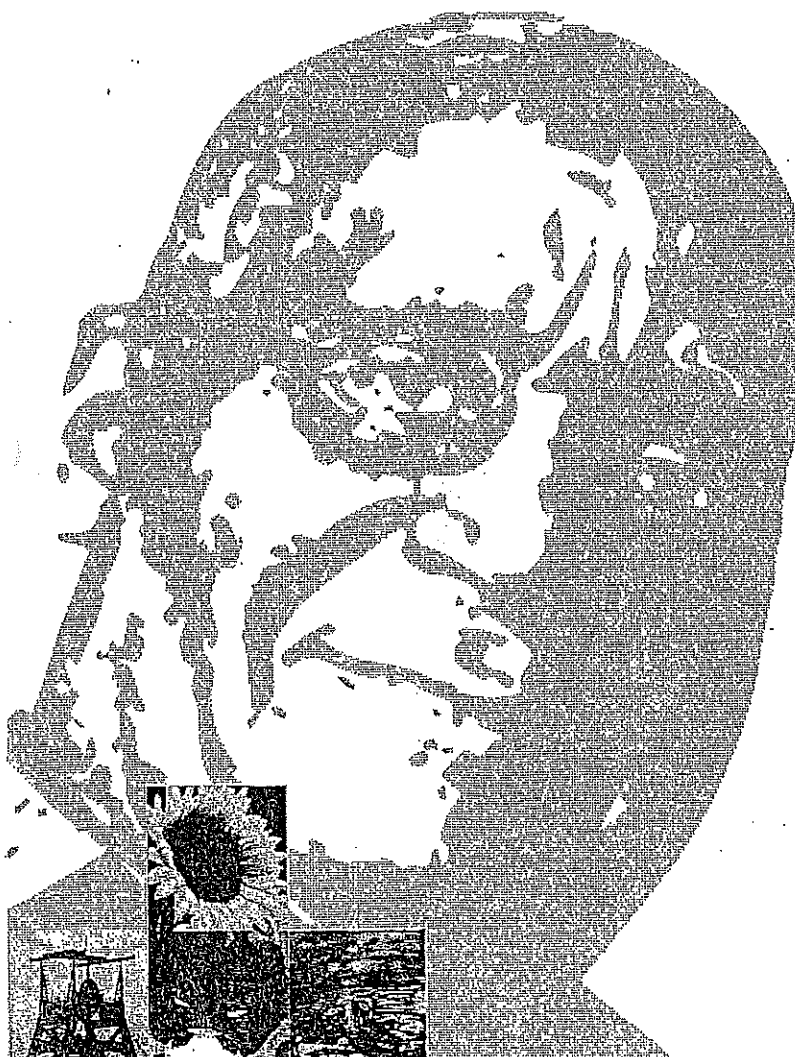


OVERSIGHT REPORT

DR. KENNETH
KAUNDA

DISTRICT MUNICIPALITY



VISION:
Exploring Prosperity Through
Sustainable Service Delivery For All

MISSION:
To Provide An Integrated District
Management Framework In
Support of Quality Service Delivery

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1. MPAC MEMBERS PROFILE



MPAC chairperson
Cllr Mangesi

Member of the ANC seconded from the City of Matlosana, where is served as a ward Councillor. Currently serves as MPAC chairperson in the DR KKDM.



Cllr Mosholi

Ward 11 Councillor in Maquassi Hills Local Municipality, ANC member. Seconded to DR KKDM.



Cllr Jonas

Member of the ANC from the City of Matlosana, ANC ward Councillor in ward 5 in Jouberton. Seconded from City of Matlosana to the DR KKDM currently serves as MPAC member in the District.



Cllr Jordaan

Councillor since 2019, served on several portfolios at DR KKDM and the City of Matlosana. Directly elected for DR KKDM term 2021-2026.



Cllr Sesana

A second-term Councillor, Sesana holds extensive knowledge of oversight, ethical leadership as well as cross-examination of portfolios of evidence. He is an exceptional communicator, fluently speaking 16 languages, and is a regular contributor to various media publications.



Cllr Hattingh

Member of the DA seconded from the JB Marks Local Municipality. Former member of the P.PAC (1999-2016). Member of MPAC in DR KKDM since 2019. Member of JB MPAC in JB Marks since 2019.



Cllr Shuping

Lentikile Koos Shuping is a member of the District Municipality Council and was a previous Councillor at the city of Matlosana and the member of the 177 PAC Local Municipality. He is serving as a member of MPAC in the District Municipality as an elected PR Councillor.



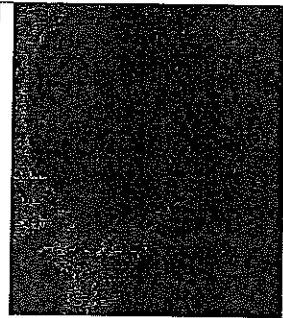
Cllr Meya

Seconded from JB Marks Local Municipality. A member of the ANC.



Cllr Motlhoiwa

Lawrence was born 57 years ago in Ventersdorp and married with two daughters. Lawrence was a principal for 19 years at Poelano high school in Goedgevonden. He holds a Bachelor of Arts in education majoring in education and history. He furthered his studies at university of the free state and obtained a Master's degree in governance and political transformation in 2002. In 2017/2018 completed a certificate in municipal finance and supply chain management, currently studying a master's degree in business admin. Lawrence academic interest is leadership, transformation, and governance.



Cllr Mokhele

Councillor of the City of Matlosana and seconded to DRKKDM where he is a member of MPAC. He is the former Provincial Secretary of COSAS in the North-West. He is also former COSAS regional Chairperson and ANCYL branch secretary.



Cllr Mokone

Lady Bishop of ST Phillip Apostolic Church, former school governing body member, and chairperson of Kgololosego intermediate school. Former chairperson of Ventersdorp hospital board. Former ward 29 in JB Marks Municipality. Former deputy chairperson of Ventersdorp Traditional Healers Committee from 2007 to 2008. Former chairperson at Northwest department of health from 2015 till 2018. Currently a MPAC member in DR KKDM.

2. MPAC SUPPORT STAFF

Ms B Roberts-Tebejane

MPAC Manager

Ms R Gaaname

MPAC Administrator

Council resolution number:

3. LIST OF ACRONYMS

| | |
|--------|--|
| AC | Accounting Officer |
| AFS | Annual Financial Statement |
| APR | Annual Performance Report |
| COGTA | Department of Cooperative Governance and Traditional Affairs |
| Cllr | Councillor |
| DLG&HS | Department of Local Government and Human Settlements |
| DRKKEA | DR Kenneth Kaunda District Economic agency |
| IDP | Integrated Development Plan |
| IGR | Inter-Governmental Relations |
| KPAs | Key Performance Areas |
| KPIs | Key Performance Indicators |
| LED | Local Economic Development |
| LG | Local Government |
| MFMA | Municipal Finance Management Act |
| MMC | Member of Mayoral Committee |
| mSCOA | Municipal standard Chart of Accounts |
| MEC | Member of Executive Council |
| MM | Municipal Manager |
| MPAC | Municipal Public Accounts Committee |
| PMS | Performance Management System |
| SDBIP | Service Delivery Budget Implementation Plan |
| UIF&W | Unauthorized, Irregular, Fruitless and Wasteful Expenditure |

1. FOREWORD OF THE CHAIRPERSON

The Municipal Public Accounts Committee (MPAC) hereby presents the Oversight Report on the Annual Report for the year 2021/2022. The year was indeed challenging for the committee, but I am pleased that even with the challenges experience the committee was able to be rated as providing assurance by the AG in the Audit Report. It has been a major target for the committee to be fully functional and make recommendations to Council on all matters as referred. The 2021/2022 was a progressive year in the DRKKDM MPAC as the committee was able to table and implement fully its Annual Workplan.




The current and previous committees was able to undertake UIF&W investigations according to circular 68 and made recommendations for Council to resolve. The current committee UIF&W reports were tabled in July 2022 and Nov 2022 which was after the end of the financial year. The previous MPAC committee had also made recommendations which were resolved on by council as found in the close out report of 2021. The committee is hopeful that the changes will be seen in the 2022/2023 audit outcome where all reports of MPAC and Disciplinary board should be fully implemented. This is aimed at improving the Audit outcomes of DRKKDM as it has remained stagnant on unqualified audit opinion with matters of emphasis for the past 3 financial years.

I would like to take this opportunity to congratulate the Executive and Management for not regressing to a qualified audit opinion. I know it could not have been easy, but it had to take a lot of dedication. With the same sprit The MPAC remains hopeful for an improved outcome which has direct impact on service delivery. Which is truly in line with the vision of the District of "***Exploring Prosperity through sustainable service delivery***" this can only be obtained by ensuring that the mission of the District, which is to "***Provide an integrated District Management Framework in support of quality service delivery***" is implemented.

In closing I would like to inform the community that although there have been some challenges within the MPAC of receiving information late and the public dissatisfaction

regarding to access to the Annual Reports the MPAC was able to make recommendations to Council.



Date: 22/03/2023

Cllr M.I. Mangesi

Municipal Public Account Committee Chairperson

5. INTRODUCTION

Council is vested with the responsibility to oversee the performance of their respective Municipality, as required by the Constitution of the Republic of South Africa Act 108 of 1996, the Municipal Finance Management Act 56 of 2003(MFMA) and Municipal Systems Act 32 of 2000 (MSA) and Local Government: Municipal Structures Act 117 of 1998. This oversight responsibility of Council is particularly important for the process of considering annual reports.

Both the acts recognises that Council has a critical role to play to ensure better performance by municipal departments and entities. There should be an explicit linkage between the strategic goals, set by Council through the IDP, which are budgeted for in the budget, and the delivery of those goals in the service delivery budget and implementation plan, which are all reported in the Annual Report. It is important for Council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/Council, the administration, and the public.

The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the Executive Mayor or the Executive Committee to resolve any performance failures, ultimately the Council is vested with the power and responsibility to oversee both the executive and administration.

The Oversight Report is the final major step in the annual reporting process of a Municipality. Section 129 of the Municipal Finance Management Act, 56 of 2003 requires the Council to consider the Annual Report of its Municipality and to adopt an Oversight Report containing the Council's comments on the Annual Report. The purpose of the Annual Report is to:

- Provide a record of the activities of the Municipality;
- Provide a report on performance in service delivery and against the budget;
- Provide information that supports the revenue and expenditure decisions made;
- Promote accountability to the local community for decisions made

Municipal Public Accounts Committee appointed by Council in accordance with the provisions the Local Government: Municipal Structures Amendment Act, 3 of 2021 to amongst other to oversee the content of the annual report on Council behalf.

The 2021/2022 Annual Report was tabled in Council on 30th January 2023 thereafter the Annual Report were given to MPAC to conduct oversight on both the reports. In terms of the MFMA section 130 the public must be given an opportunity to make representations on the

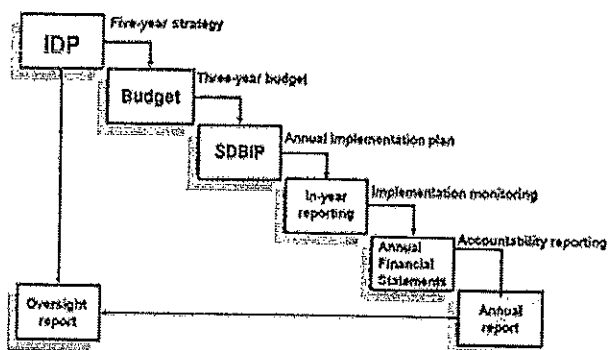
Annual Report by being given the opportunity to ask the Municipal Manager questions during all the MPAC meetings and Council sitting where the Annual Report is discussed. The Oversight Report must be compiled by MPAC inclusive of the community and other all interested stakeholders' comments. The final step of reporting is for the Municipality to consider and adopt the Annual Report considering the findings contained in the Oversight report and approve the Oversight Report. The Municipal Manager is responsible to ensure that appropriate steps are taken against any official or other role-player who commits a breach of any provision of the MFMA and of ethical standards, and Council must ensure that the same measures are enforced where a breach has been committed by the Municipal Manager. MPAC to report to the MEC and Minister of COGTA if this breach existed and the necessary steps were not taken.

6. LEGISLATIVE MANDATE FOR THE OVERSIGHT REPORT

Section 129 of the MFMA (Act 56 of 2003) states that the Council of the Municipality must consider the Annual report of the Municipality and by no later than two months from the date on which the Annual report was tabled in Council, adopt an Oversight Report containing the Council comments on the annual report, which must include a statement whether the Council has:

- Approved the Annual Report with or without reservations;
- Rejected the Annual Report; or
- Has referred the Annual report back for revision of those components that can be resolved.

The Municipal Cycle of service delivery is depicted by the below steps:



a) IDP PROCESS

The IDP reflects the strategic direction and goals set by Council, and the MPAC recommended previously that the IDP process should be conformed to statutory requirements with regards to consultation with the communities. The Committee further recommends that the IDP process of the District where public members are invited should be combined with those of the Local Municipalities. The District does consult with the local municipalities and the sector departments through IGR processes during the term when amendments are done. However, the public comments received during those processes are still a concern of the committee as they were not visibly reflective. Departments should always ensure that they participate in the compilation, reviews, and amendments of the IDP so that all planned projects are included in this strategic document. The requests made by the Local Municipalities are not clearly shown.

b) BUDGETARY PROCESS

The evidence that the budget was based on and informed by the IDP, public participation and consultation cannot be verified as the public comments were not included. Management admitted in the previous year after a lengthy discussion that the District is not mSCOA compliant. The budget should be fully compliant to mSCOA to ensure alignment of the in-year reporting and the AFS. The management must ensure that a fully funded budget is always tabled in Council and that the recommendations given by the MEC of Provincial Treasury and the public are considered before Council adopts the final budget. The full implementation of mSCOA has many benefits which will improve the municipality in terms of

- a) Accurate recording of transactions which will reduce material misstatements as seen in the AG audit report.
- b) Improved quality of information for budgeting and management decision making. When information was accurately captured, and unbundled future budgets can be formulated using the correct base of information as the information will be reliable.
- c) Implementing mSCOA correctly will improve the oversight function of Council as the required information will be tabled for policy and decision making which will improve the persistent problem of implementing unfunded mandates and lack of monitoring
- d) The alignment and implementation of the IDP as well as expenditure, both capital and operating will be driven from a project perspective. An instance where expenditures

are not in the SDBIP will be avoided as amounts will totally be reflective, especially the operational expenditures.

- e) There will be a clear improvement of impact on service delivery in the community through the regional segment
- f) The full implementation of mSCOA by the District will not render the amounts spent on the implementation to date as a fruitless and wasteful expenditure item. From the system vendor to training and the purchases of the financial system.
- g) The reforms will also reduce the use of consultants as all the items will be done on the system by municipal officials

c) SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PROCESS

The SDBIP of the Municipality still does not fully align the budget and the spending to each performance area as there are still items being classified as spent from OPEX. The mSCOA regulations are meant to provide a national standard for uniform recording and classification of municipal budget and financial information at a transactional level across all municipalities and financial systems. It is a multi-segment chart where local government information is classified according to project, fund, function, item, costing and region dimensions to enhance whole government reporting. Where there is no alignment in the system such information will be missing like seen in the SDBIP. Previously the committee have recommended that amounts spent either from the operational budget or capital budget should be outlined in monetary terms. It can be seen in the SDBIP that some KPIs could be quantified and some not. The municipality still needs to improve their performance in terms of mSCOA implementation.

The SDBIP is aligned to the performance contract of senior managers; however, the performance of the lower-level employees cannot be measured, and the AG has qualified this in the management report. This means that since more than 50% of the budget goes to salaries, 50% of the budget cannot be aligned to performance directly. Previously during the interviews management have said that they had requested assistance from SALGA with the cascading of performance management to lower levels but that has not yielded results yet.

d) In year reporting

The institution has improved on submitting the monthly and quarterly budget statement for oversight to the committee. However, it could not be verified if the comments made by MEC Provincial and Minister of Treasury on the said reports were taken into consideration as legislated. The Treasury during the MPAC District forum stated that the District does not comply with submitted the data strings which are a true reflection.

e) **AFS and ANNUAL REPORT 2021/22**

The Municipality has used services of outside consultants to verify the AFS, however the AG had to allow for adjustment when auditing and there were still misstatements on the AFS. The amount spent on the consultants did not yield value for money as instead AG's fees will have to be adjusted to include the amount to be paid for the adjustments allowed. Irrespective of the outcome of the audit, monies were spent to quality assure the statement so that adjustments and misstatement should not be found during the audit. This was a concern of the Committee in the previous year and the problem is still evident in the current year.

7. 2021/22 OVERSIGHT ON THE ANNUAL REPORT PROCESS PLAN

| | Time | Venue | Purpose | Relevant Legislation | Invitees |
|-------------------|-------|--------------------------|---|--|---|
| 01 Feb 2023 | 09:00 | Committee Room | MPAC Monthly meeting: 1. Verify tabling and check if the AR was publicized and the community was invited for inputs 1. Review/ Confirm the implementation of post audit annual action plan 2. Review the 2nd Quarter performance reports of the MM & S 56 managers 3. Check compliance on the half yearly reports 4. Compile a compliance notice 5. Approve the Oversight process plan and concept document | 1. MFMA (s 121 & 127) 2. MFMA (s 129 & 130) Municipal 3. MFMA (s 52, s 71 and s72) Municipal Systems Act (s 41 [1](e)) | None |
| Ongoing | 10:00 | Local radio stations | Radio interviews and public invites 1. To invite the public to make representations on the AR 2. Release a media statement 3. Release a public notice of all the MPAC meetings where the Annual Report will be discussed | 1. MFMA (130 (2)) 2. MFMA (s 129 (2)) 3. Municipal Systems Act s21 | Public Meeting |
| 03 Feb 2023 | 09:00 | Council Chamber | MPAC Oversight on the Annual Report Process 1. Review the Annual Report and 1st draft of the oversight report on the AR 2. Review oversight process plan 3. Selection of sites to be inspected 4. Write letters of invitation to management for interviews and site inspection 5. Approve the Questionnaire on public participation and publicize it | 1. MFMA (130 (2)) 2. MFMA (s 129 (2)) | Public Meeting |
| 07 Feb 2023 | 14:00 | Council Chamber | MPAC Oversight on the Annual Report Process 1. AG MPAC audit outcome briefing meeting 2. Selection of sites to be inspected 3. Write letters of invitation to the executive and management for the site inspection 4. Include AG comments in the Oversight Report | 1. MFMA 2. MFMA (s129 – 130) | 3. AG, 4. SALGA, 5. COGTA and 6. TROIKA 7. Public Meeting 8. PPAC chairperson 9. Chairperson of COGTA |
| 9 and 10 Feb 2023 | 09:00 | All local municipalities | MPAC Oversight on the Annual Report Process 1. Project visits | 1. Municipal Systems Act (s 21A) | 2. MMC 3. MM and Officials from relevant deparats Public Meeting 4. |

| | | | | | |
|------------------------|-------|--|--|--|---|
| 14 Feb 2023 | 14:00 | MPAC Support staff and relevant administrative units | Public participation plenary meetings 1. Approve and commit to the different roles of all internal stakeholders during the public meeting | 1. | 2. MPAC Support staff and relevant administrative units |
| 15, 16 and 17 Feb 2023 | 15:00 | All local municipalities | MPAC Oversight on the Annual Report Process 1. Oversight build-up programs 2. Distribution of questionnaires 3. Consider public inputs on the AR Interviews with MM & Section 56 Managers | 1. MFMA (s129 – 130) 1. Municipal Systems act chapter 4 | 2. Ward committees, 3. CBP, 4. Ward Council or of the area visited 5. Public Meeting |
| 21 Feb 2023 | 09:00 | Council Chamber | MPAC Oversight on the Annual Report Process 1. Reading the Annual Report and writing management questions 2. Compilation of the Oversight Report for both the District and the Agency 3. MFMA financial compliance reports 4. Write letters of invitation to management for interviews | 1A (130 (1) & (2) | Public Meeting |
| 02 Mar 2023 | 10:00 | Council Chamber | MPAC Meeting Oversight on the AR 1. Consider management responses before the interviews. 2. Compilation of the Oversight Report for both the District and the Agency | | 1. Public meeting |
| 07 Mar 2023 | 15:00 | Ventersdorp (All wards in one meeting) | Public Meeting 1. Public Participation on the Annual Report 2. Distribution of questionnaires | 1. Municipal Systems act chapter 4 | 2. Ward committees, 3. CBP, 4. Ward Council or of the area visited 5. Public Meeting 6. AG, 7. SALGA, 8. COGTA and 9. TROIKA |
| 09 Mar 2023 | 10:00 | Council Chamber | Executive and Management interviews 1. Interviews with Political heads and Management 2. Closing date for the questionnaires | 1. MFMA (130 (2) | 2. Executive and all MMCs, 3. Speaker 4. Whip, 5. Management 6. Public Meeting |
| 10 and 13 Mar 2023 | 8:00 | Whips Boardroom | Capturing of all questionnaires | 1. | 2. CBPs 3. Office of the speaker 4. MPAC support staff |
| 14, 15 and Mar 2023 | 10:00 | Committee Room | MPAC meeting 1. Investigatory Report: Irregular, Fruitless and wasteful expenditure report finalization 2. Compile and Review draft oversight report on the AR for both the District and the Agency | MFMA s32 and s129 | meeting closed to the public |
| 16 Mar 2023 | 10:00 | Committee Room | MPAC meeting Committee adopt the Oversight Reports which will be tabled in Council | | Public Meeting |

| | | | | | |
|-------------|-------|------------------|--|--|--|
| 30 Mar 2023 | 10:00 | Council Chambers | Council Meeting 1. Adoption of oversight reports with comments on AR by Council | 1. MFMA (s131 (1)) 1. MFMA Sect 129 (1) | 2. Executive. 3. Management. 4. SALGA 5. COGTA 6. AG. 7. Public from local municipalities |
|-------------|-------|------------------|--|--|--|

8. ANNUAL REPORT CHECK LIST

8.1 CHECK LIST OF THE ANNUAL REPORT AS PER SECTION 121 (3) OF MFMA, 56 OF 2003 AND MFMA CIRCULAR 11

| Contents of the Annual Report According to Circular | Yes/No |
|---|--------|
| Part A: General Information | Yes |
| Part B: Performance Information | Yes |
| Part C: Governance | Yes |
| Part D: Human Resource Information | Yes |
| Part E: Financial Information | Yes |

The Annual report was not placed on the municipal website as legislated when visited on 01/02/2023

| CONTENTS OF THE ANNUAL REPORT | YES/NO |
|--|--------|
| a) Annual Financial Statement of the Municipality | Yes |
| b) AG's report on the financial statements | Yes |
| c) Annual Performance report of the Municipality prepared by the Municipality in terms of section 46 of the municipal systems act. | Yes |

| | |
|---|---------|
| d) Auditor General's report in terms of section 45 (b) of the Municipal System Act | Yes |
| e) An assessment by the accounting officer of any arrears on municipal taxes and services | Yes |
| f) 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 collection from each revenue source and for each vote in the Municipality's approved budget for the relevant financial year. | Not all |
| g) Particulars of corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraphs (b) and (d) | Yes |
| h) Any explanation that maybe necessary to clarify issues in connection with the financial statement | Yes |
| i) Any information as determined by the Municipality | Yes |
| j) Any recommendations of the municipal's audit committee | Yes |
| k) Any other information as may be prescribed as assessments of service providers | Yes |

The above check list was further used to formulate the questions on the Annual Report by going through all the documents related to AR. A supply chain management policy must provide for an effective system of demand management to ensure that the resources required to support the strategic and operational commitments of the municipality or municipal entity are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs of the municipality or municipal entity. The committee was concerned about the declaration of interest of all employees. This was raised from 211 where three senior official declaration of interest was not clearly stated. During the executive and management interviews it was stated that the said officials submitted their declaration late during the compilation of the AR. This was a serious concern as the AR was written and tabled in Council in January 2023 which is 7 months after the financial year.

**9. COMMENTS ON THE COONENTS OF THE ANNUAL REPORT
9.1 COMMITTEE'S COMMENTS ON THE CONTENTS OF THE ANNUAL FINANCIAL STATEMENTS**

| Item | Requirements of the AFS | Committee Comments on the AFS |
|--|---|--|
| <p>The annual financial statements of a municipality must disclose information on:</p> | <ol style="list-style-type: none"> 1. Any allocations received by the municipality from (i) an organ of state in the national or provincial sphere of government; Or (ii) a municipal entity or another municipality; or (iii) any other organ of state; 2. How any allocations referred to in paragraph (a) were spent, per vote, IO excluding allocations received by the municipality as its portion of the equitable share or were prescribed otherwise because of the nature of the allocation; 3. (i) Any allocations made to the municipality in terms of section 24(1) of 15 (ii) any allocations made to the municipality other than by national organs of (e) the reasons for any non-compliance with conditions referred to in paragraph (d); and (whether funds destined for the municipality in terms of the annual Division of Revenue Act were delayed or withheld, and the reasons advanced to | <ol style="list-style-type: none"> 1. Yes. On page 219 the transfer revenue is stated. 2. On page 264 there is other subsidies of R 3 446 144 from the controlling entity aimed at DRKKEA, but the same amount is not reflective on the combined amounts. Only R95 598 is showing. Why? 3. R10 052 000 was an aggregate (committee to request those votes to ensure that there was a budget for further investigations) amount spent on the EPWP whereas only R 2 122 000 was received as grants. 4. The MPAC are not clear on the conditions attached to RRAMS and the tariffs being charged, and the committee is concerned by the continuous irregular appointment of the service providers. 5. A report outlining the conditions attached to the Fire Support Grant, LG Seta mandatory grant, EPWP, FMG, Equitable share, RRAMS and its implementation should be tabled in Council inclusive of the assessment reports from the National or Provincial sphere which gave the grant 6. A report on the equitable share outlining variables which affect it growth should be tabled in Council. The report should include proof of attempt of the municipality to influence the increase of the grant and the indigent register of the district. |

| | | |
|---|---|--|
| <p>The annual financial statements of a municipal entity must disclose information on:</p> | <p>the municipality for such delay or withholding).</p> | |
| <p>1. (i) Any allocations received by the entity from any municipality or other organ (ii) any allocations made by the entity to a municipality or other organ of state: (iii) any other information as may be prescribed.</p> <p>2. Any allocations made by the municipality whether the municipality has complied with the conditions of the Constitution, state and disclosures concerning Councillors, directors, and officials.</p> <p>3. The salaries, allowances and benefits of political office-bearers and Councillors of the municipality, whether financial or in kind, including a statement by the accounting officer whether those salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution.</p> <p>4. Any arrears owed by individual Councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days,</p> | <p>1. Allocations made to the entity by the parent and by any other party are not clear in the report. How the monies were transferred and monitored and reasons which led to the decision when the agency should have been dis established are not outlined in both the Annual Reports.</p> <p>2. MPAC councillors are dissatisfied with the S&T policy and its implementation. The councillors are of the view that the 60 km radius is not in line with the upper limits, and they wanted the CFO and MM to pronounce on the matter.</p> <p>3. On Page 238 the accounting policies explain the employee benefit and page 257 and 258 explains the employee benefit obligations however the employee cost is at 54.7% as stated on page 46, this is higher than the norm of 25% to 40% as stated in the National Treasury circular 71. The administrative governance component in page 48 does not give detail of whether the municipality is compliant to the prescribed legislation in terms of all employees.</p> <p>4. The legal report of the institution does imply that there are salary disparities within the institution as most cases involving employees are for unfair benefits.</p> <p>5. In the AFS of the Agency under receivable there are advance payments which were done to employees. However, the report does not give any further detail of why those payments were done and how will the monies be recovered.</p> <p>6. Yes, in note 21 of the AFS there are salaries disclosures</p> <p>7. Yes, the salary of the CEO is disclosed together with the sitting allowance of the board however the committee raised concerns because both were fruitless and wasteful as the agency was not functional and the CEO did not report for duty at the parent municipality.</p> <p>8. The committee raised concerns regarding the financial officer of the Agency who has since been suspended with pay as there was no report table before council on the status of the disciplinary hearing.</p> | |

| | | |
|--|---|---|
| | <p>including the names of those Councillors: and</p> <p>5. The salaries, allowances and benefits of the municipal manager, the chief financial officer, every senior manager, and such categories of other officials as may be prescribed.</p> <p>6. The notes to the annual financial statements of a municipal entity must include particulars of particulars of the salaries, allowances, and benefits of the members of the board of directors of the entity; and</p> <p>(b) The chief executive officer of the entity, every senior manager and such categories of other officials as may be prescribed. Other compulsory disclosures 125.</p> | |
| | <p>1. The total amounts paid in audit fees, taxes, levies, duties and pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year.</p> | <p>1. The audit fees are disclosed on page 269 as R 3 599 862</p> |

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| <p>The notes to the annual financial statements of a municipality or municipal entity must disclose the following information:</p> | <p>2. In respect of each bank account held by the municipality or entity during the relevant financial year: (i) the name of the bank where the account is or was held, and the type of account (ii) year opening and yearend balance in each of these bank accounts.</p> <p>3. A summary of all investments of the municipality or entity as at the end of the financial year;</p> <p>4. Particulars of any contingent liabilities of the municipality or entity as at the end of the financial year;</p> <p>5. Of (i) any material losses and any material irregular or fruitless and wasteful expenditures, including in the case of a municipality and any material unauthorised expenditure, that occurred during the financial year and whether these are recoverable; (ii) any criminal or disciplinary steps taken because of such losses or such unauthorised, irregular, or fruitless and wasteful expenditures; and (iii) any material losses recovered or written off.</p> <p>6. Particulars of non-compliance with this Act; and any other matters that may be prescribed.</p> | <p>2. Yes, they are found on page 261</p> <p>3. MPAC to further investigate the bank accounts and statements aligning it to UIF&W</p> <p>4. Yes, contingent liabilities are found on page 271 adding to R11 174 611 and they include unfair labour practice.</p> <p>5. Yes, however the AFS does not reflect prior years' work concluded by both the MPAC and Disciplinary board as a result the AG's finding that nothing was done investigate prior years UIF&W.</p> <p>6. Yes note 41 on page 282 states the deviation from supply chain management regulations of R4 546 639.</p> |
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9.2. MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003

| LEGISLATIVE REQUIREMENT | COMPLIANCES | RESPONSE |
|---|---|--|
| Annual financial statements- Section 121(3) | <ol style="list-style-type: none"> 1. Have the AFS of the Municipality been included in the annual report? | <ol style="list-style-type: none"> 1. Yes. The ARC said that the municipality has prepared them internally. Which is a consistent improvement. However, in the UIF&W register there are accounting firms which are on contracts with the municipality to assist the necessity, the gap analysis, and the reason for procuring irregularly was not clear to the committee during the investigations. |
| (4); of MFMA. | <ol style="list-style-type: none"> 2. Are both annual financial statement and annual report been audited | <ol style="list-style-type: none"> 2. Yes. The AG audit report is attached in the AR from page 158. However, during the AG engagement, the AG presented to the committee that they were not given the Annual Report on the stipulated time of Dec as agreed at point of engagement, which made the time they had to review short. The AG urged that the municipality should improve on the submission of the AR. |
| | <ol style="list-style-type: none"> 3. Are the AFS compliant with GRAP? | <ol style="list-style-type: none"> 3. The AG stated in on page 158 that the AFS were presented fairly in accordance with GRAP and MFMA. During the MPAC AG briefing the AG explained that it meant the municipality had some areas where they were not performing according to the standards. On page 164 paragraph 46 the AG gives detail of non-compliance which could have been avoided. Paragraph 30 on page 162 explain that there were misstatements on non-current assets and disclosure items which were allowed to be adjusted resulting on the unqualified audit opinion. The AG said that non-compliance has become the normal practice and part of the culture of the municipality. |
| | <ol style="list-style-type: none"> 4. Is the audit report included in the tabled annual report? | <ol style="list-style-type: none"> 4. Yes. The AG audit report is attached in AR from page 158. |
| | <ol style="list-style-type: none"> 5. Any explanations that may clarify issues in connection with the financial statement? | <ol style="list-style-type: none"> 5. Yes. The notes of the AFS are found from page 245 |

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| | <p>6. Any assessment by the accounting officer on arrears on municipal taxes and service charges including that of Agency?</p> | <p>6. Yes for the District found on page 157 but not for the Agency</p> |
| | <p>7. Any comment by the audit committee in relation to the AFS?</p> | <p>7. Yes, However the ARC raised concerns on page 173 that they were not afforded enough time to look at the corrected report which includes their reviews. If the reviews were not considered, they will add to misstatements found. The ARC also requested the municipality to submit the AFS on time for reviews so that they may have adequate time for proper review as required by the MFMA.</p> |

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| <p>Supply Chain Management Regulations and Policy</p> | <p>1. Has certain disclosures of SCM matters been included in the annual report as required.</p> | <p>1. The total amounts of the deviation however do not correlate with the total UIF&W incurred for the year which was FEW R79 012 and Irregular expenditure of R33 845 697. 2. This then shows that the deviations which were reported in Council, to the AG and Treasury was missing some information which is found in the UIF&W of R 33 845 697.</p> |
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9.3. DIVISION OF REVENUE ACT

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| <p>SECTION 123 OF MFMA AND CIRCULAR 11</p> | <p>1. Has the Municipality had any allocation per DORA delayed or withheld 2. Is there any disclosure on allocation made by the Municipality to an organ of state, municipal entity, or other Municipality?</p> | <p>1. It is not mentioned in the Annual report if there was any. 2. How much was allocated to the DRKKEA and how the money was transferred is not clear in both the Annual reports. The committee requested Internal Audit and the Legal Unit to assist with the matter.</p> |
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| | <p>3. Disclosures contained in the notes to the Annual Financial Statements?</p> | <p>4. The disclosures are included in the AFS</p> |
| | <p>5. Has the Municipality complied with the conditions of the grants?</p> | <p>3. The compliance of the grants was not clear in the Annual Report hence the committee requested a report to be tabled in Council.</p> |
| <p>SECTION 124 (1)(2) Disclosure of Councilors, Directors, and Officials in the notes to the AFS</p> | <p>6. Have the salaries, allowances, and benefits paid to Councilors and the Municipal Manager, CFO and senior managers been disclosed according to the upper limits of Councilors?</p> <p>7. Have arrears for rates and services owed by Councilors, in which the arrears were more than 90 days been disclosed including the name of the Councilor?</p> | <p>4. Yes. whether the salaries comply to the necessary SALGB, upper limits for POBA are not clear in the report</p> <p>6. Since this is a District Municipality, the committee will seek advice from COGTA of whether the information from the local municipalities should be included in the report.</p> |

9.4. MUNICIPAL SYSTEMS ACT- PERFORMANCE MANAGEMENT

| LEGISLATIVE REQUIREMENT | COMPLIANCES | RESPONSE |
|--|--|--|
| <p>Section 46 of the MUNICIPAL SYSTEMS ACT</p> <p>Annual Performance reports of the Municipality</p> | <p>1.Has the performance report been included in the annual report?</p> <p>2.Have all the employee performance been developed and system linked to the SDBIP, and the IDP and budget for the year under review of the institution to ensure integrated performance from individual employees up to organisational performance. Target set in the budget, SDBIP, service agreements etc. been included in the report?</p> <p>3.Does the performance evaluation in the annual report compare actual performance with target expressed in the budget and SDBIP approved for the financial year?</p> | <p>1. Yes, found from page 56</p> <p>2. No, The SDBIP still does not have quantified amounts which shows how much was paid from the operation budget to perform tasks.</p> <p>2. The AG report paragraphs 32, 33 and 34 found that job descriptions were not developed. And the appropriate procedure to monitor, measure and evaluate performance of staff were not developed as required by se 67(1)(d) of the MSA. The 54,7% of the budget expenditure could not be accounted for as legislated.</p> <p>3.The employee performance evaluation is not mentioned as done in the AR. However, the institutional performance does show which targets were achieved and which were not achieved.</p> |

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| <p>4. In terms of key functions or services, how has each performed?</p> | <p>4. The municipality had a total of 64 KPIs of the 64 a total of 48 were achieved and 16 were not.</p> <div data-bbox="263 1153 544 1541" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>2021/22 SUMMARY OF PERFORMANCE</p> <p>• ACHIEVED • 48 (75%) • NOT ACHIEVED • 16 (25%)</p> </div> |
| <p>5. To what extent have targets been met?</p> | <p>5. The municipality had a total of 64 KPIs of the 64 a total of 48 were achieved and 16 were not.</p> |
| <p>6. Are Council and community satisfied with the performance?</p> | <p>1. The community has expressed great dissatisfaction over the years and there has not been an improvement. Taking from the Executive and management all were defending the performance of the District, according to them the District is functioning perfectly well with minor challenges and that MPAC was misrepresenting the minor challenges as huge. Looking at the AGs report Council and Oversight committees except MPAC are providing some level of assurance and needs serious interventions to improve its performance.</p> |
| <p>7. What actions have been taken and planned to improve performance?</p> | <p>7. None, the municipality has planned to continue its performance as stated in the SDBIP which does not consider the public comments that the District does not address their needs of service delivery.</p> |
| <p>8. Did the target set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and other senior manager?</p> | <p>8. Not entirely. The SDBIP does not state some performance areas which are in the performance agreements e.g., UJF&W responsibilities of each senior manager.</p> |

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| | <p>9. Does the report evaluate the efficiency of mechanism applied to deliver the performance outcomes?</p> | <p>9. No, it only measures whether the target was archived or not. E.g., the outcome for the planned meetings or the awareness campaigns is not measured. The AG also state that he/she did not identify any material findings on the usefulness and reliability of the reported performance information for the selected material performance indicators, the AG on page 160 paragraph 20 states that his/her procedure do not examine whether the actions taken by the municipality enabled service delivery. The AG further states that his/her findings do not extend to matters relating to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Meaning AG does not guarantee that there was service delivery and that there may be any future benefit from the KPIs as audited.</p> |
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10. AG COMMENTS

The AG always have a disclaimer statement saying the following *“My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the constitutional institution. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the constitutional institution enabled service delivery.*

My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters. This however indicates that even when the MPAC uses the AGs report to conduct oversight on the annual report, their report does fully cover the field of service delivery which is given to the MPAC. Which is to ensure that there is accountability to the public, it is important to note that MPACs public participation element should be enhanced so that the level of service delivery should be measured accurately and recommendations which will aid the improvement of service delivery should be given to Council.”

However, the MPAC should check if indeed there was service delivery, and that the community can verify the contents of the Annual Report. To achieve that the audit report and all the components of the AR are looked at and recommendations for improvements are tabled in Council.

OUTLINE THE AUDIT OUTCOMES FROM 5 YEARS AND EXPLAIN THEM

| | | | | | | |
|-----------|-----------|--------------------------|----------|--------------------------|--------------------------|----------|
| 17/18 | 18/19 | 19/20 | Improved | 20/21 | 2021/2023 | Stagnant |
| Qualified | Qualified | Unqualified with Matters | | Unqualified with Matters | Unqualified with Matters | |

Summary Major root causes

| | | | |
|------------------------|---------------------|---------------------|---------------------|
| 17/18 | 18/19 | 19/20 | 20/21 |
| Expenditure management | SCM | SCM | SCM |
| UIF&W | UIF&W | UIF&W | UIF&W |
| Compliance | Compliance | Compliance | Compliance |
| Contract management | Contract management | Contract management | Contract management |

This below points together with the AG briefing notes, the committee was advised to pay careful attention on them during the Oversight process. During the Auditor General's briefing meeting with the committee the following matters were discussed:

| No. | Item |
|-----|---|
| 1. | Opening; welcome and the purpose of the meeting |
| 1.1 | <p>The Chairperson opened the meeting by welcoming all members/ stakeholders who attended the meeting, the Chairperson further introduce himself and he apologised for the issue of load shading and indicated that it is beyond their control as load shading affects the whole country.</p> <p>The moment of silence was observed.</p> <p>Purpose of the meeting</p> <p>The Chairperson outlined the purpose of the meeting as AG to clarify some of the issues on findings on the Annual Report so that MPAC and the Executive do not to clash. The Chairperson further indicated that the AG will be outline the role of MPAC. The Chairperson mentioned that all who were present in the meeting must participate freely.</p> |
| 1.2 | <p>Introduction</p> <p>All attendees introduced themselves</p> |
| 2. | Attendance registers and apologies |
| | <p>The attendance register was circulated and signed by all who attended the meeting</p> <p>PRESENT</p> <p>Cllr M.I. Mangesi – MPAC Chairperson Cllr H.F.C. Jordaan – MPAC Member Cllr R.M. Mosholi – MPAC Member</p> |

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| | <p>Cllr S.L. Jonas – MPAC Member Cllr C. Hattingh – MPAC Members Cllr S.P. Sesana – MPAC Member Cllr I. Mokhele – MPAC Member Cllr L.S. Motlhoiwa – MPAC Member Cllr L.K. Shuping – MPAC Member Cllr Thabanchu – Acting Executive Mayor Cllr Molapisi – MMC Corporate Services Cllr Mampe – MMC DED Cllr Lesie – Single Whip MEC Motswana – PPAC member & Chairperson of</p> <p>SUPPORT STAFF Dr Robert-Tebejane – MPAC Manager Ms NR Gaaname – MPAC admin support</p> |
| 2.1 | <p>Apologies Cllr I.T. Meya – MPAC member – having other commitment Cllr Mokone – attending COGTA Ward Councillors workshop Cllr Num - the Executive Mayor has other commitments Cllr Mphafudi – MMC infrastructure and Planning - committed somewhere else. Cllr Makhathe – MMC for Community Services is out of town. Cllr Nxosana – Speaker of the Council who is not feeling well Cllr Matsapola- MMC Special Projects The Chairperson of PPAC Ms Diale – SALGA – not feeling well COGTA – Keabetswe – committed somewhere else</p> |
| 3. | <p>Adoption of the agenda</p> |
| | <p>Cllr Jordaan – moved Cllr Mokhele – seconded</p> |
| 4. | <p>item for consideration</p> |
| | <p>Audit outcome</p> |
| | <p>The Chairperson handed over to the AG and requested the present members to listen attentively so that they understand and participate fully and ask questions which will assist the MPAC with the Oversight process.</p> |
| | <p>Auditor General of South Africa</p> <p>1. Opinion</p> <p>a) AG mentioned that they have audited the consolidated and separate financial statements, assets statement, cash flow statement, and statement of comparison of budget and actual amounts for the year ended 2021/2022.</p> <p>b) AFS fairly presented during the audit</p> <p>c) There were misstatements found on PPE and Management made the adjustments to the AFS.</p> <p>2. Matters of emphasis</p> <p>a) Unauthorised, Irregular, Fruitless, and Wasteful Expenditure (UIF&W)</p> |

- b) The municipality did not investigate R70 748 925 million of prior years' according to section 32 of the MFMA.
- c) Fruitless and wasteful expenditure of R94 767 and R79 012 was incurred in the current year and the institution did not investigate according to section 32 of the MFMA.
- d) Fruitless and wasteful expenditure of R11 603 131 and R11 028 209 from prior years have not yet been dealt with according to section 32 of the MFMA.
- e) Note 39 indicated that irregular expenditure of R33 912 389 and R33 845 697 was incurred in the current year and irregular expenditure of R230 066 851 and R225 826 455 from prior years have not been investigate in accordance with section 32 of the MFMA.
- f) Not all performance indicators were achieved and in future AG will like if the municipality can achieve all KPIs. All basic delivery KPIs should be fully achieved.

Expenditure management –

- a) AG mentioned that most of the irregular expenditure was caused by adjudication committees not being properly constituted and the regulation for the appointment of service providers not followed.
- b) No competitive bidding processes were followed and required. The deviations were approved by the MM with the knowledge that they were caused by poor planning.
- c) Paragraph 31 states that reasonable steps were not taken to prevent irregular expenditure of R33 912 389, and R 33 845 697 as disclosed in note 39 to the consolidated a separate financial statement, as required by section 62(1)(d) of the MFMA.
- d) The MPAC must ensure that investigations are done, and recommendations are tabled in Council with timeframes.

Human resource management

- a) Job descriptions were not established for all posts in which the appointments were made.
- b) Systems and procedures to monitor and evaluate the performance of staff were not developed and adopted.
- c) There is job description for senior managers.
- d) For low-level staff there is no performance measured or monitored as they are the ones who are doing the job.
- e) Some of the senior managers did not sign performance agreements.
- f) When senior managers act in higher position, the District make sure they sign a performance agreement.

MPAC must ensure that they assist with:

- a) Provide oversight over the Agency
- b) Process of the Agency needs to be fast tracked whether closing or continuing.
- c) Municipality needs to plan properly, and planning need to be followed.
- d) No consequence management for a person who was liable for the expenditure.
- e) MPAC to assist with the allegation of financial misconduct laid against officials.
- f) Annual performance of the Economic Agency was not monitored and reviewed as part of the annual budget.
- g) Write oversight about the Agency
- h) Agency is dormant.
- i) The municipality must fast track the process of the Agency.

Procurement and contracts

- a) Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids as required by SCM – poor planning.
- b) Deviation was approved by Accounting Officer even though competitive bidding was not invited.
- c) System was not applied to some of the procurement of goods and services above R30 000.
- d) No one should be unfairly disqualified.
- e) The minimum threshold for local did not stipulated.
- f) There must be a performance plan to be followed.
- g) AG applauded newly elected leaders as known that there was no leadership in November 2022 and they managed to push.
- h) Implement the material irregularities.
- i) Check the material loss to non-compliance material irregularities.
- j) Recommendation on how to implement the plan of how things can be fixed.

Internal control

- a) The Accounting Officer is responsible for other information of the institution.
- b) Other information comprises the information included in the annual report which includes the audit committee's report.
- c) Accounting Officer did not exercise adequate oversight regarding the financial reporting.
- d) Accounting Officer with senior management did not implement a process to monitor compliance resulting in non-compliance.
- e) The weaknesses in internal control can also be attributed to a lack of effective oversight by leadership.
- f) Weaknesses in information technology systems
- g) Inadequate consequence management which is repeatedly reported and not addressed.
- h) Lack of oversight leadership.
- i) No monitoring of the clients.
- j) The MM approved the deviations which were as a result of lack of planning knowingly.

Other reports

investigations

- ✓ A forensic investigation by a legal firm was conducted into fraud and corruption allegations against former Acting MM.
- ✓ The allegations were tabled in council on 27/01/2022
- ✓ Investigation started from 16/03/2022 and concluded on 22/05/2022.
- ✓ Disciplinary hearing is currently in progress.

HAWKS

- o An investigation into fraud allegations was conducted by Hawks, which led to two employees being charged with theft and money laundering.
- o Internal investigation pertaining to this matter only started after year-end and is still ongoing.
- o AG will follow the case up to see the progress.

END OF PRESENTATION

Economic Agency

- a) AG mentioned that AG audited the financial statement of the Agency which comprises the statement of financial position; financial performance statement of changes in the net assets, cash flow statement, and the statement of comparison of budget and actual amounts for the year ended.

- b) AG mentioned that she did not express her opinion of the financial statement of the entity because of AG was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Disclaimer of opinion

- a) AG mentioned that she was unable to obtain sufficient audit evidence for non-current assets held for sale due to the status of the accounting records.
- b) Was unable to determine whether any adjustment relating to non-current assets held for sale stated at R67 897 (2021: R91 352) in note 3 to the financial statement and the impairment of non-current assets held for sale, stated at R23 455 (2021: R57 875) in note 3 to the financial statement.
- c) The Agency did not account for value-added tax payable as required.
- d) VAT payable disclosed in note 8 to the financial statements was understated by R1 025 943, and the prior year surplus and accumulated surplus were overstated by the same amount.
- e) Management was unable to submit information to AG.
- d) Journals not provided to the auditors
- e) 2021 AFS – a statement not substantial
- f) No document for AFS to support the statement. Provided to AG.

Net Cash Flow

- a) The municipal entity did not correctly prepare and disclose the net cash from operating activities.
- b) There were multiple errors in determining cash flow from operating activities.
- c) The amount was not balancing
- d) AG was unable to determine whether any adjustment was relating to net cash flow from operating activities, stated at R52 029 (2021: R1 831 530) in the cash flow statement and in note 19 to the financial statements.
- e) Calculation of cash flow not done.
- f) When doing calculation the amount was not balancing
- g) Comparison of the budget – budget statements were done but there was no budget.
- h) Financial statement was made to rectify a previous year's misstatement.
- i) AG indicated that was unable to determine whether any adjustment was necessary to the corresponding figures relating to the irregular expenditure of R1 372 689 as on note 25 to the financial statement.

Liquidation basis of accounting

- a) AG mentioned that as disclosed in note 23 to the financial statements, the council of DRKKDM took a resolution (no. A26/07/2020) to implement section 109 of the Companies Act of South Africa, 2008 (Act No. 2008) process to de-establish the Agency.
- b) AG further mentioned that the decision of the parent municipality to de-establish the entity means that the entity is not in a position to continue as a going concern.
- c) The resolution and winding down process was still in progress as at 30 June 2022.

Fruitless and Wasteful Expenditure

- a) As disclosed in note 24 to the financial statement and wasteful expenditure of R15 755 was incurred in the current year and fruitless and wasteful of R574 922 from prior year has not been dealt with in accordance with section 32 of the MFMA.

Responsibility of Accounting Officer & AG

- b) AG mentioned that the Accounting Officer is responsible for the preparation and fair presentation of the financial statement that is free from material misstatement due to fraud or error.
- c) Accounting Officer was responsible to assess the Agency's ability to continue as a going concern.

Responsibility of AG

- a) AG's responsibility was to conduct an audit of the financial statements.
- b) AG raised that she was unable to obtain sufficient appropriate audit evidence to provide an audit opinion on the financial statement.

AG raised the following:

- a) Compliance with legislation paragraph by paragraph
- b) Nothing working as no information was provided to AG.
- c) No investigation of irregular
- d) Action plan is there but not implemented.
- e) Consultants were appointed but there was no staff.
- f) R1.9 million was spent on the consultants.
- g) Salary can be used for something else or service delivery.

END OF PRESENTATION

CLARITY SEEKING QUESTIONS

Quality assurance

Cllr Sesana needs clarity on the following questions:

- a) What is quality assurance of work done by AG in auditing municipality?
- b) What was the level of assurance given by MPAC?
- c) What is the threshold of the UIF&W of the municipality for the office of AG to issue the debt certificate?
- d) The failures of the Audit committees will they be left to Council or MPAC to fill
- e) Will the District be correct to use the directors of the local municipalities when there is a shortage of senior managers in the constitution of the bid committees.
- f) Paragraph 9 page 2 there is a separation of the irregular expenditure incurred in the current year if AG can explain why there is a separation in the amounts.
- g) Recurrence of failure in terms of the Accounting Officer performing some of the duties as a head of the institution.

Cllr Thabanchu

- welcomed the report by the AG.
- a) Irregular expenditure of R33 million is a huge amount for only the one year is the amount cumulative or for one year?
- b) Does paragraph 7 in the AG report mean that there was not unauthorised expenditure in the year?
- c) AG to explain what the cause is, it is because of people are not qualified.
- d) What are the reasons given for the bid committees which were not properly constituted. Where the reasons given by MM not satisfactory/ reasonable enough?

The Chairperson welcomed honourable Motswana and asked him to introduce himself.

Questions from the Single Whip – Cllr Lesie

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| | <p>a) The Single Whip welcomed the report and indicated that he took note of performance indicators and indicated that they will support management and will ensure that in the future they will obtain 6/6.</p> <p>b) Commit to supporting all offices that need assistance when need be.</p> <p>c) Ensure that everybody will do the job and measures put in place to ensure that there is performance, monitoring, and evaluation.</p> <p>d) Issue of the Agency will be attended to, and assisted</p> <p>e) Welcome the outcome of AG and other stakeholders.</p> <p>SALGA</p> <p>a) The UIF&W has been reported in the AFS and there is no improvement as the municipality's register keep on increasing.</p> <p>b) Wanted to find out if is AG able to share its working papers with the MPAC so that the committee can conduct oversight.</p> |
| | <p>AG responses</p> <ul style="list-style-type: none"> • AG apologised for not putting pictures in the presentation as the request from the municipality was to explain the Audit report line by line. • The AG normally don't share their notes as the results are in the reports. • The Accounting Officer as the head of the institution and as a person who is given the powers to head the institution is accountable and the Council and MPAC should hold him to account when he does not hold his subordinates accountable. • Page 9 – separation of figures, since the municipality is having the entity, AG separates the figures. The one figure is the consolidated and the other is the district figure alone. • Unauthorised expenditure – municipality totally unplanned e.g. appointing a security company by July you know that it will be ending in June, so you need to plan in advance • Sharing working papers for compliance – cannot share the working papers. • Both the Agency and the District did not comply with the requirements of having an entity. |
| | <p>Cllr Motlhoiwa</p> <ul style="list-style-type: none"> • Lack of consequence management • Lack of oversight, look at paragraph 46 bullet 1, 2 & 3 – noncompliance needs to be addressed and request a special appeal to the executive and management • None compliance is the culture of the municipality recently that need to be addressed. • Need to address the issue of the oversight committees, section 79 committee, suppose to oversight to administration and the executive and advise the council, and need to do monitoring throughout the year. • Section 79 committee needs to be functional as their none-functionality impacts MPAC negatively. • Proper monitoring throughout the year, of what is happening in the finance department and SCM. <p>Cllr Thabanchu</p> <ul style="list-style-type: none"> • Need to stick to a post-audit action plan as a guideline to working to a clean audit. • Need a thorough focus on SCM as is one unit that has serious challenges. <p>Cllr Hattingh</p> <ul style="list-style-type: none"> • Raised a concern regarding the Agency audited report and separate management report for the Agency which was not given to the committee. |

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| | <p>MPAC manager</p> <ul style="list-style-type: none"> • Wanted to find out, what would happen if the AG in future does not allow the adjustment, as it has become a norm that the AFS be adjusted and only then the District receives an improved outcome. • Can AG calculate or compare the cost of the audit fees with and without adjustment to check how much they cost the municipality • 51% of the budget of the municipality goes to salaries and is not accounted for as there were no job description and performance evaluation to check the true value the employees bring to the institution. • What steps will AG undertake if he finds out that AG was misled by something or someone during the audit what will be the consequence be? • In an instance where 3 people acted in a year and AG issued a MIR whom will the MIR be given to, will it be forwarded to the people or position? <p>Cllr Jonas</p> <ul style="list-style-type: none"> • Who will be blamed if the council took a wrong decision? <p>Cllr Thabanchu</p> <ul style="list-style-type: none"> • Raised concern about the manager in the MPAC office raising questions to the AG. • Manager is reporting to section 56 and Cllr Thabanchu requested that the questions that the manager asked should not be responded to by the AG, they can be noted but not responded to on this platform. <p>Cllr Motlhoiwa</p> <ul style="list-style-type: none"> • Differ from the MMC as the aim is to assist and improve the operations of the municipality and some of the questions asked by the manager are for the AG assist to in improve on the municipality. <p>The Chairperson indicated that he doesn't see any problem if the points raised by the manager are related to what has been discussed and doesn't see any problem for the AG to respond to those issues.</p> <p>The Chairperson requested honourable Motswana to give advice on the matter.</p> <ul style="list-style-type: none"> • Honourable Motswana – mentioned the separation of powers and internal matters on how issues should be handled. • If questions related to the topic can be responded to |
| | <p>AG responded</p> <ul style="list-style-type: none"> • The AG said that she doesn't have the figures in front of here now but the amount will be higher than expected when there were adjustments to the AFS • The Accounting Officer in office at the time will be given the MIR • Adjustment process – there is a criterion for adjustment, but it is not allowed easily. If control is not improved, they are looking at not allowing adjustment to municipalities which were allowed to previously on the same matter. • How to open a case – nothing prevents municipalities to open cases and following the correct processes of opening cases. • Wrong decision taken by the council – depend on the investigation who is responsible and continues with consequence management. • There was a separate management report and separate audit report for the municipality and the Agency. |

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| | <ul style="list-style-type: none"> • Chairperson gave honourable Motswana as PPAC to check whether are they doing well as the municipality <p>Cllr Mampe</p> <ul style="list-style-type: none"> • Thanked availability of honourable Motswana and indicated that nothing contrary to obtaining a common goal. • See municipal as one to obtain a common goal. • The executive wanted to see oversight to work as a team to achieve a common goal. <p>Cllr Mosholi</p> <ul style="list-style-type: none"> • Declaration – 3 senior managers have not signed declaration forms – what AG is saying about that? <p>Cllr Molapisi</p> <ul style="list-style-type: none"> • Agreed with SALGA to work toward achieving a clean audit. <p>Chairperson – to receive tender whereby a person is working for a state and won a tender and appointed when MPAC investigation found that a person is no longer working for the state and the page of the declaration was blank not filled.</p> |
| | <p>AG – when doing final approval to satisfy yourself, you will see that the person has not declared. Where they see that there were no controls they don't allow adjustment to the AFSs. The AG has also committee to continually meet with MPAC in order to improve the work of MPAC.</p> |
| | <p>Honourable Motswana</p> <ul style="list-style-type: none"> ▪ Appreciated the invite. ▪ There should be signage between the NWL committees and MPAC and not serve them like little sister/brother. They should assist with the functioning of 79/80 committee of the municipalities. ▪ Question of oversight and accountability most of the time these two committees differ from each other. Better understanding is needed so that the sec 79 and 80 committee can function better on providing oversight ▪ MPAC must have a close session with AG without the executive and management to avoid further temptation of the executive to answer during a briefing session. ▪ Concerns raised by MPAC/SALGA/ entire body of the municipality must be considered and reported on ▪ When MPAC needs information, it should be submitted by the executive and management in order to ensure accountability ▪ Consequence management must be applied where there was a finding of misconduct. ▪ Try to stick to the legislation as this affects the committee on the ground, irrespective of who consequence management should be implemented. ▪ Wrong decision taken by the Council, Council to be held responsible. ▪ When you failed to hold MM and section 56 managers accountable then you are part of the wrong decision ▪ Council will be accountable for failing to hold the administration accountable. The Councillors are the employer hence the structures act starts with the election of councillors. Council should ensure that their resolutions are implemented. |
| | <p>The Chairperson thanked honourable Motswana for his intervention and contribution he made and give each stakeholder platform to say something.</p> |

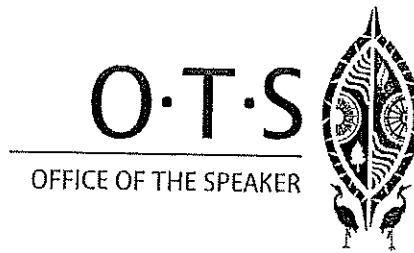
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| | <p>COGTA – Ms. Masego Obotseng</p> <ul style="list-style-type: none"> ▪ Municipality to improve on non-compliance ▪ MPAC to monitor recommendations/ resolution register to ensure that the UIF&W register is reduced. ▪ Post audit action plan, MPAC to follow it <p>SALGA – Mr Swartboo</p> <ul style="list-style-type: none"> ▪ Requested the MPAC to make Northwest proud this year to ensure that they reduce the UIF&W register. ▪ He said that he wanted to congratulate the District on the PDO clean audit this is a clear sign that the District will improve on other issues. ▪ The PAAP must be put on the National Treasury website and MPAC to continuously monitor it through the website. ▪ The District still has non-compliance findings and is still a repeat offender on current assets. However, the District should concentrate on the quick wins as they can easily be addressed. Those known root causes should be addressed. Such as prior year findings which are in the PAAP and ensuring that there is compliance during procurement. ▪ The District is the smallest in the Country and should be performing better. <p>AG</p> <ul style="list-style-type: none"> ▪ Municipality is close to getting a clean audit –and must ensure that they have a proper plan to address issues and implement the plan ▪ Things that will assist the municipality to ensure they address/ improve the municipality need to be implemented. Management should give reasonable reasons for the non-performance as prior years are supposed to be improved before the audit. |
| | <p>Way forward</p> <ul style="list-style-type: none"> ▪ The Chairperson thanked all who attended the meeting for the contributions that they made and mentioned that the session was fruitful and thanked all stakeholders. ▪ Thanked the MPAC committee who are dedicated to doing their work and working as a team to ensure that the municipality is fulfilling its obligations. ▪ First/ among MPAC in the country to achieve a clean audit. ▪ Thanked all who attended the meeting. |
| | <p>Announcements</p> <ul style="list-style-type: none"> ✓ 07/03/2023 there will be a public participation in Ventersdorp, all are invited who are present. ✓ MPAC members are to remain for a brief on the site visits. ✓ Thanked all from the deepest heart and wish all a safe journey back home God bless you. |
| | <p>Closure The meeting adjourned at 16h38</p> |
| | <p>Project visits were outlined</p> <ul style="list-style-type: none"> ✓ Committee will meet at the City of Matlosana parking at 08h00. ✓ Letter that requested Internal Audit CEO and Legal Manager to assist MPAC was written. ✓ Letter for nonresponsive to the council resolution, MM responded to all |

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| | <ul style="list-style-type: none"> ✓ Reports: RRAMS report ✓ File for Boskuil ✓ Copies of SLA for Old Mutual and chamber hard copies will be given to members. ✓ Supporting documents ✓ MM will be sending directors and managers to the site visits ✓ Questions to management – awaiting AG session then questions to be added to questions of management. |
| | <ul style="list-style-type: none"> ✓ Honourable Motswana will be available on Friday 09/02/2023 to attend site visits. ✓ Take note of the report of AG ✓ manager reports to management, but on this platform, the manager is here to advise the committee. ✓ Task of MPAC to ensure that they make management to be accountable for public funds. ✓ Billboard – what is the value for money on billboards? ✓ Issues of water is a crisis ✓ Draw line – rate payer can sit on the meeting raise issues ✓ Honourable Motswana indicated that his doors are wide open to hear MPAC out ✓ Mandate in terms of the district? ✓ On Thursday – 10/02/2023 JB Marks is having site visit ✓ Sedibeng water: main plant is in Bothaville. |

11. QUESTIONS AND REPONSES ON THE ANNUAL REPORT (2021/22), MANAGEMENT

COMMENTS AND COMMENTS FROM THE PORTFOLIO COMMITTEES

The MMCs assisted management with the responses to the questions posed during the interviews. The section 79 portfolio chairpersons were also invited but their participation was minimal as this was the first year of having them in the institution. The municipality is still exploring ways of implementing the section 79 chairpersons. The Executive Mayor delegated an acting executive Mayor to the MPAC interviews as she had other engagements. The Acting EM directed the executive and management on the questions posed to both the executive and MPAC. During the public participation, the Executive Mayor responded with management on questions posed by the public.



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Private Bag X 5017, Klerksdorp, 2570, Tel: +27 18 473 8000, Fax: +27 18 473 8094

Website: www.kaundadistrict.gov.za, Civic Center, Patmore Road, Orkney

To : Executive Mayor
MMCs
Section 79 Committee Chairperson
Municipal Manager and the DRKKDMEA CEO

Cc : Speaker, Whip of Council

From : Municipal Public Accounts Committee

Through : Office of the Speaker

Subject : Questions posed on the 2021/2022 financial year Annual Reports of the
District Municipality and the DRKKDM Economic Agency

Date : 13 February 2023

The MPAC hereby invites the Executive Mayor, Members of the Mayoral Committee, and the Accounting Officer together with the Senior Managers responsible for the departments to the MPAC interviews.

The interviews meeting will be held as follows:

Date : 09 March 2023
Time : 10:00
Venue : DRKKDM Council Chamber in Orkney

Below are the questions to be discussed on the 09th of March 2023, the responses must reach MPAC office on 28 February 2023 at 10H00.

DRKKDM

BTO

1. What is the District spending percentage (in relation to overall spend) for:
 - a. Capital Budget?
 - b. What are the reasons for the under budgeting for the above?
 - c. What steps are being taken to ensure that this under budgeting does not recur?
2. What is the spend on repairs and maintenance of the municipal assets? (According to National Treasury it should be around 8% of total fixed assets spend i.e. For every R10 spent on building/replacing infrastructure, R0.80 should be spent every year on repairs and maintenance.)
3. The committee request a copy of the BTO Standard operating procedures.
4. Are we better or worse off financially than we were a year ago? Do we have enough reserves to sustain the municipality should the grants not be paid for at least 6 months?
5. To what degree has section 32 of the MFMA been complied with in respect of R 208 389 595,00 of prior years where MPAC and the Financial Misconduct board previously made recommendations and Council resolved with regards to
 - 1.1 Unauthorised expenditure
 - 1.2 Irregular expenditure
 - 1.3 Fruitless and wasteful expenditure
 - 1.4 The committee has requested the POE with regards to the implementation relating to the resolved prior years and the information never reached the committee, why was that?
 - 1.5 Why was there an understatement of the irregular expenditure opening balances. Some prior years irregular expenditure according to the AG report was recognised during the audit, are the amounts in the register which was previously submitted a true reflection and if not, why was the whole population not revisited to ensure completeness of the UIF&W register?
 - 1.6 Why was advise not sought from the AG, COGTA, Treasury on how to investigate UIF&W and how to implement Council resolution taken previously on UIF&W?
6. If so, were matters referred for further investigation in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings?
7. Where there any matters referred to the South African Police Services for criminal investigation as required in terms of section 32(6) of the MFMA read with the Regulations referred to above for the UIF&W incurred in 2021/2022?

8. What plans has the accounting officer put in place to ensure that the internal control within the municipality is improved to encourage in-year detection of non-compliance with laws and regulations and unauthorised, irregular, fruitless and wasteful expenditure?
9. Were the necessary disclosures made to the Mayor, the MEC for Finance in the Province and the Auditor-General made upon the discovery of the expenditures, in terms of the MFMA in the 2021/2022 FY?
10. Have all instances of UIF&W expenditures been reflected in the AFS? Please provide proof that those items which were written off or recommended for collection were reflected as such in the current or prior years AFSs.
11. The AG reported that there was no gap analysis performed before the appointment of consultants, why?
12. The AG also reported that there was lack of remuneration framework for using consultants, why?
13. With regards to the 2021/2022 irregular expenditures a. Why was condonation not requested at Treasury before the deviations was done. variations: Municipality always applies this why? (Why are tenders not advertised and/or approved with the correct amounts to avoid variations?
14. Are firms required to certify during the procurement process that they have not bribed an official?
15. Does the municipality check the barring of persons from participating in tendering or other bidding processes, including persons- (i) who were convicted for fraud or corruption during the past five years: (ii) who wilfully neglected, failed to deliver before they appoint.
16. Please provide a detailed report of the financial systems which are used and their purposes and how much they cost and reasons why there are no SLAs if none exists.
17. Why was the call centre under IT and not corporate or communications?
18. Was there ever an analysis done on the effectiveness of the consultants procured to do accounting work e.g., drafting of AFS, by measuring it to misstatements or the reduction of errors and omissions or reduction on UIF&W
19. Please provide proof for the committee that there was an agreement with the local municipality before the Sanitation project found in the AR of 2021/2022 were implemented.
20. Apart from depending on the disclosures made the service provider, what other control measures are used by the District to check against fraud and corruption, bankruptcy and quality work delivered.
21. Where all recommendations made by the NWL, PT and COGTA considered when implementing corrective measures for UIF&W

22. Why were the AFS not submitted to the ARC within reasonable time for quality assurance?
This is a trend from the prior year as stated in the ARC report of current and prior year in the AR. What consequence measures were instituted against the CFO for this failure.
Please relate your response to page 190 of the AR.

SCM questions are as follows:

1. Has the information in the declaration forms been verified? Are supplier declarations vetted against internal staff or Councillors?
2. Were the 3 bid committees properly constituted? If not, why not and what steps are being taken to rectify the non-compliance?
3. Kindly provide a breakdown of contracts awarded through (i) petty cash purchases, (ii) written or verbal quotations, (iii) formal written price quotations and (iv) competitive bidding?
4. How many contracts were awarded for the financial year ending 31 June 2020? What was the total combined value of these awards? Please break it up per commodity procured.
5. Of the amounts of contracts awarded for the financial year ending how many instances was the provisions of regulation 36 of the Municipal Supply Chain Management Regulations utilised including the basis or reasons for not following a competitive bidding process in each instance?
6. Were the reasons accepted and approved by the accounting officer? If so, provide us with the written approval provided by the accounting officer?
7. Were the reasons for deviation in terms of regulation 36 tabled at the first meeting of Council after the event? If so kindly provide us with written proof of tabling in Council including any comments from Council, if any, and how such was addressed by the accounting officer?
8. Were the reasons for deviation included in the notes to the annual financial statements? If so, kindly provide us with the note and page number in the annual financial statements where this can be obtained and verified?
9. Of the amounts of contracts awarded for the financial year ending 30 June 2022, in how many instances was the provisions of regulation 32 of the Municipal Supply Chain Management Regulations utilised including the basis or reasons for not following a competitive bidding process in each instance? Please provide details of prior year regulation 32 tenders as well.
10. Kindly confirm whether there were contracts which were concluded by the other organ of state was procured via a competitive bidding? If so, kindly provide written proof to this effect? Please refer to the UIF&W register for the said contracts.

11. If the other organ of state did not follow a competitive bidding process in appointing the service provider, but the accounting officer still proceeded in utilising the provision, kindly provide reasons why this provision was utilised despite this being an inherent requirement of regulation 32? Please refer to the UIF&W register for the said contracts.
12. Was the written consent obtained from both the other organ of state and the service provider for the municipality to participate in the contract? If so, provide proof of such consent, if not, why not? Please refer to the UIF&W register for the said contracts.
13. Kindly provide the written report submitted to the accounting officer demonstrating the discounts and benefits to be derived by the municipality on procuring on expired contracts. If this was not submitted as part of the legislative process in requesting approval from the accounting officer, please explain on what basis was the cost benefit analysis made? Please refer to the UIF&W register for the said contracts.
14. Of the amounts of contracts awarded for the financial year ending 31 June 2021, in how many instances was awards made to persons in the service of the state as prohibited by regulation of the Municipal Supply Chain Management Regulations?
15. Of the awards made to persons in the service of the state, how many were in the employ of the municipality? Were the necessary declarations made by these employees as required by the Code of Conduct for staff in the Municipal Systems Act? If not, why not and if so, why it was not detected during the bid evaluation process.
16. Kindly confirm what disciplinary and criminal processes were initiated against those members of the Bid Evaluation Committee in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings for failure to detect and verify the declaration made? If not, why not, if so, what is progress to date?
17. Kindly confirm what disciplinary action was initiated against those officials who failed to make the necessary declaration of interest in terms of the Code of Conduct for Staff in the Municipal Systems Act? If not, why not, if so, what is progress to date?
18. Have any construction projects been approved that were not registered with the Construction Industry Development Board (CIDB)? What is the reason for this divergence?
19. Kindly confirm how many objections and complaints were lodged by aggrieved bidders in terms of regulation 49 of the Municipal Supply Chain Management Regulations and how many was resolved in terms of regulation 50 of the Municipal Supply Chain Management Regulations? In each instance, state date objection or complaint lodged, and date finalised including resolution taken.
20. Are there measures to monitor contract performance and delivery other than the service provider assessment in the AR for contracts longer than 1 year? Please provide individual assessments of all three-year contracts.

21. Why did the municipality not wait for the proper constitution of the bid committees before procuring irregularly?
22. Lawyers are always procured irregularly in the Municipality, why is this allowed?
23. Please provide the legal report which outlines the services procured from each law firm. The report should accompany the UIF&W register related to legal cases and all costs related to each case.
24. Please provide the committee with the persons liable for the UIF&W per line item this should include any political office-bearer or official of a municipality who deliberately or negligently incurred UIF&W.
25. Please ensure that the register outlines what services were procured from the service provider.
26. Where there was unfair disqualification of suppliers from the bidding process
 - a. Please elaborate on matters relating to COMAF 24: ISS.37 and COMAF 22: ISS.28
 - b. In the response include all the bid documents, quotations, SLAs, appointment letters of the winning and the losing bidders.
 - c. Please provide the committee with the list of employees who were involved in the transactions.
27. Please outline the major root causes that causes the SCM unit not to be able to function as legislated.
28. What was done to ensure the security, vetting and lifestyle audit on SCM official?
29. Please provide proof of where the adverts were put, all bid committee reports on all tenders where the market was none responsive for the 2021/2022 FY. Please provide the committee with measures which were taken to ensure information on advertised tender is widely known.

Questions posed on the Post Audit Action Plan

1. Has the municipality conducted an in-depth analysis of the previous findings with a view to establish the root causes of the findings?
2. What role has Internal Audit played in monitoring same?

3. Has the municipality developed a plan to address all the root causes of findings of the Auditor-General? Please align the responses to page 9 of the MR where irregular expenditure and cash flow statements had to be adjusted again during the audit.
4. How has the municipality implemented and monitored the plan to ensure that there is no repeat in the current year?
5. Has the municipality ensured that the issue of dealing with Auditor-General findings are reflected and assessed in the performance agreements of managers?
6. Is the municipality confident that its measures to address root causes will result in the resolution of the findings and that the findings will not recur?
7. Is there any consequence management that has been applied to any officials who have failed in their duties to remedy previous findings of the Auditor-General? Please refer to page 188
8. Please provide the committee with the UIF&W report which is in line with circular 68 found on page 159. Fruitless and wasteful expenditure R94 767 and R79 012) note 38 and irregular expenditure R33 912 389 and R33 845 697) note 39. The register should outline the **person responsible, reason which compelled the municipality to deviate** from legislation (do not only outline the legislation without explaining reason why it was not followed). In addition, a detailed report of what was done by the AMMs/MM responsible to recover and/or implement consequence management undertaken should be included in the response.
 - 8.1 Was any official identified for having potentially committed financial misconduct as defined in section 171 of the MFMA? What is the value of the expenditure within each category?
 - 8.2 What was the root causes of the expenditure in each instance?
 - 8.3 What measures were already taken by the municipality to recover the expenditure?
 - 8.4 What was the cost of the measures already taken to recover such expenditure?
 - 8.5 What is the estimated cost and likely benefit of further measures that can be taken to recover such expenditure?
9. On page 183 and 184 the audit finding regarding prior years R70 748 925 unauthorised expenditure corrective measures mentions that the MPAC recommended for write off the amount. This statement is misleading the Council and the public as the report was tabled in Council which clearly outlined the amounts to be written off and those still under investigation. The statement must be corrected.
10. The amounts as found in the AFS are always restated hence it has been difficult for MPAC to use amounts in the prior year reports without first verifying them with BTO.
 - (a) Why was this anomaly allowed to occur? (b) what corrective measures were implemented to correct the anomaly

11. Who were the persons liable for the R94 767 and R79 012 fruitless expenditure found on page 159 of the AR? What action was taken against the responsible officials?
12. What corrective measures are being implemented to ensure that there is effective reconciliation of the municipality accounts receivables?

PMS

1. Why are the targets about "a report or a number of meetings or a subject like campaign" but do not explain the outcome planned for that report or meetings so that the targets can be specific as to what will be procured. For example, KPI 10 and e.g., page 58. The KPI does not say what will be done exactly as youth projects.
2. Please provide the declaration of interest of all employees.
3. Please give details of why there are blank spaces next to L.P Steenkamp, M.A Metswamere and S.C Abrams as per page 211 of the annual report. Does that mean that their financial interest was not declared?
4. Equitable share: clarity was needed from management on measures implemented to comply with the requirements of the equitable shares so that the amount may increase.
5. Please provide the committee with the AG Management report.
6. Please provide the terms of reference for the disciplinary board
7. What measures were introduced to improve/correct procuring while there were not enough responsive bidders.
8. How does the MM ensure that all projects are monitored and evaluated within each stage?
9. Who monitors and evaluates the compilation of KPIs to ensure that these KPIs are crafted to have an outcome which is impactful to the community.
10. What type of equipment was purchased for the 5 elderly sports teams found on page 95.

Transactional advisors

1. Why did the District not do the vat recovery internally?
2. Was there a tender entered in to using confinements?
3. Please provide a detailed report of the funds sourced by PK Consulting the report should detail what the funds recovered were used for.
4. Was there an SLA between Marifa and the funding opportunities companies? What was purchased with the sourced funds?
5. Who drafts the SLA of the District and who reviews them and who negotiates the terms of the SLAs.
6. What measures were put in place by the accounting officer to ensure that should a signed SLA be found to be irregular be corrected and not continuously add to the UIF&W. Sec 173 of the MFMA (1) The accounting officer of a municipality is guilty of an offence if that accounting officer- (iii) fails to take all reasonable steps to prevent unauthorised. irregular

or fruitless and wasteful expenditure; or (iv) fails to take all reasonable steps to prevent corruptive practices.

Community services

1. Who performs tests of the quality of underground water? Is it paid by the municipality?
2. Please explain the process of water testing. For example, Midvaal is the bulk supplier for city of Matlosana and the District sends samples to them and pay again for testing. Who then verifies that the report given is a true reflection.
3. Questions which are posed, relating to by-laws:
 - 3.1 Have by-laws been reviewed within the various functions? If so, when? If not, why not?
 - 3.2 Are all by-laws effectively being enforced in the Municipality?
 - 3.3 If not, which by-laws are not actively being enforced and why?
 - 3.4 What is the revenue generated through the various by-law enforcement activities?
4. What are the challenges relating to water sample testing which has led to irregular expenditures.
5. Please provide the committee with a comprehensive report outlining the last quarter damages caused by a hailstorm in Wolmaransstad.

Corporate services

1. Have all staff received or updated job descriptions? If not, why were there no job descriptions established for all posts in which appointment were made?
2. Have all staff signed performance agreements? If not, why not?
3. Have performance reviews been instituted? If not, why not?
4. Please provide the committee with the job evaluation report.
5. How many staff members are on suspension and for how long? Please relate your responses to page 191 of the AR.
6. How many suspensions exceed the time limits as provided for in the policies?
7. Should there be staff members who are on suspension for longer than the policy provides for - Why?
8. Please provide the committee with the forensic report on the suspension and resignation of the former MM Ms Lesupi as requested by the committee from the previous oversight process.
9. What is the value of salaries that are being paid to staff on suspension?
10. At what stage are the disciplinary processes / investigations against the officials currently on suspension?
11. What measures are in place to ensure that disciplinary processes / investigations are finalized without delay?
12. How many contract staff have fixed term contracts with the municipality?

13. How many contract staff were employed on month-to-month contracts?
14. What is the monthly wage bill for all contract staff currently employed by the municipality?
15. What steps have been taken to ensure adequate ICT security in the organization?
16. Please provide the committee with the list and field outlining the panel of lawyers appointed by the municipality. Please provide the SLAs also and a report on each case they worked on.
17. Please provide the committee with the case number regarding the R400 000 grant given to the SMME for shoe project as mentioned on page 184.
18. What measures were put in place to ensure employee safety while in the municipal buildings.

LED

1. Please provide the report of the tourism indaba attended and the attendance register showing all who attended.
2. Please provide the list of all the grant beneficiaries with a detailed report.
3. Please provide the NAMPO expo report and the financial implications together with the attendance register of all who attended.
4. Please provide the committee with the criteria used when the grants recipients were selected. Please provide the committee with the disqualifying criteria which was used.
5. Please provide the committee with letters informing the grants recipients of the awards.
6. With the Boskuil and Oersonskraal toilets was there a contract awarded in partnership or some form of subcontracting
7. What is the date of implementation of the Boskuil and Oersonskraal toilet project.
8. Please provide details with regards to the safety of the EPWP working on the project.

Questions posed on the implementation of RRAMS

1. What is the overall condition of the road network within the District? How well is the network meeting its functional and structural requirements?
2. Apart from the RRAMS which is a National initiative what is the District doing to implement its powers and functions in terms of roads?
3. Please provide a copy of the terms of reference of the GI system of the District. Please indicate if there are other systems which are being used.
4. Can the system be used to analyse the road infrastructure asset needs?

5. What are the predominant problems that occur?
6. What do past trends say about the efficacy of the Asset Management Plans?
7. Please provide a detail of how much is the District paying the service provider? Is the amount according to the latest RRAMS requirements? Please compare for all the years where RRAMS was undertaken?
8. How/Is RRAMS being used to assist with the aspect of obtaining correct information on the accident location (reported to SAPS) in terms of road number and precise km distance.
9. In South Africa, route numbers normally differ from road numbers and km distance markers are very often non-existent how is RRAMS assisting with this problem.
10. How much money should be spent to retain the minimum required conditions per road? total costs comprising of Asset costs and normally are divided into road authority costs (consisting of capital or construction costs, maintenance and rehabilitation costs, improvement costs and operational costs), and road user costs (consisting of VOCs, accident costs and the costs of passenger or freight time).
11. How much money should be spent to achieve desirable conditions per road? And how often are the roads visited before the report is written?
12. What are the priorities for each road segment and its treatment?
13. Which categories of treatment and actions should be applied? How much should the relative expenditure on each category be?
14. Is the budget, IDP, maintenance plan and SDBIP of the local municipalities considered when this report is submitted to them to ensure that that it is implemented?
15. What is the overall current investment requirement for the road assets?
16. Which categories of treatment should be applied currently, and to what investment needs?
17. Which assets shall be treated now and at what cost?
18. What method is used to determine which roads should be prioritised?
19. Who were the members of the Panel of Inspection? Please provide the panel report
20. National Government NDP requires for example that work opportunities be created, youths (aged 18 to 35), women and people living with disabilities be employed, emerging contractor development opportunities be created, graduates be provided with experiential internships and assisted to register with the Engineering Council of South Africa (ECSA). In general, the investment in road maintenance should be done in line with the S'hamba Sonke Road Programme,

which requires many of the mentioned benefits to be realised. Apart from the EPWP how RRAMS in the District is addressing this element.

IDP

1. What measures are put in place to ensure that the District implements projects that are in the IDP.
2. What actions does a municipality take to ensure that a project being implemented by the District on behalf of the local Municipality is aligned to the District IDP.

DRKKDMEA

1. Please provide the asset register of the agency.
2. What goods and services were sold for R3 856 734 as stated on page 55 of the annual report. Please elaborate the answer by referring to note 21.02 on page 82
3. Who authorised the payments done to service providers as stated on page 36. Please elaborate the response by referring to note 25 on page 86.
4. On page 53 from which institution did the other transfers revenue- services in kind come from? And what was the money used for?
5. Why were there staff advances paid and what measures were put in place to retrieve the receivables from exchange transactions?
6. What was paid with the R15 299 interest revenue on financial services from prior year?
7. Why were there payments of R154 479 sitting allowance (page 80) for board members when the CEO said that there were no board members for the year under review? (Please provide the minutes and attendance register of board meetings relating to the above payments.)
8. What is the status of the disciplinary procedures instituted against Ms TP Chofu as stated on page 87.
9. Why is the Agency still in existence while Council resolved to disestablish. Please relate your responses to page 192 of the Parent Annual Report. What disciplinary measures were instituted against officials and or Councillors liable for the irregular payments incurred in the 2021/2022.
10. Why was there no internal audit and/or ARC report in the Annual Report?

End of Executive and Management

Management responses

Refer to the attached annexure F

12. COUNCILLORS AND WARD COMMITTEE INPUTS

Councillor of each ward was invited to take part in the public participant of the Oversight process. Each Councillor was requested to avail members of his/her ward for making comments on the Annual report. The Dr Kenneth Kaunda District Municipality geographical area consists of three (3) local municipalities as follow:

- Matlosana Local Municipality with 39 wards
- Maquassi Local Municipality with 11 wards
- J B Marks Local Municipality with 34 wards

The Councillors assisted the MPAC with the mobilization of the public to attend the public participation event. The Councillors also assisted by distributing the questionnaires to the public. However, there were no specific inputs on the Annual report received from the Councillors themselves as they participate in Council when the report is tabled and adopted.

REPORT BACK: COMMUNITY BASED PLANNERS ACTIVITY

MOSPK

PURPOSE

This report serves to inform Council about the establishment and activities conducted by Community Based Planners (CBP's) for the month of May, June, and July 2022.

BACKGROUND

The Municipality has appointed one hundred (100) Community Based Planners (CBP's) for Three (3) months contract in the entire District as a means of collecting data and addressing service delivery challenges raised by household owners (ratepayers) through "Bua le Puso Engagement Form" in the three Local Municipalities (City of Matlosana Local Municipality, JB Marks Local Municipality and Maquassi-Hills Local Municipality) within the District and other sector departments.

The CBPs were appointed through ward Councillors from which they were to be placed for their work across 84 wards. Furthermore, for the purpose of supervising the work that was

done by the CBPs and sorting the data into different categories, 16 CBP coordinators were appointed for that latter purpose.

DISCUSSION

CBP's were recruited through the consultation with Local Municipalities and will be allocated to all wards in the District. The number of CBPs recruited is one hundred (100) which consist of sixteen (16) coordinators and eighty-four (84) field workers. These jobs were created for a period of three (3) months fixed term. Their duties as stipulated in the contract is to: (1) Visit 30+ houses a month, (2) Sign the attendance register daily, (3) Facilitate meetings with community members through the Ward Councilors, (4) Mobilize the community for activities and campaigns in the District , (5) Assist with development of Ward Plan and Profiles, (6) Share information related with service delivery with the community, (7) Submit weekly and Monthly reports as expected.

The Community Based Planners (CBP's) for the month of May were introduced to their respective communities and other stakeholders by the Councilors and could not hit the ground as expected because the office was using them for Mobilization of the community as well as sharing information for the Mayors Budget Consultative Public Participation Event. For the month of June, the CBP's field workers monitored by their Coordinators went on the door to door in their respective Wards using "Bua Le Puso" for data collection as indicated on the following tables:

Section 95(g) of the municipal systems act states that; municipalities must provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality read together with the Batho Pele Principles namely:

- Consultation
- Service standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress and
- Value for money

Job Creation

Through the implementation of Community Based Planners (CBP's), the municipality was able to create a total of hundred (100) employment opportunities for the period of three (3) months. It will be of great importance to create sustainable job opportunities for a fixed period equivalent to the term of office of Councillors.

| Maquassi Hills | JB Marks | City of Matlosana | Date of Appointment |
|-----------------------|-----------------|--------------------------|----------------------------|
| 11 CBPs | 34 CBPs | 39 CBPs | May 2022 - July 2022 |
| 04 Coordinators | 05 Coordinators | 07 Coordinators | May 2022 - July 2022 |
| 15 | 39 | 46 | TOTAL OF POSTS |

Issues for consideration

- Maquassi Hills has a serious water crisis in particularly Makwassie Township that needs a serious attention
- Sewerage system in Matlosana and Maquassie local municipalities needs to be attended to as it is health hazards
- Basic Service delivery such as picking garbage, services of high mist lights and cleansing of dumping sites must be prioritized
- Unemployment amongst the Youth is a serious concern which lead to many unrest
- Birth certificates and Identity documents (ID) are the reasons why many people have no access to social grants
- Residents from all the 3 local municipalities seems to be having issues with the potholes in their roads

Challenges

- Other Councillors did not submit their CBPs names on time which led to other Wards not having CBPs on time.
- Other offices within the local municipalities and several Departments are difficult to enter for referrals and solutions
- CBPs have challenges writing the report
- Ward 39 of City of Matlosana Local Municipality did not have a CBP which makes it difficult to report on issues from that ward.

Remedials

- That the District Municipality fast forward the launch of Ward committee Forum
- That the District Municipality Troika directs the CBPs service delivery data to the local municipalities as well as all the relevant departments
- That the Office of the Speaker to launch Stakeholders forum

IMPLICATIONS

Risks & Legal

Now that we implemented the Community Based Planners program, it is of importance that we identify our personnel from those of another institutions / organisation by promoting Dr Kenneth Kaunda logo. This will assist in avoiding unnecessary risks and litigations against the municipality by unknown individuals. The municipality will be responsible for its own personnel regarding issues that affect the municipality.

It is prudent of the municipality to avert challenges that are not of its own making by ensuring that we do the right thing of identifying our own personnel from those of other institutions or organisations.

Financial

The total costs to be incurred monthly amounts to R489 379.20. The costs for May and June were covered from previous financial year budget (2021/22), while July was from the current financial year (2022/23).

This activity incurred costs relating to personnel & labours and was sourced from **VOTE: 31102264500FLP13ZZWD.**

EXPENDITURES INCURRED FOR THE MONTH: May 2022 (2021/22)

| DETAILS / DESCRIPTION | MAQUASSI-HILLS | JB MARKS | CITY OF MATLOSANA | MONTHLY EXPENSES |
|-----------------------|--------------------|--------------------|--------------------|---------------------|
| Field Workers (80) | R 51 999.20 | R155 997.60 | R170 179.20 | R 378 176.00 |
| Coordinators (16) | R 23 073.60 | R 28 842.00 | R 40 378.80 | R 92 294.40 |
| TOTALS | R 75 072.80 | R184 839.60 | R210 558.00 | R 470 470.40 |

EXPENDITURES INCURRED FOR THE MONTH: June 2022 (2021/22)

| DETAILS / DESCRIPTION | MAQUASSI-HILLS | JB MARKS | CITY OF MATLOSANA | MONTHLY EXPENSES |
|-----------------------|--------------------|--------------------|--------------------|---------------------|
| Field Workers (81) | R 51 999.20 | R160 724.80 | R170 179.20 | R 382 903.20 |
| Coordinators (16) | R 23 073.60 | R 28 842.00 | R 40 378.80 | R 92 294.40 |
| TOTALS | R 75 072.80 | R189 566.80 | R210 558.00 | R 475 197.60 |

EXPENDITURES INCURRED FOR THE MONTH: July 2022 (2022/23)

| DETAILS / DESCRIPTION | MAQUASSI-HILLS | JB MARKS | CITY OF MATLOSANA | MONTHLY EXPENSES |
|-----------------------|--------------------|--------------------|--------------------|---------------------|
| Field Workers (83) | R 51 999.20 | R160 724.80 | R179 633.60 | R 392 357.60 |
| Coordinators (16) | R 23 073.60 | R 28 842.00 | R 40 378.80 | R 92 294.40 |
| TOTALS | R 75 072.80 | R189 566.80 | R220 012.40 | R 484 652.00 |

ANNEXURES

- Annexure "A" City of Matlosana
- Annexure "B" Maquassi-Hills
- Annexure "C" JB Marks

THEREFORE RECOMMEND:

- 1) That Council take cognisance of the report as submitted,
- 2) That Council take cognisance of the costs incurred amounting to **R1 430 320.00** which was sourced from **VOTE: 31102264500FLP13ZZWD**,
- 3) That Council budget for CBP's be covered for the financial year (12 months) which will amount to R6 Million annually.

SUBMITTED FOR COGNISANC

End of ward committee related report

**13. PUBLIC & INTERESTED PARTIE'S COMMENTS ON THE ANNUAL REPORT
PUBLIC PARTICIPATION**

| LEGISLATIVE REQUIREMENT | COMPLIANCES | RESPOND | RECOMMENDED CORRECTIVE ACTION |
|--|--|---|---|
| <p>Section 127 (2);130 (1)(2)(3) and section 21A of MSA</p> <p>Council meetings open to public and certain public official</p> | <ol style="list-style-type: none"> 1. Was the public invited to the Council sitting where the annual report was considered? 2. Did the Accounting Officer make public the annual report? 3. Was the annual report submitted to the AG; PT and DLG&TA? | <ol style="list-style-type: none"> 1. The Oversight Process schedule was advertised on the newspaper, the Chairperson went on local radio stations to advertise the MPAC schedule and to invite the public to participate. 2. Yes, the Annual Report copy was put in Libraries in the District and copies were made for the public meetings of MPAC. However, during the public meetings, the communities still said that they were not able to reach the municipal information. The public were very unhappy with the way the District publishes municipal documents as all platforms the District says they used were not adequate for them to get information. | <ol style="list-style-type: none"> 1. The schedule of all Council sittings where the public is invited should be publicised on the website in addition to the newspaper ads. 2. The District should explore more effective up to date ways which can be used to reach the public. The communications unit, the MM the Speaker's office and the user departments should work together at all time to ensure that the municipal information is known. |
| <p>WRITTEN COMMENTS</p> | <ol style="list-style-type: none"> 1. Did the Municipality receive any written submission on the Annual Report? | <ol style="list-style-type: none"> 1. Yes, the public participation was done through the distribution of questionnaires and a public participation event. The questionnaires were answered by the public and analysed. The questionnaire had a place for additional comments. 2. The use of Facebook and other social media platforms should be encouraged as they were advertised but nothing came through these mediums. | <ol style="list-style-type: none"> 1. The social media platforms should be advertised |

PUBLIC COMMENTS ON THE ANNUAL REPORT

Public Participation event held at Mokati Hall in Kanana City of Matlosana on 15 February 2023

| NO: | AGENDA ITEMS | SUBJECTS | RESPONSIBLE |
|-----|--------------------------|---|--------------|
| 1 | Opening and Welcome | Mrs. Brenda opened with a prayer and welcome everyone. | MPAC Manager |
| 2 | Apologies and attendance | The was the apology of the MPAC Chairperson who is attending a meeting in Johannesburg and the ward Councillor Mrs Mokgatle will join the meeting late as she was in Council | |
| 3 | Introduction | Introduction was made. | MPAC Manager |
| 4 | Adoption of Agenda | Joice Pali adopted and was seconded by Thamsanqa Ngwenya (Community members). | |
| 5 | Purpose of the meeting | <p>5.1 MPAC Meeting: -MPAC was explained in full to the community/everyone.</p> <p>5.2 IDP/MPAC: -Community were encouraged to attend IDP/MPAC meetings. SDBIP: was explained and how employees need to do their duties.</p> <p>5.3 MPAC event on the 7th of March 2023: - transport will be at Mokati hall for community to attend MPAC event at Ventersdorp.</p> <p>5.4 Annual Report and Oversight: -both items were explained to the community in detailed and the purpose of it.</p> <p>5.5 Service delivery (Page 61) &KPI: -Both items were alluded in the meeting and relevant e.g., were made such as success and unsuccessful project.</p> <p>5.6 DDM, Dept. Health: -community were encouraged to align themselves to such platforms.</p> | MPAC Manager |

| | | | |
|---|----------------------------|--|--|
| | | <p>5.7 Questionnaire:</p> <ul style="list-style-type: none"> -community were given questionnaire to be answered and knowledge regarding business proposal. -Community were asked to add their own suggestion to be on the report or make the district aware of. <p>5.8 MPAC Event Ventersdorp</p> <ul style="list-style-type: none"> -Community were asked to attend MPAC event at Ventersdorp on the 7th of March 2023. <p>(PUBLIC NOTICE: Kanana Assistance in national grant to be attend at Municipal office at Kanana on the 21st of Feb to 24 Feb 2023 and bring all necessary documents.)</p> | <p>Cllr Raider</p> <p>Cllr Molifi</p> |
| 6 | Issues raised by community | <p>6.1 Community Complains:</p> <ul style="list-style-type: none"> -Kanana Road/potholes -Tenders need to be monitored when issued. -Quality/Material of pavement is very poor. (-Illegal connection of electricity in the kanana area). -Transport pick-ups shortage. -Disability- pleading with the District to consider albinism regarding different colour paper, instead of white. -Community asked for feedback and procedures the District is using reading the business proposal (SMME's). | <p>Isaac Montshiwa ward 25</p> <p>Refiloe ward 20</p> <p>Bojosi ward 24</p> <p>Molatlhagi Lekgetho</p> <p>Thamsanqa Ngwenya</p> <p>Dikeli Morake</p> |
| 7 | Closure | MPAC Manager thanked everyone that was present in the meeting and remind the community about the next MPAC meeting on the 7 th of March 2023 in Ventersdorp. | |

| | | | |
|--|--|--|--|
| | | She further encouraged the community to read the MPAC green book for guidance. | |
|--|--|--|--|

Public participation Build up program held at Lebaleng Community Hall in Maquassie Hills Local Municipality on 16 February 2023

The manager opened the meeting by prayer.

Welcome

1. Cllr Mosholi a member of MPAC as a ward Cllr welcomed all public who attended the meeting and indicated that community should feel free to ask questions and urged community to ask the relevant questions that are related to the core functions of the district.
2. Cllr Mosholi distinguished between the local municipality and the district municipality and indicated that the functions are different and further mentioned that he attended the meeting as a member of MPAC not as ward councillor, and the meeting is called to workshop public on how to read and ask the question on the annual reports that will be discussed on the 07th of March in Ventersdorp.

Cllr Mosholi declared the meeting officially opened.

Introduction

The manager introduced all leadership and officials who attended the meeting. Councillors who were present were introduced

Cllr Mosholi – MPAC member
Cllr Mokhele – MPAC member
Cllr Jordaan – MPAC member
Cllr Molifi Sello from Matlosana

Apologies

1. Cllr Mangesi MPAC Chairperson attended the SALGA meeting in Johannesburg.
2. Cllr Jordaan to be released at 15h00 as he is having doctor's appointment.
3. Cllr Jonas attended the meeting in Mahikeng.

Adoption of the agenda

There were additions on the agenda

1. Unemployment
 2. Ploy back to the community by contractor who have jobs in local.
- ✓ Mr Fana – ward 11 made additions and moved for the adoption of the agenda
✓ Mr Kuneni – ward 9 – seconded

Purpose of the meeting

1. The manager indicated the meeting is the build-up programs that the MPAC hold to workshop public on how to read and ask the questions on the annual report.
2. When questions asked people should feel free to ask questions.
3. MPAC is a committee of council in the office of the Speaker and its work is hold executive and management accountable on how public funds have been used.
4. The program is the build-up for the preparations to the main events that will take place in Ventersdorp on the 07th of March 2023.
5. Manager encouraged people to ask questions to hold executive accountable.

Explanation on both Annual reports

Parent municipality and District Economic Agency

6. Public should be part of the budget of the municipality through IDP and should follow the money.
7. Circular 32 have the guidelines that channel MPAC to do its work and how to do it.
8. IDP is the plan of the municipality, and the budget plan is done through SDBIP and those projects on the IDP should be prioritised.
9. Community is urged to ask relevant questions on the documents.
10. In the year reporting – annual financial statement indicates for what the money has been used for.
11. SDBIP align IDP/performance and funds/budget.
12. Page 68 indicates how to read it e.g., functional area.
13. Strategic objective – all department have units; questions should be related.
14. Baseline 2020-2021, how many you employed last year?
15. The circular is telling you what to do.
16. Page 106 first time provider
17. Service providers should rotate.
18. Company hired by the district – should be include ward so that local people can have the opportunities.
19. Public encouraged to know what services that the district is providing.
20. Public have been asking whether they know the District Economic Agency and its functions or services that the offer to public.
21. Public were also asked whether they know where to report some of the things that are happening in the community e.g., if a house is burning, when tuck-shops are not selling fresh goods.

The manager asked the public to feel up the questionnaires.

Clarity seeking questions

- Mr Sekati Mpho – youth centre built but not functional

- Mr Molantwa Given ward 11 – streetlights not working and tired to be stopped by Councillors who are giving youth R200 when raised issues to stop them to raise issues that are affecting them (stop talking).
- Mr Montshonyane ward 11 – RDP programs – paving should be maintained.
- Mr Bafana ward 9 – Cllr Oats Modisadife is biased and not listening to community.
- When deployment take place disadvantage people are not taken to consideration.
- Mr Thabo Madibo ward 11 – having challenge of unemployment, most of youth are not employed.
- Food security – District Speaker and the Executive Mayor must encourage youth on the SMME's projects.
- Youth to be encouraged to register for the projects so that they can create employment since there are no jobs.

The meeting was closed informally due to noise that was made by public who were talking at once without giving others chance to raise their questions.

The questions were not answered as the public were making noise.

Announcements

Public were encouraged to attend the main event that will take on the 07/02/2023 at Tshing Community Hall (ward 29) in Ventersdorp at 14h00.

The pick-up points on transports were announced

Way Forward

Public encouraged to fill up the questionnaires and given to the EPWP and the ward Councillors.

Closure

The meeting was closed with a prayer at 16h30

Public Participation event held on the 17 February 2023 in OR Tambo Hall in JB Marks Local Municipality

The MPAC had build-up programs where members of the public were workshopped on the Annual Reports. The build-up programs were planned from 15 to 17 February 2023, where on the 15th of February 2023 it was held at Kanana Mokati Hall, on 16 February 2023 it was held at Lebaleng in Wolmaransstad. The events did not have the envisioned turn over. Only several people had attended the meetings.

In JB Marks at Govern Mbeki Community Hall in Ikageng, there were no public members present in the meeting of the 17th of February 2023. The hall preparations had to be taken down and the MPAC had to leave after waiting for two and half hours. Please note that in all the areas it was raining during the events. There was no procurement for all the build-up programs.

It is against this background that the failure of the build-up program events is used as an example of what to expect at the public participation event of the 07th of March 2023. There is procurement of

transport and catering which was requested for the 07th of March 2023 by MPAC. To avoid and/or minimise wasteful expenditure, I therefore withdraw the catering request for the 07th of March 2023. However, the transportation by taxis was also procured for the event, considering the above challenges, it is therefore requested that the attached attendance register of public members be given to the taxi owners and/or drivers to be signed at point of collection, this will be used as proof of delivery. The SCM is further requested to ensure that although the request is for a certain number of people, communication is done with the taxi owners that they should avail taxi's one after the other that is when one taxi is full then the other can be called from their daily duties. This will avoid over supply of transport.

The Municipal Manager must also note that the intervention approved for utilizing the EPWPs to mobilize did not improve the attendance of the public member. Instead, it was worse as never had there been a public meeting of MPAC which was planned and cancelled due to no attendance of the public including the EPWPs.

PUBLIC PARTICIPATION EVENT HELD AT VENTERDORP IN TSHING EXT 5 JB MARKS LOCAL MUNICIPALITY

| No | Item |
|----|------|
|----|------|

| | |
|---|---------------------|
| 1 | Opening and welcome |
|---|---------------------|

The Chairperson opened the meeting by introducing himself and asking for a prayer with a candle lighting by Mrs. Nomthandazo.
After prayer, the Chairperson applauded the community to be on time.
The manager in the office of MPAC explained to the public how to feel up the questionnaires form.

Introduction

The Chairperson introduced himself and members of the MPAC and asked the executive and management to introduce themselves.
The executive and management introduced themselves with their portfolios.
The Chairperson further introduced the MPAC support staff.

Welcome by Speaker – Cllr Nxozana

- The Chairperson handed over to the Speaker Cllr Nxozana to welcome all who attended the event.
- The Speaker introduced himself as a Speaker of the Council of the DRKKDM and further mentioned that he stays in Tigane.

- The Speaker welcomed Single Whip, Acting Executive Mayor; MMCs; MPAC members; management, and officials who were present and the community at large.
- The Speaker mentioned that most of the time politicians talk too much but today public will be given the opportunity to ask questions.
- The Speaker welcomed all who attended the event and indicated that the gathering is for the public and only the public can protect or disrupt the gathering.
- He further apologized on behalf of the Executive Mayor and the Municipal Manager who was not present and further indicated that there are representatives that will answer all questions that will be asked by the public.
- Speaker further mentioned that the Executive Mayor and MM attended/ called for the higher structure for a meeting in Mahikeng.
- The Speaker welcomed all and thanked the public for availing themselves to attend the event.

Purpose of the meeting

1. The Chairperson outlined the purpose of the meeting as the scrutiny of the DRKKDM annual reports for both the parent municipality and the Economic Agency for the year ending 2021-2022 by the community to check how public funds have been utilized by the executive and the management.
2. The Chairperson further mentioned that he was from the local radio stations to explain the same process and explained where the public can access the reports as they are in the libraries and on the website of the municipality.
3. The Chairperson further explained that the sessions were held to prepare or explained how the public can read and ask questions on the reports through the MPAC build-up programs.
4. The Chairperson further mentioned that the manager in the office of MPAC explained to the public how to fill out the questionnaire forms.
5. Municipal Manager will answer all questions posed by the public.

6. The Chairperson outlined the program to the public on how it will fold.
7. The Chairperson further mentioned that the public will be given chance to ask questions after the presentation on the reports.
8. The Chairperson hand over to the Acting Executive Mayor to do a presentation on the keynote address on the annual report.

Clarity-seeking questions by the public

1. Presenters should mix the language to accommodate all.

Mr. Boikanyo

2. Mentioned that the process is not doing justice to public
3. The IDP of the local municipalities are not incredible as they have no chapters and now what about the district?
4. Not all who have access to the website and library
5. The SACP of Ventersdorp will not accept the document
6. He further mentioned that the messenger should deliver the message.
7. They want the Executive Mayor and MM to come and explain how they run their administration.

The Chairperson explained that the documents were sent to the libraries, and they are available on the website of the municipality

Mr. Bomba Matinyane raised the following

1. MPAC make public the rubber stampers
2. It is for the first time he sees the report.
3. The fact that there is a person who represents the Executive Mayor shows that there is no commitment.

The Acting Executive Mayor tried to do a presentation but failed due to the noise that the public made.

The Speaker

1. Admit and acknowledged that they hear the concern of the public.
2. The meeting is to be postponed for next week hence community have the documents plead with the community to go and familiarise themselves with the document
3. For the date of the next meeting MPAC Chair will be communicated with the community.
4. Public will assist to make a meeting to run smoothly

The meeting adjourned due to noise made by the public.

The meeting adjourned at 16h00.

The public were given the below questionnaire to fill out so that all may participate on the Oversight on the Annual Report. Since it was for the public, the performance was summarised according to their departments. The actual Annual Reports were put at the District and public libraries. The chairperson of the committee went on air to invite public to go through the document and to also participate when the ward Councillors gave members the questionnaires to fill out at home when unable to attend the public participation event.

Purpose of this newsletter questionnaire to conduct Oversight on the Annual Report. For the members of the public to participate on holding the executive and administration accountable during the 2021/22 Oversight process on the Annual Report you can fill out the following questionnaire:

THE DR KENNETH KAUNDA DISTRICT MUNICIPALITY (DRKKDM) AND THE DR KENNETH KAUNDA ECONOMIC AGENCY(DRKKEA) WHY

The Municipal Public Accounts Committee (MPAC) is a Committee of Council which holds the Executive and the Management accountable, it is established according to section 79(a) of the Municipal structures Act as amended in 2021.

Name _____ Municipal _____ Ward No _____ Contact Details _____

DR. KENNETH
KAUNDA
DISTRICT MUNICIPALITY



**PUBLIC
NOTICE**

| No | Question | Yes | No | Comment |
|----|--|-----|----|---------|
| 1. | Do you have access to both the Annual reports of the District municipality and Economic Agency at your nearest library | | | |
| 2. | Do you have information on the type of services which are provided by the District Municipality. | | | |
| 3. | Do you know the difference of services provided between the District Municipality & Local Municipality | | | |
| 4. | In your area how many SMME's that you know of which were assisted by the DED of the District? | | | |
| 5. | Are you aware of Jobs created through DED initiatives by the District Municipality? | | | |

| | | | | |
|-----|---|--|--|--|
| 6. | Are you aware of health inspections conducted on business premises around your area? | | | |
| 7. | Are you aware of any environmental awareness campaigns conducted around your area by the District Municipality? | | | |
| 8. | Do you know of any services provided by the office of the Executive Mayor of the District municipality? | | | |
| 9. | Are you aware of the educational financial assistance offered by the District Municipality? | | | |
| 10. | Do you know of any assistance that is provided by the Speaker's office District Municipality? | | | |
| 11. | Are you aware of the services which are provided Dr Kenneth Kaunda Economic Agency | | | |

12. How do you become aware of the DRKKDM advertised Jobs, Tenders. Public Notices and other services?
(a) Newspaper (b) Website (c) Word of mouth (d) None if none why? _____

13. If you visit the District Municipality Offices how often do you find the relevant official to assist you?
(a) Regularly (b) Sometimes (c) Never

14. Do you get feedback after the meeting with the relevant official as

promised (a) Yes (b) No
15. What is your general view of the Dr. Kenneth Kaunda District Municipality? (Comment)

Note. Where you see mark with an x ()

Closing date for written comments is on the 10 March 2023 ,

Written comments can be forwarded to our WhatsApp number (065 698 4429) or by email at admin@kaundadistrict.gov.za

DED - District Economic Development // LED - Local Economic Development

Dr Kenneth Kaunda District Municipality

Patmore Road, Civic Centre , Orkney . Tel: 018 467 8000

| No | YES | NO | INVALID |
|----|-----|-----|---------|
| 1 | 82 | 89 | 1 |
| 2 | 83 | 85 | 2 |
| 3 | 81 | 87 | 18 |
| 4 | 33 | 116 | 4 |
| 5 | 56 | 101 | 5 |
| 6 | 65 | 98 | 1 |
| 7 | 70 | 98 | 5 |
| 8 | 62 | 102 | 2 |
| 9 | 76 | 92 | 8 |
| 10 | 67 | 95 | 7 |
| 11 | 60 | 104 | 2 |

Public Comments

| Comments | name and surname | Town | ward | Contact |
|--|--------------------|-----------|----------|------------|
| City of MATLOSANA | | | | |
| We know nothing about annual reports because of MPAC tell us, We don't know nothing about service provision know nothing. | Magwego N | Matlosana | 26 | 0632646341 |
| No, I do not have any idea to say, the thing is we need jobs, the thing awa location need to the area but it is given the some sation individual | MARTHA MOLETE | MATLOSANE | 33 | 0631598459 |
| They are not fair to the communities | Lerato Mokoto | Matlosana | 11 | 0734979001 |
| To be visible to the community | Tshepo Meshack | Matlosana | 11 | 0638729547 |
| They must work hand in hand with the community and bring service delivery | Maria Motsapi | Matlosana | 11 | 063156610 |
| They should hire us as an unemployment people who need jobs to support our families | Mveledi Magayiyana | Matlosana | 9 | 0647376546 |
| District must do visits in our wards and teach us more | Samuel Morotolo | Matlosana | 11 | 0633436957 |
| The district must make community aware what service they offer to the community | Tebogo Mosethi | Matlosana | 11 | 06758790 |
| To please continue serving us as always, they are available and please avail permanent jobs for our youth | Kalane Mpho | Matlosana | 38 | 0748846602 |
| District must be visible to the community and teach us more | Disebo Tobosi | Matlosana | 11 | 0833399988 |
| Lack of communication | Queen Magwaza | | 38 | 0631852311 |
| Lack of communication | Dimakatso Mqhia | | 38 | 0781831301 |
| Create the jobs to our people | Gift Mere | | 11 | 0736524342 |
| The municipality is not transparent to the community | Zanele Ziyane | | 35 | 0768989613 |
| We should teach the community the difference between district and the municipality | Kelebogile Mdee | | 9 | |
| We as the residents, are not being taken seriously as they promised to give us water pumps and they have not delivered. | Mantwa | Matlosana | 35 | 0710751497 |
| The district must attend the area of Maquassie and view of Lebaleng | Anonymous | None | Non e | None |
| Improving services and creations of jobs | Lebogang | Matlosana | 9 | 0631167117 |

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| The district is moving our country forward as one nation | Dikeledi Coetzee | Matlosana | 18 | 0769453451 |
| We want jobs but there are no jobs | Mookie | Matlosana | 33 | |
| The district should create job opportunities | Serape Tshegofatso | Matlosana | 11 | 0717457129 |
| The district is so biased and practises favouritism | Johnny L Bolao | Matlosana | 9 | |
| The district should also consider people who are disabled when calling public meetings | Dikeledi Morake | Matlosana | 24 | 0781073306 |
| IT MUST BRING CHANGE AND CREATE MORE OPPORTUNITIES FOR OUR COMMUNITIES they must also invest more on the energy to the youth generation in mastering succession plan. Increase capacity on reporting back to the communities for their needs. Through local newspaper and booklets.it also needs more capacity to development, EPWP programmes back to school programmes and with basic services delivery need, then the district with long term IDP projects, where provides tools of trade for their companies and given seller tenders for their business, many shops are owned by foreigners of which they do not comply with environmental law and rules. BURSARY ALLOCATIONS, COMMUNITY BASED PLANNER, GRANT RELIEF FOR SMMEs in a form of work equipment | Councillor Sello | Matlosana | 30 | 0685822875 |
| The district helps the community most of the time | Molahlehi | Matlosana | 36 | 0723695155 |
| The municipality is doing good since I have joined politics | Thabiso | Matlosana | 20 | 0835671469 |
| The district is assisting a lot in our townships, and we applaud them with the work done | Victor Foboqe | Matlosana | 36 | 0845184072 |
| My view is that in politics it all goes about how you speak and promising better services I JUST KNOW WORKERS UNDER THE MUNICIPALITY | Zolisa Sithela | Matlosana | 9 | 0635761844 |
| They only hire ka sechomi and they do not alert us about any opportunity the meetings are not held or campaigns they also keep information way from us | Vuyo Sithole | Matlosana | 31 | 0744409832 |
| | Lesego Motsamai | Matlosana | 15 | 0838853818 |

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| It requires a lot of improvement particularly in relation to being touch with the people. It is too distant | John Sehuba | Matlosana | 15 | 0678004199 |
| The municipality promises people things and not come back with feedback to the people | Paulinah Qoloma | Matlosana | 38 | 0640672248 |
| They are doing their job correctly | Mathapelo Moliŋi | Matlosana | 1 | 0824776683 |
| MAQUASSIE HILLS | | | | |
| The district neglects MHLM, But the municipality are useless, none what so ever. | Madebo T.K | Maquassie Hills | 11 | 076 276 4081 |
| They only hire ka sechomi and they do not alert us about any opportunity the meetings are not held or campaigns they also keep information way from us | Karabo Monchonyane | Maquassie Hills | 11 | 060 565 2838 |
| No Comment | Goitsimodimo Leabae | Maquassie Hills | 11 | 073 556 8439 |
| No comment | Edwin Olebogeng | Maquassie Hills | 11 | 071 835 1192 |
| It is important because its watches over the community municipality work. | Leru Mookamedi | Maquassie Hills | 9 | 0 |
| No Comment | Lesego | Maquassie Hills | 9 | 0 |
| No Comment | Ompie | Maquassie Hills | 11 | 084 228 2929 |
| The District municipality must give us service delivery | Phomolo Makgabi | Maquassie Hills | 9 | 083 623 9043 |
| No comment | Tebogo | Maquassie Hills | 7 | 073 365 6393 |
| Provide work for the whole community, work with service provider and build a youth centre. | Ntshiwa Mota | Maquassie Hills | 9 | 078 688815 |
| No comment | Ofentse Mobitse | Maquassie Hills | 11 | 063 475 8485 |
| No Comment | Alex Lolwane | Maquassie Hills | 11 | |
| No comment | Bethel | Maquassie Hills | 11 | 0 |
| No comment | Hilda Rabotsho | Maquassie Hills | 11 | 083 875 0191 |
| No Comment | Dikeledi Mokhosi | Maquassie Hills | 11 | 065 683 8196 |
| But we are not appointed in everything, but in my location, there is no one assisting in anything | Mpho Sekadi | Maquassie Hills | 11 | 083558230 |
| JB MARKS | | | | |
| Poor service | Gadifele Mosenyegi | JB Marks | 33 | UNKNOWN |
| Poor services | Refiwe Mogwera | JB Marks | 33 | 0664315808 |
| Poor services | Mary Ngwato | JB Marks | 33 | 0739454430 |

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| Poor services | Evan Chokoka | JB Marks | 33 | 0710526413 |
| poor services | Licboth D | JB Marks | 33 | 0780141350 |
| poor services | Mantwa Mogapi | JB Marks | 33 | 0787344888 |
| Deal with Social Issues website updated at least once in a week | Thabo Mokwobo | JB Marks | 4 | 0726363430 |
| Poor services | Cathrine Piianyane | JB Marks | 33 | 0715839985 |
| Poor services | Precious Seboda | JB Marks | 33 | UNKNOWN |
| Poor services municipality do not care | Beni Letsoenyo | JB Marks | 20 | 0745472285 |
| To deploy us without wanting money or have sex with us, no access to annual reports, no information about the type of services provided by the District Municipality, we got assistance of containers from DED, no health inspections we eat rotten foods, no information about services provided by the office of the Executive Mayor of the District Municipality and Dr Kenneth Kaunda Economic Agency. | Boitumelo Sebakeng | JB Marks | 18 | 0651425489 |
| they do not take youth seriously, dumping sites as youth requested, no information about the type of services provided by the District Municipality. | Mowa Ntilale | JB Marks | 17 | 0640897369 |
| Batloge goja chelete ya molao ba e dirisetsa mabaka a bone .tlogelang mesebetsi ya short term le dire di long term | Maphefo tlotleng | JB Marks | 17 | 0715697504 |
| Sometimes when the community visit at the office they are not available especially MMC, no access to annual reports and information about the services provided by District Municipality. | Sanna | JB Marks | 17 | 0724185459 |
| They do not engage with the community | Suzen | JB Marks | 17 | 0715697504 |
| The information should be always available and spread at the local radio station | Masello Mfumba | JB Marks | 17 | 0723699616 |
| They are trying, no access to annual reports, poor services, not aware about DED assistance of the district, no business premisses and not aware about the services of the office of the Executive Mayor of the District Municipality. | Shirly Moloi | JB Marks | 33 | 0796311618 |

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| Transparency in our municipality | Elizabeth Mogale | JB Marks | 33 | |
| They are not contacting with us as they are residents | Emily Manzane | JB Marks | 33 | |
| They must open for all not for specific people, no information about annual reports of the District Municipality, not informed about DED assistance and not aware of health inspections conducted. | Tshepiso Motsime | JB Marks | 11 | 0791054631 |
| Ek dink as daar net vir julle voters service kan gee en nog jobs provide, wat ek dink isgullo geen nie om vir julle votepe. | Georgia Goliath | JB Marks | 13 | 0719467237 |
| Too many favours they hire by friends, no supportive | Dikeledi Mofokeng | JB Marks | 33 | 0656921414 |
| Poor service | Maria Kolars | JB Marks | 33 | 071641633 |
| to create more jobs for youth and woman | Thandi Mayenzani | JB Marks | 33 | 0784107881 |
| The do not recognise us as the youth | Dipuo Manyane | JB Marks | 2 | 0834468373 |
| I do not see why the reason for the meetings because we do not get the feedback | Moroesi Theko | JB Marks | 18 | 0663861683 |
| No service delivery our use tax money for their own benefits | Betty | JB Marks | 1 | 0640343335 |
| No service e.g., water and electricity roads with potholes, graveyards are dirty and no jobs | M.L Motshwadi | JB Marks | 1 | |
| NO SERVICE AND JOBS | Keorapetse selamole JB Marks | | 33 | 0635346229 |
| We have a problem about the service delivery and water sanitation and problem | Stephen | JB Marks | 29 | 0735077556 |
| Poor service | REGINA MERE | JB Marks | 33 | 0710985562 |
| The district should have more opportunities for us as SSME especially workshop funding for us to grow. Facilities, ART canter, Stadiums, should be built in all communities around DR KK municipalities and JB Marks. Poor library service, the DED of the District does not assist locally, and our businesses and the community does not know about the services provided by the office of the Executive Mayor if the District Municipality. | Barends | JB Marks | 13 | |
| Poor service and do not care at the community and lack of accountabilities. | Donaven | JB. Marks | 17 | 0835180201 |

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| We only see people working and they do not do anything. | | | | |
| The District municipality is not active in services delivery around the area I live in. No published annual reports, community does not know anything about services, no jobs, populated environment, no bursaries and do not know much about DKKEA | William Mosi | JB Marks | 33 | 0631587891 |
| There is no transparency in our municipality they use websites since will we do not have, no access to annual reports, no transparency from District Municipality about types of services, no assistance from DED, do not know about DED initiatives, no healthy inspections, no awareness about environmental campaigns and District Municipality services. | Thabo | JB Marks | 20 | 0788424281 |

14. 2021/22 PROJECTS SITE INSPECTION REPORTS
2020/21 PROJECTS SITE INSPECTION REPORT

| Project and date visited | Area / ward no | Department/Unit | Project status | Comments |
|--------------------------------------|--------------------------|-------------------------------|---|---|
| Dry sanitation toilets 09/02/2023 | Boskuil and Oersonskraal | LED (Planning) Infrastructure | <ol style="list-style-type: none"> 1. The committee visited the Boskuil and Oersonskraal villages to do site inspection on the dry sanitation toilets. 2. Mr Mosiane, the project coordinator from the district municipality indicated that | Some elements of the project are in the UIF&W register. The project should not have happened because the municipality deviated from the national development plan of providing sewer toilets as opposed to pit toilets Deviate from the government as need to provide sewer toilets |

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| | | | <p>the project started October 2020 with 100 units and the total is 160 units.</p> <p>3. The project is labour intensive</p> <p>4. 700ml – dig put plastic and put foundation and support structure and put panels</p> <p>5. Use powder product to put into the toilet so that the toilets can dry up and take away the manure.</p> <p>6. 20 people employed as general workers and they get a stipend of R2700 from the district and the supervisor is getting R5000.</p> <p>7. For the issue of fertilizer, the community is giving away fertilizer for free to the people</p> | <p>as opposed to pit toilets</p> <p>Going forward the municipality should provide what the community needs e.g. flushing toilets</p> <p>The committee found that there was no problem with water at the place as there was water in the taps</p> <p>1. The committee also was concerned that why is the District carrying daily to the place.</p> <p>2. In future need to provide what is needed.</p> <p>3. If it is water, they should deal with the problem of water</p> <p>4. Committee saw water that there is no water problem as indicated by the officials.</p> |
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| | | | <p>who need the fertilizer.</p> <p>8. Mr. Mosiane further indicated that the same dry sanitation project is operational at Oblate farm where people are appointed to service the toilets and when they are trying, they requested district transport to fetch manure.</p> <p>BUDGETING</p> <p>1. Committee wanted to know how much the project cost.</p> <p>2. Mr Mosiane indicated that the project went tender processing and does not have figures with him.</p> <p>3. Mr Mosiane indicated that they are partnering with Public Works and there were many</p> | <p>5. No maintenance</p> <p>6. Procured irregularly</p> <p>7. Lot of bricks bought according to the report and 1 toilet can us ±50 bricks.</p> <p>8. Committee think it is cheaper to build rather than to buy structure as they pay for transport and material.</p> <p>EPWP</p> <p>1. They did not have attendance registers that the employees feel every day at work.</p> <p>2. There are 32 employees.</p> <p>3. Every morning supervisor claim to check both 2 groups.</p> |
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| | | | <p>interruptions during the finalisation stage e.g., covid and the project took 2 to 3 years.</p> <ol style="list-style-type: none"> 4. Households are 320 and there are a lot of empty houses as most of the people are away - job hunting. 5. Mpho Trading Company appointed to provide material is from Orkney. 6. Buy low structure from Invory 7. Buy top structure from other company 8. The municipality erected the borehole. <p>Challenges</p> <ol style="list-style-type: none"> 1. Clinic comes once in 3 months. 2. Spend lot of money on transport to go | <ol style="list-style-type: none"> 4. EPWP follow under public works. <p>Recommendations</p> <ol style="list-style-type: none"> 1. Supervisor to develop the attendance register and make them sign every day. 2. If someone is not at work and claim to be sick must bring the Dr's sick note. 3. 2 Notebooks and pens needed. |
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| | | | <p>to Wolmaransstad or Makwassie to get a clinic.</p> <p>MPAC Chairperson asks the community to write down their challenges and send them to him via what's App. MPAC Chair promised to assist by mentioning that he will find out from the relevant office whether are they aware of the problem.</p> <p>EPWP</p> <p>The Chairperson introduced himself and the committee and outlined the duties of the committee and the purpose of what the committee is doing.</p> <p>The Supervisor requested to explain what they are doing at work, how many are they, at what time are they starting to work, lunch at what time and for how long, and at what time are they knocking off.</p> | |
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| Project visits and date | Area / ward no | Department | Responses | Comments |
|--------------------------------------|----------------|--------------------|--|--|
| 09/02/2023 Maquassie fire station | | Community Services | Starting to work at 07h00; lunch at 13h00 and knock off at 16h00. | <ol style="list-style-type: none"> 1. Building is not compliant 2. Painting in progress even though they indicated that the building is leaking. 3. There is no ventilation in the boardroom and no emergency exit. 4. There was food parcel in the server room and Mr Mofokeng mentioned that the remaining food parcels are for those who did not receive and are appearing of the list. 5. 1 food parcel cost ±R1000. 6. SCM need to deal with the mark-up. |
| | | | <p>Background process from Mr Mofokeng.</p> <ol style="list-style-type: none"> 1. Took over in 2015 fire station to district. 2. Left with Wolmaransstad fire station. 3. 25 volunteers from the beginning but left with 20 contract volunteers. 4. Place found dilapidated and still busy with the renovations. 5. Found doors not working from the handover of Maquassie and advertised 3 years ago. 6. Doors were not standardised as | |

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| | | | <p>they were replaced twice if not thrice. The maintenance of the door is very expensive</p> <p>7. The doors are expensive, the aluminium doors are cheaper, and they must go through the process of tendering and the process is still at bid committee.</p> <p>8. In 2 years ago before covid 19 ceiling was replaced as the status of the station was not in good condition by then.</p> <p>9. Last year in November 2022 the renovation was done.</p> <p>10. Isolation of roofing papers was then off before and after.</p> | <p>7. Price of food parcel will be verified with the current market.</p> <p>8. MMC to be informed with service providers as a person who is doing oversight in the department.</p> <p>9. Political head to do oversight to assist council.</p> <p>10. The expiry date needs to be checked all the time when buying.</p> <p>11. The department deviated from SCM procedures to purchase doors</p> <p>12. When there is loadshedding the phones goes off hence the community can only access the fire station when there is no loadshedding. The fire fighters use their personal phones mostly during loadshedding.</p> <p>13. They need a toolbox for small</p> |
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| | | | <p>11. Vehicle was utility but now 10 000 litres for rescue.</p> <p>12. Telephones are working 24hrs.</p> <p>13. The building is not meeting the standard of fire station.</p> <p>14. They need to establish sub-station satellite in Leeudoringstad and Makwassie needed</p> <p>15. MMC indicated that late last year there was a heavy storm, and the renovation were needed.</p> <p>16. The MMC mentioned that when she came in, she inspected the building and realised that it is not compliant with the standards required for a fire station.</p> | <p>repairs and a generator for load shedding.</p> <p>14. The committee requested the report of the renovations</p> <p>15. The committee will visit the station on the 10th of March 2023.</p> <p>16. There were also renovations done in the house in house number ext 13 and 10. The committee to visit those two houses.</p> <p>17. The department deviated from SCM procedures to purchase doors</p> <p>18. The committee requested the report of the renovations</p> <p>19. The committee will visit the station on the 10th of March 2023.</p> <p>20. There were also renovations done in the house in house number ext 13 and 10. The</p> |
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| | | | <p>17. SCM system failing as they took long and not stick to time frame.</p> <p>18. Some of the damages caused by poor workmanship and waiting for the report from the engineers.</p> <p>19. Building roof was leaking and the foil paper blanket covering the roof was removed.</p> <p>20. Painting in progress even though they indicated that the building is leaking.</p> <p>21. Company appointed with section 36 deviation.</p> <p>22. Committee promised to receive progress report after 1 month.</p> | <p>committee to visit those two houses.</p> |
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| Project visits and date | Area/ward no. | Department | Project status | Comments |
|--|---------------|--------------------|--|---|
| 09/02/2023 Reservoir Sedibeng water | Lebaleng ward | Corporate Services | <ol style="list-style-type: none"> 1. Sedibeng Water – reservoir is supplying water for the whole of Tsweleng. 2. The reservoir is big enough to cover most of the area. 3. There is no security. The asset falls under the Maquassie hills LM 4. Practitioners are testing water direct from the tap. 5. They follow the SANS standard for the collection of water samples <p>Challenges</p> <ol style="list-style-type: none"> 1. Shortage of staff 2. Battle to get chemicals and plastic bacteria 3. There is a procedure to be | <ol style="list-style-type: none"> 1. The portfolio committee to be given a comprehensive report on all points of testing so that in depth oversight can be done. the MMC committee that she will also avail the managers to go to the portfolio to explain the report 2. Reservoirs need to need maintenance regularly. The MMC said that should there be a challenge they also test directly from the tap 3. Security should be tightened 4. The committee concluded that |

| | | | <p>followed from the department of water affairs.</p> <ol style="list-style-type: none"> 4. Asbestos pipe - chemical might stuck on the pipes. 5. Sedibeng is responsible for safety of water. 6. Load shedding has caused supply problems. 7. Leakages, 8. There should be 1 EHP per 10 000 people in an area and as it stands now the District is not meeting the quota. | <p>they would visit the actual lab where testing takes place.</p> <ol style="list-style-type: none"> 5. The Sedibeng water also assist with water testing and sampling making them a referee and a player at the same time. |
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| Project visits and date | Area/ward no. | Department | Project status | Comments |
| 10/02/2023 Municipal building | Old Mutual building | Corporate Services | <ol style="list-style-type: none"> 1. Month-to-month contract. 2. The building burnt 3 times 3. Faulty wiring 4. No maintenance. 5. Struggling to find the owner of the building | <ol style="list-style-type: none"> 1. Old mutual no value for money • The contract should be terminated if need be. The plan to procure buildings were no |

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| | | | <p>but after he came to visit the municipality the building burned, and he raised concerns that it occurred after he had inspected the building.</p> <p>6. Owner not fixing the building</p> <p>7. Office space needed for the state condition of both buildings.</p> <p>8. The Director said that the funds were readily available for the procuring of the building for the office space in the previous year, but they could not buy, and they had to continue with the irregular expenditure as it was for the benefit of the District. The MMC said that</p> | <ul style="list-style-type: none"> • No list of requests for buildings <p>21. No consequence management for people who are not doing the job.</p> <p>22. Municipality needs to hold monthly rental until the owner fix the building</p> <p>23. Forensic report is needed to check what caused the fire.</p> <p>24. Lease increase but the building is deteriorating, is there any value for money?</p> <p>25. Lease agreement expired in 2021.</p> <p>26. Irregular expenditure</p> <p>27. Corporate services to compile a report through health occupational health.</p> <p>28. Need to advise council on the contract that expired 2 years ago.</p> |
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| | | | <p>some of the delays were SCM related and not from corporate department.</p> <p>Challenges</p> <ol style="list-style-type: none"> 1. Both offices are not in good condition. 2. When the tap leaks you should wait for Matlosana 3. Stairs injured people. 4. Irregular expenditure occurred for the benefit of the municipality. 5. Funds were readily available to buy land and, adjudication took place, the land was having many issues and the council decided that they are not going to that land. | <p>29. No contract currently as the one given to the committee had expired</p> <p>30. The R178 000 p/m is not beneficial to the municipality as it excludes repairs and maintenance</p> <p>31. If need be, the contract should be renegotiated</p> |
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| Project visits and date | Area/ward no. | Department | Project status | Comments |
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| Alphas ad paved road | | | 6. There are funds to buy buildings/ offices. | The committee could not go visit this site as the unit responsible was not there to take the committee through |
| Billboards | | | | The committee could not visit the site where the billboards were as there was inadequate communication with the unit responsible to take the committee through the site |
| 10/02/2023 Matlosana Building | Council Chamber | Corporate Services | <ol style="list-style-type: none"> 1. Experiencing dilapidated in the building. 2. Conditions are not conducive. 3. When is cold Chamber is extremely cold, when is hot chamber is extremely hot. 4. When people attend a meeting virtual others cannot hear properly. | <ol style="list-style-type: none"> 2. What the office of the Speaker does to ensure that Chamber is fully functional. 3. Go to tender to update the system. 4. Need to speed-up the process to ensure the municipality get the building. |

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| | | | <p>5. Fresh from covid but windows cannot, no air-con</p> <p>6. Contract started long ago in 2002, why cannot get a new lease for the new name, from the southern District to DRKKDM?</p> <p>7. According to MFMA contract cannot take more than 3 years.</p> <p>8. Experiencing structural challenges when replacing air cons.</p> <p>9. Machines of the air cons are no longer in the market.</p> <p>10. Matlosana cannot service any more as the model is outdated.</p> <p>11. IT mentioned that they affect the wiring.</p> | <p>5. There is no contract between the municipality and city of Matlosana</p> <p>6. There is no maintenance</p> |
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| | | | <p>12. On sound, the specification has been done and submitted to SCM last year.</p> <p>13. IT need to go to tender as they do not get relevant people locally.</p> <p>Challenge</p> <ul style="list-style-type: none"> • Outside companies do not bid when the scope of work is small. • Department need to club scope of work with other functions and submitted to SCM. <p>Back-up system</p> <p>1. There are three generators in disaster, 1 allocated to the district.</p> | |
| 10/02/2023 | Sports equipment | The Executive Mayor's office | | The committee postponed the visitation to the elderly teams they had |

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| | for the elderly | | | planned to go on 10/03/2023 but due to management and executive postponement request, the committee was unable to visit the site. |
| Project visits and date | Area/ward no. | Department | Project status | Comments |
| 10/02/2023 | DED | LED grants | The municipality is giving grants to businesspeople, and they end up being depended on the grant as some businesses has in the past been found not to be self-sustainable. | The committee visited the first business which is the egg and chicken project in kanana. The committee was concerned that the same business received a grant in the previous year and still there was no change as the business is still being run in a residential area as before. The second business which received the grant was the granite works business which manufactures tomb stones. The machinery purchased was not on site the owner said the business is prone to |

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| | | | | <p>house robberies and that has prompted him to keep some machineries at home. This was very question able to the committee as that on its own will hinder the business operations. The committee suggested that the business invest on securing the premises. The third business which received a grant was the tyre business in khuma. The committee raised a concern also as the business is run in residential area. The committee was concerned that the unit does not check basic requirements which has to be complied with for different business to function before issuing the grant. The committee recommended that those requirements should also be a requirement and a criterion when businesses are chosen to receive a</p> |
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| | | | | <p>grant. The environmental health unit also must be involved to check first if those businesses have compliant certificate relevant to the trade.</p> <p>The criteria used to select the grants receiver not stated</p> |
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15. MFMA SECTION 32 REPORT

Purpose

The purpose of the report is to recommend to Council after an MPAC investigation conducted regarding the UIF&W expenditure register.

Background

The financial misconduct board had referred a report to MPAC to investigate whether there was value for money. According to the Consequence Management and Accountability Framework: An MFMA Perspective of 2022 the MPAC should not be involved in municipal CMA except insofar as it may supply DBs with information on possible cases for investigation, and follow-up where recovery of funds is recommended. CMA should be a standing item on the agenda of MPAC meetings to facilitate these roles. To achieve that an understanding what is value for money must be outlined

Therefore, value for money is defined as

(a) means increasing output for the inputs used or minimising inputs used to attain the output or reducing the cost of inputs used to attain the output while maintaining quality and achieving the intended outcomes.

(b) in relation to a public-private partnership agreement, means the provision of the institutional function or the use of State property by a private party in terms of a public-private partnership

agreement which results in a net benefit to the relevant institution with respect to cost, price, quality, quantity, risk transfer or a combination thereof; or

(c) in relation to infrastructure, means the optimal use of resources to achieve intended outcomes.

(d) In terms of the public procurement bill a word or expression which is a derivative or other grammatical form of a word or expression defined in this Act, has a corresponding meaning unless the context indicates that another meaning is intended.

(e) value for money in terms of price, quality and delivery having regard to set specifications and criteria.

(d) the Loss Control Function or another relevant function confirms that no loss was incurred during the contravention of legislation

Discussion

The UIF&W investigation must provide the MPAC with at least

(a) root causes that led to the transgression.

(b) impact of the transgression.

(c) fraudulent, corrupt, or other criminal conduct.

(d) employee(s) responsible for the irregular expenditure;(The system of delegations to be used to know who is exactly responsible for what according to the SOPs).

(e) whether the department, constitutional institution or public entity suffered a loss.

(f) whether the matter must be referred to the South Africa Police Service; and

(g) any breakdowns in the designed internal controls and the impact thereof with emphasis of at which point did the transgression occurred.

Bearing the above in mind Section 32(5) of the MFMA should be considered and it emphasises that the writing off in terms of subsection Section 32 (2) of any unauthorised, irregular, or fruitless and wasteful expenditure as irrecoverable, is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this act relating to such unauthorised, irregular, or fruitless and wasteful expenditure. Therefore, the person liable as stated should go through disciplinary proceedings. Those written off should be taken to National Treasury for condonement. Therefore, the District should be able

to reduce the UIF&W due to the investigations conducted which revealed that there were some transactions which were declared under UIF&W, but which did not meet the definition as per MFMA. However, there should be a clear distinction only those where value for money was determined and consequence management were implemented can be written off and a process of requesting condonement has been started. Where there was no value for money it should not be recovered even with the implementation of consequence management.

Irregular expenditure referred to the South African Police Service, if the investigation conducted confirms that the irregular expenditure relates to fraudulent, corrupt, or other criminal conduct, the Accounting Officer or Council must, within seven days, ensure that a criminal charge is laid with the South African Police Service against the responsible employees.

The Accounting Officer must also inform the relevant member of executive committee, the relevant treasury and the Auditor-General within seven days after laying the above criminal charge.

Where criminal charges have been laid against an Accounting Officer the Executive Mayor must inform the relevant treasury and the Auditor-General within seven days after laying a criminal charge against the Accounting Officer or Council.

The irregular expenditure register must be updated with all the details of fraudulent, corrupt, and other criminal conduct reported to the South African Police Service using the MFMA as a checklist and lead schedule. The Accounting Officer or Council must, as a minimum, consider the following information when requesting condonation of irregular expenditure

- a. Confirmation that a determination test was conducted.
- b. findings and recommendations of the Loss Control Function or another relevant function that conducted the determination test.
- c. confirmation that internal investigations were conducted in cases of identified fraudulent, corrupt, or other criminal conduct.
- d. confirmation that a criminal charge has been laid in the case of alleged fraudulent, corrupt, or other criminal conduct.
- e. findings and recommendations of a functionary that conducted the investigation.
- f. confirmation that losses were not incurred and that value for money was achieved.
- g. confirmation that disciplinary action was taken against the responsible employee(s); and
- h. confirmation of remedial actions taken or being taken by the Accounting Officer or Council to prevent the recurrence of such irregular expenditure in similar circumstances.

The laws and regulations which directs how procurement should be done in municipalities can easily be taken as an impediment on service delivery however they are meant to be enablers of service delivery. They are meant to ensure openness, transparency, and value for money for all procurements. However, those interested on not applying ethics and integrity on SCM will find the regulations as an impediment which is not for service delivery but for personal gain.

The evaluated service delivery value of the contract done before the contract and at the end of the contract will assist for determining value for money. When a contract is not delivering services council was supposed to do oversight and pass resolutions to curb UIF&W

- a) Is the determination of value for money to the institution, this was done by checking all the documentations and site inspections where the goods were delivered. In an instant where services were provided, picture of the event, third party proof and signed registered were tallied to the expenditures. All these will be measures against the specifications and requests. Achieving value for money means that the District must define its requirements clearly and explain these in the tender to create certainty of what is exactly wanted.
- b) The second methodology was to determine if there was negligence and malicious intend by the liable person. For this part, the committee relied on the report from the Financial Misconduct Board and/or Disciplinary Committee. The process to identify and assess whether the UIF&W was due to fraud or error; design and check if the risk register was responsive to those risks. To check this, the committee will conduct one on one interview sessions with all employees who were involved per line item. The committee will further follow up with those individuals who were mentioned by witnesses during the interviews. The focus will also be on the risk of not detecting a material misstatement resulting from fraud which is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control as stated by the AG.
- c) The third methodology was to check the amounts if they were realistic, and market related. The committee had to verify the bids documents and price quotations and request a sample of the test of the market. This enabled the committee to know if there were unrealistic price variations. That portion where an over pricing could be proven would have been the recoverable amount should point a) and b) be met.

Findings

The AG who audited the contents of the register on page 159 paragraph 7,8 and 9 states that prior year matters have not been investigated which contradicts the fact that MPAC has sent reports to Council and council had resolved. On page 279 note 38 The MM also stated that

the fruitless expenditure was not conclude while the report was tabled in Council on 30 Nov 2017 where the R10 000 000 related to advance payment was recommended for recovery.

The deviations are not put in the municipal website for public scrutiny. Therefore, the UIF&W register should be put in the municipal website and should not be classified as confidential as this type of accountability will ensure reduction of services bought without any value for money to the institution.

The Accounting Officer did not monitor and evaluate that good quality projects are implemented in line with the amounts spent on those projects to ensure value for money.

| Item | Amount | Disciplinary Board recommendation | MPAC Findings | MPAC recommendation |
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| PK Financial consultants | <p>The UIF&W register submitted to the MPAC shows that there were amounts paid continuously to PK Financial Consultants in 2015/16 an aggregate amount of R3 549 037,38 In 2016/17 an aggregate amount of R1 140 657,38 in 2017/18 an aggregate amount of R 1 074 716,35</p> <p>The committee could not verify that the amounts were complete.</p> | <p>Financial misconduct has been established in terms of section 171(1) (a) and (b)</p> <ul style="list-style-type: none"> Since the individual is no longer in the employ of the District Municipality, we recommend that: <p>1.MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> <p>2.If instances of financial loss are established the former employees must be criminally charged.</p> | <ol style="list-style-type: none"> The report of the Disciplinary board did not state the amount which was investigated by the board The committee was not furnished with the SLA of PK Financial Consultants The terms which was agreed on could not be established by the committee How much vat was actually recovered by the consultants was not furnished to the committee The skills gap analysis report which determined that no one was in the employ of the district who can perform the function was not furnished to the committee The register submitted to the committee does not show persons liable The board report does not state whether the municipality attempted to recover the monies | <p>1. Therefore, value for money could not be determined by the MPAC</p> <p>2. The committee further agrees with the disciplinary board that financial misconduct has been established and since value for money could not be determined the implicated former employees must be criminally charged</p> <p>3. That the systems of delegations be used to determine persons liable from the beginning of the procurement to the delivery of the services.</p> <p>4. The committee could not satisfy themselves that the amounts in the UIF&W register were complete as no invoices pertaining to the expenditures were furnished to the committee after requests were done over several years.</p> |

before recommending to the MPAC

9. The UJF&W as referred to MPAC lacked legal report of the District Municipality which outlines the legal implications associated with the recommendations made to the MPAC and Council of all possible solutions which have legal implications. This proves that the MM did not satisfy himself/herself with all processes as prescribed by the MFMA before referring the matters.

10. The reports as referred to MPAC lacked financial implication report which will advise Council and the council committee (MPAC) on all financial implications which will be possibly incurred by the implementation of the recommendations.

11. Therefore, the committee concluded that the statements made during

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| | | | <p>interviews that cost benefit analysis associated with opening the cases is a mere assumption as on page 271 the contingent liability register does not support the claim.</p> <p>12. Council specifically stated that the committee should source professional advice on matters which needs to be clarified. Currently MPAC is advised by COGTA, AG, SALGA and Treasury on matters which needs professional services however when MPAC tables the report to Council there were still dissatisfaction.</p> | |
| Dipheto go Trading | | <ul style="list-style-type: none"> Financial misconduct has been established in terms of section 17(1)(a) &(b) Since the individuals are no longer at the employ of the District Municipality, we recommend that: <ol style="list-style-type: none"> MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. If instance of financial losses are established the former employee must be criminally charged. | <ol style="list-style-type: none"> The committee was not furnished with documents pertaining to the appointment of Dipheto go trading Reasons which compelled the District to deviate were not articulated to support the amount spent. Without the SLA the committee could not validate | <ol style="list-style-type: none"> MPAC could not establish whether there was value for money Therefore all who were liable for the procurement should be criminally charged for financial misconduct. Noting the MFMA sec 32(2) The writing off in terms of subsection of any unauthorised, irregular, or fruitless and wasteful expenditure as irrecoverable, is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating |

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| | <p>whether what was procured was indeed delivered as one method was to verify delivery notes and invoices by comparing with the SLA.</p> | <p>to such unauthorised, irregular, or fruitless and wasteful expenditure. (6) The accounting officer must report to the South African Police Service all cases of alleged- (a) irregular expenditure that constitute a criminal offence; and (b) theft and fraud that occurred in the municipality. (7) The council of a municipality must take all reasonable steps to ensure that all cases referred to in subsection (6) are reported to the South African Police Service if- (a) the charge is against the accounting officer; or (b) the accounting officer fails to comply with that subsection. (8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168.</p> | <p>3. National Archives Act 43 of 1996 Any person who wilfully damages, removes, destroys, or erases any public or non-public record in the control of a governmental body; otherwise, in accordance with the National Archives Act or any other law, shall be guilty of an offence and liable on conviction to a fine or imprisonment for a period not exceeding two years or both such fine and imprisonment.</p> <p>1. There was no value for money for the BCX procurement as the municipality is still not mSCOA compliant 2. The municipality has suffered financial loss as the parts of non-compliance on mSCOA still needs to be considered 3. All persons liable for the procurement must be criminally charged including current employees who negligently continued to authorize the use of an expired contract.</p> |
| <p>Business Connexion LTD</p> | <p>5. BCX has been paid over a number of years since 2016/17 and the reason for deviation was not clearly articulated which will substantiate circumstances which</p> | <p>Financial misconduct has been established in terms of section 171(1)(a) &(b)</p> <ul style="list-style-type: none"> Since both the individuals are no longer at the employ of the District Municipality, we recommend that: <p>3. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> <p>4. If instance of financial losses are established the former employee must be criminally charged.</p> | <p>5. BCX has been paid over a number of years since 2016/17 and the reason for deviation was not clearly articulated which will substantiate circumstances which</p> |

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| | | | <p>led to the District deviating.</p> <p>6. No competitive bidding was done making it difficult for MPAC to know the correct market price at appointment. The MM did not furnish any information which informed him/her at point of approval that the price approved was beneficial to the District and that the amount will not lead the municipality to financial loss.</p> <p>7. The municipality is not fully mSCOA compliant</p> <p>8. The MM did not submit any proof to the committee outlining that MFMA 62. (1) was implemented by him / her prior to sending the report to MPAC. MFMA 62(1) states that the accounting officer of a municipality is responsible for managing the financial</p> |
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| | | <p>administration of the municipality and must for this purpose take all reasonable steps to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15. Criminal charges are not only instituted when there was financial loss to the institution. The establishment of financial misconduct according to the above sections sanctions charges instituted.</p> | <p>1. Value for money could not be established 2. Financial loss could not be established by the committee 3. All persons liable for the expenditure should be criminally charged including all employees who negligently procured on an expired contract</p> |
| | | <p>administration of the municipality and must for this purpose take all reasonable steps to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15. Criminal charges are not only instituted when there was financial loss to the institution. The establishment of financial misconduct according to the above sections sanctions charges instituted.</p> | <p>1. The committee was not furnished with the SLA to determine if what was agreed on was implemented. This would enable the committee to know the initial agreed terms.</p> |
| Sebata Holdings | | <p>Financial misconduct has been established in terms of section 171(1)(a) &(b)</p> <ul style="list-style-type: none"> Since the former Accounting Officer is no longer at the employ of the District Municipality, we recommend that: <p>1. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> | |

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| Samsung NW-Telecoms | | <p>2. If instance of financial losses are established the former employee must be criminally charged.</p> <p>3. We further recommend that the Head of user Department, i.e., Mr S Mphutni be subjected to a disciplinary process for the role he played in the process.</p> | <p>2. The committee were not furnished with all invoices which was ever paid to Sebata over the years nor was the committee given proof that before payment were made management satisfied themselves that delivery was made in all instances.</p> | |
| Samsung NW-Telecoms | <ul style="list-style-type: none"> Financial misconduct has been established in terms of section 171(1)(a) &(b) We recommend that: <ol style="list-style-type: none"> Both the Accounting Officer and the Head of User department, be subjected to a disciplinary process. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. | <p>1. The extension of the contract from 2014 was irregular. The committee did not receive the original contract to determine if the initial contract was irregular as well.</p> <p>2. The contract extension is in violation to MFMA sec 116(3)(a)(b) and (C). 3. NW Telecoms trading as Samsung had benefited unduly on the irregular contract. 4. In line with PPPFA the term of the contract may be extended for a further 3 months and the contract went on for over 8 years unduly</p> <p>5. The accounting officer failed to conduct due diligence on the contract 6. The committee found that there is a gap in information from 2014 to 2018</p> | <p>1. There should be consequence management on the responsible officials who did not implement previous Council resolution number A.108/03/2019 "number 12. The committee does not recommend the writing off, of the month-to-month contracts. Number 13. The municipality should not get into the month-to month contracts, all existing services which are on month-to-month should be advertised and the procurement of services with a legal service level agreement should done."</p> <p>2. Failure for implementation of the above recommendation has seen the municipal UJF&W register growing. The previous EM and the MM failed to implement the council resolution. 3. The Accounting Officer to determine if the services are still needed.</p> <p>4. Proper procurement processes must be followed to ensure service delivery within three months to allow for the legislated tender process to unfold</p> <p>5. The have benefiting unduly, therefore, the contract should be terminated</p> <p>6. The amount is not recommended for writing off.</p> | <p>Samsung (resolved by council on 24 November 2022 resolution number ITEM A.278/11/2022)</p> |

7. The item should be referred for criminal investigation

within the UJ&W register as the contract is recorded as irregular from 2018 and not 2014. The SCM report which served in Council dated 29 July 2022 does not recognize the contract together with the irregular contracts, but it is listed as one of the valid contracts which are on a month-to-month contract. 7. The committee found that there were multiple contracts entered into with Samsung with various names. NorthWest telecoms trading as Samsung, Sasfin, Sunlyn (PTY)td 8. There are multiple addresses for the company e.g., Hancock str 26 Wilkopies Klerksdorp 2570, 79b Siddle str Klerksdorp cheq 2570, Malherbe Str 3 la Hoff Klerksdorp, c/o lan & Odendaal str shop no 6 la Hoff Klerksdorp. The postal address is PO Box 3429 Freemanville Klerksdorp 9. The original contract which stipulates the whole terms of reference and what was purchased could not be

furnished to the committee in order to determine value for money as recommended by the financial misconduct board. 10. The submitted contract was signed by Ms. Matlakala Mathews on 14/05/2015. This contract was between DRKKDM and Sunlyn and was for 60 months only. The agreed monthly payment was R 3129.30 which was way less than what the municipality was paying as seen on the submitted invoices. The delivery notes where the rented goods must be signed as delivered were not signed. 11. The company is a level 4 BBBEE contributor. The tender documents were not given to the committee so that the committee may verify if the company met the requirements of the BBBEE level requirements of the tender. 12. The extension letter states that the month-to-month will be for the Disaster centre and Orkney VaIP. However, there were payments for maintenance.

Potchefstroom, Ventersdorp, and Maquassie which was not in line with the signed month-to-month agreement. 13. Information given to the committee were showing amounts paid and invoices. However, how proof of services rendered which proves verification of services received was not given to the committee in full. This would enable the committee to determine a value for money for the entire contract. 14. There were different amounts charged for the same quantities of VoIP minutes used e.g., on invoice 17719 it was R686,75, and on invoice number 17399 R16410,34. For the maintenance and VoIP expenditures, the intern expenditure Ms. Lepholletse and Mr. September are the only two people who signed that the services were delivered according to the contract and at a fair price. The space where the CFO had to sign and certify the information as correct is not signed.

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| Telkom | <ul style="list-style-type: none"> Financial misconduct has been established in terms of section 171(1)(a) &(b) We recommend that <ol style="list-style-type: none"> Both the Accounting Officer and the Head of User department, be subjected to a disciplinary process. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. | <ol style="list-style-type: none"> It was impractical for the committee to determine value money as the calls could not be determined if they were for the District or for personal calls. Therefore, this has prompted the committee to conclude that management did not ensure that fruitless expenditure is not incurred by the District on the calls made. The committee could not determine the differences of services offered by Samsung and Telkom The committee did not receive the initial contract which stipulates the terms and amounts of the SLA | <ol style="list-style-type: none"> The committee could not determine if there was value for money therefore financial loss could not be determined. The telephones should be pin driven with a limit for employees according to their employment levels. All the Accounting Officers (substantive and/or Acting) and the Head of User departments, be subjected to a disciplinary process. All officials who have a responsibility in the procurement process should be taken for disciplinary processes (duties are segregated). The item should be referred for criminal investigation |
| Saetec trading/ sharp | <ul style="list-style-type: none"> Financial misconduct has been established in terms of section 171(1)(a) &(b) We recommend that: <ol style="list-style-type: none"> Both the Accounting Officer and the Head of User department, be subjected to a disciplinary process. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. | <ol style="list-style-type: none"> The committee could not determine if there was value for money therefore financial could not be determined No information was given to the committee with regards to the expenditures | <ol style="list-style-type: none"> Both the Accounting Officer and the Head of User department, be subjected to a disciplinary process. The item should be referred for criminal investigation |
| Ndiela data (PTY) LTD | <ul style="list-style-type: none"> Financial Misconduct Board is of the view that there is no irregular expenditure incurred as the committee was properly constituted | <ol style="list-style-type: none"> The committee did not receive the information to verify and certify according to | <ol style="list-style-type: none"> The related invoices, SLA, appointment and acceptance letter proof of delivery and the bid committee reports to be submitted to committee. |

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| Pono security services | <p>1. We recommend that the Council remove the items from the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Register and the related disclosure note in the Annual Financial Statements.</p> <ul style="list-style-type: none"> The Financial misconduct Board is of the view that irregular expenditure was actually incurred as the committee was not properly constituted and the former Accounting Officer failed to appoint competent officials to act in the two vacant Senior Management position Since the individual is no longer at employ of the District Municipality, we recommend that <ol style="list-style-type: none"> MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. If instance of financial loss is established the former employee must be criminally charged. | sec 92 of MFMA before making recommendation to council | <p>1. The management report of 2020/2021 to be used for further investigations.</p> <p>1. The related invoices, SLA, appointment and acceptance letter proof of delivery and the bid committee reports to be submitted to committee.</p> |
| Naiko engineers & projects | <ul style="list-style-type: none"> The Financial misconduct Board is of the view that irregular expenditure was actually incurred as the committee was not properly constituted and the former Accounting Officer failed to appoint competent officials to act in the two vacant Senior Management position Since the individual is no longer at employ of the District Municipality, we recommend that <ol style="list-style-type: none"> MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract. If instance of financial loss is established the former employee must be criminally charged. <p>1. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> <p>2.If instance of financial loss is established the former employee must be criminally charged.</p> | 1. The committee did not receive the related information to make recommendation. | 1. The related invoices, SLA, appointment and acceptance letter proof of delivery and the bid committee reports. |
| Hope send trading projects | <p>1. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> <p>2.If instance of financial loss is established the former employee must be criminally charged.</p> <ul style="list-style-type: none"> Financial Misconduct Board is of the view that there is no irregular expenditure incurred as the committee was properly constituted | 1. The committee did not receive the information in order to verify and certify according | 1. The related invoices, SLA, appointment and acceptance letter proof of delivery and the bid committee reports to be submitted to committee.. |

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| Movundlela consulting | | <p>1. We recommend that the Council remove the items from the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Register and the related disclosure note in the Annual Financial Statements.</p> <ul style="list-style-type: none"> The Financial misconduct Board is of the view that irregular expenditure was actually incurred as the BEC did not follow the approved evaluation criteria and the BAC did not apply themselves to the BEC report and approved the specifications Since the individual is no longer in the employ of the District Municipality, we recommend that <p>1. MPAC must establish whether there were instances of financial loss to the Municipality and whether there was value for money from the service provided through the contract.</p> <p>2. If instance of financial losses is established the former employee must be criminally charged.</p> | to sec 32 of MFMA before making recommendation to council | <p>1. The MPAC recommends that members of the bid committee be subjected to disciplinary processes.</p> <p>2. The committee could not determine how much was raised by the service provide and what was the money used for. Hence financial gain could not be determined.</p> <p>3. All persons responsible for the irregular expenditure should be held liable. The MM should follow all process of financial misconduct for all employees and former employees liable.</p> |
| Assets | | | <p>1. The committee could not determine how much was raised by the service provide and what was the money used for.</p> <p>2. The dominant intention of the Financial Misconduct Regulations is to facilitate discipline and if necessary, criminal action against the office bearers and officials of municipalities and the municipal entities who are guilty of financial misconduct to ensure efficient utilisation of public resources and, ultimately, delivery of services to residents.</p> | <p>1. Awaiting the financial misconduct board report to be finalised</p> |

Conclusion according to the Consequence Management and Accountability Framework: An MFMA Perspective of 2022

In terms of section 32 (2) of the MFMA, a municipality is obliged to recover UJF&W expenditure. To the extent that the financial misconduct or offence has occasioned loss, efforts should be made to recover those losses through the municipality's debt collection policy. It is the responsibility of the MPAC) to exercise oversight in relation to those efforts. Only after investigation by a council committee indicating that it is irrecoverable,

can the loss be written off after certification by the council. The recoverability required the MPACs to have access to records which the Executive admitted in the interviews that they do not have. In cases where a criminal conviction is obtained in connection with the loss, Section 300 of the Criminal Procedure Act (which makes provision for victim compensation) may be of assistance to the municipality. The suspension of the whole or part of a jail sentence on condition of repayment is a powerful tool for recovering loss resulting from criminality. It is often far more effective than civil remedies since ill-gotten gains are relatively easy to hide. It is therefore advisable that the municipality interacts with the relevant representative of the NPA about the possibility of the sentence being suspended in whole or in part on condition that the losses are repaid. The municipality should also initiate civil proceedings to recover public funds.

The issue of monitoring and reporting of financial misconduct is articulated in the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The COGTA directive referred to is Municipal Integrity Management Framework of October 2015. This states that "the municipality must create trusted avenues for residents / community members to report corruption or suspicions of corruption. Such avenues may include the use of ombudsmen / integrity commissioners." It also states that "the MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 (s17) specifies that the community must be made aware of confidential reporting procedures in relevant media. Regulation 14 of the Financial Misconduct Regulation requires municipalities to prepare an information document on any alleged financial misconduct or offence stating: Name and position of person alleged to be involved; Summary of facts; Monetary amount involved; Disciplinary steps taken or to be taken; If no disciplinary steps are taken, the reason for this decision; Case number issued by SAPS if it is a financial offence; Steps taken to recover unauthorized, irregular or fruitless and wasteful expenditure. It must be emphasised that it is a criminal offence in terms of PRECCA for an official, in a position of authority (as contemplated in the Act) and who is (or ought reasonably to be) aware of financial wrongdoing within the municipality not to report this to the relevant authorities.

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1. End of the UIF&W report

16. CONCLUSION

The Oversight process started on the 1st of February 2023 after the noting of the Annual Report and the adopted Oversight Process was implemented. The report was compiled and adopted by MPAC.

17. ATTACHMENTS

- 17.2. Annexure A- All agendas related to Oversight process
- 17.1. Annexure B- All minutes related to Oversight process.
- 17.3. Annexure C- All attendance registers related to Oversight process
- 17.4. Annexure D- Publicity statement on the Annual Report
- 17.5. Annexure E- All invitations and adverts related to Oversight report
- 17.6. Annexure F- Management responses to MPAC questions