



Msukaligwa Local Municipality



OVERSIGHT REPORT ON THE 2020 - 2021 ANNUAL REPORT

CHAPTER 1 – CHAIRPERSON’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: CHAIRPERSON’S FOREWORD

CLLR. T.J. MADLALA
CHAIRPERSON

Madam Speaker, Executive Mayor, MMCs, Fellow Councillors, Senior Managers, CDWs, Ward Committee members, members from various media houses and members of the public. It is an honour to present the oversight report on the draft 2020/2021 Annual Report to this Ordinary Council meeting and the public at large on behalf of the Municipal Public Accounts Committee (MPAC).

Section 79A of the Municipal Structures Act, as amended, provides for the establishment of a Municipal Public Accounts Committee of Council reporting directly to Council perform certain functions on its behalf in accordance with the terms of reference as developed and adopted by Council. Therefore, this places an obligation to us as the Municipal Public Account Committee to regularly report back to Council on all matters referred to us by this Council.

In the Council meeting held on January 28, 2022 under the Report of the Executive Mayor on the draft Annual Report for 2020/2021 financial year, Council considered and referred the Report to the MPAC for oversight and a comprehensive report to be submitted to Council. In the Committee’s sitting on March 17, 2022 the Committee highlighted challenges in the process of doing an oversight under abnormal circumstances due to the effects of the COVID 19 pandemic and the inauguration of the new Council. It must also be mentioned that there was very limited time to capacitate the members of this Committee on how to conduct its work and it is hoped that the Office of the Speaker will arrange trainings in the future.

In 2021 the Minister of Finance granted exemption to the non-compliance with the provisions of the MFMA including section 121 for a period of two months, however in 2022 such exemption was not granted which therefore means that the annual report must be considered by Council by the 31st of March 2022. It is worth mentioning that when the draft Annual Report was tabled to Council it didn’t comprise of all the components thereof such as the Audited Financial Statements and the Auditor General’s report. The two components were made available by the AG on the 31st of January 2022.

The inauguration of the new Council had an impact on the establishment of the Committees of Council which had to be reconfigured in 2022 and that delayed the functioning of the Committees. The Committee had to proceed with the oversight of the Annual Report on the 17th, 23rd and 24th of March 2022, with the anticipation that the oversight report will be finalised on the 28th of March 2022 for tabling to Council on the 31st of March 2022.

Section 121 of the MFMA No 56 of 2003

Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality control in accordance with section 129.

The purpose of an annual report is-

- (a) to provide a record of the activities of the municipality or municipal entity
- (b) to provide a report on performance against the budget of the municipality or
- (c) to promote accountability to the local community for the decisions made during the financial year to which the report relates.

Section 127 of the MFMA No 56 of 2003 requires that:

The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality.

Section 129 of the MFMA No 56 of 2003 is where MPAC becomes involved in compliance with Section 79 of the Municipal Structures Act 117, of 1998 and the terms of reference which requires that:

The council of a municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include statement whether the council-

- (a) has approved the annual report with or without reservations.
- (b) has rejected the annual report or
- (c) has referred the annual report back for revision of those components that can be revised.

Honourable Speaker, I raised these matters so that everyone would understand that the oversight role of the MPAC is very crucial to ethos of good governance and accountability. MPAC worked tirelessly considering that it had limited time to finalize its oversight report to Council due to the tight schedule as a result of the impact of the COVID 19 and the late establishment of Council's Committees.

The MPAC would like to commend the cooperation received from the Executive Mayor and the Office of the Speaker in process of conducting the oversight. The offices ensured that information is submitted to the Committee and they also attended the meetings or sessions to clarify if there were any follow ups. The draft Annual Report was subjected to a public participation process in which copies of the Draft 2020/2021 Annual Report were made available for inspection and placed on the municipal website. Furthermore municipal wards were engaged through their Ward Committees (For ease of reference see the attached communique to ward committees marked as **Annexure "A"**). The Municipality did not receive any comments from the public.

The MPAC noted with serious concern the manner in which the draft Annual Report was prepared or compiled in the sense that there was no quality check that was done prior to its tabling to Council and availing it to the public for comments, for example on the page that dealt with the ward committee members the names were not updated. In future it is suggested that all the role players in the compilation of the Report should do the quality check to ensure that the public is not misled or provided with inaccurate information.

During the oversight process Municipal Public Accounts Committee noted both improvements in certain performance areas, as reflected in the 2020/2021 Annual Report, but also unsatisfactory performance in

some other areas. As reflected in this Oversight Report, the Municipal Public Accounts Committee has also raised concerns on certain issues which required immediate intervention or attention. It was noted, under the Department of Planning and Economic Development, that the Municipality obtained an award with regard to the assistance given to the SMMEs which were affected by the impact of the COVID 19. Furthermore it is appreciated that the Municipality has been able to procure its own fleet for the delivery of basic services and minimized the outsourcing of the services.

Under the Department of Planning and Economic Development, it has been noted with appreciation the significant progress that has been made on the land acquisition of KaMabuza and New Ermelo (Nyibe). This will have a positive impact on a number of community members who benefit from this process.

MPAC has noted with appreciation the qualified audit opinion with 9 paragraphs and the findings of the AG on the 2020/21 financial year under review. These findings mainly relate to the asset register, payables from exchange transactions, VAT and Irregular expenditure, to mention but a few. This does not paint a good picture for our municipality in that it reflects a picture that the AG findings are not addressed as soon as possible, or they are just ignored. The focus must be on the bigger picture as to where the Municipality is foreseeing itself to be in the future, which is to obtain a clean audit opinion. It is based on this observation that going forward the AG action plan should be strictly monitored, and the report must be the standing item on the Council agenda.

The President has on more than one occasion in his SONA made mention of the importance of the Public Private Partnerships to assist the government in its developmental goals, however on the report such is not coming up or attention is not paid to it. For example, in the 2022 State of the Nation Address the President said the following and I quote:

"There is a need both to address the immediate crisis and to create conditions for long-lasting stability and development. To achieve this, South Africa needs a new consensus. A consensus that is born out of a common understanding of our current challenging situation and a recognition of the need to address the challenges of unemployment, poverty and inequality. This should be a new consensus which recognises that the state must create an environment in which the private sector can invest and unleash the dynamism of the economy."

The Report of the Committee therefore provides a comprehensive analysis and report on the work done by the Committee in respect on the draft Annual Report for 2020/2021 financial year. We wish to inform Council that we extensively dealt with the report and we are pleased to inform Council that areas of concern have been corrected on the Report which is tabled to Council today. We urge Council to consider and adopt the Annual Report and the oversight Report with the recommendations relating to what needs to be done further after approval of the Annual Report for the 2020/2021 financial year.

The Committee noted with serious concern the instability in the senior management positions especially in the positions of the Municipal Manager and the Chief Financial Officer and the currently suspended directors is a cause for concern and must addressed as soon as possible. The Municipality cannot afford to continue paying for Directors who were suspended and also pay the acting directors yet it is not clear why they were suspended. It is very key to ensure that there is stability in those positions.

It is for this background that MPAC recommends the following:

RECOMMENDATIONS OF THE MPAC

1. That Council **NOTES** the oversight report of the Municipal Public Accounts Committee in respect to the draft Annual Report for 2020/2021 financial year;
2. That Council **CONSIDER** the Oversight Report on the Annual Report for 2020/2021 financial year;
3. That Council **APPROVE** the Annual Report for 2020/2021 financial year in terms section 129 (a) of the Municipal Finance Management Act 56 of 2003, with reservations in that the Executive should attend to the following areas of concern:
 - (a) The Audit action plan on the matters raised by the AG should be strictly implemented to ensure that repeated findings are eliminated.
 - (b) The Municipality must improve on ensuring that the Public Private Partnerships are entered into to improve investment in the Municipality.
 - (c) Consequence management must strictly be implemented to ensure the reduction of the UIFWs.
 - (d) The economic sectors which are around the Municipality such as the mining houses must be strictly monitored to ensure that their Social Labour Plans are implemented to the benefit of the whole community.
 - (e) Every household or business and/or farms in the Municipality should be correctly billed and such should be sent to the recipients regularly to ensure the improvement of the revenue of the Municipality.
 - (f) The Municipality must develop on how it intends to establish the Local Economic Development Forum which has been outstanding for a long time.
4. For Council **TO CONSIDER** the recommendations of the MPAC into the Annual Report for 2020/2021 financial year.

Finally, I would like to commend my fellow Municipal Public Accounts Committee members for their commitment and hard work in this journey despite very tight schedule. A word of thanks must also be given to the Speaker, Executive Mayor and administration in that they ensured their availability to the Committee as and when they were required, except for one Department which is Planning and Economic Development which did not only avail itself to this Committee but also in other activities of Council such as the Strategic Planning Session.

Council is reminded that the assertions made by the President in the State of the Nation Address should find expression on the ground especially in the Municipality. Therefore it is important while department are pushing to achieve the targets that they have put in place for the year, they should also tap on the SONA to see which issues are affecting them so that they can be implemented.

I thank you Madam Speaker.



Cllr. T. J. Madlala
Chairperson of MPAC

CHAPTER 2 – BACKGROUND

Council at its ordinary sitting held on January 28, 2022 under the report on the draft Annual Report for 2020/2021 financial year referred the report to MPAC for oversight.

The Committee met on March 17, 2022 to adopt its workplan/schedule in which shall guide the proceedings of the oversight into the Annual Report for 2020/2021 financial year.

The Committee initially adopted a methodology of interaction with the departments separately to give details on their respective portions in the Annual Report. This was done precisely to avoid misconceptions and misunderstandings but rather to ensure that an oversight report to be tabled to Council contains details that are factual and confirmed by the departments as the true reflection of the report

The workplan was circulated to all stakeholders included but not limited to the Executive Mayor, MMCs, Municipal Manager, directors, Audit Committee and internal unit, Managers in the respective political office and secretaries of both the Executive and Administration in making sure that the process is as transparent as possible and that there could be no confusions. The workplan which was circulated is attached herein as **Annexure "B"**

CHAPTER 3 – COMMITTEE MEMBERS

Council established Section 79A Committees in which is the Municipal Public Accounts Committee guided by Section 79A of the Local Government Municipal Structures Act 117 of 1998 which says:

“Establishment of municipal public accounts committee 79A.

- (1) A municipal council must establish a committee called the municipal public accounts committee.
- (2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.
- (3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:
 - (a) *review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;*
 - (b) *review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;*
 - (c) *initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;*
 - (d) *attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and*
 - (e) *on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.*
- (4) *Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.*
- (5)
 - (a) *For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.*
 - (b) *Each municipality and each municipal entity must establish an audit committee in accordance with that section.”.*

**ELECTED MEMBERS OF THE
MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

Chairperson
Cllr. T.J. Madlala

Members

Cllr. B.G. Motha	Cllr. S.P. Khalishwako	Cllr. T.J. Maduna
Cllr. S.S. Cindi	Cllr. S.S. Buthelezi	Cllr. D. Arnoldi
Cllr. Z. Breydenbach	Cllr. J.D.A. Blignaut	Cllr. M.R. Yende

“Holding the Executive Accountable for the use of Public purse

Legislative Mandate and prescripts

Each municipality and each municipal entity must prepare an annual report for each financial year in accordance with the Municipal Systems Act (MSA) (Section 46) and the Municipal Finance Management Act (MFMA) (Section 121). In addition, Circulars 11 and 63, issued by National Treasury (NT), and the Annual Report Customized Template and Guidelines provided by the Provincial Department of Local Government and Traditional Affairs provide guidance to municipalities on compilation and compliance with the above legislation.

A municipal annual report includes the following key elements:

- *Annual performance report*, evaluating the year's performance against the performance objectives established in the IDP, Budget and Service Delivery and Budget Implementation Plans (SDBIPs);
- *Annual financial statements (AFS), Auditor-General's (AG) Audit Report on the AFS and management's responses* to address the AG's audit findings;
- Other *disclosures*, as required by the MFMA in Sections 121, 123, 124 and 125 (e.g. Councilor and top management compensation, grants, bank accounts and investment information).

The MFMA directs the annual report to be completed and tabled in Council by no later than seven months after the financial year ended which is June 30th. Council is expected then to consider the annual report and adopt an oversight report containing a statement that Council:

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report or
- (c) has referred the annual report back for revision of those components that can be revised.

The MFMA (Section 129 (1)) and National Treasury's (NT) Circular 32 direct and guide the oversight process and the preparation of the oversight report. Circular 32 recommends that Council establish an Oversight Committee which in this case Council established MPAC to among other responsibilities prepare an oversight report, in order that all Councilors be provided with a more detailed and comprehensive analysis of the Annual Report.

During the sitting of the MPAC held on March 23 and 24, 2022 convened the Executive and Administration and deal with the entire Annual Report. This process was done to ensure that the oversight is completed within the prescribed period.

This decision was guided by the terms of reference approved by Council which states:

Under Section 1: Purpose of delegation

- 1.1 To ensure that Council complies with the provision of Section 79A of the Municipal Structures Act, Act No 117 of 1998
- 1.2 To ensure that MPAC operates within the prescribed terms of reference as approved by Council in terms of Section 79A of the Municipal Structures Act, Act No 117 of 1998.
- 1.3 To ensure that any other person(s) required co-operating when MPAC conducts its oversight work as mandated by Council does so without prejudice.

Under Section 2:

- 2.1 Oversight in the Municipality enables the council to:
 - 2.1.1 Gain trust of the voters on good governance related to public resources.
 - 2.1.2 To improve service delivery and performance.
 - 2.1.3 To hold the executive and administration accountable for their stewardship on policy implementation and use of municipality funds.
 - 2.1.4 To enable councillors to evaluate the performance of the municipality against the set and agreed targets.
 - 2.1.5 To report on performance of the municipality to their constitution.
 - 2.1.6 To enhance the integrity of the municipality and thereby installing confidence by the local communities.
 - 2.1.7 Monitor implementation of recommendations by the AG Audit committee and internal Audit.

Under Section 7: AUTHORITY

- 7.1 MPAC is authorised to seek any information from and have access to any councillor and/or employee, and to direct all councillors or employees to cooperate with any request by the committee.
- 7.2 Have unrestricted access through the office of the municipal manager to information related to all personnel, books of account, records, assets and liabilities of the council and to any sources of relevant information that may be enquired from the council for the purpose of its duties and responsibilities.
- 7.3 It shall have the authority to instruct committee members, management and other employees of the council to be present at any meeting for possible interview and input regarding items on the agenda.

7.3 The MPAC shall have direct access to internal and external auditors and to direct investigations into any matters referred to it by council.

It was an honour to observe the response of the Executive and administration in which attendance was very good which yielded positive and remarkable progress. The discussions were based on the following presentations:

- (a) The Audit Action Plan: Attached herein as Annexure "C"
- (b) The Annual Performance Report: Attached herein as Annexure "D"
- (c) Responses from the questions raised by the MPAC: Attached herein as Annexure "E"

The MPAC interrogated the annual report 2020/2021 and it deemed it appropriate to formulate questions in relation to its observation and statement which were incorrectly presented in the draft annual report and were sent to the Executive to obtain more clarity and detailed valuable information. The questions listed below were delivered to the Executive and Administration.

MPAC QUESTIONS

COMMUNITY AND SOCIAL SERVICES

- 1.1.1 Under Waste Management mention is made that the Municipality has not extended the service to other areas in the Municipality and are there any plans to extend such service?
- 1.1.2 The state of the cemeteries in the Municipality is bad or not good at all and how is the department planning to address that going forward?
- 1.1.3 The licensing section in the Municipality is depicted as rendering poor service and the example of that is the long queues every day and the fence of the testing ground is collapsing. When will this situation be addressed?
- 1.1.4 The state or condition of the sports fields in the Municipality is deteriorating and vandalism and theft are continuing unabated yet there is security that is paid to man the facilities. What is the department doing to hold the company liable and what is the department doing to ensure that the facilities are well maintained?

OFFICE OF THE MUNICIPAL MANAGER

- 1.1.5 Why is the Executive Mayor's and MM's foreword not provided and when will it be provided?
- 1.1.6 On the IDP it has been observed that sometimes projects disappear from the lists as the years go by and how is the Municipality planning to address that because it causes confusion in the communities?

PLANNING AND ECONOMIC DEVELOPMENT

- 1.1.7 On Human Settlement it has been observed that there is no allocation of RDP houses in farm areas and what is the reason for such and how is the Municipality planning to address that so that an influx to urban areas can be curbed? This also applies to the areas which were identified by the operation Gudluza.
- 1.1.8 From the report there is no mention of land that was allocated under the financial year under review such as sites, yet the community out there is in need of sites especially the middle-income earners. What is the reason for such delay and what is the plan to address that and when will such be addressed?
- 1.1.9 Clarity is sought on the 60-day period of attending to the building plans, why such a long period and not seven days so that the investors can quickly be assisted before they can direct their investment to other places?
- 1.1.10 Mention is made that the Municipality is not having the LED Forum and how is the Municipality planning to address that going forward?
- 1.1.11 How is the Municipality planning to address the issue of the economic sectors around the Municipality such as the mining house on how are they implementing their Social Labour Plans for the benefit of the community?
- 1.1.12 On the report it has been mentioned that during the year under review there were no Public Private Partnerships which were entered into, why is that the case yet the President has put emphasis on them in the SONA?

TECHNICAL SERVICES

- 1.1.13 The condition of roads in the whole Municipality is not good at all be it in towns or in the farm areas and what are the plans to address that and when will that be done i.e timeframe?
- 1.1.14 How is the Municipality planning to address the electrification of households in farm areas especially where there is no dispute on land ownership? This also applies to the informal settlements in order to avoid illegal connections.
- 1.1.15 Is there any plan in place about the ageing infrastructure on water and electricity supply to ensure that there are no unintended interruptions?
- 1.1.16 How is the Municipality planning to address the sewer spillages that is observed all over the places, which poses serious threats to the health and environment?
- 1.1.17 On the report mention is made that on green Drop or Blue Drop status the Municipality is at 98 % which is not good, what causes such a decline and how and when is it going to be addressed?

FINANCE

- 1.1.18 On the report the figures reported for the UIFWs is very high and shocking why is the Municipality not preventing that and what action has been taken against those who caused such expenditure?
- 1.1.19 Revenue Collection. Why is the Municipality not sending accounts to consumers through emails noting that there are challenges with the Post Office?
- 1.1.20 The AG report indicated that creditors are not paid on time and is the reason for such and how is this finding going to be addressed?

COPRPORATE SERVICES

- 1.1.21 On the case of the suspended traffic officers, for how long have they been suspended and what is the progress on the case so far and when will it be finalised?
- 1.1.22 What causes the delay in the filling of budgeted vacant positions and when will the positions be filled? Priority should be given to the vacant positions of the general workers.
- 1.1.23 How many positions are in the organogram and how many are filled and how many are vacant?
- 1.1.24 The status of the community halls in the Municipality is not good at all how is the Municipality planning to address that? This also includes how the Municipality is planning to address the issue of halls in rural areas.
- 1.1.25 An observation has been made that the Municipality allows people to act in positions for a long time and not consider them for appointment. Does the Municipality have a promotion policy or placement policy?
- 1.1.26 In meeting the employment equity targets is the Municipality prioritising local people and people with disabilities? Alternatively, is the Municipality meeting the threshold on the appointment of people with disabilities?
- 1.1.27 MPAC at its sitting held on March 29, 2021, received responses to questions attached herein as **Annexure "E"** and were dealt with in the presence of the Executive Mayor and administration. MPAC resolved to accept the responses with corrections after they were clarified by the Office of the Executive Mayor and the Speaker.
- 1.1.28 It must be recorded that the oversight report advises Council as alluded before whether to adopt the annual report with or without reservations, reject it or refer it back for revision of those components that can be revised. It is worth mentioning that the areas of concern have been corrected on the report and the MPAC is in the position to advise Council correctly to adopt the Report with reservations.

CHAPTER 5 – Auditor General's Report

MPAC has noted with appreciation the qualified audit opinion with 09 paragraphs for the 2020/21 financial year under review. These findings mainly relate to the prior period errors which come up as repeated findings. Administration is urged to ensure that the AG findings are addressed as soon as possible.

The MPAC met with the Audit Committee and the Executive on the 29th of March 2022 to deal with the AG report to map up the way forward on how to respond to the issues raised by the AG. In the meeting it was emphasised the AG action plan will be strictly monitored to ensure that all the findings are addressed prior to the audit of the current financial year. This process will be monitored through the workplan that has been developed by the MPAC wherein there will be engagements with various stakeholders to go into the details of the action plan.

Instability in the senior management positions especially in the positions of the Municipal Manager and the Chief Financial Officer and the currently suspended directors is a cause for concern and must be addressed as soon as possible. The Municipality cannot afford to continue paying for Directors who were suspended and also pay the acting directors, yet it is not clear why they were suspended. It is very key to ensure that there is stability in those positions.

MPAC in its deliberation resolved that consequence management system should be revitalised to ensure that the employees are held accountable in their areas of responsibilities. Furthermore, that the Disciplinary Board that was established by Council must deal and report to Council any allegations of misconduct referred to it with the necessary information in the prescribed form to reflect the name of complainant, allegation, the person whom allegation is against to enable the board to execute its mandate to curb unauthorized, irregular, fruitless and wasteful expenditures (UIFW).

Furthermore, the Committee appreciated the development of the audit action plan but reiterated the following action.

1. That both the Executive and Accounting Officer to monitor the progress made in the implementation of the AG recommendations and audit improvement plan and report to MPAC monthly.
2. That the Accounting Officer to ensure that Managers reporting to the Municipal Manager provide progress reports in addressing the issues raised by the AG.
3. That the internal audit control be strengthened through Internal Audit Unit and the Audit Committee
4. That all issues raised by the AG be addressed as soon as possible in line with the adopted Audit improvement plan.

Madam Speaker and fellow Councillors, the Municipal Public Accounts Committee hereby make the following recommendations:

RECOMMENDATIONS BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

1. That Council **NOTES** the oversight report of the Municipal Public Accounts Committee in respect to the draft Annual Report for 2020/2021 financial year.
2. That Council **CONSIDER** the Oversight Report on the Annual Report for 2020/2021 financial year.
3. That Council **APPROVE** the Annual Report for 2020/2021 financial year in terms of section 129 of the Municipal Finance Management Act 56 of 2003 with reservations in that the Executive should attend to the following areas of concern:
 - a) The Audit action plan on the matters raised by the AG should be strictly implemented to ensure that repeated findings are eliminated.
 - b) The Municipality must improve on ensuring that the Public Private Partnerships are entered into to improve investment in the Municipality.
 - c) Consequence management must strictly be implemented to ensure the reduction of the UIFWs.
 - d) The economic sectors which are around the Municipality such as the mining houses must be strictly monitored to ensure that their Social Labour Plans are implemented to the benefit of the whole community.
 - e) Every household or business and/or farms in the Municipality should be correctly billed and such should be sent to the recipients regularly to ensure the improvement of the revenue of the Municipality.
 - f) The Municipality must develop on how it intends to establish the long outstanding Local Economic Development Forum.
 - g) The nonresponse to questions raised by MPAC to Finance and Technical Services is a cause for concern
4. For Council **TO CONSIDER** the recommendations of the MPAC into the Annual Report for 2020/2021 financial year.

MSUKALIGWA LOCAL MUNICIPALITY



INTERNAL OFFICE MEMO

Distribution List

To: [Department] 1. The Executive Mayor: Cllr. B. A Mahlalela
From: [Department] 2. Section 79A Municipal Public Accounts Committee

MSUKALIGWA MUNICIPALITY
P.O. BOX 48 ERMELO
2022 -03- 25
CORPORATE SERVICES
RECORDS

Memo

Memo Date: 25 March 2022
Memo From: Committee Chairperson: Cllr T. J. Madlala
Due Date: 28 MARCH, 2022 at 11:00am

SUBJECT: REQUEST TO SUBMIT INFORMATION TO MPAC (MUNICIPAL PUBLIC ACCOUNTS COMMITTEE)

Your worship the Executive Mayor, Cllr B. A. Mahlalela

1. The Above matter Refers;
2. Council at its meeting dated the 28th of January 2022 dealt with the item on the Draft Annual Report for the 2020/2021 Financial Year and resolved to refer the report to MPAC for oversight:

2.1. REPORT ON DRAFT ANNUAL REPORT FOR THE 2020/2021 FINANCIAL YEAR.

MPAC QUESTIONS

COMMUNITY AND SOCIAL SERVICES

- 2.1.1. Under Waste Management mention is made that the Municipality has not extended the service to other areas in the Municipality and are there any plans to extend such service?
- 2.1.2. The state of the cemeteries in the Municipality is bad or not good at all and how is the department planning to address that going forward?
- 2.1.3. The licensing section in the Municipality is depicted as rendering poor service and the example of that is the long queues every day and the fence of the testing ground is collapsing. When will this situation be addressed?
- 2.1.4. The state or condition of the sports fields in the Municipality is deteriorating and vandalism and theft are continuing unabated yet there is security that is paid to man the facilities. What is the department doing to hold the company liable and what is the department doing to ensure that the facilities are well maintained?

OFFICE OF THE MUNICIPAL MANAGER

- 2.1.5. Why is the Executive mayor's and MM's foreword not provided and when will it be provided?
- 2.1.6. On the IDP it has been observed that sometimes projects disappear from the lists as the years go by and how is the Municipality planning to address that because it causes confusion in the communities?

PLANNING AND ECONOMIC DEVELOPMENT

- 2.1.7. On Human Settlement it has been observed that there is no allocation of RDP houses in farm areas and what is the reason for such and how is the Municipality planning to address that so that an influx to urban areas can be curbed? This also applies to the areas which were identified by the operation Gudluza.
- 2.1.8. From the report there is no mention of land that was allocated under the financial year under review such as sites, yet the community out there is in need of sites especially the middle income earners. What is the reason for such delay and what is the plan to address that and when will such be addressed?
- 2.1.9. Clarity is sought on the 60 day period of attending to the building plans, why such a long period and not seven days so that the investors can quickly be assisted before they can direct their investment to other places?
- 2.1.10. Mention is made that the Municipality is not having the LED Forum and how is the Municipality planning to address that going forward?
- 2.1.11. How is the Municipality planning to address the issue of the economic sectors around the Municipality such as the mining house on how are they implementing their Social Labour Plans for the benefit of the community?
- 2.1.12. On the report it has been mentioned that during the year under review there were no Public Private Partnerships which were entered into, why is that the case yet the President has put emphasis on them in the SONA?

TECHNICAL SERVICES

- 2.1.13. The condition of roads in the whole Municipality is not good at all be it in towns or in the farm areas and what are the plans to address that and when will that be done i.e timeframe?
- 2.1.14. How is the Municipality planning to address the electrification of households in farm areas especially where there is no dispute on land ownership? This also applies to the informal settlements in order to avoid illegal connections.
- 2.1.15. Is there any plan in place about the ageing infrastructure on water and electricity supply to ensure that there are no unintended interruptions?
- 2.1.16. How is the Municipality planning to address the sewer spillages that is observed all over the places, which poses serious threats to the health and environment?
- 2.1.17. On the report mention is made that on green Drop or Blue Drop status the Municipality is at 98 % which is not good, what causes such a decline and how and when is it going to be addressed?

FINANCE

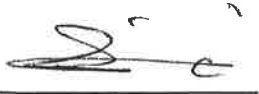
- 2.1.18. On the report the figures reported for the UIFWs is very high and shocking why is the Municipality not preventing that and what action has been taken against those who caused such expenditure?

- 2.1.19. Revenue Collection. Why is the Municipality not sending accounts to consumers through emails noting that there are challenges with the Post Office?
- 2.1.20. The AG report indicated that creditors are not paid on time and is the reason for such and how is this finding going to be addressed?

COPRPORATE SERVICES

- 1.1.1. On the case of the suspended traffic officers, for how long have they been suspended and what is the progress on the case so far and when will it be finalised?
- 1.1.2. What causes the delay in the filling of budgeted vacant positions and when will the positions be filled? Priority should be given to the vacant positions of the general workers.
- 1.1.3. How many positions are in the organogram and how many are filled and how many are vacant?
- 1.1.4. The status of the community halls in the Municipality is not good at all how is the Municipality planning to address that? This also includes how the Municipality is planning to address the issue of halls in rural areas.
- 1.1.5. An observation has been made that the Municipality allows people to act in positions for a long time and not consider them for appointment. Does the Municipality have a promotion policy or placement policy?
- 1.1.6. In meeting the employment equity targets is the Municipality prioritising local people and people with disabilities? Alternatively is the Municipality meeting the threshold on the appointment of people with disabilities?

Yours in good governance



Cllr. T. J. Madlala
Committee Chairperson

28.03.2022

Date