p>The committee resolved that those acting's APPOINTED drivers be committed to training to acquire the relevant driving permit.</p> <p>That the Directorate Community Services to LIAISE with the Directorate Corporate Services to ensure skills development.</p> <p>That all internal control measures TAKEN be implemented.</p>
LACK OF TOOLS OF TRADE NON-COMPLIANCE	<p>Cllr Molefi raised concern about Service delivery compromised due to lack of tools of trade and limited personnel.</p> <p>He alluded on the issue of non-compliance referring to the live savers in Welkom Swimming pool.</p>		<p>The committee resolved that the procurement of tools of trade be PRIORITISED.</p> <p>The issue of the Non Compliance on life savers be INVESTIGATED and REDRESSED.</p>
VACANCY LEVELS/ WASTE MANAGEMENT ACTING POSITIONS	<p>The Committee noted that there was a high number of acting positions and employee's act on positions for a long period thus incurred to Unauthorised Expenditure in department.EG on waste management approved positions were 17, current driver is one(1) and shortage approved was reported as 16.most employees are acting.</p> <p>That committee have noted that employees occupied positions they</p>		<p>The committee resolved that all critical positions must BE IDENTIFIED and filled to curb vacancy rate and acting positions.</p> <p>That the issue of restructuring of organogram be TAKEN to COUNCIL.</p>

	were not suitably qualified for and therefore causing municipality to outsource or incurred unnecessary Actings.		
CONTRACT EXPIRED SERVICE PROVIDER OPERATING ON MONTH TO MONTH BASIS /OUTSOURCES SERVICES	<p>Committee sought information about the trucks hired by the Municipality for waste department and further the Municipality's intentions in the procurement of fleet to avoid outsourcing.</p> <p>The committee have noticed internal deficiency control for Inadequacy of service delivery fleet both yellow and white</p> <p>The Municipal Manager engaged Mr Molawa to source quotation for new trucks and awaiting report.</p>	<p>Proper controls be effected.</p> <p>The department has finalised the review of all the contracts that were operating on month to month basis, taking into consideration the needs analysis of the department.</p> <p>All service providers to be given written notices informing them that their contract has expired, therefore the Municipality is giving them 3 months' notice for the termination of the services.</p> <p>The department is in a process of ensuring that tender processes of the required services is undertaken.</p>	<p>Committee resolved that the procurement of fleet both yellow and white be PRIORITIZED.</p>
OBSOLETE VEHICLES	<p>Cllr Masienyane made the committee aware that there are vehicles in the registry of the Municipality that are obsolete and of no use to the Municipality in Henneman.</p>		<p>That the MPAC Committee to CONDUCT a VISIT to see the non-usage trucks in Henneman.</p> <p>That obsolete vehicles are to be taken to the next council and AUCTIONED IF POSSIBLE.</p>

9.8. LED, PLANNING AND HUMAN SETTLEMENTS

MATTER RAISED /FINDING	DISCUSSIONS	REMEDIAL ACTION	DELIVERABLES/RESOLUTIONS
DETAILED PROCUREMENT PLAN	<p>SDBIP not meeting requirements as the departments was unable to allocate the sites as they don't have surveyors.</p> <p>Cllr Nqeobo have indicated that it's been a long time that they were told about surveyors in the informal settlements to allocate sites referred from Mr Golele presentation.</p> <p>Mr Golele made it clear that the presentation was on the 16/17 Financial year SDBIP, they would be able to allocate sites though as they should wait for 17/18 Financial year, Mr Golele further assured the committee that they will be allocated surveyors as they did not have surveyors by then.</p>	<p>Detailed Procurement plan to be finalised for implementation in a Smart principle way.</p> <p>The process to adhere to the smart principle has started with the 2017/2018 financial year.</p>	<p>That departments should REALIGN the procurement plan with the IDP budget plan.</p> <p>Item was discussed for CONSIDERATION</p>
HUMAN SETTLEMENT	<p>The committee have noted that mandate liaise with the department of Human Settlement.</p> <p>For instance if they say on SDBIP building of 10 000 houses the correct way was to say facilities as the mandate liaise with the Human Settlement Provincial departments.</p>		<p>The item was discussed for CONSIDERATION.</p>

	<p>The budget was limited for programmes.</p> <p>He explained to the committees of departmental processes to follow as they must write a letter to MEC for first quarter, second quarter to the Executive Mayor and third quarter to arrange a meeting for both parties to finalise subsidising of houses.</p>		
AGRICULTURAL DEVELOPMENT/KPI NOT ACHIEVED/SDBIP REPORT	<p>The committee took note that agriculture projects on Municipal farms were not achieved thus disturbed the plan programme for farmers' infrastructure such as fencing, water provision for livestock for leased farms upgraded.</p>	<p>The letter was prepared for harmony to continue supply water to the farm.</p> <p>TO have the marketing plan programme in terms of correcting underperformance plan.</p>	<p>The item was submitted for CONSIDERATION.</p> <p>The remedial action TAKEN be IMPLEMENTED.</p>
INFORMAL SETTLEMENTS	<p>Cllr Nqeobo raised the issue of informal settlements of Tosa emanating from Mr Golele's presentation.</p> <p>The committee took note of the growing of illegal of land and what worries most are questions to face on Public Participations as Municipality that some people were given sides and some were not, of which those were informal settlements, the need of toilets and provision of water supply title deeds so on.</p>	<p>Effect Promulgation of by laws</p>	<p>That Court ORDER was issued response waiting.</p> <p>That on Monday 26 February 2018, sharks will BE REMOVED WAITING for SAPS captain instruction.</p> <p>That FOLLOW UP we will be made on the court cases for the illegal land occupiers.</p>

	<p>Mr Golele alluded further that in Odendaalsrus the court order was issued.</p> <p>They have opened the trespassing case in terms of the illegal land occupiers.</p> <p>Cllr Nqeobo made the committee aware about the alleged R20-00 that was collected from the illegal occupants alleged was for the lawyers.</p>		<p>That promulgation of by-laws and use of land act be INITIATED.</p>
<p>FINALISATION OF ACCREDITATION/RESPONDED TO THE MANDATE OF BUILDING HOUSES/HUMAN SETTLEMENT /SDBIP PERFORMANCE .</p> <p>LIMITED BUDGET FOR THE PROGRAMMES :AUDITED SDBIP</p>	<p>The committee have noted that mandate lies with the human settlement department, to be able to build the houses.</p> <p>The committee took note that a number of programmes as reflected on the SDBIP could not be achieved, due to limited budget for the planned programmes as LED department relied on the source of funding from other parties.</p> <p>Mr Golele have indicated that once the accreditation is approved, funding will be transferred from Provincial department to the Municipality including the surveyors.</p> <p>He alluded further about subsidizing, business plan was submitted, Finalization of accreditation in terms of processing, the beginning of</p>	<p>The SDBIP for the 2017/2018 has been developed in such a way that it meets the smart principle.</p> <p>To finalise Procurement plans.</p> <p>LED to benefit from social labour plan.</p>	<p>The item was discussed for CONSIDERATION.</p> <p>The departments must BE REALISTIC in terms of their projects programmes before it is included in the SDBIP.</p>

	<p>current financial year have those plans in place and it will give them a better performance in that regard.</p> <p>The committee have noticed delays emanating from Procurement plan and the SDBIP not meeting the required smart principle was the challenge.</p> <p>Mr Golele presented some projects that were not funded to host SMME expos in terms of job creation for small businesses.</p>		
<p>MAINTENANCE OF RENTAL STOCK</p> <p>REVENUE MANAGEMENT /IMPROVE CONTRACT MANAGEMENT.</p>	<p>The Committee has noted in terms of the rental stock we need to be effective in order raise to raise more revenue.</p> <p>Cllr Molefi has indicated that owners of Municipal rental stock, are unknown people.</p> <p>Cllr Masienyane alluded to the fact that in Virginia there are Municipal hostels which it is alleged people were not paying municipal services.</p> <p>He further mentioned Masimong and Merriespruit as some of the rental stock where fraud is taking place.</p>	<p>Improve contract management.</p>	<p>That the Contract Management to WORK TOGETHER with human settlement to effect contracts of unknown tenants.</p> <p>That people must be ACCOUNTABLE for fraudulent and bribery started by the tenants.</p> <p>That action must be taken against fraudulent officials pertaining rental stock.</p>
<p>PROPERTY REGISTER – AIRPORT</p>	<p>Mr Golele have advised the committee about Airport section, the Municipality should aim high to improve revenue enhancement, for instance if possible to bring</p>	<p>Improving financial viability.</p>	<p>The item was discussed for CONSIDERATION.</p>

	experts from external Airports in terms of improving financial viability.		
CONSEQUENCES MANAGEMENT	Mr Golele indicated that there are many employees involved in manipulating of sites.	To effect Consequence Management	Consequence management be IMPLEMENTED.
FINALISATION OF THE STRUCTURE	Mr Golele made it clear that to run Management facilities people need to be qualified. The committee was made aware of Personnel acting in positions for more than 2 years.	Review of the organisational structure	That the structure be TAKEN to Council for approval of the current term.
HUMAN RESOURCE /DEVELOPMENT PLAN/66 CRITICAL POSITIONS/NO INPUTS GOING TO DO.	<p>It was discussed that Led departments required skills and qualifications on critical positions, for people who will work with rentals.</p> <p>Facilities Management, the Municipality needs people who are properly qualified to avoid non-performance results for the future.</p> <p>The committee took note on how rental units affects revenue collection and revenue enhancement.</p> <p>Mr Golele further advised the committee that if the Municipality is unable to deal with Human Resource Plan in LED: SP & Human Settlement section, consider outsourcing of the Management of the rental stock and facilities for the effective Revenue Enhancement.</p>	<p>Filling of all critical post be finalised before the approval of the budget.</p> <p>Employees be moved to other departments or be accommodated in the new structure.</p> <p>Implementation of the promotion policy.</p> <p>Implementation of SPLUMA legislation framework.</p>	The item was submitted for CONSIDERATION.

FINALISATION OF BY LAWS	The committee has discussed the Impounding by laws that they must be finalised.	Promulgation of the by-laws.	That the promulgation of by-laws be EFFECTIVE .
TITLE DEEDS	<p>Cllr Masienyane raised the matter on how many houses built this financial year, he further asked LED, despite the presentation shown that Led & Human Settlement found no number of challenges but it can be seen that there are challenges, such as farms applications and commonages struggled to get water.</p> <p>Municipality flats need to be investigated such as Market related flats in town Virginia be investigated.</p>		<p>The item was discussed for CONSIDERATION.</p> <p>That the MPAC Committee be provided with the REGISTERED CORPORATIVES Municipality have.</p> <p>That the rental hostels be INVESTIGATED in Matjhabeng places. END</p>

10. PUBLIC PARTICIPATION PROCESS

The Committee undertook public participation process from the 01st March 2018 until the 21st March 2018 and targeted specific units in the Municipality where the IDP and Budget were presented. Minutes of the meeting are attached as annexure to the report. Please see attachment below:



PUBLIC NOTICE
MATJHABENG LOCAL MUNICIPALITY: DRAFT ANNUAL REPORT 2016/17
MPAC PUBLIC SCHEDULE 2018

Matjhabeng Local Municipality's Municipal Public Accounts Committee (MPAC), invites all stakeholders, community members, business organizations, interested and affected stakeholders, to the planned and scheduled (schedule attached) face to face meetings in all units of Matjhabeng.

You are therefore urged to attend and make your voices heard.

DATES	PARTICIPATING COMMUNITIES / WARDS	TIMES	VENUE
01 MARCH 2018	18, 20	17H00	KUTLWANONG COMMUNITY HALL
05 MARCH 2018	10, 21, 22	17H00	ODENDAALSRSUS TOWN HALL
06 MARCH 2018	35 and 36	17H00	PHOMOLONG COMMUNITY HALL
07 MARCH 2018	2, 3	17H00	VENTERSBURG TOWN HALL
08 MARCH 2018	1	17H00	PHAHAMISANANG PRIMARY SCHOOL
08 MARCH 2018	4, 5, 6, 7, 8, 9 Only Ward Councillors and Ward committees to attend	17H00	
13 MARCH 2018	14	17H00	THABONG INDOOR SPORT CENTRE
14 MARCH 2018	12, 13, 15, 16, 17, 25	17H00	THABONG COMMUNITY CENTRE
15 MARCH 2018	26, 28, 29, 30, 31	17H00	FERDIE MEYER HALL
20 MARCH 2018	27, 32, 33, 34, 35 . TAXI ASSOCIATION, CHAMBER OF BUSINESS, NGO'S AND NAFCCO	17H00	NYAKALLONG COMMUNITY HALL
22 MARCH 2018	19 and 36	17H00	BRONVILLE COMMUNITY HALL
	11	17H00	
	23, 24 Only Ward Councillors and Ward committees to attend	17H00	

Mr Tumelo Makofane

21 February 2018
Date:

11. COMMITTEE RECOMMENDATIONS

1. We need to revisit MPAC's earlier recommendations and determine how far we have moved in terms of implementation of these recommendations;
2. Administration needs to monitor irregular expenditure and submit quarterly reports to Council in order to minimise this irregular expenditure.
3. Consequence management must be the order of business going forward.

12. SUMMARY AND RECOMMENDATIONS TO BE SUBMITTED TO COUNCIL AS PER LEGISLATION

1. That council having fully considered the draft annual report for 2016/2017 financial year and representations thereon, adopts the oversight report and approves the draft annual report without reservation;
2. That the oversight report be made public in accordance with s129 (3) of the Municipal Finance Management Act, 56 of 2003;
3. That the oversight report be submitted to the provincial legislature in accordance with s132 of the Municipal Finance Management Act, 56 of 2003.

This report is signed on this -----, ----- Day of April 2018 at Welkom, Civic Centre.

Chairperson of MPAC: **Cllr. MD Masienyane**

Signature : _____