

SCM Regulation 32. Management will engage the previous management to acquire more clarity so that a comprehensive response can be provided to MPAC.

- Please provide a detailed report of the funds sourced by PK Consulting the report should detail what the funds recovered were used for.

MANAGEMENT RESPONSE:

For the period of three financial years since 2015/16 to 2017/18, the municipality has spent R5.7 Million, kindly refer to the Irregular Expenditure register attached for more details.

- Was there an SLA between Maarifa and the funding opportunities companies? What was purchased with the sourced funds?

Yes, there was an SLA between Maarifa and SEFA (See attached). Maarifa Secondary Co-operative Ltd representing eight (8) primary co-operatives had raised a loan facility with the Small Enterprise Finance Agency (Sefa) with the assistance of a Transactional Advisor appointed by the Dr Kenneth Kaunda District in 2015.

An amount of R25 million was approved by Sefa on the 29 September 2015 to procure a baling machine, conveyor, moveable assets for the solid waste recycling project. The Dr. Kenneth Kaunda District Municipality also put aside R6.2 million specifically towards the renovation of the existing site at the Klerksdorp Land fill site. Subsequent thereto, Sefa approved additional non-refundable R1 233, 237, 75 for the procurement of waste management accounting and supply chain systems and software's.

The list of assets included the following:

ITEM	AMOUNT	COMMENTS
1 x Balling Machine	R8 976, 892, 16	—
1 x Weighbridge	R2 000, 000, 00	—
1 x Mitsubishi Fuso Truck	R 622 000, 00	—
1 x Baoli Forklift	R 313 044, 00	—
1 x Bottle Crusher	R 199 000, 00	—
6 x Scales	R 70 000, 00	—
1 x Desktop Computer (Cashier)	R 4000, 00	—
2 x HP Printers	R 4 000, 00	1 x Printer with CEO
1 x Laptop	R 12 000, 00	1 x Laptop with CEO

1 x Laptop	R 5 000, 00	1 x Laptop with Board Secretary
1 x Wi-Fi Router	R 2 500, 00	–
Software and Computer for weighbridge	R 18 000, 00	–
Installation Costs for Balling Machine	R 549 000, 00	Site installation
Total value of assets	R12 796,392, 16	

5. Who drafts the SLA of the district and who reviews them and who negotiates the terms of the SLAs.

MANAGEMENT RESPONSE:

Every department in conjunction with Corporate Support Services Legal unit are involved.

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.

MANAGEMENT RESPONSE:

The Accounting Officer in the first meeting with Senior Managers/Managers/Acting Managers of Monday, 01st August 2022, agreed that all Departments must have service level agreements/SLA's/contracts monitored and hundred and twenty (120) days prior expiry of such SLA's prepared the terms of reference to ensure timely advertisement through the Supply Cahin Management Process (SCMP).

All payments that are authorized by the Municipal Manager request that the end-user should provide proof that tenders were invited and unfortunately were non-responsive.

The Department to proof that the process has been restarted and failure will lead to consequences management.

COMMUNITY SERVICES

1. Who performs tests of the quality of underground water? Is it paid by the municipality?

MANAGEMENT RESPONSE:

- Water sampling function is performed by the District Environmental Health Practitioners (EHPs) from the Unit: Municipal Health Services (MHS).
 - Samples are collected from the community that is using boreholes and analysed by the laboratory.
 - Yes, water tests are paid by the District 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.

MANAGEMENT RESPONSE:

- Collected water control samples from the City of Matlosana are taken to different accredited laboratories in the District, this includes Envirocare and Midvaal Laboratories.
- Laboratory services are independent from bulk provision and are always fair.
- Drinking water sampling involves collection of samples at different points of consumption on a monthly basis and taken to an accredited laboratory for analysis (*See attached Matlosana sample results and non-compliance letter as Annexure A*).

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?

MANAGEMENT RESPONSE:

- All Departmental by-laws are currently under review and the draft by-laws have been tabled and approved by Council for further consultation.
- The review started with the internal Councillors workshop in 2022, and public participation process is underway, where relevant stakeholders will be engaged. Stakeholders includes small business owners like tuckshops, major retailers, government departments, Non-Governmental Organisations (NGOs and *others*).

3.2 Are all by-laws effectively being enforced in the Municipality?

MANAGEMENT RESPONSE:

- a. The current by-laws have limited authority for enforcement hence the review. These include old tariffs which are currently under review.

3.3 If not, which by-laws are not actively being enforced and why?

MANAGEMENT RESPONSE:

- a. Municipal Health Services (MHS) by-laws are all enforced except for the fine systems.
- b. Fine schedules need to be submitted to Magistrates in all the local courts for approval.
- c. Service Level Agreements (SLAs) must be entered into with local magistrate courts on the fine collection.

3.4 What is the revenue generated through the various by-law enforcement activities?

MANAGEMENT RESPONSE:

- a. The following Municipal Health Services (MHS) licence fees amount was generated in the period July 2021 – June 2022- R341 056.01.
- b. Licence fees are tariffs charged to different business owners for the services of inspections and certification e.g. Food premises, creches, funeral undertakers, guest houses, etc.

4. What are the challenges relating to water sample testing which has led to irregular expenditures.

MANAGEMENT RESPONSE:

- a. A public tender for procurement of a suitable service provider/s to serve in the panel of the municipality was advertised in 2021/2022 Financial Year - and was evaluated, but no bidders were responsive.
- b. Another advertisement was done, but still, all service providers are non-responsive, according to the report from the Bid Evaluation Committee (BEC).

5. Please provide the committee with a comprehensive report outlining the last quarter damages caused by a hailstorm in Wolmaransstad.

MANAGEMENT RESPONSE:

5.1 The full detailed report of the hail storm report of by the DRMC is available and has already been submitted to the manager MPAC and attached as annexure "B".

5.2 The detail report of fire station structural assessments by structural engineers is available and has been submitted to the Manager MPAC and attached as annexure "C"

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?

MANAGEMENT RESPONSE:

No, the Dr Kenneth Kaunda District Municipality is currently undergoing a job evaluation process which informs the job descriptions to be developed.

The Municipal Manager and Senior Manager Corporate Support Services and ICT, are currently packaging the information of all job descriptions signed by the employee, organised labour representative, supervisor, senior managers and municipal manager.

2. Have all staff signed performance agreements? If not, why not?

MANAGEMENT RESPONSE:

Currently the Municipal Manager and five (5) Senior Managers have signed performance agreement, the reason being the performance management system has not been cascaded to lower levels.

3. Have performance reviews been instituted? If not, why not?

MANAGEMENT RESPONSE:

Partially, the PMS has not been cascaded to lower levels therefore it is only instituted to Senior Managers who get assessed on a quarterly basis as required by the Systems Act.

4. Please provide the committee with the job evaluation report.

MANAGEMENT RESPONSE:

The Job Evaluation is yet to be tabled to Council for adoption.

5. How many staff members are on suspension and for how long? Please relate your responses to page 191 of the AR.

MANAGEMENT RESPONSE:

Currently 2 staff members are on suspension and it's only a month that they have been suspended by the Municipality.

6. How many suspensions exceed the time limits as provided for in the policies?

MANAGEMENT RESPONSE:

The suspension of the current two employees is still within the time limits.

7. Should there be staff members who are on suspension for longer than the policy provides for - Why?

MANAGEMENT RESPONSE:

We do not have any employees on suspension longer than the policy requires at the moment.

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.

MANAGEMENT RESPONSE:

The forensic report is attached herewith as requested. see Annexure: "CSS1" and "CSS2"

9. What is the value of salaries that are being paid to staff on suspension?

MANAGEMENT RESPONSE:

Currently there are two (2) employees who are on suspension. Below is the value of their salaries;

Employee 1:

Ndengeza NJ

Gross Salary per month:

R62 393.97

Employee 2:

Nazo MS

Gross Salary per month:

R39 349.00

The value of salaries being paid to staff on suspension is R101 742.91 which is a gross salary of both employees.

10. At what stage are the disciplinary processes / investigations against the officials currently on suspension?

MANAGEMENT RESPONSE:

The process is at investigation stage. Investigators Erasmus Jooste Incorporated are appointed and the process is still within the initial three months period provided for in the collective agreement.

11. What measures are in place to ensure that disciplinary processes / investigations are finalized without delay?

MANAGEMENT RESPONSE:

The disciplinary matters are presently ongoing. The process is in the hands of the Chairperson and the parties. Unfortunately, the municipality as a party to the proceedings cannot force the proceedings to just get to finality without adhering to other processes such as *interlocutory* applications (process within a process such as request for further particulars and raising of points *in limine*) that unfold. However, on our initiators we do put pressure to have matters resolved. Once the chairperson is appointed it is no longer in the hands of the Municipality and the Municipality should not be seen interfering with processes of the chairperson.

12. How many contract staff have fixed term contracts with the municipality?

MANAGEMENT RESPONSE:

There are 20 temporary political office bearers who are appointed. In addition, there are 4 contract workers appointed in various Departments for a duration of three months. Lastly there are 5 BTO FMG interns appointed on a 3 months duration.

Thus its 29 staff members appointed on a contract basis

263 EPWP

100 CBP

6 TECHNICAL SERVICES FOOD CONTAMINATION WORKERS

13. How many contract staff were employed on month-to-month contracts?

MANAGEMENT RESPONSE:

None.

14. What is the monthly wage bill for all contract staff currently employed by the municipality?

MANAGEMENT RESPONSE:

19 Temporary Political Office Bearers

Gross Salary per month: R618 836.48

5 BTO FMG Interns

Gross Salary per month: R86 910.00

Therefore, the wage bill of the contract staff members amounts to R705 746.48

15. What steps have been taken to ensure adequate ICT security in the organization?

MANAGEMENT RESPONSE:

➤ **New Active Directory (AD) implemented and configured.**

The IT Unit upgraded the previous version of Windows 2003 to the latest version, i.e.

Windows Server 2019. As a result, the Active Directory was also updated in the process.

The Active Directory is a directory service created by Microsoft to manage user access and permissions to resources on a network. Security features are integrated into the Active Directory to ensure the protection of the network and its resources from unauthorized access or attacks.

AD provides authentication and authorization services, which help to ensure that only authorized DRKKDM users have access to network resources.

The AD allows administrators to set password policies that enforce strong passwords and prevent users from using weak or easily guessable passwords. Password policies can be

configured to require a minimum length, complexity, and expiration period after which the users will be prompted to change their existing password.

AD allows administrators to assign roles and permissions to users and groups, which can help to control access to network resources based on the user's role or job function.

➤ **Upgraded Firewall**

A firewall is connected to the municipality's network infrastructure. The firewall monitors and controls incoming and outgoing network traffic based on predetermined security rules. Its security features include packet filtering, network address translation, and intrusion detection and prevention.

➤ **Kaspersky Endpoint Business (Advanced) Antivirus installed on the servers and client computers**

The antivirus software provides real-time protection against viruses, malware, and other types of online threats. It uses various security features such as virus scanning, firewalls, and

intrusion detection systems to prevent attacks on your system. The antivirus software also updates regularly to stay up-to-date with the latest threats and provide better protection for your device.

➤ **Absolute software installed and activated on laptops that were procured from the current computer and software service provider.**

Absolute Software provides a range of security features that can help protect your data and devices from theft or loss. Security features include remote locking, wiping, and tracking of devices, as well as alerts and reports to help you stay informed about potential security threats.

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.

MANAGEMENT RESPONSE:

List of panel of attorneys

Lizel Venter Attorneys

Modau Netshipise Attorneys

Erasmus Jooste Incorporated

M E Matlou Attorneys Incorporated

Phambane Mokone Incorporated

Imraan Kaka Attorneys

Modiboa Attorneys Incorporated

Lezanne Swanepoel Incorporated

There are no SLAs provided to current panel of attorneys. See the attached annexure on matter the attorneys worked on and legal costs attached marked as Annexures "SCC3" and "CSS4".

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.

MANAGEMENT RESPONSE:

The matter is with the HAWKS and not NPA, there has been challenges in obtaining the case number however the matter has been escalated and once received it will be shared with the committee.

18. What measures were put in place to ensure employee safety while in the municipal buildings.

MANAGEMENT RESPONSE:

Corporate Services is responsible for Occupational Safety only and not the physical security therefore, the following are measures in place for occupational safety of employees:

OHS representatives were trained and appointed. They perform monthly inspections with your inspection booklets. Findings are recorded and noted on the agenda/minutes of the meeting. Issues are being dealt with it either being admin or maintenance.

OHS Committee were established and meeting are being held monthly. If not possible monthly, bi-monthly.

Emergency equipment (Fire equipment and first aid boxes) are being inspected monthly and serviced annually.

OHS Officer performs quarterly thoroughly inspections and submit a comprehensive report on all the findings. Artisan is also using the reports as guideline to perform maintenance and repair work to building is safe for usage.

Automatic hand soap and paper towels dispensers were procured and is in the process of being installed in the restrooms. Safety symbolic signage are visible throughout all the buildings and replace if needed. Sign survey are also done.

If employees get injured the appropriate documentation is completed and they are taken to Hospital for the best possible treatment and are being treated until completely healed. Annual Medical examinations are done on the appropriate staff to ensure they stay healthy and fit for work. PPE is procured and issued to appropriate staff.

HTI'S-hazardous task identification is in the process of being revised.

LOCAL ECONOMIC DEVELOPMENT (LED)

1. Please provide the report of the tourism indaba attended and the attendance register showing all who attended.

MANAGEMENT RESPONSE:

Find Attached

Report : Annexure : "A1"

Attendance Register: Annexure: "A2"

2. Please provide the list of all the grant beneficiaries with a detailed report.

MANAGEMENT RESPONSE:

Find Attached

List of Beneficiaries : Annexure "B1"

Report :Annexure "B2"

3. Please provide the NAMPO expo report and the financial implications together with the attendance register of all who attended.

MANAGEMENT RESPONSE:

Find Attached

Nampo Expo Report: Annexure : "C1"

Attendance Register: Annexure : "C2"

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.

MANAGEMENT RESPONSE:

Find Attached

Qualifying Criteria: Annexure "D1"

5. Please provide the committee with letters informing the grants recipients of the awards.

MANAGEMENT RESPONSE:

There were no letters sent to the beneficiaries.

The telephonic communication was utilised to inform the beneficiaries as per the approved list.

6. With the Boskuil and Oersonskraal toilets was there a contract awarded in partnership or some form of subcontracting

MANAGEMENT RESPONSE:

No contractor or sub-contractor is involved on this project but it is community driven in terms of the model of implementation (i.e., labour intensive construction method). The manufacturer of dry sanitation units (Enviro Loo) based in Gauteng is involved in the project as part of their business model in case these dry sanitation units are bought from their factory.

Their involvement which has no financial implications for the District Municipality is as follows:

- Assembly & Installation training and Project Oversight
- End User Training (How it works to the beneficiaries)
- Inspection (Compliance)
- Service or Maintenance plan (2yrs)

(See prepared SLA to be signed by Dr KKDM & Enviro Loo as Annexure E1).

7. What is the date of implementation of the Boskuil and Oersonskraal toilet project.

MANAGEMENT RESPONSE:

The date of implementation was July 2021. The first phase was the installation of 210 units (160 at Boskuil & 50 at Oersonskraal) which commenced during the second semester of 2021/22 and only bottom structures were fully installed by 30th June 2021. The top structures were installed during the first quarter of 2022/23.

The second phase was the installation of 100 units (50 at Boskuil and 50 at Oersonskraal) and to be completed during the fourth quarter of 2022/23. However, at the end of the current financial year, there will be 39 units outstanding at Boskuil and 35 units outstanding at Oersonskraal and this will be installed during the 2023/24.

8. Please provide details with regards to the safety of the EPWP working on the project.

MANAGEMENT RESPONSE:

Dr KKDM procures PPE for all the EPWP participants on these projects and ensures that all safety related requirements are adhered to during the implementation of the project. The Project Coordinator from the Technical Services Dept as well as the Project Supervisors from the two villages shoulders the responsibility of Health & Safety matters 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?

MANAGEMENT RESPONSE:

The overall condition of the road network within the district are very poor and the network does not meet its functional and structural requirements. Herewith below is the breakdown:

- Paved Road Network: 56% (1,056 kilometres out of 1,906 kilometres) of the road network within the district is classified as being in a very poor condition.
- Unpaved Road Network: 67% (884 kilometres out of 1,320 kilometres) of the road network within the district is classified as being in a very poor condition.

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?

MANAGEMENT RESPONSE:

There is none - however, the EXCO of this Council is in the process of engaging the relevant stakeholders with regards to the reclaiming of the district's mandated powers and functions as captured in the Local Government: Municipal Structures Act, No. 117 of 1998 Section 84.

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.

MANAGEMENT RESPONSE:

Find attached Terms of Reference for the GIS of the District as "Annexure E2".

4. Can the system be used to analyse the road infrastructure asset needs?

MANAGEMENT RESPONSE:

Yes, it can. The data collected through the Visual assessments of roads is plotted in a shapefile (map) format on the GIS including when Traffic counts are done. The plotted roads are shown in different colours to depict the current state of the road infrastructure.

5. What are the predominant problems that occur?

MANAGEMENT RESPONSE:

The challenges currently are that the GIS platform was installed at the server in Klerksdorp and to connect from Orkney it is very difficult as the operating speed can be up to 1 Mb/s.

Until this matter is sorted out, the only other viable alternative is to procure a system on a "Cloud based type approach which means the Service Provider hosting the information on behalf of the Client instead of the information being stored directly on the municipality's server".

6. What do past trends say about the efficacy of the Asset Management Plans?

MANAGEMENT RESPONSE:

Due to funding shortages, the data collected over the last years shows that the infrastructure is deteriorating further each time assessments outcomes are produced and that clearly shows that Asset Management Plans are non-existent at the three Local Municipalities.

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?

MANAGEMENT RESPONSE:

The service provider for the year under review (2019/20 – 2021/22) was paid as follows: a "R 5,669.50 per hour including Disbursements minus 5% of the total grant allocation" which is according to the latest RRAMS requirements.

The comparison for the past RRAMS implementation was as follows:

- (2014/15 – 2016/17): The first service provider's three-year contract was fixed (Total contract amt incl. VAT: R 5,910,108.84). Due to the fixed contract amount the district had a balance available of R936,000.00 remaining on the 3-year RRAMS allocation. The district applied to National Treasury for approval of the roll-over of the R936k and NT refused to approve it (See attached letter confirming National Treasury rejecting the RRAMS roll over application by Dr Kenneth Kaunda District Municipality dated 16th October 2017 as Annexure H).
- (2017/18 – 2018/19) The same PSP got another three-year contract extension through the Regulation 32 (Original Contract Amount: R 4,630.00 per hour including Disbursements minus 5% of the total grant allocation based on the available RRAMS grant funding per applicable financial year). The second term (2017/18 – 2018/19) of this PSP was terminated at the end of the second year due to realization by the municipality that at the time the Regulation 32 was entered into one year of that service provider's contract had already elapsed and therefore only two years of that contract was applicable to Dr KKDM. This rate only contract was as per the advice of the Dept of Transport who felt that fixed contracts result in surplus funds remaining on a 3-years RRAMS allocation and this creates an impression that these RRAMS funding is adequate when it's not.

NB: These RRAMS Grant Allocations per year are inadequate as the district municipality like their counterparts throughout the country are expected to do structural assessment of culverts and bridges as part of the scope of this programme however, we are unable to do so.

The Provincial Dept of Public Works & Infrastructure tried to assist the four districts with the structural assessment of bridges & culverts in this regard unfortunately the Provincial Roads Management Grant (PRMG) conditions of the grant prevented them from doing so.

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.

MANAGEMENT RESPONSE:

No, data is available at this stage confirming the usefulness of RRAMS in this regard.

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.

MANAGEMENT RESPONSE:

RRAMS collate information related to roads (tarred or block surfaces) including road furniture (road signs, structures like culverts, bridges and any object of value within the road reserve).

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).

MANAGEMENT RESPONSE:

See attached Pavement Management System document compiled for JB Marks LM (2021/22) which depicts how much money to be spent to retain the minimum required conditions per road and other requested information attached as Annexure "F".

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?

MANAGEMENT RESPONSE:

Annexure "F" shows the cost estimate per road in the "PMS document of JB Marks LM from Annexures C1 up to H". The total road network is visited in terms of the "Age analysis of data requirements" i.e., paved and unpaved roads including traffic counts have cycles in terms of pre-determined period of assessments (see attached Annexure G showing the table for age of data). The business plan activities for that particular financial year will dictate.

12. What are the priorities for each road segment and its treatment?

MANAGEMENT RESPONSE:

Annexure F of the "PMS document of JB Marks LM" from page 6 to 10, shows the recommended actions after the roads are classified according to the level of damage observed. JB Marks was our priority for the year under review.

13. Which categories of treatment and actions should be applied? How much should the relative expenditure on each category be?

MANAGEMENT RESPONSE:

Annexure "F" shows the information.

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?

MANAGEMENT RESPONSE:

Yes, The budget, IDP, maintenance plan and SDBIP of the local municipalities are considered. The Pavement Management System report or Unpaved Road Management System report will show areas that needs to be prioritized by the local municipalities when preparing their maintenance plan and this will inform their budget, IDP and SDBIP's. The district through these reports can only advise but not impose on how the local municipalities must prepare their maintenance plans.

15. What is the overall current investment requirement for the road assets?

MANAGEMENT RESPONSE:

The overall investment required is estimated at R11.95 billion.

16. Which categories of treatment should be applied currently, and to what investment needs?

MANAGEMENT RESPONSE:

Most of the road network require rehabilitation i.e., either ripping 150mm of top layer using a recycler machine and re-using that material by stabilizing it with cement and adding another layer of bitumen treated base (BTB) and a final surfacing layer (be it

asphalt of which technology is prescribed) or alternatively ripping 300mm of top layer and doing the same as outlined above. The figures shown under "15" above provide and inside in terms of monetary value involved for these exercises.

17. Which assets shall be treated now and at what cost?

MANAGEMENT RESPONSE:

70% of the internal road network require intense rehabilitation with 30% being in fair condition therefore requiring cheaper technology to rehabilitate them. The total cost required is R11.95 billion.

18. What method is used to determine which roads should be prioritised?

MANAGEMENT RESPONSE:

The TMH 18 & 22 (Technical Method for Highways) and Colto (Committee of Land and Transport Officers) are some of the guidelines being used when analysis is done on data collected during the assessment of paved or unpaved road network.

19. Who were the members of the Panel of Inspection? Please provide the panel report

MANAGEMENT RESPONSE:

The inspections are done by the personnel of the Professional Service Provider appointed for this purpose and the report clearly shows the names of the employees and their supervisor who signs off the report.

See attached Annexure "F" containing the PMS report of JB Marks LM, the 2nd page shows the Panel involved in the inspections" contains a copy of this PMS report done for the year under review. The report has three dimensions namely; raw data collected during assessments, excel spreadsheet showing details of road segments assessed and lastly a pavement management system (PMS) 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.

MANAGEMENT RESPONSE:

RRAMS only addresses this element partially during the Traffic Counts where local young people are employed to conduct these counts. Secondly, the programme has trained over 20 Civil engineering graduates from 2014/15 to date and unfortunately most left as soon as they found greener pastures.

INTEGRATED DEVELOPMENT PLAN (IDP)

1. What measures are put in place to ensure that the District implements projects that are in the IDP.

MANAGEMENT RESPONSE:

The budget that is approved is informed by the Integrated Development Plan. This budget informs the procurement plan that is also approved when the budget is approved. All programmes are informed by the budget and the IDP.

Furthermore, any matter that was not accommodated by the procurement plan and the budget is considered by Council through the report of the Mayoral Committee. The approval of such programme will be accommodated through the adjustment budget.

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.

MANAGEMENT RESPONSE:

The IDP representative forum that is led by the Executive Mayor and other Mayors including key stakeholders engages on the programmes in the IDP meant for implementation by Dr KKDM.

Mayoral Committee has given clear instructions that there must demonstratable proof that engagement with the local municipality did take place.

Local municipalities to provide Council resolution that these programmes are incorporate in their IDP.

DRKKDMEA

1. Please provide the asset register of the agency.

MANAGEMENT RESPONSE:

Agency asset register attached as Annexure: "EA1".

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

MANAGEMENT RESPONSE:

It relates to sales of tender, License and permits and prepaid expenses or staff advances (refer to page 21) and note 9 on page 260 of the Annual Report

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.

MANAGEMENT RESPONSE:

Note 25 deals with remuneration of the Auditors, which is the invoices paid to the AG for the audit review. The Accounting Officer authorised the payment.

4. On page 53 from which institution did the other transfers revenue- services in kind come from? And what was the money used for?

MANAGEMENT RESPONSE:

Management needs more details or clarity, because the municipality did not receive any transfers in kind and did not disclose as such.

5. Why were there staff advances paid and what measures were put in place to retrieve the receivables from exchange transactions?

MANAGEMENT RESPONSE:

We are not aware of any advances made to staff members of the Agency in the financial year in question.

6. What was paid with the R15 299 interest revenue on financial services from prior year?

MANAGEMENT RESPONSE:

The amount could not be located to enable adequate response. The committee is requested to provide more clarity.

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.)

MANAGEMENT RESPONSE:

As far as we know the board was disestablished and subsequently filled for volunteer liquidation and there are no sitting allowances made for the year in review. We note that for the 2020/2021 financial disclosure related to the board sittings.

8. What is the status of the disciplinary procedures instituted against Ms TP Chofu as stated on page 87.

MANAGEMENT RESPONSE:

The disciplinary process was instituted by the previous board of directors and could not be finalised due to the none attendance by the incumbent for one reason or the other.

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.

MANAGEMENT RESPONSE:

There was a push-back against Council resolution to disestablish the Economic Agency as previously resolve by Council. The push-back led to the suspension of certain officials (former MM and Manager Legal). Subsequent thereto decisions of both the winding down

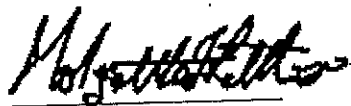
committee and Council were reversed. Currently Council is pursuing a liquidation process as per item C.28/11/2022 submitted in December 2022.

10. Why was there no internal audit and/or ARC report in the Annual Report?

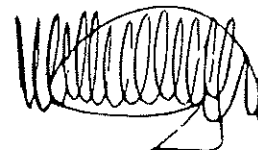
MANAGEMENT RESPONSE:

With regards to the absence of IA or ARC report on the Agency, the reason for that we operated on the basis that the Agency has been dissolved and the planned audit on progress made on dissolution did not yield any results as the information requested to conduct the review we're not provided.

Regards,



MOKGATLHE J. RATLHOGO
MUNICIPAL MANAGER



CLLR NIKIWE NUM
EXECUTIVE MAYOR

MPAC Terms of Reference

MPAC TERMS OF REFERENCE AND MANDATE

APPROVALS

Date	Document Version	Approver Name and Title	Approver Signature
A.151/10/2012	1.0	Cllr D Montoedi	
19/08/2016 Adopted again without reversion	2.0	Cllr N Adoons	
Revised	3.0	Cllr N Adoons	

5.16
Initial

MPAC TERMS OF REFERENCE AND MANDATE

TABLE OF CONTENTS

1. Legal Status.....	5
2. Composition and term of office of the MPAC.....	5
3. MPAC SUPPORT STAFF.....	7
4. Functions of the MPAC.....	7
7. MPAC work programme and meetings.....	16
8. Public Interaction and engagement.....	16
9. MARKETING.....	17
10. SAFETY OF COMMITTEE MEMBERS.....	18
10.1 Internal.....	18
11. MPAC self-monitoring and monitoring of council actions.....	18
12. Monitoring of MPAC performance by council.....	19
13. COMMUNICATION.....	19
13.1 Internal.....	19
13.2 External.....	19
14. Quorum.....	19

MPAC TERMS OF REFERENCE AND MANDATE

1. Legal Status

1.1 The MPAC is a committee of council established in terms of Section 79 (1) (a) and (b) of the Municipal Structures Act of 1998. In accordance with the above provision, the MPAC has powers and functions that council has seen fit to delegate to the committee. These powers and functions are broadly described within these terms of reference.

1.2 This terms of reference gives expression to the requirement contained within Section 79 (2) of the Municipal Structures Act, 1998 which requires that that the council shall set out the framework and guidelines within which such committees of council shall operate.

1.3 The legal basis for the MPAC oversight functions are set out in Section 129(4) of the Municipal Finance Management Act (MFMA) which provides guidance on the manner in which municipal councils should consider annual reports and conduct public hearings. The MFMA provisions also direct the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

1.4 This MPAC is established by council resolution (no. and date) in terms of Section 79 of the Municipal Structures Act, 1998.

2. Composition and term of office of the MPAC

2.1 The MPAC will comprise solely of councillors appointed by resolution of a full council meeting. However in terms of Section 79 (2) (d), the council also authorizes the MPAC to co-opt advisory members who are not members of council but who possess special expertise or experience which will benefit the MPAC. Due consideration shall be given to the cost implications of such co-option.

2.2 Appointments to the MPAC shall reflect the proportional representation of political parties represented on council and shall not exceed 11 members (See Annexure 1.). In making such

G.A
Initial

MPAC TERMS OF REFERENCE AND MANDATE

appointment council shall consider the experience and qualifications that may usefully serve the MPAC's objectives.

2.3 For the purposes of continuity and promoting experience and expertise within the MPAC, council is urged to ensure that whenever possible, MPAC nominations have previously served on the MPAC or have similar experience

2.4 The names of the MPAC councillors, their party affiliation and a brief profile covering their professional qualifications / experience shall be published on the municipal website and in the Annual Report

2.5 Council must adopt nomination procedures that ensure that all MPAC members shall be councillors of demonstrable integrity and of independent mind

2.6 The Chairperson of the MPAC will be appointed by council as per the provisions of Section 79 (2)(c) of the Municipal Structures Act. In making this appointment council is advised to consider appointing a member of the opposition party to the MPAC Chair as this has been shown to promote independence and credibility of the MPAC in the eyes of the public.

2.7 No executive councillors (Executive Mayor or Deputy Executive Mayor, Mayor or Deputy Mayor, Speaker, Chief Whip, a member of Mayoral Committee or member of the Executive Committee) may serve on the MPAC.

2.8 The MPAC will be appointed for a term which corresponds to the term of council.

2.9 The following guideline (Department of Co-operative Governance and National Treasury 2012) shall be used when deciding on the number of councillors to serve on the MPAC:

Municipalities with less than 15 councillors may nominate up to 5 councillors; municipalities between 15-30 councillors may nominate up to 9 councillors; municipalities between 31-60 councillors may nominate up to 11 councillors; and municipalities with more than 60 councillors may nominate up to 13 councillors.

MPAC TERMS OF REFERENCE AND MANDATE

3. MPAC SUPPORT STAFF

3.1 They should not be political appointees. Their sole responsibility is to ensure the proper functionality of the committee at all times. Necessary tools of trade should be given to the office to ensure they perform their duties diligently. The committee's support staff should ensure that institutional memory of MPAC is kept safe in order to assist new members when the term of the previous committee ends. The staff should be discreet and not divulge matters of the committee unless instructed so by the committee. They report to the Accounting Officer administratively e.g. leave. The work performed is on behalf of the committee therefore all reports, plans, memorandums should be considered by the committee.

4. Functions of the MPAC

The primary functions of the Municipal Public Accounts Committee are oversight and include the following:

- 4.1 review and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight, report on the annual report;
- 4.2 In the case of matters not finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports. This exercise must be geared to the remedy of problems rather than simply reporting on issues that remain persistently unresolved;
- 4.3 To examine the financial statements and audit reports of the municipality. This review must identify shifts and improvements from previous statements and reports. It must also assess the extent to which the Audit Committee's and the Auditor-General's recommendations have been implemented and seek explanation when no or ineffective actions have followed;
- 4.4 To promote good governance, transparency and accountability and value for money in the use of municipal resources;
- 4.5 To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee;

MPAC TERMS OF REFERENCE AND MANDATE

- 5.11 Where the quarterly report is not submitted to the MPAC within 30 days after the end of the quarter, the MPAC must report this to council;
- 5.12 Where the report is submitted, it must be interrogated and recommendations must be made to the council;
- 5.13 The MPAC must ensure that the mayor attend to the necessary amendments to the SDBIP and submit the necessary report to the council with proposals for the adjustment budget, and where this is not done by the mayor, the MPAC must report it to council;
- 5.14 The MPAC must report any matter of concern regarding the reports of the mayor to the council.

Monthly budget statements Oversight (Section 71 of the MFMA)

- 5.15 The monthly budget statement submitted to the mayor must be submitted to the MPAC;
- 5.16 The MPAC must interrogate the monthly budget statement and report any matter of concern on the statement to the council.

Mid-Year budget and performance assessment (Section 72 of the MFMA)

- 5.17 The mid-year budget and performance assessment report submitted to the mayor must be submitted to the MPAC;
- 5.18 The MPAC must interrogate the mid-year budget and performance assessment and submit its comments on the assessment to the council.
- 5.19 Mid-Year budget and performance assessments of municipal entities (Section 88 of the MFMA):
- 5.20 The mid-year budget and performance assessment report submitted by the municipal entity need to be submitted to the MPAC;
- 5.21 The MPAC needs to interrogate the report and report matters of concern to the council;
- 5.22 Where the Mid-Year budget and performance assessment report has not been received or published, the MPAC must report it to council.

S.A
Initial

MPAC TERMS OF REFERENCE AND MANDATE

To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

5. MPAC must conduct oversight and interrogate the following financial aspects addressed in the Municipal Finance Management Act:

5.1 Unforeseen and unavoidable expenditure (Section 29 of the MFMA) Oversight

5.2 Any unforeseen and unavoidable expenditure incurred must be reported to the MPAC for oversight purposes;

5.3 Proof of the necessary appropriation in an adjustment budget;

5.4 Where the necessary adjustment budget has not been prepared, the MPAC must report same to the council.

5.5 Oversight on Unauthorized, Irregular or fruitless and wasteful expenditure (Section 32 of the MFMA)

5.6 Any unauthorized, irregular or fruitless and wasteful expenditure by the council, the executive mayor, the executive committee or any political office-bearer of the municipality must also be reported to the MPAC to conduct oversight after all the administrative investigations are done by the Accounting Officer;

5.7 The Municipal Manager must report to the MPAC on all steps taken to either authorize or certify the payment or to recover or write off the expenditure;

5.8 The Municipal Manager must report on whether any criminal action was committed in this regard;

5.9 The MPAC must report to the council as to the appropriateness of the criminal or civil steps taken and report where no further action was taken and why.

The quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52 (d) of the MFMA)

5.10 A copy of the quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality must be submitted to the MPAC;

S.A
Initial

MPAC TERMS OF REFERENCE AND MANDATE

5.23 Disclosures concerning councillors, directors and officials (Section 124 of the MFMA)

As part of MPAC Interrogation of the annual financial statements, the MPAC must ensure that the necessary disclosures were made in the financial statements, including:

5.24 Salaries, allowances and benefits of political office-bearers and councillors of the municipality; Arrears owed by individual councillors by the municipality for more than 90 days;

5.25 Salaries, allowances and benefits of the Municipal Manager, CFO and all managers reporting to the Municipal Manager in terms of Section 56 of the Municipal Systems Act, Act 32 of 2000;

5.26 Salaries, allowances and benefits of the board of directors of municipal entities;

5.27 Salaries, allowances and benefits of the Chief Executive Officer and senior managers of the municipal entity.

5.28 Submission and auditing of annual financial statements (Section 126 of the MFMA):

5.29 Copies of the financial statements submitted to the A-G must be submitted to the MPAC as well as the financial statements of any municipal entity under the control of the municipality as well as proof of submission thereof to the A-G;

5.30 Where the MPAC has not been provided with the financial statements or with proof that they have been submitted to the A-G, it must be reported to the council.

Submission of the annual report (Section 127 of the MFMA):

5.31 the annual report must be submitted to the MPAC no later than two weeks after the date required for submission to the council;

5.32 where the annual report is not submitted to the council as required, the MPAC must be provided with a copy of the written explanations of the mayor as submitted to the council;

5.33 where neither the annual report nor the explanation has been submitted, the MPAC must report same to the council;

5.34 the MPAC must monitor that the annual report has been submitted to the A-G, as well

MPAC TERMS OF REFERENCE AND MANDATE

as the provincial government departments required and has been published for comment; and

- 5.35 The MPAC must also ensure that all municipal entities have complied with the said requirements.

Oversight report on the annual report (Section 129 of the MFMA):

- 6 the MPAC must consider the annual report and prepare a draft oversight report to be submitted to the council for purposes of adopting the oversight report;
- 7 In preparing the draft oversight report, the MPAC must consider all representations in connection with the annual report received from the local community;
- 8 the meeting of the MPAC when considering the annual report must be open to the public and members of the local community must be allowed to make representations in connection with the annual report at the meeting;
- 9 National Treasury Circular 32 and the MPAC toolkit provide guidance on the preparation of the oversight report and a copy is attached as Annexure "A" hereto. Reference to the oversight committee must be read as the MPAC.

Issues raised by the Auditor-General in audit reports (Section 131 of the MFMA)

- 10 the MPAC must be provided with the report and be prepared to address issues raised by the Auditor-General;
- 11 where the Auditor-General report has been submitted, MPAC must interrogate same and make recommendations to the council; and
- 12 Where the Auditor-General report has not been submitted, MPAC should report this to council.

Audit Committee (Section 166 of the MFMA)

MPAC TERMS OF REFERENCE AND MANDATE

13 the MPAC must ensure that the municipality at all times has an operational audit committee;

14 all reports received from the audit committee need to be submitted to the MPAC to assist it in its functions and to capacitate the MPAC;

15 Where no audit committee has been appointed or where the audit committee is not operational, the MPAC must report this to the council.

Disciplinary action Instituted in terms of the MFMA:

16 all disciplinary processes instituted for the contravention of the MFMA must be reported to the MPAC;

17 MPAC must monitor that all matters are brought to conclusion;

18 MPAC must report to council where matters are not dealt with effectively and on time

The MPAC must interrogate and conduct oversight on the following aspects addressed in the Municipal Systems Act.

19 Review of the IDP post-elections (Section 25 of the MFMA)

20 MPAC must monitor whether the Executive mayor or the Exco does in fact initiate the review of the IDP post-elections;

21 Where the review is not done, the MPAC must report same to the council.

22 Annual review of the IDP (Section 34 of the MFMA)

23 MPAC must monitor whether the Executive mayor or the Exco does in fact initiate the annual review of the IDP;

24 Where the review is not done, the MPAC must report same to the council.

25 Performance management plan (Section 39 of the MFMA)

MPAC TERMS OF REFERENCE AND MANDATE

- 26 MPAC must monitor whether the annual performance plan is being prepared;
- 27 Where the plan is not prepared, the MPAC must report same to the council.
- 28 Monitoring that the annual budget is informed by the IDP (Regulation 6 of the Local Government: Municipal Planning and Performance Management Regulations)
- 29 MPAC must review the draft annual budget and ensure that it is informed by the IDP as adopted by the municipal council; but
- 30 Where the draft annual budget is not aligned with the IDP, the MPAC must report same to the municipal council.
- 31 Monitoring that all declaration of interest forms are completed by councilors on an annual basis (Section 54 read with Item 7 of Schedule 1)
- 32 MPAC must monitor whether all councilors have completed their declaration of interest forms and have updated them annually;
- 33 Where declaration of interest forms have not been completed or updated same must be reported to the municipal council.

10. Delegations to the MPAC

The following responsibilities of Oversight are to be delegated to the MPAC in terms of the provisions of Section 59 of the Systems Act. The authority to interrogate the following documents and to make recommendations to the municipal council in accordance with the terms of reference of the committee:

- 34 Unforeseen and unavoidable expenditure Oversight;
- 35 Unauthorized, irregular or fruitless and wasteful expenditure Oversight;
- 36 SDBIP Oversight;
- 37 Monthly budget statements Oversight;

MPAC TERMS OF REFERENCE AND MANDATE

- 38 Mid-year budget and performance assessment Oversight;
- 39 Mid-year budget and performance assessment of municipal entities Oversight;
- 40 Disclosures concerning councillors, directors and officials Oversight;
- 41 Annual financial statements Oversight;
- 42 Annual report Oversight;
- 43 Issues raised by the A-G in the audit reports Oversight;
- 44 The appointment of the audit committee Oversight;
- 45 Disciplinary steps instituted in terms of the MFMA Oversight;
- 46 The review of the IDP post elections Oversight;
- 47 The annual review of the IDP Oversight;
- 48 Performance management plan Oversight;
- 49 The draft annual budget with reference to the approved IDP Oversight; and
- 50 Declaration of Interest forms submitted by councillors Oversight.
- 51 The authority to consider all presentations made by the community on the annual report and the authority to have interviews with members of the community to obtain input on the annual report, as well as the authority to prepare the draft oversight report on the annual report.
- 52 The authority to instruct any member of the executive, the municipal manager or any other official to attend meetings of the MPAC to address matters specified by the MPAC and to provide the MPAC with copies of documents to be dealt with by the committee in terms of its terms of reference.

MPAC TERMS OF REFERENCE AND MANDATE

53 The authority to instruct any member of the board or the CEO of a municipal entity to attend the meeting of the MPAC to address matters specified by the MPAC and to provide the MPAC with copies of documents to be dealt with by the committee in terms of its terms of reference.

54 The authority to obtain legal, technical and other specialized assistance required to exercise its functions and duties within the budget approved for the committee and subject to the supply chain management policy where applicable.

6. Important considerations

6.1 The MPAC shall not perform any powers or functions that are of an executive nature or fall within the ambit of management.

6.2 In fulfilling its obligations and responsibilities, the MPAC reports directly to council via the office of the Speaker. The MPAC's report however is independent both in substance and procedural terms. This should be reflected in the Rules of Order of Council. In relation to the above consideration, Council is encouraged to develop a standard council agenda which includes a permanent item for the MPAC report.

6.3 In the case of unauthorized, irregular expenditure, fruitless and wasteful expenditure or any matter of financial governance, MPAC has the right to call the accounting officer or other senior staff to provide information or clarity.

6.4 The MPAC may request the support of both the audit committee and the internal auditor / audit unit. The standard rules for the Council apply to MPAC. The Committee shall have permanent referral of documents relating to: (i) In-year reports of the municipality; (ii) financial statements of the municipality as part of the Committee's oversight process; (iii) audit opinion, other reports and recommendation from the Audit Committee; (iv) information relating to compliance in terms of sections 32, 128 and 133 of MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is

MPAC TERMS OF REFERENCE AND MANDATE

currently serving or has served before the Committee; (vi) any other audit report from the municipality; and (vii) performance information of the municipality.

6.5 The MPAC may delegate any of its members to attend and observe any other subcommittee of council. Such delegates however are not members of the other sub committees and have no voting rights

6.6 The MPAC has the right to motivate to council for the provision of staff, equipment, facilities and an operating budget commensurate with its obligations. This must be undertaken in such a manner so as not to duplicate any functions already performed by municipal officials.

6.7 That MPAC must not overtake the powers and functions of any portfolio committee. But conduct oversight on whether the portfolio committee is functioning.

7. MPAC work program and meetings

7.1 The MPAC must prepare an annual work plan for approval by the municipal council prior to the start of the financial year.

7.2 MPAC meetings shall be held as necessary in accordance with the approved work plan and program. The meetings of MPAC must be included in the annual calendar of Council and the same notice requirements apply. The MPAC work plan must align with other committees of Council and reflect the timeframes in the MFMA for planning and budgeting cycles and the preparation and adoption of the oversight report on the annual report. The MPAC must develop its work plan / program annually before the start of a financial year. The annual work program must be approved by Council. The procedures of the MPAC are determined by Council as provided for Section 79 (2) f of the Municipal Structures Act.

8. Public interaction and engagement

8.1 The MPAC may engage directly with the public and respond to public comments and concerns that fall within its ambit of responsibility. The MPAC shall endeavour to ensure that important information related to the public engagement is communicated to the public prior to the engagement

MPAC TERMS OF REFERENCE AND MANDATE

8.2 All meetings of the MPAC shall be open to the public and the MPAC may issue invitations to special interest groups or stakeholders when pertinent matters are under discussion

8.3 All meetings of the MPAC shall be advertised on the municipal website including a brief outline of the agenda

8.4 When conducting in-field inspections or project site visits, the MPAC has the right to invite interested parties / specialists from the community and to seek their insights and advice

8.5 The MPAC shall be entitled to attend all public meetings where the draft annual report is presented and to facilitate public input on the annual report

8.6 In order to facilitate meaningful public engagement in the procedures outlined above, the MPAC must request documents or evidence from the Accounting Officer of the municipality or municipal entity. When the annual report is tabled in council, the MPAC shall be afforded the opportunity to make a presentation on the oversight report and to take questions from the public for a period of not less than 30 minutes

9. MARKETING

9.1 MPAC as the committee of the council to be introduced by the Mayor to the community.

9.2 Embark on road shows campaigns (communities, councils and officials)

9.3 Use affordable media coverage (local radio stations, newspapers etc)

9.4 Slots in the stakeholders meetings

9.5 The community to be encouraged to give inputs on the Annual Report through social media such as facebook, whatsapp, and twitter created for the municipality and by calling and e-mailing the office.

9.6 Notices to be published on local radio and local newspapers

MPAC TERMS OF REFERENCE AND MANDATE

10. SAFETY OF COMMITTEE MEMBERS

10.1 Internal

Insurance for life and properties of the MPAC members should be administered by the municipality through SASRIA. Members seconded to the District must be covered by their Local Municipalities.

10.2 External

The visibility of SAPS during community consultations should be applied for by the Municipal Manager and Office of the Speaker

11. MPAC self-monitoring and monitoring of council actions

The MPAC shall develop a monitoring and tracking mechanism that is aligned to its approved work program. This mechanism shall include:

- 1 A record of the recommendation made to council, the date and the nature of the council response / resolution
- 2 The key respondents in the matter and the expected action
- 3 The outcome of the recommendation implemented / not implemented and any pertinent reasons for not implementing
- 4 When council has made a resolution on a matter raised by the MPAC, it shall communicate that resolution to MPAC within 90 days of the date on which the resolution was decided
- 5 The self-monitoring framework used by the MPAC should reflect the measures set out in its own performance report to council. Additionally the MPAC may develop indicators based on the Key Attributes framework that forms part of the toolkit
- 6 These performance measures shall form part of the municipality's annual review of performance.

MPAC TERMS OF REFERENCE AND MANDATE

12. Monitoring of MPAC performance by council

Council must evaluate the performance of MPAC on an annual basis. The performance measures used for this process shall reflect the measures set out in the MPACs own performance assessment report to council. Where the MPAC has chosen to adopt indicators as set out in the Key Attributes framework, these may become part of the performance monitoring system.

13. COMMUNICATION

13.1 Internal

The speaker will communicate with the MPAC chairperson who will in turn communicate with the members on any matter that affects the MPAC members tools of trade.

The Speaker should be the champion in building sound working relationship between the MPAC and all other committees of council

The Municipal Manager shall be the champion in building sound working relationship between the MPAC and the administration especially the senior management team

All Committee correspondence should be through the office of the speaker to ensure efficiency and accountability.

13.2 External

All the MPAC in coming external correspondences will be addressed to the Speaker and a copy be given to the MPAC chairperson politically and to the Municipal Manager administratively.

14. Quorum

14.1 The quorum of the meeting must be formed by fifty plus one (50+1) e.g. if the total number of MPAC members in a district are forty-three (43) it will be 21+1. OR

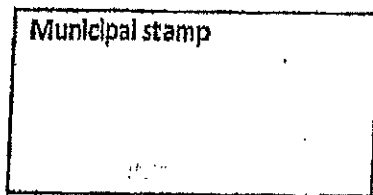
14.2 If there are less than 50 + 1 members the meeting does not quadrate, but if the same is repeated in the next meeting, the meeting will continue.

14.3 In case where a member is unable to attend, the member must submit a written apology to be presented during the item of apologies.

S.A
Initial

MPAC TERMS OF REFERENCE AND MANDATE

- 14.4 Meeting schedules must be developed and distributed in time to all MPAC members to secure optimal attendance.
- 14.5 A committee meeting will continue as a working session if a quorum is not met however no decisions/resolutions will be taken in that meeting. Suggestion taken in a working session should be resolved in the next meeting were a quorum is met



Chairperson: Cllr Mohoemang

Municipal Public Accounts Committee

S.A
Initial

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC)**

Private Bag X 5017, Klerksdorp, 2670, Tel: +27 18 473 8000, Fax: +27 18 473 8094
Website: www.kaunadistrict.gov.za, Civic Center, Palmore Road, Orkney

THE MPAC ANNUAL WORK PLAN OF 2022/23 FINANCIAL YEAR

Date	Time	Venue	Items of Discussion and activities	Required presence (apart from MPAC)	Relevant Legislation
12 July 2022	10h00	Community Room, Council Offices - Orkney	MPAC monthly meeting and interviews 1. Confirm readiness of the District on Annual Financial Statements and Annual Report submission at the end of August to AG 2. Going through compliance quarterly and monthly reports 3. Investigations and follow up on addressing UIFW and Consequence Management 4. Compile a compliance notice	1. Internal audit; 2. CFO, 3. Budget and Treasury Office official responsible for compiling the AFS	1. Municipal Systems Act (s 126) & MFMA (s46) 2. MFMA s32 and s71
25 and 26 July 2022	8:00	All local municipalities	District Support Meetings: Support locals on needs identified during the MPAC District Forum	MPAC Chairperson and the District MPAC support staff	1. MPAC Forum terms of reference and 2. the MPAC toolkit
17 August 2022	10:00	Community Room, Council Offices - Orkney	MPAC monthly meeting and interviews 1. Investigations, progress review and follow up on UIFW and Consequence Management 2. Going through compliance monthly reports 3. Compile a compliance notice	1. MMCs, 2. MM 3. AND CFO	1. MFMA s32 and 71
01 September 2022	10h00	Council Chamber	District Forum: Support to the locals MPAC District Forum	1. All MPAC Members in the District; 2. All MPAC Support Staff; 3. Provincial/National Treasury; 4. COGTA; 5. SALGA and; AG	1. IGRA 2. District MPAC Terms of reference 3. MSA
13 September 2022	10h00	Committee Room	MPAC monthly meeting 1. Compliance monthly reports 2. Investigations and follow up on addressing UIFW and Consequence Management 3. site Inspections Investigations will be conducted on projects found in UIF&W register 4. Compile a compliance notice	None	1. MFMA s32 and 71

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, Palmore Road, Orkney

THE MPAC ANNUAL WORK PLAN OF 2022/23 FINANCIAL YEAR

Date	Time	Venue	Items of Discussion and activities	Required presence (apart from MPAC)	Relevant Legislation
06 October 2022	10:00	Council Chamber	MPAC Monthly meeting: 1. Review / Confirm implementation of post audit action plan 2. Compliance quarterly reports 3. Compliance monthly reports 4. Investigations, progress tracking and follow up on addressing UIFW and Consequence Management 5. Compile a compliance notice	1. Internal Audit & 2. Audit Committee Chair support to MPAC	1. MFMA (s166) 2. Municipal Structures Act (s 56) 3. MFMA s32 and s71
17 November 2022	10:00	Committee Room	MPAC Monthly meeting: 1. Compliance monthly reports 2. Investigations, progress tracking and follow up on addressing UIFW and Consequence Management 3. Compile a compliance notice	As per meeting focus	1. MFMA (s71 [1]) 2. MFMA (52 & 166) 3. Municipal Systems Act (s 34) 4. Systems Act (s 21 [a])
13 December 2022	09:00	Committee Room	MPAC Monthly meeting: 1. Compliance quarterly reports 2. Compliance monthly reports 3. Council resolution Implementation tracking 4. Compile a compliance notice	None	1. MFMA (s71)
31 January 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 5. Review/ Confirm the implementation of post audit annual action plan 6. Review the 2nd Quarter performance reports of the MM & S 56 managers 7. Check compliance on the half yearly reports 8. Compile a compliance notice 9. Approve the Oversight process plan and concept document	None	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))
01 February 2023	10:00	Aganang and Star FM	Radio interviews and Public invites 1. To Invite the public to make representations on the AR 2. Release a media statement	Public meeting	1. MFMA (130 (2)) 2. MFMA (s 129 (2)) 3. Municipal Systems Act s21

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, Palmore Road, Orkney

THE MPAC ANNUAL WORK PLAN OF 2022/23 FINANCIAL YEAR

			3. Release a public notice of all the MPAC meetings where the Annual Report will be discussed		
02 February 2023	10:00	Committee Room/ Council Chamber	MPAC Oversight on the Annual Report Process <ol style="list-style-type: none"> 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 	Public Meeting	<ol style="list-style-type: none"> 1. MFMA (s130 (1)) 2. MFMA (s 133 (2))
07 February 2023	09h00	Council Chamber	MPAC Oversight on the Annual Report Process <ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 1. AG, 2. SALGA, 3. COGTA and 4. TROIKA 5. Public Meeting 6. PPAC chairperson 7. Chairperson of COGTA 	1. MFMA (s129 – 130)
9 and 10 February 2023	09h00	All local municipalities	MPAC Oversight on the Annual Report Process <ol style="list-style-type: none"> 1. Project visits 	<ol style="list-style-type: none"> 1. Officials from relevant departs 2. Public Meeting 	1. Municipal Systems Act (s 21A)
14 February 2023	14:00	MPAC Support staff and relevant administrative units	Public participation plenary meetings <ol style="list-style-type: none"> 1. Approve and commit to the different roles of all internal stakeholders during the public meeting 	<ol style="list-style-type: none"> 1. MPAC Support staff and relevant administrative units 	
15, 16 and 17 February 2023	15:00	All local municipalities	MPAC Oversight on the Annual Report Process <ol style="list-style-type: none"> 1. Oversight build-up programs 2. Distribution of questionnaires 3. Consider public inputs on the AR Interviews with MM & Section 56 Managers 	<ol style="list-style-type: none"> 1. Ward committees, 2. CDW, 3. Ward councillor of the area visited 4. Public Meeting 	<ol style="list-style-type: none"> 1. MFMA (s129 – 130) 2. Municipal Systems Act chapter 4

O-T-S

OFFICE OF THE SPEAKER



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) PROJECT VISITS TO BE HELD ON THE 10TH FEBRUARY 2023 AT 08:00 – JB MARKS AND MATLOSANA

ATTENDENCE REGISTER

INITIALS & SURNAME	CONTACT NUMBER	SIGNATURE
Clr M.I Mangesi-Chairperson	073 499 7356	
Clr S.L Jonas	066 043 0520	
Clr C. Hattingh	083 625 7426	
Clr H.F.C Jordaan	082 292 4542	
Clr L.S Motlhoiwa	084 609 2330	
Clr S.P. Sesana	071 210 8275	
Clr M.P Mokone	078 402 3467	
Clr R.M Mosholi	083 710 2472	
Clr L.K Shuping	078 832 4274	
Clr I.T Meya	063 068 8773	
Clr I Mokhele	073 536 6082	
Dr B Roberts-Tebejane-Manager	072 289 2654	
Ms N.R Gaaname-Administrator	073 459 5292	

L.G. MOWAPISI

0636136070

T-R. MAMPE

072 862 2921

V. MBU

079 459 8489

① v.

ANNEXURE G: TRANSPORT PLAN PUBLIC PARTICIPATION

Annexure "A"

List of approved SMMEs (Disbursed) July 2022

Matlosana Local Municipality

1. ZAMTE CONSTRUCTION-072 315 5529
2. PAYI'S TRADING IN ALL ASPECTS-073 678 7642
3. BILPANDLA TRADING-082 699 5376
4. T PONYA TRADING ENTERPRISE- 081 517 0322
5. GA TECHNOLOGIES- 083 710 7925
6. BAKOBI TRADING ENTERPRISE-082 576 2203
7. ~~GS TYRE REPAIRS & TRAINING- 083 913 0048~~
8. WONKIJOTO MEDIA- 067 698 0794
9. UNITY MEDIA EXPLOSION-076 573 5319
10. PATJALE CATERING SERVICES 072 499 6630
11. SERONGWA LE TSHEKWENG TRADING
12. LT LERATA TRANSPORT AND PROJECTS-072 878 5905
13. BAATSEBA HOLDINGS- 076 912 6221
14. MORNING TIME TRADING 120 CC-072 458 5958
15. KIKA FAMILY TRUST-083 449 4463
16. SEKONYELA AGRI PROJECTS- 082 533 5904
17. RATANG LEGAE CAR WASH AND CHESANYAMA- 078 872 8797

JB Marks Local Municipality

1. SIR GOD PROJECTS & DEVELOPMENT – (GODFREY – 076 279 8329)
2. MISHMACH (PTY) LTD – (SELLOANE – 073 943 4437)
3. HETISANE HOMES (PTY) LTD – (081 349 5745)
4. MAHLATE (PTY) LTD – (OBAKENG – 073 411 0308)
5. MANTSHO BUSINESS ENTERPRISE – (MANTSHO – 078 852 9512)
6. VIVICA'S GENERAL ENTERPRISE – (CECILIA – 072 850 1570)
7. NUFITNESS EXERCISE CLUB – (OWEN – 083 565 2778)
8. MORAKE'S BAKERY SUPPLIERS – (JOHN – 063 444 3201)
9. CHATSI GRAPHICS – (079 689 0474)
10. MOHATO MEDIA & COMMUNICATION NETWORK – (THABO – 072 447 5676)
11. G BOTAKI – (084 520 6615)

Maquassi Hills Municipality

1. STERDEKOIE-076 608 0849
2. JOZZIE TRADING ENTERPRISE- 066 243 9740
3. KABELO'S GARDENING, SANITATION & MAINTENANCE-073 556 2735
4. BONPIET TRADING- 073 765 2585

List of approved SMMEs (DISBURSED)

Matlosana Local Municipality

1. SHAMAMA TRADING ENTERPRISE- (TUCKSHOP)-082 849 1634
2. NTHOTO TRADING ENTERPRISE- (FARMING)-073 353 8695
3. CODED STEEL WORKS- (MANUFACTURING)-063 058 2192
4. HOECHELLA EVENTS- ICT- 072 454 7281
5. LL IT SERVICES AND SUPPLIES (BAKERY)- 082 826 2294
6. SPIDER HEART TRADING ENTERPRISE ICT – 082 308 3423
7. TLHOPHANE CONSTRUCTION- CONSTRUCTION-063 210 6616
8. INJULA TOURS AND EVENTS MANAGEMENT (TOURISM)- 073 420 8824
9. NOMBULELO TRADING ENTERPRISE (CONSTRUCTION)- 072 715 6801
10. JOY OF THE DAWN- (FARMING)- **084 814 2311**
11. DREAM HOME DESIGN (MANUFACTURING)- 076 246 5347
12. SHAYANI TRADING ENTERPRISE (**GARDEN SERVICES**)-**076 988 9774**
13. QUEEN YA KING POULTRY (FARMING)- 073 916 2274
14. ~~MADIKANA INSPIRATIONS- (FARMING)- 073 362 5358~~
15. ~~STONE EVEREST TOMBSTONES (MANUFACTURING)- 073 466 0015~~

JB Marks Local Municipality

1. DAV GRANITE AND CONSTRUCTION (MANUFACTURING)-063 765 5031
2. RT GENERAL TRADING- (MANUFACTURING)-067 912 8096
3. OARABILE TRADING ENTERPRISE (CONSTRUCTION) -073 549 5130
4. TSALO LE TSOGO (CONSTRUCTION)- 071 737 2647
5. KGATELO PELE AND BOTOKA- (COOPERATIVE)- CONSTRUCTION-079 070 7913
6. PHINA'S B&B T/A LEGAE LA BORWA (**YOUTH**) TOURISM-081 797 6030
7. SHONKI (PTY) LTD- (**YOUTH**) BEAUTY SPA- 073 299 4754
8. BOJOSI PUBLIC TRADERS- (ICT)- **063 569 9833**
9. JMG EGGS & POULTRY DISTRIBUTION- (FARMING)- **073 363 7672/ 076 301 6661**
10. SIZA THANDA BANTU (STILL PENDING)- (TUCKSHOP)- 064 957 8681

Maquassi Hills Municipality

1. GREEN VISION TRADING (CAR WASH)- 078 839 6477
2. LEGODU CATERING- (CATERING)- 073 316 6332
3. IMPILO TSHEPO CONSTRUCTION (CONSTRUCTION)-073 348 6372
4. ONTRALEMO TUCK SHOP- (TUCKSHOP)- 063 236 4967

5. BONTLENG CONSTRUCTION- (YOUTH) CONSTRUCTION-081 097 6027

Transport plan for Maquassi Hills Local Municipality MPAC 2023.

Area/Town	Pickup Point	Pickup Time	No of people	Coordinator
Wolmaransstad Wards 1	Tswelelang gymnasium	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 2	Thuso Car wash	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 3	Youth Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 4	Reabona Secondary School	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 5	Tladi's creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 10	Sello Computer Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 9	Lebaleng Library	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 11	Segametsimogesho Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 6	Lebaleng creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 7	Kgakala clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 8	Rulaganyang Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830

A total of 55 people to be picked up.

JB Marks transport plan.

Ikageng

WARD	Pickup point	Coordinator	Number of people
01	<ul style="list-style-type: none">➤ Roma➤ Rammekwa	Karabo Mondlane 079 646 0872	5
18	<ul style="list-style-type: none">➤ Big Chicken➤ Dicyrcle	Karabo Mondlane 079 646 0872	5
20	<ul style="list-style-type: none">➤ 4 Way Stop➤ Taxi Rank	Karabo Mondlane 079 646 0872	5
27	<ul style="list-style-type: none">➤ Taxi Rank➤ Entrance Matlwang Village	Karabo Mondlane 079 646 0872	5

06	<ul style="list-style-type: none">➤ Ikageng Police Station	Karabo Mondlane 079 646 0872	5
08	<ul style="list-style-type: none">➤ Devils Corner	Karabo Mondlane 079 646 0872	5
12	<ul style="list-style-type: none">➤ Sayana	Karabo Mondlane 079 646 0872	5
11	<ul style="list-style-type: none">➤ Paseka Car Wash	Karabo Mondlane 079 646 0872	5
14	<ul style="list-style-type: none">➤ Gamatlabe Hall	Karabo Mondlane 079 646 0872	5

Ikageng

WARD	Pickup point	Coordinator	Number of people
09	➤ Corner Boitshoko School	Karabo Mondlane 079 646 0872	5
10	➤ Corner Bismillah ➤ Badirile	Karabo Mondlane 079 646 0872	5
16	➤ Dicarvans ➤ Corner Mandela and Nkosi	Karabo Mondlane 079 646 0872	5
19	➤ Top City Clinic	Karabo Mondlane 079 646 0872	5

Promosa

Ward	Pickup Point	Coordinator	Number Of People
13	➤ Aksiemark	Karabo Mondlane 079 646 0872	5
17	➤ Promosa Hall ➤ Keotshepile School	Karabo Mondlane 079 646 0872	5
21	➤ Promosa Hall	Karabo Mondlane 079 646 0872	5
26	➤ Corner Zakhele	Karabo Mondlane 079 646 0872	5

Potchefstroom

Ward	Pickup Point	Coordinator	Number Of People
07	➤ Mediclinic (Opposite Military Residence)	Karabo Mondlane 079 646 0872	5
22	➤ NWU Main Entrance	Karabo Mondlane 079 646 0872	5
25	➤ Vuselela Collage Main Entrance	Karabo Mondlane	5
04	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
05	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
15	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
24	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5

Potchefsroom farm areas

Ward	Pickup Point	Coordinator	Number Of People
02	N.G Kerk	Karabo Mondlane 079 646 0872	5
03	Klipdrift	Karabo Mondlane 079 646 0872	5
28	➤ Rys Meirbuult Main Rd ➤ Meirskaal Main Rd ➤ Die Beer Skaal Main Rd	Karabo Mondlane 079 646 0872	5

Please note wards 04, 05, 15, 24 have not submitted pickup point in time however transport will be required for them, pickup point will be discussed with the service provider, the wards fall under the Potchefstroom area.

Ventersdorp

Ward	Pickup Point	Coordinator	Number Of People
29	➤ Ventersdorp Ext 2 Hall	Karabo Mondlane 079 646 0872	5
30	➤ Ventersdorp Ext Circle	Karabo Mondlane 079 646 0872	5
31	➤ Goed gevonden Hall ➤	Karabo Mondlane 079 646 0872	5
31	➤ Boikhutsong	Karabo Mondlane 079 646 0872	5
32	➤ Spar Ventersdorp	Karabo Mondlane 079 646 0872	5

City Of Matlosana Transport Plan.

Tigane

Ward	Pick Up Point	Coordinater	Number Of People
01	Lethlekeng	Thozama 072 420 5298	5
02	Super Market & Council Offices	Thozama 072 420 5298	5

Alabama

Ward	Pick Up Point	Coordinater	Number Of People
03	Alabama Community Hall	Thozama 072 420 5298	5
04	Anna's Tarven Ext 21	Thozama 072 420 5298	5

Klerksdorp

Ward	Pick Up Point	Coordinater	Number Of People
15	Jacaranda Circle	Thozama 072 420 5298	5
16,17	Klerksdorp Library	Thozama 072 420 5298	10
18	Ou Blade Farm	Thozama 072 420 5298	5
19,39	Klerksdorp Library	Thozama 072 420 5298	10

Ward 16, 17, 19 And 39 May Change Pickup Points However This Will Be Communicated With Service Provider In Due Time.

Kanana/Ellaton

Ward	Pick Up Point	Coordinator	Number Of People
20	Ikageng Disability Center/ Obc	Thozama 072 420 5298	5
22	Ext 13 Office	Thozama 072 420 5298	5
23	Chisa Mpama/Oua Office	Thozama 072 420 5298	5
24	Taxi Rank X/Fourway Ext 12	Thozama 072 420 5298	5

Ward	Pick Up Point	Coordinator	Number Of People
25	Mokati Community Hall	Thozama 072 420 5298	5
26	Tit For Ted	Thozama 072 420 5298	5
27	Z Section 4 Way & Phomolong	Thozama 072 420 5298	5
36	Kanana Primary School And Prison Ellaton.	Thozama 072 420 5298	5

Vaal Reefs

Ward	Pick Up Point	Coordinator	Number Of People
21	Shopping Centre	Thozama 072 420 5298	5

Orkney/ Stilfontein

Ward	Pick Up Point	Coordinator	Number Of People
28	Orkney Library	Thozama 072 420 5298	5
29	Orkney Library	Thozama 072 420 5298	5

Transport plan for Maquassi Hills Local Municipality MPAC 2023.

Area/Town	Pickup Point	Pickup Time	No of people	Coordinator
Wolmaransstad Wards 1	Tswelelang gymnasium	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 2	Thuso Car wash	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 3	Youth Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 4	Reabona Secondary School	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 5	Tladi's creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 10	Sello Computer Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 9	Lebaleng Library	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 11	Segametsimogesho Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 6	Lebaleng creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 7	Kgakala clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 8	Rulaganyang Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830

A total of 55 people to be picked up.

JB Marks transport plan.

Ikageng

WARD	Pickup point	Coordinator	Number of people
01	<ul style="list-style-type: none">➤ Roma➤ Rammekwa	Karabo Mondlane 079 646 0872	5
18	<ul style="list-style-type: none">➤ Big Chicken➤ Dicyrcle	Karabo Mondlane 079 646 0872	5
20	<ul style="list-style-type: none">➤ 4 Way Stop➤ Taxi Rank	Karabo Mondlane 079 646 0872	5
27	<ul style="list-style-type: none">➤ Taxi Rank➤ Entrance Matlwang Village	Karabo Mondlane 079 646 0872	5

06	<ul style="list-style-type: none">➤ Ikageng Police Station	Karabo Mondlane 079 646 0872	5
08	<ul style="list-style-type: none">➤ Devils Corner	Karabo Mondlane 079 646 0872	5
12	<ul style="list-style-type: none">➤ Sayana	Karabo Mondlane 079 646 0872	5
11	<ul style="list-style-type: none">➤ Paseka Car Wash	Karabo Mondlane 079 646 0872	5
14	<ul style="list-style-type: none">➤ Gamatlabe Hall	Karabo Mondlane 079 646 0872	5

Potchefstroom

Ward	Pickup Point	Coordinator	Number Of People
07	➤ Mediclinic (Opposite Military Residence)	Karabo Mondlane 079 646 0872	5
22	➤ NWU Main Entrance	Karabo Mondlane 079 646 0872	5
25	➤ Vuselela Collage Main Entrance	Karabo Mondlane	5
04	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
05	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
15	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5
24	➤ Potchefstroom	Karabo Mondlane 079 646 0872	5

Potchefsroom farm areas

Ward	Pickup Point	Coordinator	Number Of People
02	N.G Kerk	Karabo Mondlane 079 646 0872	5
03	Klipdrift	Karabo Mondlane 079 646 0872	5
28	<ul style="list-style-type: none"> ➤ Rys Meirbuult Main Rd ➤ Meirskaal Main Rd ➤ Die Beer Skaal Main Rd 	Karabo Mondlane 079 646 0872	5

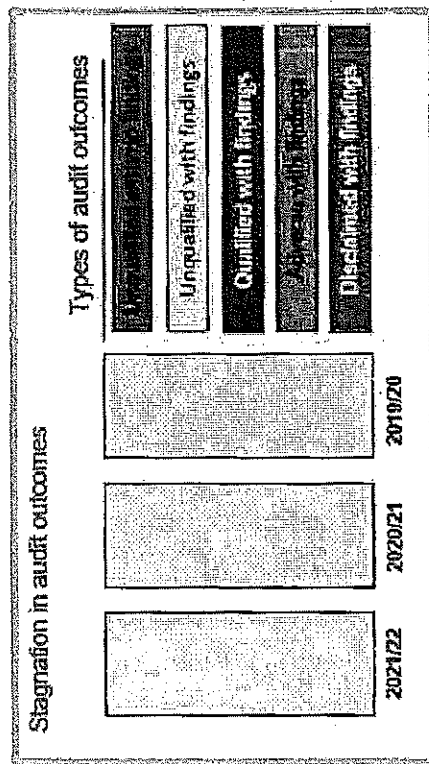
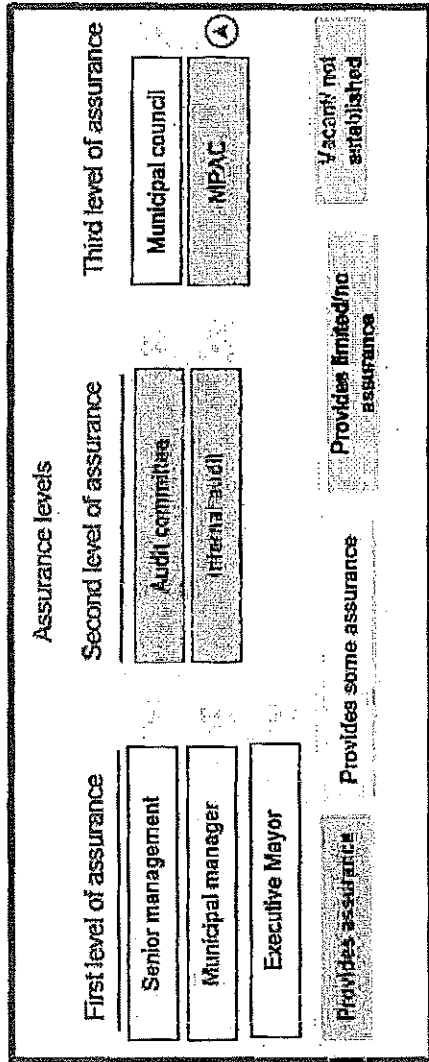
Please note wards 04, 05, 15, 24 have not submitted pickup point in time however transport will be required for them, pickup point will be discussed with the service provider, the wards fall under the Potchefstroom area.

Transport plan for Maquassi Hills Local Municipality MPAC 2023.

Area/Town	Pickup Point	Pickup Time	No of people	Coordinator
Wolmaransstad Wards 1	Tswelelang gymnasium	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 2	Thuso Car wash	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 3	Youth Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 4	Reabona Secondary School	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 5	Tladi's creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Wolmaransstad Ward 10	Sello Computer Centre	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 9	Lebaleng Library	13:00 pm	5	Mbuso Nombewu 078 941 7830
Maquassi Ward 11	Segametsimogesho Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 6	Lebaleng creche	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 7	Kgakala clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830
Leeudoringstad Ward 8	Rulaganyang Clinic	13:00 pm	5	Mbuso Nombewu 078 941 7830

A total of 55 people to be picked up.

Annexure I- AG BRIEFING NOTE



the key role players need to ensure that ...



To improve/maintain the audit outcomes ...



the root causes are addressed ...



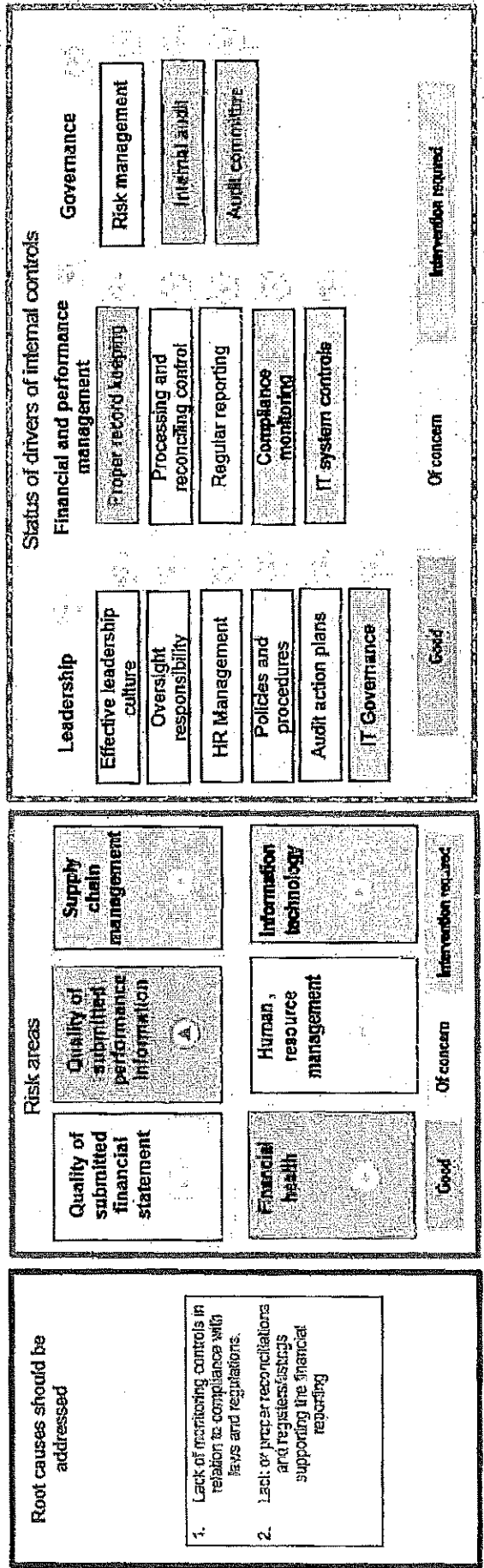
the risk areas and ...



... the risk areas and ...



the best practices are maintained.







O-T-S
OFFICE OF THE SPEAKER

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Private Bag X 5017, Klerksdorp, 2570, Tel: +27 18 473 8000, Fax: +27 18 473 8094
 Website: www.kaundistrict.gov.za, Civic Center, Patmore Road, Orkney

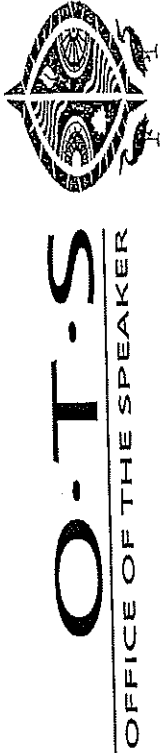
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) AUDITOR GENERAL BRIEFING MEETING TO BE HELD ON THE 07TH FEBRUARY 2023 AT 14:00 AT COUNCIL CHAMBER – DISTRICT OFFICES

ATTENDANCE REGISTER

NAME & SURNAME	DESIGNATION	CONTACT DETAILS				SIGNATURE
		Tel. no.	Cell no.	email address	Tel. no.	
Deneo mpendu	S.M		078 950 9861	deneo.m@qg5a.co.za		<i>[Signature]</i>
NOMZAMO KHUMISA	Manager		083 55 44 187	NOMZAMO@qg5a.co.za		<i>[Signature]</i>
LETTIE MOLAISI	MMC		0630136270	lettie.molaishi@qg5a.co.za		<i>[Signature]</i>
RAYMOND MAMPE	MMC		078 868 2981	raymondmampe@gmail.com		<i>[Signature]</i>
JEFFREY S. LESIE	Single Whip		062317219	jeffrey.lesie@gmail.com		<i>[Signature]</i>
Rosy Thabandhu Chno Hathy L	mmc MAYZ			rosythabandhu@gmail.com		<i>[Signature]</i>

Chno botho@cautech.net 083055221





MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) AUDITOR GENERAL BRIEFING MEETING TO BE HELD ON THE 07TH FEBRUARY 2023 AT 14:00 AT
 COUNCIL CHAMBER – DISTRICT OFFICES

ATTENDANCE REGISTER

NAME & SURNAME	DESIGNATION	CONTACT DETAILS	SIGNATURE
SEHLA MOTWESHA	PROVINCIAL TREASURY	Tel. no. 018 388 4070 Cell no. 081 212 0364 email address smotwesa@nwpg.gov.za	
Stefan Senelid	Saiga	Tel. no. 0795148999 Cell no. 55enckel@saiga.org.za email address	
Stezie Swaloor	SAISA	Tel. no. 0785233151 Cell no. email address	
Masego Chubisi	Provincial Cogta	Tel. no. 018 388 3668 Cell no. 066 186 2745 email address Mchubisi@nwpg.gov.za	
Masego Obotseng	Provincial Cogta	Tel. no. 018 388 1132 Cell no. 078 677 6887 email address Masego.Obotseng@nwpg.gov.za	
ANDU MOKSWANA	NWPL	www.andu@nwpl.com	
BO ROBERT MOSHOE	MPAC	rmosholi86@gmail.com 083 710 2472	



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature and the council on the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipal entity. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Non-current assets held for sale

3. I was unable to obtain sufficient appropriate audit evidence for non-current assets held for sale due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I 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 statements and the impairment of non-current assets held for sale, stated at R23 455 (2021: R57 875) in note 3 to the financial statements, was necessary.

Payables from exchange transactions

4. During 2021, I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions due to the status of the accounting records. As described in note 21 to the financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure of payables from exchange transactions, stated at R646 174 in note 7 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2021 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the trade payables for the current period.



Vat Payable

5. The municipal entity did not account for value-added tax (VAT) payable as required by GRAP 104, *Financial Instruments*, in the prior year. The VAT output on income received from the controlling entity was recognised as a zero-rated supply instead of a standard rate. Consequently, the corresponding figure of 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. My opinion on the current year financial statements was modified because of the effect of this matter on the comparability of the VAT payable for the current period.

Revenue from non-exchange transactions

6. The municipal entity did not recognise all revenue from the controlling entity that was received as a service in kind, as required by GRAP 23, *Revenue from non exchange transactions*, due to the status of the accounting records. Consequently, revenue from non-exchange transactions and expenditure for the year was understated by R139 410.

Net cash flow from operating activities

7. The municipal entity did not correctly prepare and disclose the net cash flow from operating activities as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flow from operating activities. I was unable to determine the full extent of the errors in the cash flow from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustment was necessary 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.

Statement of comparison of budget and actual amounts

8. I was unable to obtain sufficient appropriate audit evidence for the budgeted amounts used in the statement of comparison of budget and actual amounts due to the municipal entity not having the approved budget in place. I was unable to confirm these budgeted amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary relating to the statement of comparison of budget and actual amounts as disclosed in the financial statements.

Irregular expenditure

Section 125(2)(d)(i) of the Municipal Finance Management Act 56 of 2003 (MFMA) requires the disclosure of irregular expenditure incurred. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for irregular expenditure. As described in note 25 to the financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figures relating to irregular expenditure of R1 372 689 as disclosed in note 25 to the financial statements. My opinion on the current year financial statements was modified because of the effect of this matter on the comparability of the irregular expenditure for the current period.

Emphasis of matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Liquidation basis of accounting

10. As disclosed in note 23 to the financial statements, the council of Dr Kenneth Kaunda District Municipality resolved in terms of council resolution no. A26/07/2020 to implement section 109 of



the Companies Act of South Africa, 2008 (Act No. 71 of 2008) process to de-establish the entity. The resolution passed has a material and/or fundamental adjusting effect on the ability of the entity to continue operations. In light of the resolution, the presentation of annual financial statements has therefore changed from going concern basis to liquidation basis. The decision of the parent entity to de-establish the entity means that the entity is not in a position to continue as a going concern. The resolution and winding down process was still in progress as at 30 June 2022.

Fruitless and Wasteful Expenditure

11. As disclosed in note 24 to the financial statements, fruitless 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.

Restatement of corresponding figures

12. As disclosed in note 21 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statement of the municipal entity at, and for the year ended, 30 June 2022.

Other matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

14. In terms of section 125(2)(e) of the Municipal Finance Management Act 56 of 2003 (MFMA), the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the MFMA and the Companies Act, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipal entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

17. My responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (ISAs) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
18. I am independent of the municipal entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as the other ethical requirements

that relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

19. I am unable to audit and report on the usefulness and reliability of the performance information as the annual performance report of the municipal entity was not prepared as required by section 121(4)(d) of the MFMA.

Report on audit of compliance with legislation

Introduction and scope

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipal entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislation are as follows:

Financial Statements

22. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.

Expenditure management

23. Expenditure was incurred without an approved budget, in contravention of section 87(8) of the MFMA.
24. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R15 755 as disclosed in note 24 to the financial statements, as required by section 95(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on overdue accounts.
25. Reasonable steps were not taken to prevent irregular expenditure amounting to R66 692 as disclosed in note 25 to the annual financial statements, as required by section 95(d) of the MFMA. The majority of the irregular expenditure was caused by procurement made on expired contracts.
26. An adequate management, accounting and information system that recognised expenditure when it was incurred was not in place, as required by section 99(2)(c) of the MFMA.
27. Reasonable steps were not taken to ensure that the municipal entity implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation and payment of funds, as required by section 99(2)(a) of the MFMA.
28. Money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

Strategic planning and performance management

29. The annual performance objectives and indicators were not established by agreement with the parent municipality, as required by section 93B(a) of the MSA.
30. A multi-year business plan was not developed for inclusion in the budget, as required by section 87(5)(d) of MFMA.



Consequence management

31. Irregular, fruitless and wasteful expenditure incurred by the municipal entity were not investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer of opinion, and the findings on compliance with legislation included in this report.

- The accounting officer did not implement adequate control disciplines over financial and performance reporting and compliance with key legislation by ensuring that action plans developed were adequately and timeously implemented to address all prior year findings
- The inadequate staffing of the entity has created an environment where most of the responsibilities are entrusted to one person, consultants were appointed to fill the gap caused by the vacancies, however the use of consultants did not yield the desired results as the audit outcome remained the same

Auditor General

Rustenburg

30 November 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence





AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature and the council on Dr Kenneth Kaunda District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Dr Kenneth Kaunda District Municipality set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2022, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Dr Kenneth Kaunda District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unauthorised, irregular and fruitless and wasteful expenditure

7. As disclosed in note 37 to the consolidated and separate financial statements, the unauthorised expenditure of R70 748 925 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
8. As disclosed in note 38 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R94 767 and R79 012 was incurred in the current year and fruitless and wasteful expenditure of R11 603 131 and R11 028 209 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
9. As disclosed in note 39 to the consolidated and separate financial statements, 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 yet been dealt with in accordance with section 32 of the MFMA.

Restatement of corresponding figures

10. As disclosed in note 33 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the consolidated and separate financial statements of the municipality at, and for the year, ended 30 June 2022.

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the consolidated and separate financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the Dr Kenneth Kaunda District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or there is no realistic alternative but to do so.



Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

15. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
16. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.
19. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.
20. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, which must be based on the municipality's approved performance planning documents. 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 municipality enabled service delivery. My procedures do not extend 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. Accordingly, my findings do not extend to these matters.



21. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I selected the following material performance indicators contained in key performance area (KPA) 1 – basic service delivery and infrastructure development presented in the municipality's annual performance report for the year ended 30 June 2022 set out on pages xx to xx. I selected the indicators that measure the municipality's performance on its primary mandated functions and which are of significant national, community or public interest.

Performance indicators: KPA1 – basic service delivery and infrastructure development
KPI 3: Number of compliance reports on drinking water samples taken and tested from JB Marks, Matlosana and Maquassi Hills Local Municipalities submitted
KPI 4: Number of water samples taken and tested at the reservoirs in JB Marks, Matlosana and Maquassi Hills Local Municipality
KPI 5: Number of air quality management inspections conducted within Dr Kenneth Kaunda district
KPI 6: Total kilometers of paved roads assessed within JB Marks
KPI 9: Number of dry sanitation units installed in Boskuit and Oersonskraal villages in Maquassi Hills
KPI 10: Number of rural settlements provided with portable drinking water drilling and equipping of boreholes within Dr Kenneth Kaunda District Municipality

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected material performance indicators.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the under and over achievements of targets.

Report on audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
28. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and adequately available to report in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are included in the annexure to this auditor's report.
29. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual reports

30. The consolidated and separate financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure of R33 912 389 and R33 845 697 as disclosed in note 39 to the consolidated and separate financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by adjudication Committees were not properly constituted in accordance with the regulation for the appointment of service providers through the competitive bidding processes and not following the competitive bidding process where required.

Human resource management

32. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the Municipal Systems Act 32 of 2000 (MSA).
33. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

34. Some of the senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

Consequence management

35. Some irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
36. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

Strategic planning and performance management

37. Annual performance objectives and indicators were not established for Dr Kenneth Kaunda District Municipality Economic Agency SOC Ltd, as required by section 93B(a) of the MSA.
38. The performance of Dr Kenneth Kaunda District Municipality Economic Agency SOC Ltd was not monitored and reviewed as part of the annual budgetary process, as required by section 93B(b) of the of the MSA.

Procurement and contract management

39. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
40. The preference point system was not applied to some of the procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
41. Some of the invitations to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Other information

42. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in key performance area presented in the annual performance report that have been specifically reported in this auditor's report.

43. My opinion on the consolidated and separate financial statements and material findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
44. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the material indicators in the scoped-in key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

46. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
 - The accounting officer did not exercise adequate oversight regarding the financial reporting. Financial statements contained material misstatements which were corrected as a result of inadequate reviews, lack of supporting registers/listings as well as reconciliations thereof.
 - The accounting officer and senior management has not implemented a process to monitor compliance with laws and regulations on a regular basis resulting in non-compliance matters reported. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored throughout the course of the financial year. Non-compliance with laws and regulations has become normal practise and part of the culture of the municipality.
 - The weaknesses in the internal control environment can also be attributed to the lack of effective oversight by leadership. These manifest in systematic weaknesses in information technology systems and inadequate consequence management which are repeatedly reported and not addressed.

Other reports

47. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.



Investigations

48. A forensic investigation by a legal firm was conducted into fraud and corruption allegations against the former acting municipal manager. These allegations were tabled to council on the 27 January 2022, the investigation started from 16 March 2022 and was concluded on 22 May 2022. The disciplinary hearing is currently in progress.
49. An investigation into fraud allegations was conducted by Hawks, which led to two employees being charged with theft and money laundering. Internal investigation pertaining to this matter only started after year-end and is still ongoing.

Auditor General

Rustenburg

12 December 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the audit report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected compliance requirements for compliance testing

Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs and the AGSA audit methodology, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in the auditor's report, I also:
 - Identify and assess the risks of material misstatement of the consolidated and separate financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Dr Kenneth Kaunda District Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

Compliance with legislation – selected legislative requirements

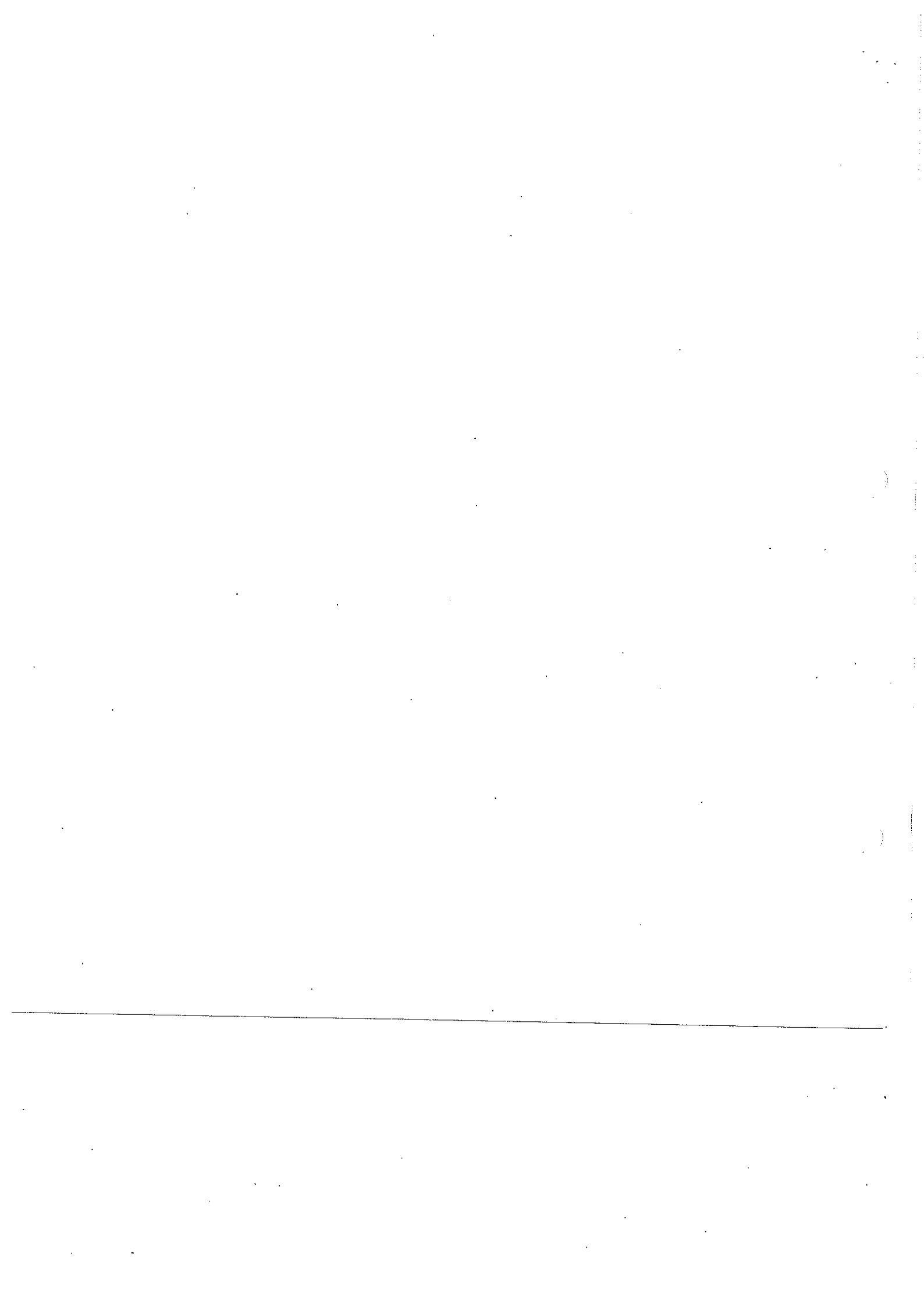
5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	Section 1 (a), (b) & (d) of the definition: Irregular expenditure Section 1 Definition of SDBIP Sections 11(1); 13(2); 14(1); 14(2)(a); 14(2)(b); 15 Sections 24(2)(c)(iv); 29(1); 29(2)(b); 32(2) Sections 32(2)(a); 32(2)(a)(i); 32(2)(a)(ii); 32(2)(b) Sections 32(6)(a); 32(7); 53(1)(c)(ii); 54(1)(c) Sections 62(1)(d); 62(1)(f)(i); 62(1)(f)(ii); 62(1)(f)(iii) Sections 63(2)(a); 63(2)(c); 64(2)(b); 64(2)(c); 64(2)(e) Sections 64(2)(f); 64(2)(g); 65(2)(a); 65(2)(b); 65(2)(e) Sections 72(1)(a)(ii); 95(a); 112(1)(iii); 112(1)(j) Sections 116(2)(b); 116(2)(c)(ii); 117; 122(1); 122(2) Sections 126(1)(a); 126(1)(b); 127(2); 127(5)(a)(i) Sections 127(5)(a)(ii); 129(1); 129(3); 133(1)(a) Sections 133(1)(c)(i); 133(1)(c)(ii); 170; 171(4)(a); 171(4)(b)
LG: MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1); 71(2); 72
LG: MFMA: Municipal investment regulations, 2005	Regulations 3(1)(a); 3(3); 6; 7; 12(2); 12(3)
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Regulations 5(4); 6(8)(a); 6(8)(b); 10(1)
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulations 5; 12(1)(b); 12(1)(c); 12(3); 13(b); 13(c); 13(c)(i) Regulations 16(a); 17(1)(a); 17(1)(b); 17(1)(c); 19(a) Regulations 21(b); 22(1)(b)(i); 22(2); 27(2)(a); 27(2)(e) Regulations 28(1)(a)(i); 28(1)(a)(ii); 29(1) (a) and (b) Regulations 29(5)(a)(ii); 29(5)(b)(ii); 32; 36(1) Regulations 38(1) (c); 38(1)(d)(ii); 38(1)(e); 38(1)(g)(i) Regulations 38(1)(g)(ii); 38(1)(g)(iii) Regulations 43; 44; 46(2)(e); 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1); 26(a); 26(c); 26(i); 26(h); 27(1) Sections 29(1)(b)(ii); 29(2)(a); 29(2)(c); 34(a); 34(b); Sections 38(a); 41(1)(a); 41(1)(b); 41(1)(c)(ii); 42; 43(2) Sections 56(a); 57(2)(a); 57(4B); 57(6)(a) Sections 66(1)(a); 66(1)(b); 67(1)(d); 74(1) Sections 93B(a); 93B(b); 93C(a)(iv); 93C(a)(v); 96(b)
LG: MSA: Municipal planning and performance management regulations, 2001	Regulations 2(1)(e); 2(3)(a); 3(3); 3(4)(b); 3(5)(a); 7(1); 8 Regulations 9(1)(a); 10(a); 12(1); 15(1)(a)(i); 15(1)(a)(ii)

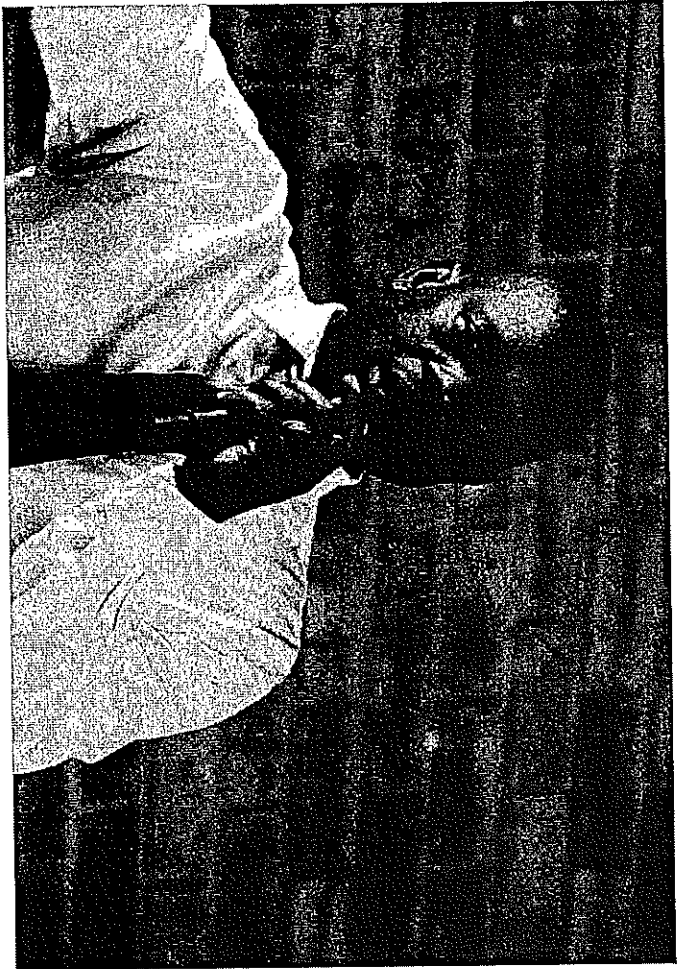
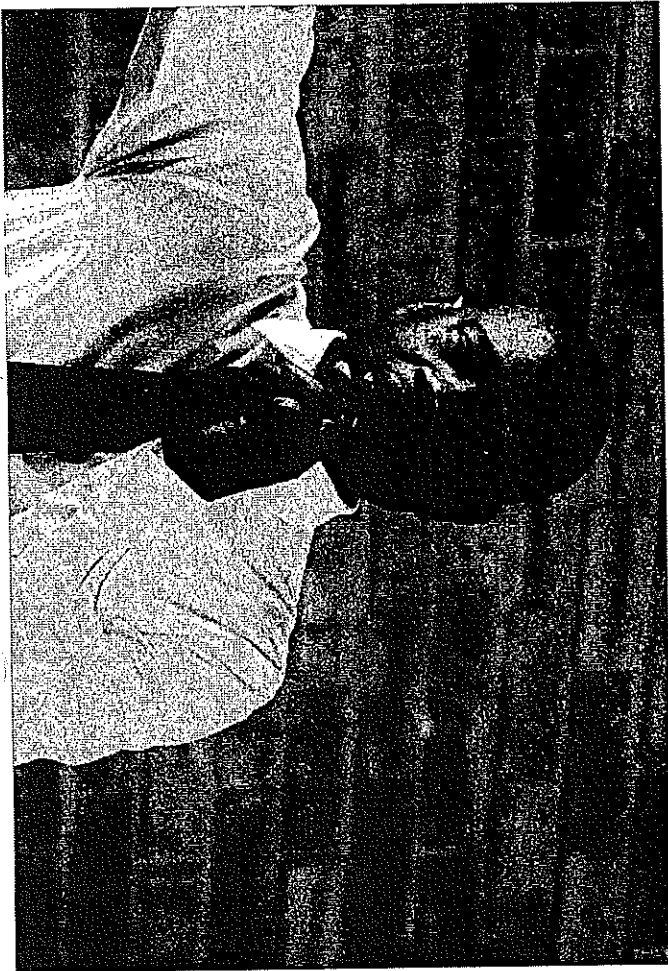


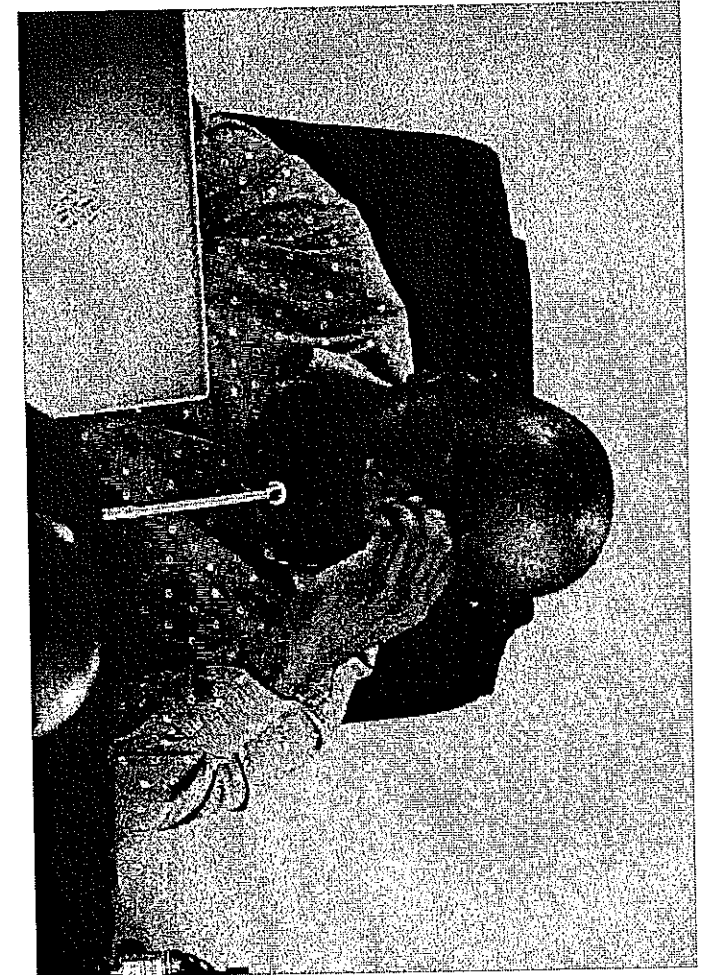
Legislation	Sections or regulations
LG: MSA: Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a); 4(4)(b); 8(1); 8(2); 8(3)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 17(2); 36(1)(a)
LG: MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2); 5(3); 5(6); 8(4)
Annual Division of Revenue Act (Dora)	Sections 11(6)(b); 12(5); 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2(1)(a); 2(1)(f)
Preferential Procurement regulations (PPR), 2011	Regulations 4(1); 4(3); 4(4); 4(5) Regulations 5(1); 5(2); 5(3); 5(5) Regulations 6(1); 6(2); 6(3); 6(4); 6(5) Regulations 7(1); 10; 11(2); 11(4); 11(5); 11(8)
Preferential Procurement regulations (PPR), 2017	Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regulations 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5); 9(1); 10(1); 10(2); 11(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

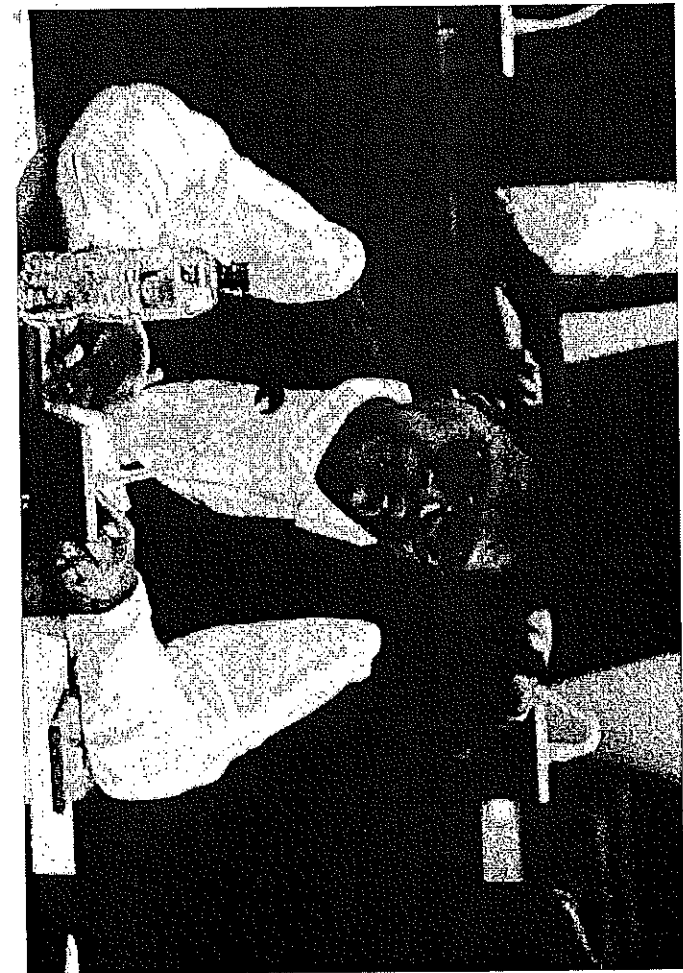
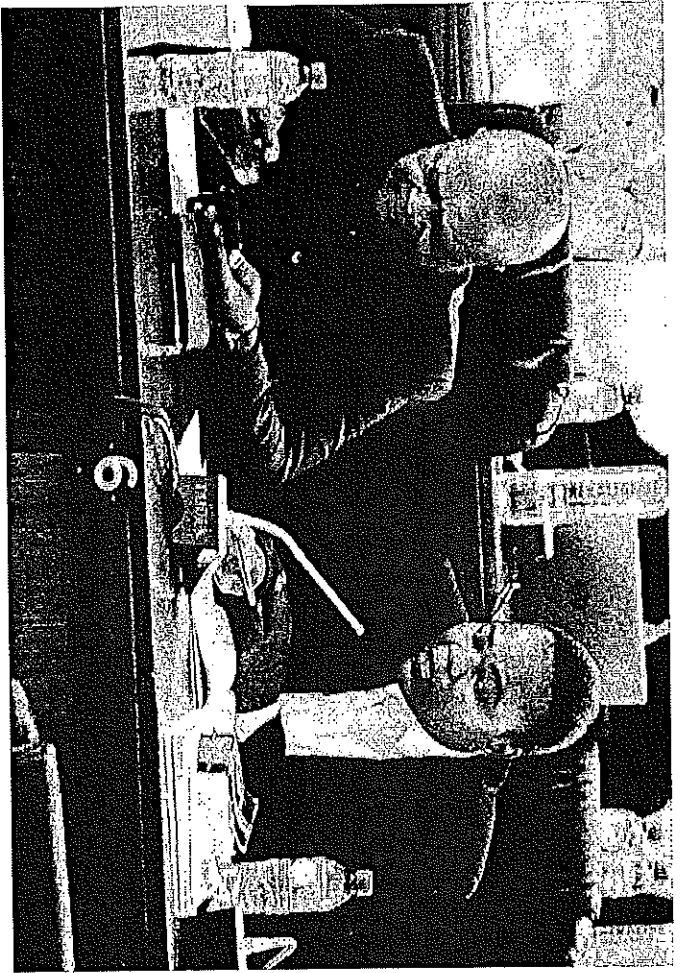


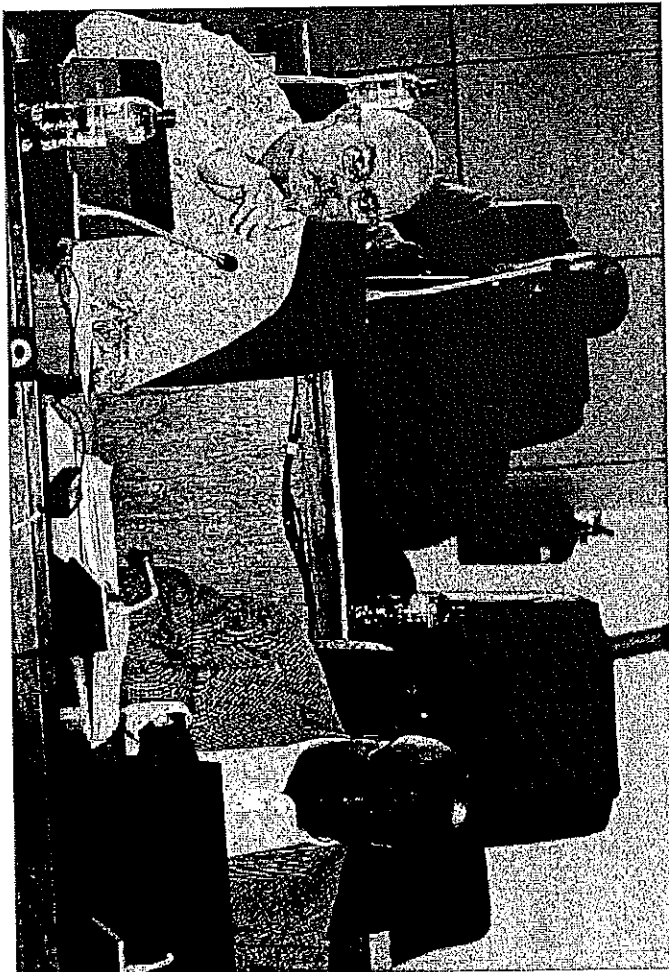
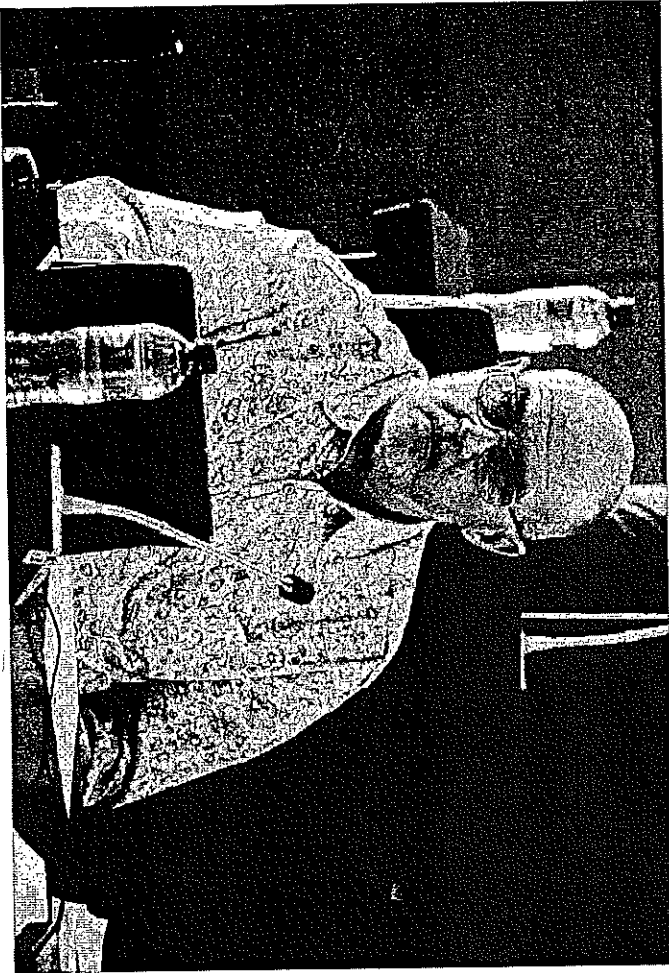
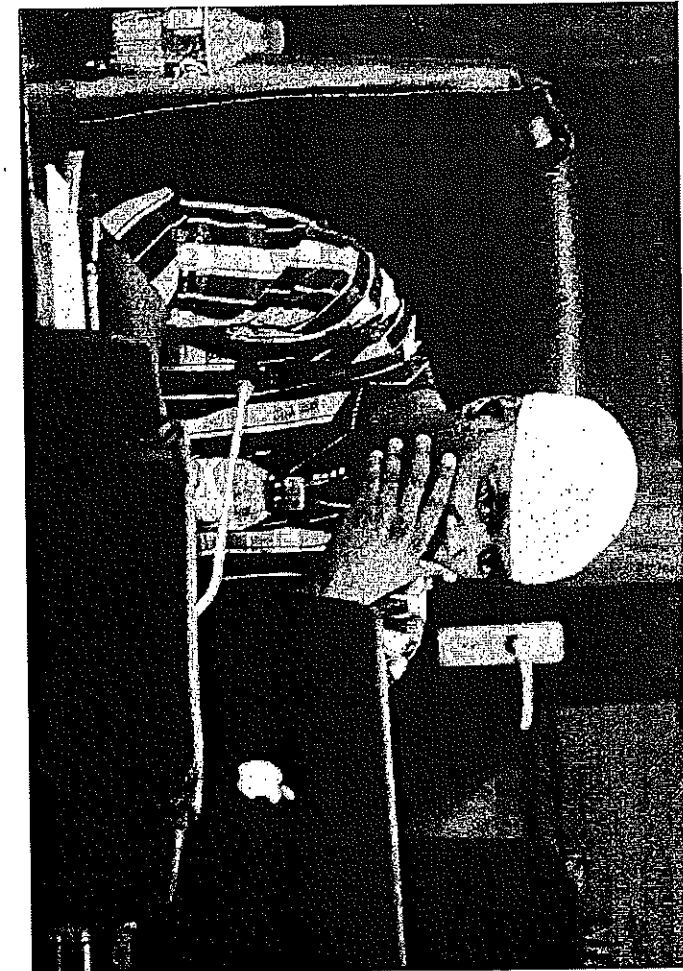


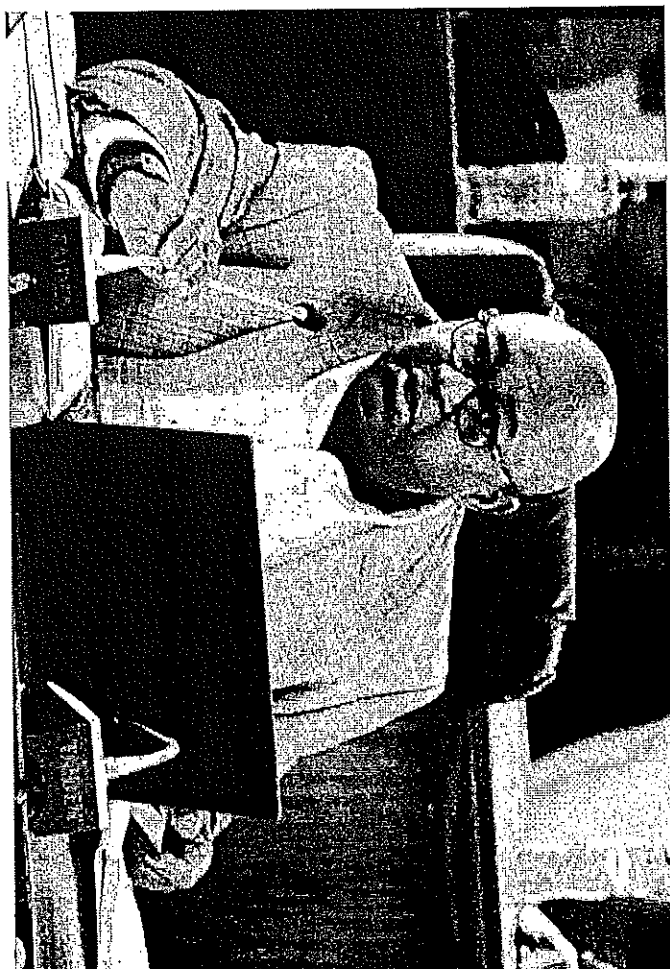
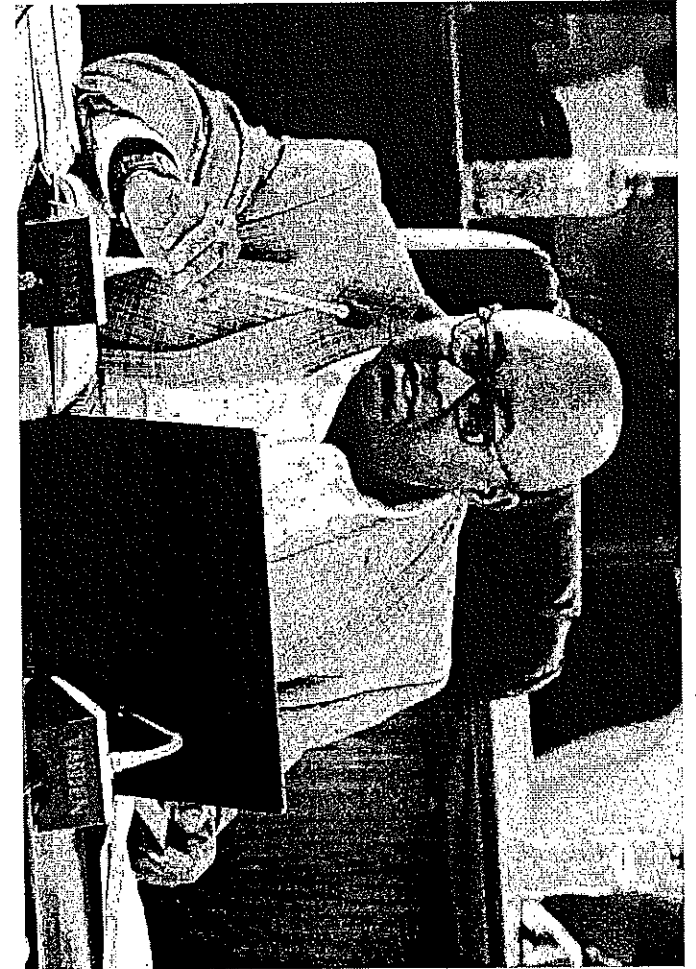
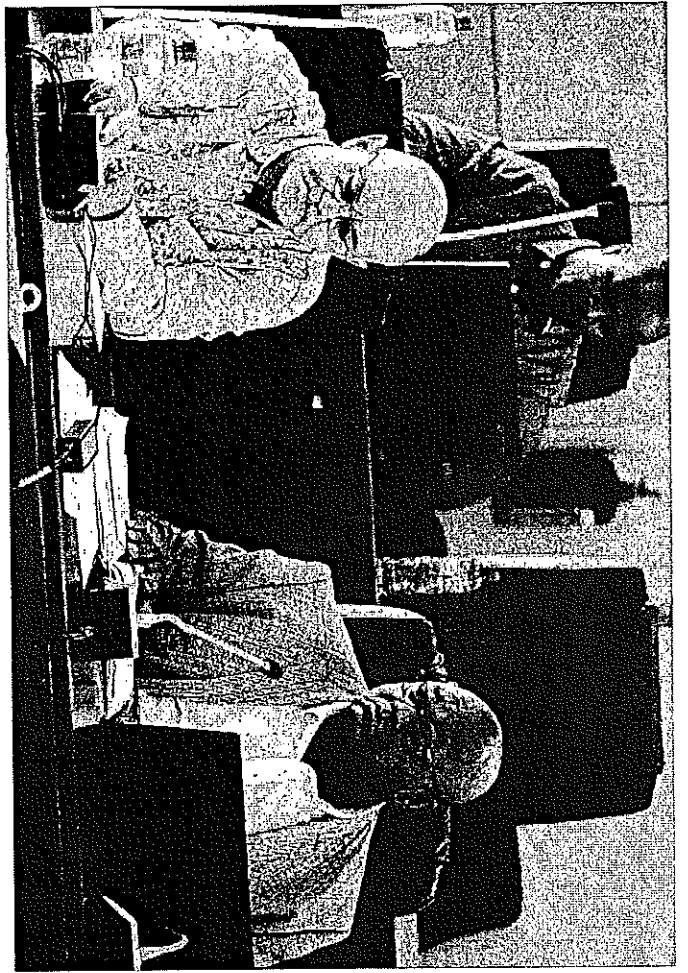
Annexure J- PICTURES RELATED TO THE OVERSIGHT REPORT

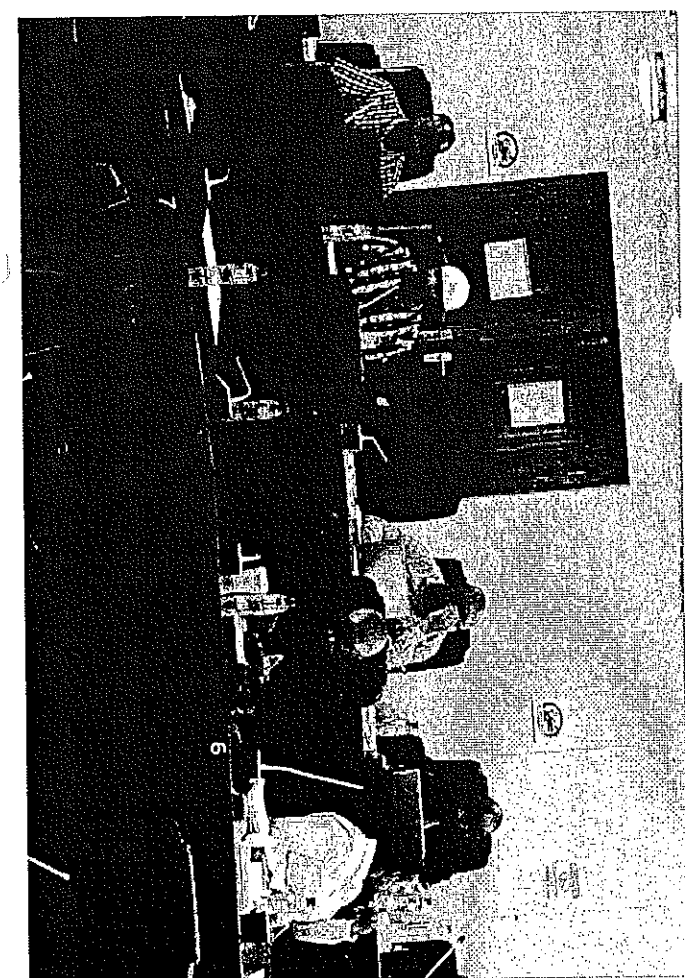
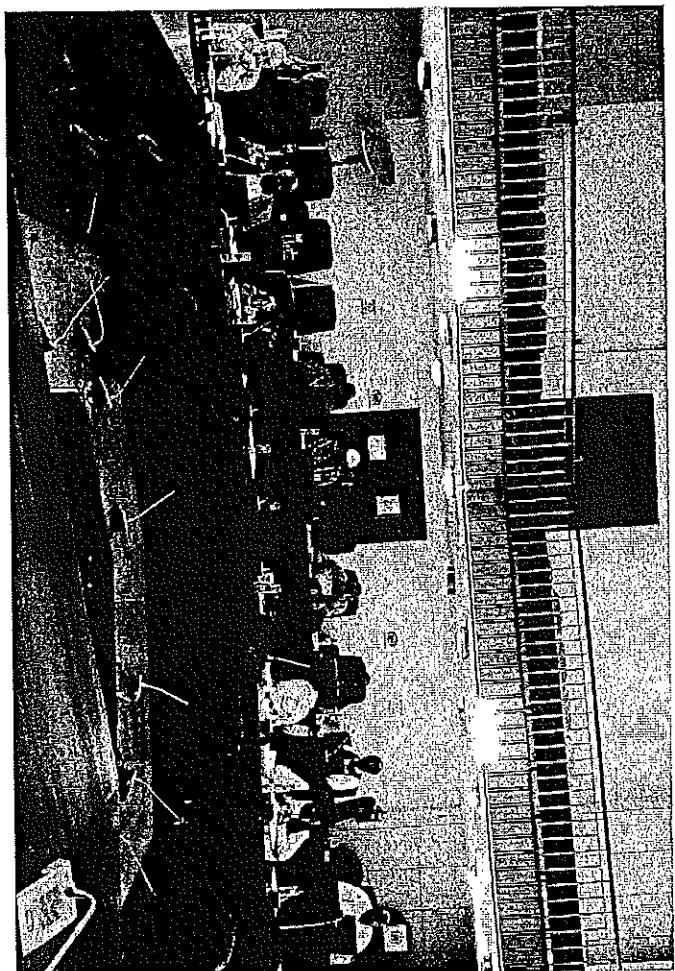


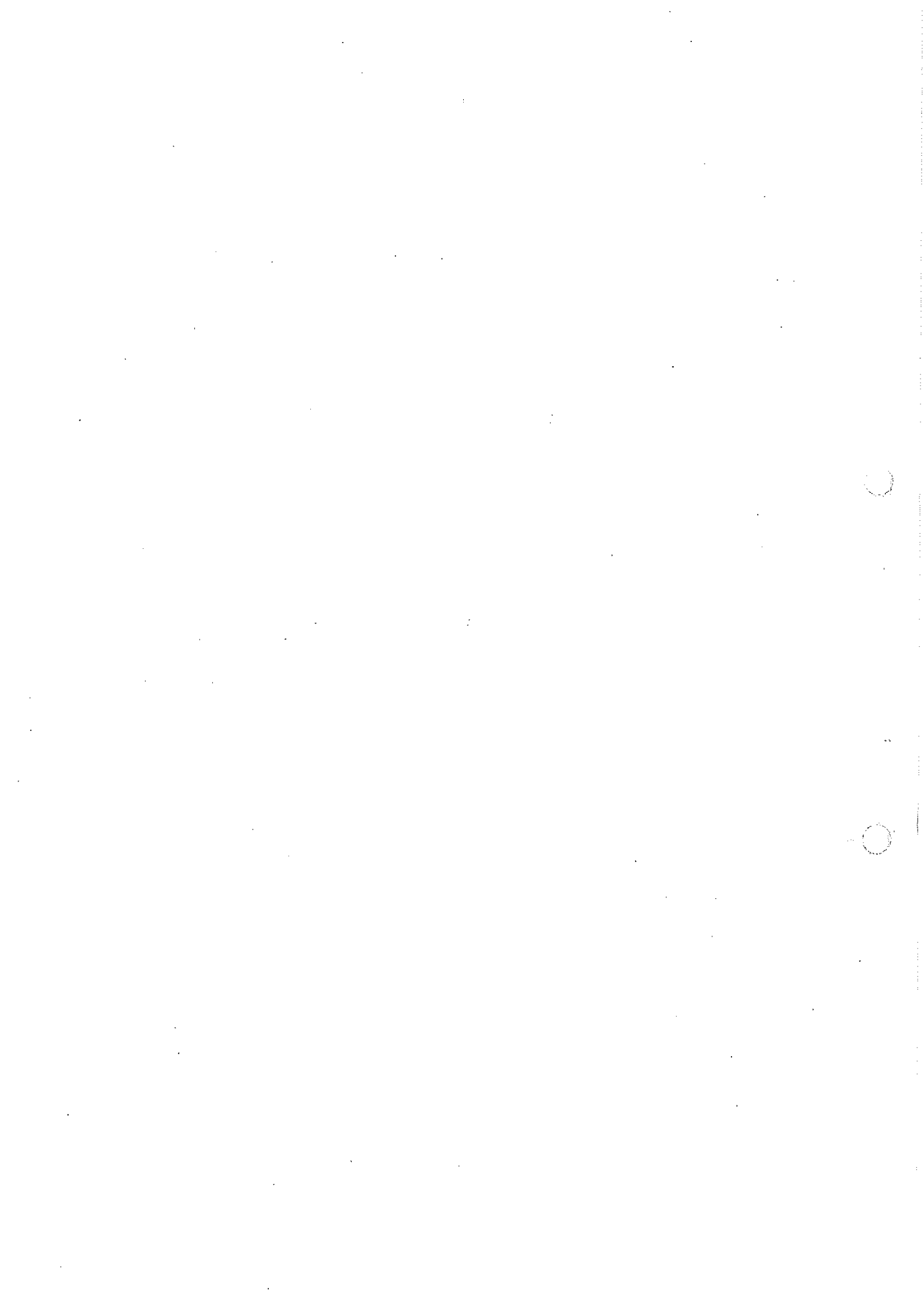


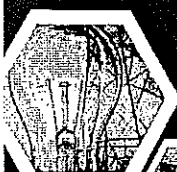
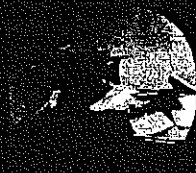
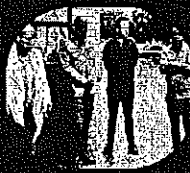
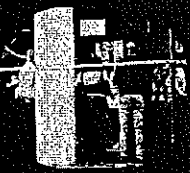
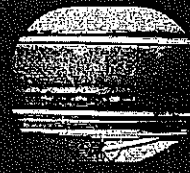
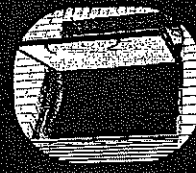
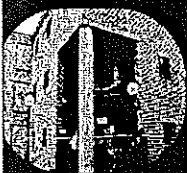
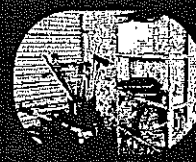
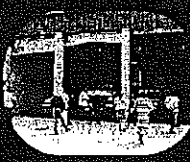
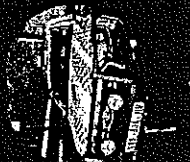
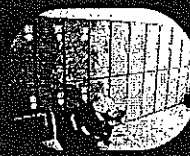
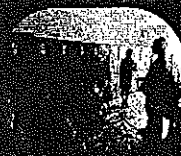












RESOLUTION NUMBER & DATE OF ADOPTION



