



## KING SABATA DALINDYEBO LOCAL MUNICIPALITY



### MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

### OVERSIGHT REPORT ON THE 2021/2022 ANNUAL REPORT

#### KING SABATA DALINDYEBO LOCAL

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## ABBREVIATIONS

Abbreviation	Meaning
AAP	Audit Action Plan
AFS	Annual Financial Statements
AG	Auditor General
CLLR	Councillor
APAC	Audit Performance and Audit Committee
COGTA	Corporative Governance and Traditional Affairs
IA	Internal Audit
FMCG	Fast Moving Consumer Goods
FMCMM	Financial Management Capacity Maturity Model
FY	Financial Year
KPIs	Key Performance Indicators
KSDM	King Sabatha Dalindyebo Municipality
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
PMS	Performance Management System
POE	Portfolio of Evidence
SDBIP	Service Delivery Budget Improvement Plan
UIF&WE	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
SMART	Simple, Measurable, Attainable, Realistic and Time bound
VTS	Vehicle Testing Station
RED	Rural and Economic Development
SCM	Supply Chain Management
IGR	Intergovernmental Relations
DORA	Division of Revenue Act
CRO	Chief Risk Officer
OS	Organizational Support
BTO	Budget and Treasury Office
EPWP	Expanded Public Works Programme
CWP	Community Works Programme



## ANNEXURES

**Annexure A:** MPAC Questionnaire on the format of the Annual Report

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## PART I: GENERAL INFORMATION



KING SABATA DALINDYEBO LOCAL MUNICIPALITY

# KNOW YOUR MPAC



## 1.1. MPAC Chairperson's Foreword



**Cllr. M. Bango**

Honourable Speaker, Executive Mayor, Single Whip of the Council, Mayoral Committee (MAYCO), Chairpersons of Section 79 Committees, Councillors, Municipal Manager, Senior Management, Employees and any members of the public that may be also sitting on the gallery, greetings to you all. It is with great pleasure that on behalf of MPAC, as the Chairperson I present this MPAC Oversight Report on 2021/ 2022 Financial Year (FY) Annual Report (Report). As a remarkable highlight, MPAC prides itself by producing this Report on time and in compliance with Section 129 (1) of Municipal Finance Management Act (MFMA) No. 56 of 2003 and as required by provisions of Municipal Structure's Act No.117 of 1998 .


In 2020/ 2021 Auditor General (AG) Report had one finding on Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&WE) that led to King Sabatha Dalindyebo Municipality (KSDM) to have a Qualified Audit Opinion. Key to MPAC was the ability to investigate rescinded 2013 -2021 of R1 455 427 899.55 that was incorrectly overstated and wrote- off an amount of R1 116 533 607.54 for the Irregular Expenditure. The Committee investigated and wrote - off R71 656 375.00 Unauthorized Expenditure, and R31 487 140.28 Wasteful and Fruitless Expenditure. This also assisted and contributed into the Municipality getting Unqualified Audit Opinion in 2021/ 2022 FY. MPAC learned a lot during the investigation process of UIF&WE, managed to dig dip and found the root causes of such expenditures. Moving forward MPAC is in a better and skillful position to assist the Municipality where possible to do away with UIF&WE by 2024 .

MPAC strongly feels that the Municipality 'can' have zero percent ( 0 %) UIF&WE by 2024 . Where possible, MPAC will not shy away to recommend Consequence Management for those who commit serious financial misconducts and transgressions that may lead to unnecessary UIF&WE. It is MPAC's wish that in future KSDLM gets Clean Audit Opinion and also be a Metropolitan Municipality.

To the Council, thank you so much for allowing MPAC to independently, smoothly, professionally, ethically, etc perform its duties without any political intrusion and influence. This helps MPAC not to be weakened and taken for granted.

#### OFFICIAL SIGN -OFF

Compiled and submitted by :-

  
.....


MPAC Chairperson : Cllr. M. Bango

Date

30/03/2023  
.....

30.03.2023

Signed by :-

  
.....

Speaker : Cllr. N. Siyo- Sokutu

Date

30-03-2023  
.....

30.03.2023





## 1.2. Know your MPAC



MPAC is a Committee of Council established in terms of Section 79 (1) (a) and (b) of the Municipal Structures Act of 1998. MPAC is the main Oversight body in terms of the policy guidelines issued by National Treasury, COGTA and SALGA in 2012. MPAC is a Committee of Council and therefore reports to Council.

The Chairperson of MPAC liaises with the Speaker for inclusion of reports in Council Agenda. To enable MPAC to exercise its functions it has usually been vested with the power to:-

- Access any information, documents and reports.
- Require Councillors, Officials, Chairpersons of Municipal Entity Boards and Directors to attend any meeting or interview and report on matters on Agenda items.

The Internal Audit Units and Audit Committee must support MPAC in its activities to ensure issues discussed are relevant, apply a consistent approach to matters, act within the Legislative Framework, raise and respond to matters to enable them to be addressed on a timely basis and support recommendations. This will also ensure continuity and reduction in duplication of functions and effort within Council.

*Improving Oversight and Accountability, MPAC Guide and Toolkit (National Treasury )*

King Sabata Dalindyebo (KSD) Municipal Council established MPAC on the 06<sup>th</sup> of December 2021. The MPAC is composed of Ten (10) Non-Executive Councillors as indicated below: -



# MPAC MEMBERS



**Cllr. M. Bango**  
MPAC Chairperson



**Cllr. M. Majeke**  
MPAC Whip



**Cllr. T. Gqiba**



**Cllr. A. Ketse**



**Cllr. N. Jubeni**



**Cllr. S.C. Mshunqane**



**Cllr. N. Matubatuba**



**Cllr. G.S. Rapiya**



**Cllr. M.J. Msakeni**



**Cllr. T. Malefane**



MPAC Members conducting an infield inspection/ Project site visit.

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.



MPAC Members conducting Determined Hearing on the Annual Report 2021/22 from the 26th of February 2022



MPAC Members conducting an infield inspection/ Project site visit.

[www.ksd.gov.za](http://www.ksd.gov.za)



King Sobota Dalinyebo Municipality



King Sobota Dalinyebo Municipality

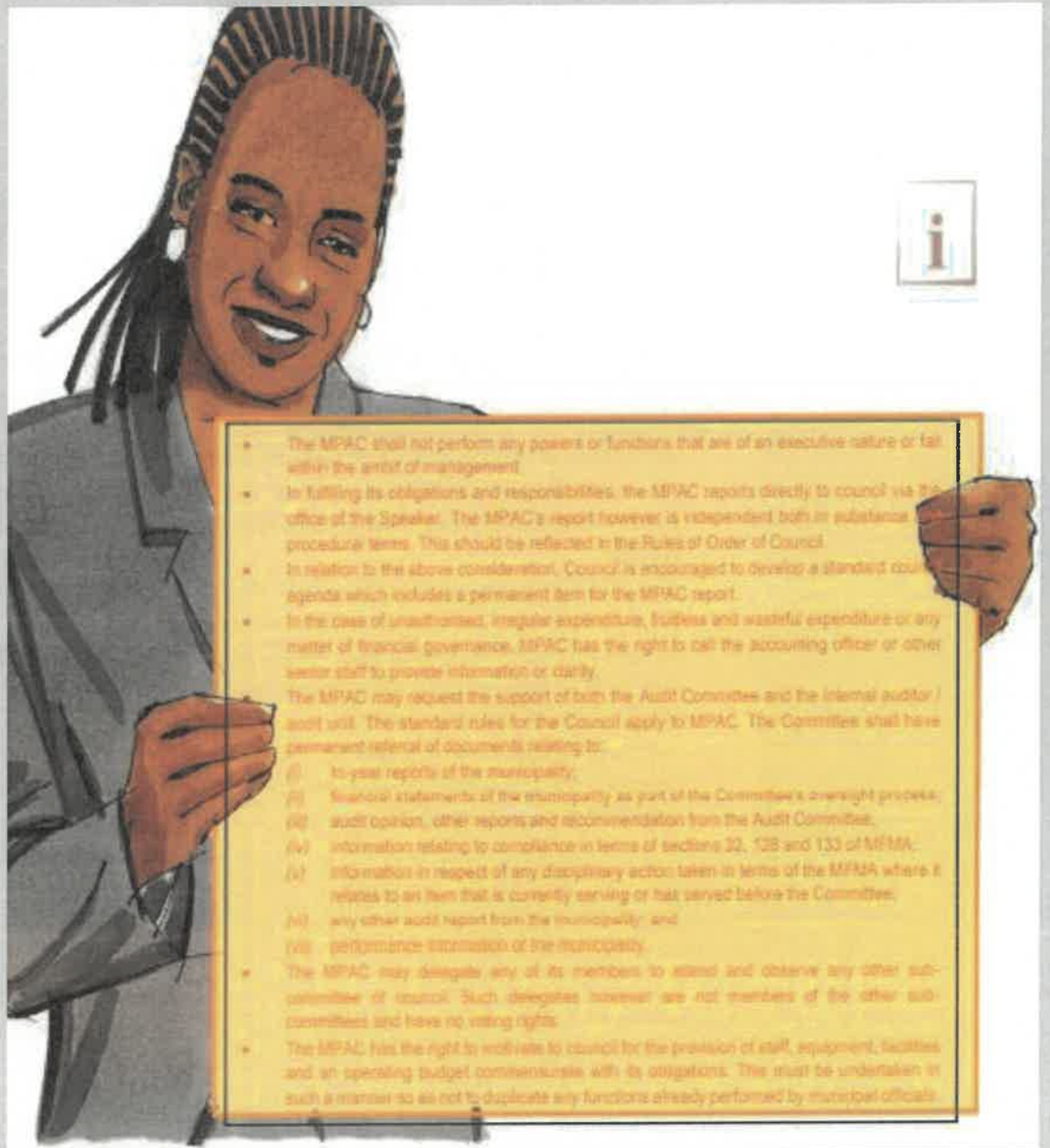
### 1.3. MPAC Scope of Work

MPAC performs an Oversight function on behalf of Council and is not a duplication of and should not be confused with the roles and responsibilities of the Audit or Finance Committees. Strong Oversight promotes accountability in the sense that those whose actions and performance is monitored by a Legitimate Oversight body, are more likely to feel obliged to justify their actions. The primary functions of MPAC are : -

- To review and evaluate the content of the Annual Report and to make recommendations to Council when adopting an Oversight Report on the Annual Report.
- 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.
- 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.
- To promote good governance, transparency and accountability and value for money in the use of municipal resources.
- 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.
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.



## 1.4. Powers and Authority of the MPAC



*Improving Oversight and Accountability, MPAC Guide and Toolkit (National Treasury)*

## 1.5. Public interaction and engagement



- 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
- 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
- All meetings of the MPAC shall be advertised on the municipal website including a brief outline of the agenda
- 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
- 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
- In order to facilitate meaningful public engagement in the procedures outlined above, the MPAC may 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

*Improving Oversight and Accountability, MPAC Guide and Toolkit (National Treasury)*



## 1.6. MPAC support Staff and Budget



For the MPAC to effectively execute its functions, it shall receive the services of the necessary support staff. Staff assigned to this support role shall be capable of coordinating and undertaking research activities as required by the committee work programme and rendering an effective secretarial and committee management service. The MPAC shall also be assigned a budget commensurate with its functions and obligations as may be appropriate within the affordability levels of council and in so doing not to duplicate any functions performed by other municipal functions.

### *Improving Oversight and Accountability, MPAC Guide and Toolkit (National Treasury)*

For MPAC to effectively execute its functions, it receives the services of the necessary support official by the name of Ms. Z. Dumalisile Manager MPAC and Research Administration, supported by Administration Clerk Mr. O. Senene, Interns Mr. Y.S Mafuya and Mr. S.S Ndungane. The officials assigned to MPAC support role are highly capable of coordinating, undertaking research activities as required by the Committee Work Plan and rendering an effective Secretarial and Committee Management Services. From July 2022 to date MPAC's budget is attached to that one of the Office of the Speaker. For 2023/2024 FY MPAC submitted to the Chief Financial Officer (CFO) proposed budget allocation / request commensurate with its functions and obligations.

## 1.7. Accountability Cycle



MPAC is the mechanism through which Council exercises oversight over the executive and the administration and expenditure of public funds. Council must provide assurance to the public that public funds and assets are being managed properly and that there is value for money on services being rendered to the communities.



## PART 2 : METHODOLOGY



## **2.1. Limitations**

The following were the shortcomings that MPAC was faced with when conducting Oversight on the 2021/2022 Annual Report: -

- Due to challenges of Municipal transport, MPAC could not be transported to some project site visits at Mqanduli. This led into MPAC not visiting all the projects intended to be visited.
- Non provision of required information on time on questionnaires by some Departments led to late analysis of some required information.
- Changing of dates on some Departmental Hearings made MPAC not to finish the Report on time.
- Non availability of some Departmental Officials to project site visits made MPAC not to gather enough information where necessary based on some project scope.
- In terms of the Institutional Calendar the Executive Mayor's Public Hearings were due to be held on 02 March 2023 but had to be moved to 15 March 2023, due to other Municipal engagements. The change on dates of the Institutional Strategic Planning Session which was held on 06 – 09 March 2023, instead of 13 – 16 March 2023 as per the Institutional Calendar drastically affected MPAC Oversight Work Plan.
- This also put MPAC under duress in performing Oversight and preparation of the Oversight Report on the 2021/2022 Annual Report.

## **2.2. Purpose of the Report**

MPAC is the mechanism through which Council exercises Oversight over the Executive and Management on service delivery provision and expenditure of public funds . Council must provide assurance to the public that public funds and assets are being managed properly and there is value for money on services rendered to the communities.



No.	Date	Activity	Responsibility	Received responses (✓) Did not receive responses (X)
3.	02.03. 2023	<ul style="list-style-type: none"> <li>Developed a questionnaire and sent to Departments with key questions MPAC requested probing information on 2021/2022 Annual Report.</li> </ul>	<ul style="list-style-type: none"> <li>Accounting Officer</li> </ul>	✓
4.	15 - 22.03.2023	<ul style="list-style-type: none"> <li>Conducted Departmental Public Hearings on 2021/ 2022 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>MMC'S Directors/ GM's and Managers</li> </ul>	✓
5.	01– 16.03.2023	<ul style="list-style-type: none"> <li>Conducted Project Site Visits</li> </ul>	<ul style="list-style-type: none"> <li>Departmental Project Managers</li> </ul>	✓
6.	16.03.2023	<ul style="list-style-type: none"> <li>Monitored and recorded inputs on Executive Mayors Public Hearings on the Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>MPAC</li> </ul>	✓

Table 1: Project Site Visits Work Plan

### **(b) Questionnaire probing information on 2021/2022 Annual Report**

The questionnaire provided an outline of the main topics that MPAC required to deal with in its Oversight of the Report and the questions that were usefully posed to interrogate those topics. Other questions emerge from the actual experience of MPAC in probing key issues. MPAC generally relied on information and Portfolio of Evidence (POE) submitted before and during the Departmental Hearings. Below are the areas that MPAC focused on: -

- Governance
- Averting Conflict of Interest
- Risk Management
- Improving Compliance with Laws and Regulations
- Basic Services
- Policy on indigents, credit control and collection levels
- Extended Public Works Programme / Community Works Programme
- Managing the Municipal Workforce
- Annual Financial Statements
- Supply Chain Management

### **(c) Questionnaire on the format of the Annual Report**

MFMA Circular No. 63 Municipal Finance Management Act No. 56 of 2003 gives guidance on the format and content of the Annual Report. Sections 121(3) and (4) of the MFMA sets out the framework relating to the content of the Annual Reports for both Municipalities and Municipal entities. These include: -

- The Annual Financial Statements (AFS) of the Municipality/Entity and if Municipality has Municipal Entities, consolidated AFS as submitted to the Auditor-General for audit.
- The Audit Report of the Auditor-General in terms of both section 126 (3) of the MFMA and section 45(b) of the MSA.
- Municipality's Annual Performance Report as per section 46 of the MSA.



Date	KPI No.	Project Name	Project Title	Department	Actual Performance	Location
01/03/2023	3.3.1.4	Roads Construction	Norwood Internal Streets Phase 1 and Callaway & Eagles Streets	Technical Services	Achieved	Mthatha
	3.3.1.1	Maintenance & repairing of surfaced roads	As per list attached		Achieved	Mthatha
	3.3.1.3	Maintenance & repairing of gravel roads	As per list attached		Achieved	Mthatha
14/03/2023	3.3.1.20	Construction of housing units	Maydene Farm Ext. 71	Human Settlements	Not Achieved	Maydene Farm Ext. 71 & New Brighton
	3.3.1.6	Bridge Construction	Baziya Bridge	Technical Services	Not Achieved	Mthatha – Baziya
	3.3.1.54	Maintenance of Cemeteries	North Crest and Mbuqe Park	Community Services	Not achieved	Mthatha
	3.3.1.9	Solar Street Lights Installation	Chattam, Harrow Streets and Cemeteries	Technical Services	Achieved	Mthatha
	3.3.2.3	Maize and Crop Production	3 Coops supported with Tanks (Targeting is Ploughing) List attached	Strategic and Economic Development	Achieved	Qweqwe & Qokolweni

Date	KPI No.	Project Name	Project Title	Department	Actual Performance	Location
	3.3.1.52	Cleaning & greening of open spaces	City Gardens Queens Park Mganduli Park Myezo Park	Community Services	Achieved	Mthatha Parks & Mganduli Parks
	3.3.1.19	Construction of Driver's License Testing Centre	Driver's License Testing Centre	Technical Services	Not Achieved	Mganduli
	3.3.1.52	Cleaning of beaches	Cleaning of beaches	Community Services	Not Achieved	Coffee Bay and Whole in the Wall
	3.3.1.20	Construction of housing units	Willow 200 Housing Project	Human Settlements	Not Achieved	Mganduli - Willow
	3.3.1.52	Cleaning & greening of open spaces	City Gardens Queens Park Mganduli Park Myezo Park	Community Services	Achieved	Mthatha Parks & Mganduli Parks
	15.03.2023	3.3.1.11/1	Installation of Transformer	Technical Services	Not Achieved	Thornhill
16.03.2023	3.3.1.73	Testing of Motor Vehicles for Roadworthy	Vehicle Testing Station	Public Safety	Achieved	Thornhill/Fort Gale
	3.3.1.11	Refurbishment of switching station	Mbuge Extension	Technical Services	Achieved	Mbuge Extension
	3.3.1.12	Replacement of Breakers	Unitra Sub-station	Public Safety	Achieved	Unitra Substation

Table: 3 Schedule of Project Site Visits

**(f) Executive Mayor's Public Hearings on the 2021/2022 Annual Report**

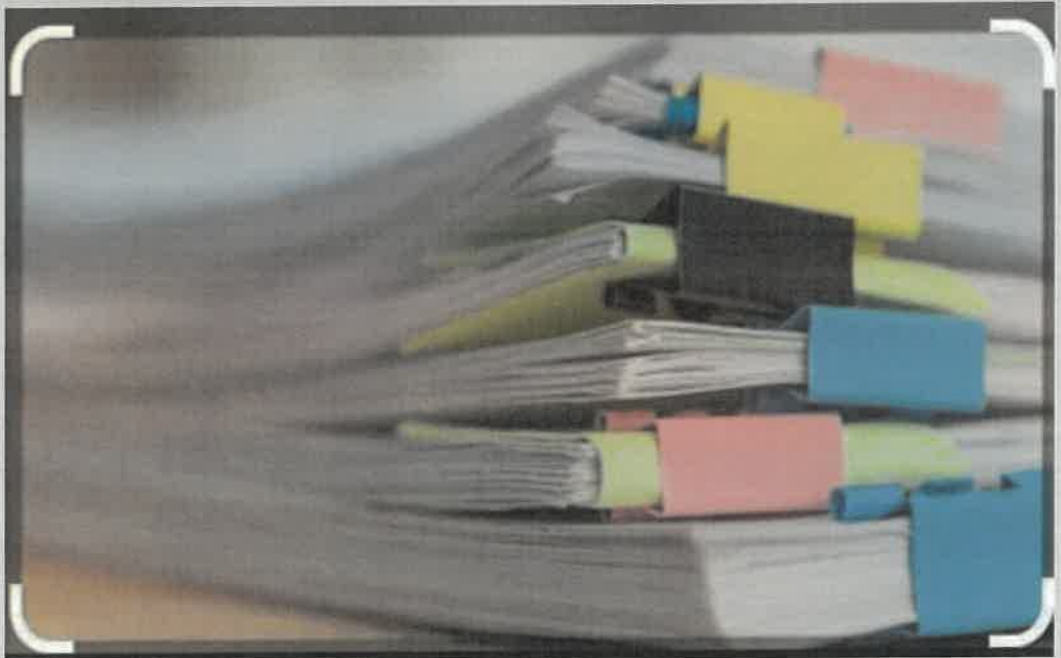
The Executive Mayor's Public Hearings on the 2021/2022 Annual Report were conducted and led by the Executive Mayor together with the Members of the Mayoral Committee. MPAC oversighted the proceedings and were scheduled as tabulated below: -

Date	Time	Venue
15 March 2023	10:00	Mqanduli Town Hall
15 March 2023	14:00	Mthatha Town Hall

*Table 4: Executive Mayor's Public Hearings on the Annual Report*



**PART 3 : MPAC OVERSIGHT REPORT**



### 3.1 Introduction

According to Improving Oversight and Accountability Guide and Tool Kit (National Treasury), Oversight is to watch somebody or something and make sure that a job or activity is done correctly. Oversight includes watchfulness, supervision, control, monitoring and evaluation and performance assessment. Oversight ensures that the executive complies with the intent of the legislature and does not behave in a manner that allows maladministration, inefficiency, waste or corrupt practices. Oversight takes different forms depending at what stage it is exercised before implementation (the proposed action is approved), during implementation (the process during execution of policies, laws and programmes is monitored and assessed) and after implementation (examines performance against the goals).

Both politically and administratively there is lot of awareness, co-operation, willingness to see the need of reporting clearly on performance with Portfolio of Evidence as supporting documentation. MPAC observed this positiveness during Departmental Hearings where ninety percent (90%) of both political and administrative leadership attended the hearings, fruitfully contributed and openly provided any information to assist uplift the performing standards of the Municipality.

MPAC is very excited that its constructive, progressive, supportive, professional, and humane working relations with political and administrative leadership is yielding positive results and assisting where possible, 'together we can'. Systems and controls are improving but there is still a lot to be done with regard to Monitoring and Evaluation of implementation of policies, programmes, projects, etc. What is on the ground (projects) needs to equate to what is spent. It is an undisputed truth that KSDM has social contract with the public and owes the public good governance, quality service delivery as well as accountability on public purse spending.

Though analysis of 2021/ 2022 Annual Report in line with IDP and SDBIP assisted, MPAC made a Heat Map to compare 2019/2020, 2020/2021 and 2021/2022 FYs to measure whether performance of the Municipality has improved or deteriorated. It is with great joy for MPAC to safely say that qualitative performance of the Municipality is improving and striving towards achieving set Strategic Objectives and Goals.

### 3.2 Findings and Recommendations on questionnaire probing

#### information on 2021/ 2022 FY Annual Report Format and content

MPAC Members analyzed all the chapters of the Report together with all the relevant Departments and was impressed and satisfied that the Report was compiled inline with the required format as per MFMA , Circulars 62 and 63. The effort displayed on the compilation and production of the Report is remarkable and could not go without encouraging all Departments to keep up the good work and provide all the relevant Portfolio of Evidence where necessary. PMS Unit did a significant work in compiling such a logically and coherent Report, MPAC noticed a great improvement as compared to 2020/2021 FY Annual Report. It is worth noting that whilst MPAC analyzed the report format, focus was also on the relevance of the performance as per KPI's on the SDBIP. Although there were some concerns on the underachieved, overachieved and deviations on some targets, the overall percentage of performance in 2020/ 2021 FY Annual Report was 67% as compared to 61% in 2021/ 2022 FY. Below are the findings and recommendations and actions taken to remedy some of the nonperformance in 2021/ 2022 FY Annual Report :-

<b>Findings</b>	<b>Recommendations</b> <b>Progress</b>
<ul style="list-style-type: none"><li>• MPAC noted with concern that some targets on the SDBIP were not achieved, under achieved, overachieved and there were some deviations. This might be the reason why there was decreased percentage on performance</li></ul>	<ul style="list-style-type: none"><li>• IDP (SDBIP) must have SMART Key Performance Indicators (KPI's) to eliminate under / over achievement and deviations. Rather have fewer targets than having many targets that will not be achieved.</li><li>• To remedy this situation, some affected Departments confirmed that 2022/2023 KPI's are SMART and there is practicability to be achieved at the end of the FY.</li></ul>



Findings	Recommendations Progress
<ul style="list-style-type: none"> <li>There is no Performance Monitoring and Evaluation Strategy in place to monitor performance and identify gaps as early warnings in challenges for implementation of some KPI's</li> </ul>	<ul style="list-style-type: none"> <li>Develop Performance Monitoring and Evaluation Strategy to monitor implementation continuously and to identify implementation challenges on time.</li> </ul>
<ul style="list-style-type: none"> <li>The Performance Management System (PMS) is in place but not complete as it only focused on some individual performance and not to policies, programmes and projects</li> </ul>	<ul style="list-style-type: none"> <li>If none or partly, PMS Strategy must be in place, institutionalized and be implemented by all Departments.</li> <li>The PMS division has also developed a Standard Operating Procedure Manual (SOPM) that will give implementation Policy which also specifies the reporting timelines.</li> </ul>
<ul style="list-style-type: none"> <li>Most employees do not have Performance Agreements and it is a challenge to hold any employee liable for KPI's not achieved, underachieved and any deviations.</li> </ul>	<ul style="list-style-type: none"> <li>All employees must have Performance Agreements by end April 2023</li> <li>The Municipality is taking PMS seriously and is doing its level best that by April 2023 PMS will be institutionalized more specifically at individual level</li> </ul>
<ul style="list-style-type: none"> <li>There is no mechanism to identify risks on implementation of some KPI's</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessment and viability of projects implementation must be conducted prior implementation</li> <li>In 2023/2024 all Senior Management Performance Agreements must also include Key Performance Area (KPA / KPI) on Risk Management, monitor and evaluate targets implementation and identify risks on time.</li> </ul>

Table 5: Findings and Recommendations on 2021/ 2022 Annual Report Format and content

### 3.3 Findings and Recommendations on questionnaire probing information on 2021/2022 Annual Report

Respective Departments sent responses to MPAC as justification of reliability, correctness and current information required. During Departmental Hearings, the information was justified and POEs submitted where relevant . During the hearings it is worth noting that Departments were so highly cooperative and assisted MPAC to source out all the necessary information required .

#### (a) Governance Matters (Speaker's Office)

KSD Municipality Council is very stable and convened fifteen (15) Council Meetings in 2021/2022 as per Institutional Calendar, including Special and Urgent Councils where necessary. Recommendations were taken to Council on a regular basis to ensure compliance with legislated timeframes and corrective actions. Below are findings and recommendations :-

Finding	Recommendations
i. Some Section 80 Committees did not convene their meetings due to quorum that failed to quorate and postponed/ cancelled.	<ul style="list-style-type: none"> <li>• Chairpersons and Whips of Section 80 Committees must ensure that Committee meetings are convened as per the Institutional Calendar.</li> <li>• The Office of the Executive Mayor and Corporate Services must ensure that there are no clashes of Committee Meetings to accommodate Councillors who serve in more than one Committees.</li> </ul>
ii. Some Councillors did not tender apology / on time for non-attendance of Council / Committee Meetings	<ul style="list-style-type: none"> <li>• Rule No. 50 of the KSD Standing Rules for the Meeting of Council and its Committee must be applied to those Councillors who do not attend Council and Committee Meetings without any apology.</li> </ul>

*Table 6: Findings and recommendations on Governance Matters*



## (b) Averting conflict interest

Schedule 1 of Municipal Systems Act No. 32 of 2000 on the Code of Conduct requires employees and Councillors to do Declaration of Interest. The Municipality is currently supplementing the implementation of the Code of Conduct with Draft Ethics and Integrity Management Policy. All specified employees and Councillors made the necessary declarations for 2021/2022 FY. The following are findings and recommendations: -

Finding	Recommendations
<p>i. All Declaration of Interest were properly completed e.g. no blank spaces in the Declaration of Interest forms, forms were correctly signed, and as thus legal effect of declarations was not compromised. All the declarations were analyzed and captured. There were no potential and / or actual conflict of interest highlighted and as a result there were no disciplinary actions against any officials or Councillors.</p>	<ul style="list-style-type: none"> <li>• Adherence to the legislation is commendable.</li> <li>• The Municipality must develop Declaration of Interest Register</li> </ul>
<p>ii. The Municipality does not have Declaration of Interest Policy of employees and Councillors in place</p>	<ul style="list-style-type: none"> <li>• By June 2023 the Municipality must develop a Declaration of Interest Policy of employees and Councillors.</li> </ul>

*Table 7: Findings and recommendations on Declaration of Interest*

## (c) Risk Management

The Municipality discharged all its MFMA requirements and any other legislative obligations in relation to Risk Management. National Treasury's Public Sector Risk Management Framework provides for the implementation of an Enterprise Risk Management Framework for the entire public service. Added to this the MFMA in various Sections (Section 62) (1) (c) (i)) places a responsibility on the Municipality to put in place systems that will identify and take appropriate steps to mitigate key risks within the institution.

The Municipality has done the Risk Assessment in 2021/2022 FY and developed a Risk Register, and its implementation is monitored by the Risk Committee and APAC



quarterly. There are Risk Mitigation Plans in place to deal with the key risks within the Municipality. Apart from those listed in the Registers, there is a process of reporting to enable easy monitoring by Management wherein monthly Departments submit the narrative report and quarterly reporting on Risks identified on the Risk Register. There are Risk Champions in all Departments and that makes Risk Management effective in the Municipality. The Performance Agreements of Managers did incorporate Risk Management as a Key Performance Indicator and as a criterion for Performance Assessment. In order to maintain and update the systems of Risk Management within the Municipality, the Risk Management Unit provided a platform for Risk Owners to provide update on risk matters and processes. The Internal Controls are regularly monitored and updated, with the progress made on the Audit Action Plan (AAP) as a standing item on MPAC Ordinary Meetings to enhance monitoring done by APAC and Internal Audit.

Below are the findings and recommendations:-

Finding	Recommendations
i. Compliance on Risk Management is adhered to , but implementation is not 100%	<ul style="list-style-type: none"> <li>• The Accounting Officer is mandated by MFMA to be the risk owner and must do as such so as to ensure that Risk Management is fully implemented.</li> <li>• Performance Agreements of Managers must have KPI on Risk Management and be assessed as required</li> </ul>
ii. There was no response provided on the status of Financial Management Capability Maturity Model (FMCMM) assessments.	<ul style="list-style-type: none"> <li>• The Municipality must request assistance from National Treasury and COGTA to assist on how to provide status report on the FMCMM.</li> </ul>
iii. Risk Management Unit is understaffed and yet expected to deal with the Institutional processes as required by law. No ways can this unit effectively perform if the status quo remains.	<ul style="list-style-type: none"> <li>• In reviewing the Organogram (staff establishment) the Municipality should consider prioritizing and beefing up Risk Management Unit with warm bodies.</li> </ul>

*Table 8: Risk Management Findings and recommendations*

### (f) Policy on Indigent, Credit Control and Collection Levels

The Indigent Policy is in place and was updated in July 2022 to accommodate new applicants. The Indigent Policy has been applied according to its original terms and prescripts and no part of the policy was changed or waived. There is a Service Provider appointed to verify and validate the indigent information in the Indigent Register. The actual number of indigents increased due to COVID 19 that also caused job losses. The Indigent was allocated an amount of R26m for the Equitable Share that went towards funding for the indigents. In that 2.7 % percentage was allocated to Indigent Policy, funded through own funds from the Municipal Budget. The Credit Control Policy was approved by Council together with other Financial Policies and are regularly applied. The Revenue collection levels on own revenues have increased. The turnaround time for customer complaints on service billings is five (5) working days. Below are the findings and recommendations :-

Findings	Recommendations
i. The disconnections due to non-payments are being done manually this resulted in not achieving the target.	<ul style="list-style-type: none"> <li>The Department of BTO must make assessment of its Debt Collection Service Providers to detect whether they are assisting the Municipality or is the Municipality running at a loss.</li> <li>Also, BTO must consider changing its disconnection and connection system from being done manually to be done electronically.</li> </ul>
ii. The Municipality Indigent System does have some gaps	<ul style="list-style-type: none"> <li>BTO must make a review of the Indigent System and submit the report to the Accounting Officer by end April 2023.</li> </ul>
iii. The implementation of the Indigent Policy is a cause for concern.	<ul style="list-style-type: none"> <li>The Indigent Policy must be reviewed.</li> <li>MPAC will oversight the implementation of Indigent Register on monthly basis.</li> </ul>

<p>iv. It is alleged that there are some applicants that are not approved and turn-around time on responses is taking longer.</p>	<ul style="list-style-type: none"> <li>• To assist in this regard, all Ward Councillors must review Indigent Registers in their wards, update the registers, assist those that are indigents to apply for indigent relief and submit such reports to BTO by end April 2023.</li> <li>• Starting from 1<sup>st</sup> of July 2023, in line with Sections 52 D, 71, etc Reports MPAC will oversight the Indigent Registers.</li> </ul>
<p>v. The Indigent System cannot pick up applicants / beneficiaries living in the same household</p>	<ul style="list-style-type: none"> <li>• The Indigent System must be able to detect the applicants from the same household.</li> <li>• The Free basic Service portion of the Indigent Funding must be reconsidered as i.e., providing 20 liters of paraffin to the households with no Electricity is not sustainable as same government provider Solar Panels for the same Communities.</li> <li>• Provide Indigents with Free Electricity Units where necessary.</li> </ul>

*Table 11: Policy on Indigent, Credit Control and Collection Levels*



### (g) Extended Public Works Programme / Community Works Programme

In 2021/2022 FY total number of seven hundred and seventy-six (776) EPWP vacancies were advertised. Below are the findings and recommendations :-

Finding	Recommendations
i. The issue of Working Tools and Protective Clothing arose as critical issue that requires attention during the Loco Project Visit. Employees were using hands to remove grass and shrubs.	<ul style="list-style-type: none"> <li>The Department of Technical Services and Community Services must ensure that working tools and protective clothing are provided to the EPWP/CWP employees.</li> </ul>
ii. Although services of EPWP are of great benefit to the Municipality, Department of Community services is still faced with the challenge of capacity regarding waste management, etc	<ul style="list-style-type: none"> <li>Department of Community Services must consider adding up the number of permanent employees, EPWP, CWP and divide the total amongst urban wards. The total number per ward must be working on that ward on daily basis . This will assist end the problem of cleaning on interim basis and when the rotation of cleaning warrants as such.</li> </ul>

*Table 12: Extended Public Works Programme / Community Works Programme*

### (h) Service Delivery per Municipal Function

There were no responses about the following questions: -

- What are the factors that have influenced the specific targets that have been set for the function?
- How do these targets relate to the broader population or geographic area of the municipality?
- What is the urban/peri-urban/rural split (rand value of projects and services) of services being rendered?
- Do the respective functions advance the SDBIP and ultimately the IDP in the manner and scale in which services are being delivered?

- Have the delivery targets been met? If not, why not?. If yes, what have we learnt that would allow us to accelerate delivery?
- What is the rate of service delivery in relation to previous years? Are there any backlogs in the respective functions?
- At the current rate of delivery, when will backlogs be eradicated?
- Are there sufficient staff members to perform the functions? If not, why not?

Below are the findings and recommendations :-

Finding	Recommendations
i. Questions on Service Delivery per Municipal Function were not responded and that made it difficult for MPAC to do oversight.	<ul style="list-style-type: none"> <li>• To enable MPAC to diligently do oversight responses to all questions must be provided on the set time frame.</li> </ul>

*Table 13: Service Delivery per Municipal Function findings and recommendations*

### **(i) Managing the Municipal Workforce Performance Management System**

There was one vacancy for Senior Manager's position, the Chief Operations Officer. All staff members were inducted on the Council policies as well as on Public Service Principles - Putting People First. In terms of Job Descriptions (JD's) , 70% of employees' JDs were reviewed . The Municipality tried its level best to institutionalize Performance Management System ( PMS) as the cornerstone of Strategic Management System aimed at linking long term strategy (IDP) to short time actions (SDBIP). The Municipal Systems Act No. 32 of 2000 requires Municipalities to establish and implement PMS to ensure that government outcomes, especially related to the provision of quality service delivery are met. In the Departments of Human Settlements and Rural and Economic Development all employees signed their Performance Agreements. In other Departments Performance Agreements were signed up to the level of Supervisors. Performance reviews were conducted, to a certain extent and no performance bonuses were awarded. There was no trend of staff taking an increasing number of sick leave days, where cases of absenteeism reported or identified, disciplinary actions were taken and unpaid to such employees as a recourse for such conduct. Below are findings and recommendations:-



The Municipality uses the budget as: -

- Management Tool for early warning of impending problems and actions required.
- Evaluation of Management Performance, identification of opportunities, etc.

Section 71 Monthly Reports were prepared to advise the Executive Mayor on the state of the Municipality's budget reflecting: -

- Actual revenue;
- Revenue source;
- Actual borrowings; actual expenditure per vote;
- Actual capital expenditure, per vote;
- Amount of any allocations received;
- Actual expenditure of those allocations excluding expenditure on its share of the equitable share; and its allocations exempted by the Division Of Revenue Act in including Senior Manager which were also required to include expenditure as per their Performance Management Reports
- All liabilities were recorded as per the requirements.

Budget spending monitoring was enforced, income and expenditure comparison report was sent to Directors to review monthly spending and to consider virements where necessary. Below is the spending percentage (in relation to overall spend) for:-

Item	Spending % / Amount
1. Operating Budget	93.5%
2. Capital Budget	2.72%
3. Capital Budget	81% at the of 4 <sup>th</sup> Quarter
4. Spending on repairs and maintenance as June 2022	R78 540 172

*Table 17: Spending percentage (%)*

Item	Amount / Percentage
Audit Fees	R380 940 (Expenses) R10 343 718 (Remuneration)
Bank Charges	R1 451 634
Legal Fees	R8 269 594

*Table 18: Miscellaneous*



**(l) Unauthorized, Irregular, Fruitless and Wasteful Expenditure**

Below is declaration on AFS for 2021/ 2022 FY: -

Category	Expenditure	Root cause
i. Unauthorized	• R63 993 987	• Overspending and depreciation of assets
ii. Irregular	• R6 844 697	• Stedone Contract was identified as irregular due to the No Specification at the time of award.
iii. Fruitless and Wasteful	• R11 924 271	• Interest accrued

*Table 19: Declaration on AFS for 2021/ 2022 FY*

UIF&WE were reported to Council and the Council referred them to MPAC for investigation which was later submitted to Council in 2022/2023 FY.

Category	Expenditure	Root cause
i. Unauthorized	• R71 656 375.00	• Overspending and depreciation of assets
ii. Irregular	• R1 116 533 607.94	• These are prior years expenditures which were caused by no Specification and not properly constituted Adjudication Committee, Deviations and no use of Regulation 32 at the time.
iii. Fruitless and Wasteful	• R28 097 643.02	• Interest accrued

*Table 20: MPAC Investigation Write-Offs for 2022/ 2023 FY*

Finding	Recommendations
i. On the Unauthorized Expenditure the investigation noted huge amounts of Overspending by Departments.	• The Senior Managers must take responsibility on overspending of budget as they are responsible and Consequence Management be applied as it a financial

Finding	Recommendations
	<p>misconduct to spend more than what was allocated.</p> <ul style="list-style-type: none"> <li>• The Overspending by Task which was also noted during investigation need intervention by COGTA to resolve the matter as the Committee cannot investigate a matter that was investigated by COGTA.</li> </ul>
<p>ii. On Irregular Expenditure from 2011 - 2021 MPAC noted several Root Causes of e.g. no 3 Bid Committees (Specification, Bid and Adjudication), no implementation of Regulation 32 and Deviations</p>	<ul style="list-style-type: none"> <li>• These are expenditures which could have been avoided, especially the Irregular Expenditure caused by Deviations of 3 Companies. There is no progress on the Criminal Case in relation to this expenditure . MPAC was concerned with the outcomes of the disciplinary case on this matter as it felt it was not equally to the amount of the act.</li> </ul>
<p>iii. It was also noted that late payment of some Service Providers led to Fruitless and Wasteful expenditure</p>	<ul style="list-style-type: none"> <li>• The Municipality must improve and pay Service Providers within the legislated 30 days period, using all the Strategies in place for Revenue Enhancement.</li> <li>• The Municipality must review its Revenue Enhancement Strategy</li> </ul>

*Table 21: AFS findings and recommendations*

**(m) Auditor General (AG) Reports: - Report on the Annual Financial Statements (AFS) Preceding Year**

The Municipality conducted an in-depth analysis of the previous findings with a view to establish the root causes of the findings. An Audit Action Plan (AAP) was developed to address all the findings that were raised by the AG. The Internal Audit Unit monitored the AAP on quarterly basis.



The Municipality ensured that the issue of dealing with AG findings are reflected on and implementation assessed on Management Audit Action Plan. The Municipality is confident that its measures to address root causes will result in the resolution of the findings and that the findings will not recur. Evident to that in 2021/ 2022 the Municipality received Unqualified Audit Opinion received by the Municipality. Presently there is no Consequence Management in place that has been applied to any Officials who failed in their duties to remedy previous findings of the AG. Not all issues raised by AG were attended to. The Municipality is confident that it has properly analyzed and determined the root causes of the recurrent findings. The Municipality developed a proper and detailed Audit Actin Plan and activities to address the root causes. APAC and Internal Audit expertise were utilized to assist in the development of the Audit Action Plan. The Municipality received R2 650 000.00 for Financial Management Grant (FMG) from Department of National Treasury. The FMG was fully utilized as per below table:-

<b>FMG</b>	<b>Amount</b>
i. Payment of Salaries for 10 Intern	R1 000 000
ii. Financial Misconduct Regulation	R100 000
iii. Maintenance of Financial Management System	R350 000
iv. MPAC Support	R150 000
v. Capacity Building of BTO Officials	R250 000
vi. Training of Bid Committees	R200 000
vii. FMCMM	R150 000
viii. Audit Action Plan	R300 000
ix. Training of BTO on Municipal Management Programme	R150 000

*Table 22: FMG Allocations per support area*

<b>Finding</b>	<b>Recommendations</b>
i. The FMCMM is reported to be incomplete by the Municipality whereas there's is a provision on the FMG Grant.	<ul style="list-style-type: none"> <li>The Municipality must ensure that FMCMM assessment is complete, and report provided by June 2023.</li> </ul>

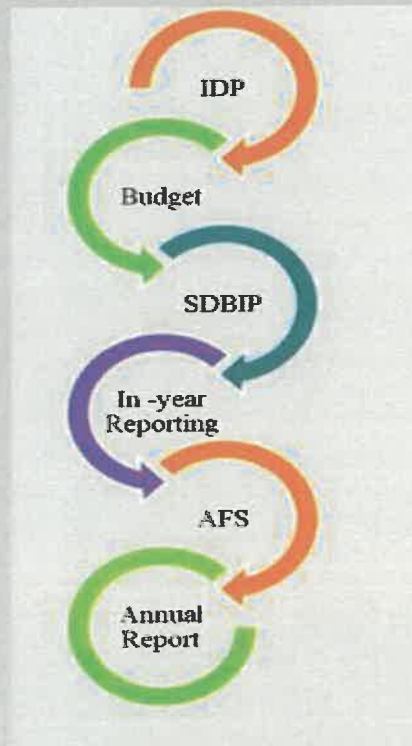


<p>ii. The Municipality is not doing well on the capacity building or training of employees and Councillors</p>	<ul style="list-style-type: none"> <li>• The Municipality must ensure that relevant training programmes are developed for employees and Councillors that are authorized to use the FMG.</li> </ul>
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*Table 23: Auditor General (AG) Reports: - Report on the Financial Statements (FS) Preceding Year findings and recommendations*

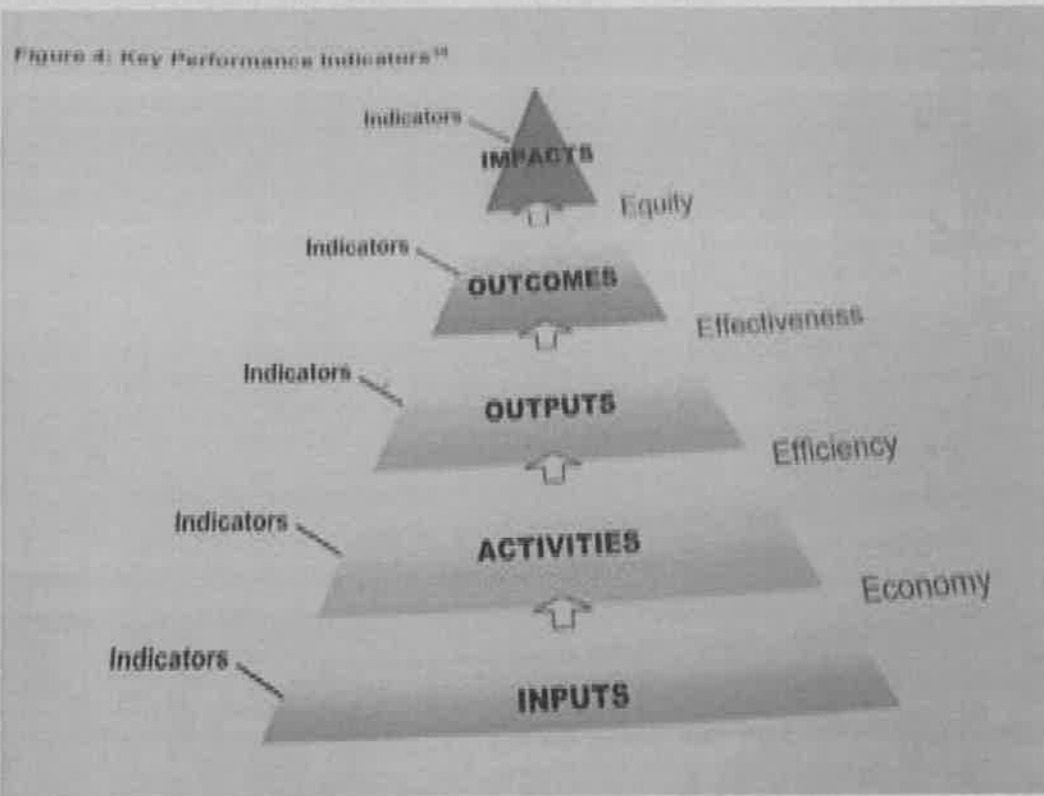
### 3.4 Departmental Hearings on 2021/ 2022 Annual Report

As per Good Practice Guide on Municipal Finance Management Act (South African Local Government Association - SALGA, 2021) MPAC is also responsible for overseeing the accountability cycle including PMS :-



The SDBIP is one of the critical components of the accountability cycle. The actual implementation of the IDP over a single financial year is given effect through the SDBIP. MPAC had Departmental Hearing Sessions for purposes of information sharing on SDBIP implementation, POE, gaps and remedial actions on non-achievement of set targets. The sessions were so well attended both politically and administratively. MPAC was very satisfied, attested that the information provided was very clear, unambiguous and explained any deviations from the set KPI's agreed upon in the SDBIP. MPAC also checked whether Organizational structure is aligned to services, soundness of Municipal policies, frameworks, processes, procedures, controls and systems in place for these have a huge role in SDBIP implementation.

Most importantly MPAC also wanted to measure whether the SDBIP talks to: -



*Pyramid showing the National Treasury Framework for Managing Programme Performance information (2007).*



(a) Comparative tabulation of the SDBIP performance between the period of 2019/2020 FY to 2021/22 FY

Departments	2019/2020 FY				2020/2021 FY				2021/2022 FY			
	Total Targets	Achieved	Not Achieved	% Achieved	Total Targets	Achieved	Not Achieved	% Achieved	Total Targets	Achieved	Not Achieved	% Achieved
1. Budget and Treasury	18	12	6	67%	15	13	2	87%	16	12	4	75%
2. Community Services	16	4	12	25%	24	15	9	75%	17	6	11	35%
3. Cooperate Services	38	11	27	29%	45	30	15	67%	39	23	16	59%
4. Executive and Council	20	11	9	55%	16	11	5	69%	27	17	10	63%
5. Human Settlements	12	2	10	17%	20	9	11	45%	16	13	3	81%
6. Public Safety	39	24	15	62%	19	10	9	53%	28	13	15	46%

Departments	2019/2020 FY				2020/2021 FY				2021/2022 FY			
	Total Targets	Achieved	Not Achieved	% Achieved	Total Targets	Achieved	Not Achieved	% Achieved	Total Targets	Achieved	Not Achieved	% Achieved
7. Rural Economic Development	75	50	24	67%	54	43	11	80%	32	23	9	72%
8. Technical Services	15	6	9	40%	14	8	6	57%	18	11	7	61%
<b>Overall</b>	<b>232</b>	<b>120</b>	<b>113</b>	<b>52%</b>	<b>207</b>	<b>139</b>	<b>68</b>	<b>67%</b>	<b>193</b>	<b>118</b>	<b>75</b>	<b>61%</b>

*Table 24: Heat Map in comparison of 2019/2020 FY to 2021/22 FY*

**(b) Schedule of Departmental Hearings**

<b>Date</b>	<b>Time</b>	<b>Departments</b>	<b>Invitees</b>
15 February 2023	14:00–15h30	Executive and Council (COO's Office)	<ul style="list-style-type: none"> <li>• Troika, MAYCO, Section 79 Committee Chairpersons, All Management in the Executive Mayor's and Speakers' Offices</li> </ul>
	09h00–11h00	Rural & Economic Development	<ul style="list-style-type: none"> <li>• MMC M. Dudumayo</li> <li>• Acting Director Mr. M. Mandla</li> </ul>
	11h00–13h00	Public Safety	<ul style="list-style-type: none"> <li>• MMC M. Marasha</li> <li>• Director D. Kettleidas</li> <li>• General Managers</li> <li>• Managers</li> </ul>
16 February 2023	14h00–15h00	Community Services	<ul style="list-style-type: none"> <li>• MMC S. Nyengane</li> <li>• Director Mr. F. Guleni</li> <li>• General Manager</li> <li>• Managers</li> </ul>
	15h00–16h30	Technical Services	<ul style="list-style-type: none"> <li>• MMC Z. Nokayi</li> <li>• Director Mr. U. Mingkokoyi</li> <li>• General Managers</li> <li>• Managers</li> </ul>



17 February 2023	14h00–15h30	Budget & Treasury	<ul style="list-style-type: none"> <li>• MMC Z. Gana</li> <li>• CFO Mr. E.F. Jiholo</li> <li>• General Managers</li> <li>• Managers</li> </ul>
22 February 2023	10h00–12h00	Human Settlements	<ul style="list-style-type: none"> <li>• MMC N. Sibeko</li> <li>• Acting Director Ms. G.R. Tobia</li> <li>• General Manager</li> <li>• Managers</li> </ul>
	14h00–15h30	Corporate Services	<ul style="list-style-type: none"> <li>• MMC Z. Madyibi</li> <li>• Director S. Nodi</li> <li>• General Managers</li> <li>• Managers</li> </ul>

*Table 25: Schedule of Departmental Hearings*

### (c) MPAC Members Departmental Hearings Attendance

The Attendance is demonstrated as 1 (present), AP (absent with apology) and \* (absent with no apology). Below is the attendance of MPAC :-

MPAC Members	Meeting dates and Attendance							
	15.02.2023 Executive and Council	16.02.2023 Technical Services	16.02.2023 Community Services	16.02.2023 Public Safety	16.02.2023 Rural Economic Development	17. 02. 2023 Budget and Treasury	22.02 2023 Corporate Services	22.02. 2023 Human Settlements
1. Cllr M. Bango	1	1	1	1	1	1	1	1
2. Cllr. M. Majeke	1	AP	AP	1	1	1	1	1
3. Cllr. N. Jubeni	1	1	1	1	1	1	1	1
4. Cllr. G.S. Rapiya	1	1	1	1	1	1	*	*
5. Cllr. T. Gqiba	1	1	1	1	1	1	1	1
6. Cllr. S.C. Mshunqane	1	1	1	1	1	1	1	1
7. Cllr. A. Ketse	1	1	1	1	1	AP	AP	AP
8. Cllr. J. Msakeni	*	*	*	*	*	*	*	*
9. Cllr. N. Matubatuba	1	1	1	1	1	1	1	1
10. Cllr. T. Malefane	1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>*</u>	<u>*</u>
<b>MPAC Staff</b>								
11. Ms. Z. Dumalisile	1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
12. Mr. Y.S. Mafuya	1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
13. Mr. S.S. Ndungane	1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
14. Mr. O.Q. Senene	AP	AP	AP	AP	AP	AP	<u>1</u>	<u>1</u>
<b>PMS Staff</b>								
15. Ms P. Makhitshi	AP	<u>AP</u>	<u>AP</u>	<u>1</u>	<u>1</u>	<u>AP</u>	<u>AP</u>	<u>AP</u>
16. Ms P. Pellem	1	<u>1</u>	<u>1</u>	<u>AP</u>	<u>AP</u>	<u>1</u>	<u>1</u>	<u>1</u>

Table 26: MPAC Attendance on the Departmental Hearings

### 3.4.1 Executive and Council

The session was adequately attended both politically and administratively.

#### (a) Schedule and attendance

<b>Date : 15. 02.2023</b>		
<b>Time : 14h00</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors</b>	<b>Position</b>	<b>Attended (√) Not attended (X)</b>
1. Cllr. G.N. Nelani	Executive Mayor	Apology tendered for he was attending SALGA Seminar at Johannesburg
2. Cllr. N. Siyo-Sokutu	Speaker	Apology tendered for she was attending SALGA Seminar at Johannesburg
3. Cllr. B. Mlanjeni	Single Whip	√
4. Cllr. M. Dudumayo	MMC RED	Acting Executive Mayor
5. Cllr. Y. Gwadiso	MMC IGR	√
6. Cllr. N. Mayi	MMC SPU	√
7. Cllr. B. Mbiyo	Chairperson (EMIC)	√
8. Ms. N. Manyifolo	Manager Public Participation	√
9. Mr. S. Sitoyile	Chief of Staff (EM)	√
10. Mr. L.H. Kwetane	General Manager (EM)	√
11. Mr. V.S. Letuka	General Manager (OS)	√
12. Mr. Madliki	Chief Risk Officer (CRO)	√



Councillors	Position	Attended (√) Not attended (X)
13. Ms. O. Mabovula	Spokesperson (EM)	√
14. Ms. N. Pele	Coordinator SPU	√
15. Ms. S. Moyi	PA Office of the Mayor / Acting Manager IGR	√
16. Mr. MMC. Ngoma	GM	X
17. Mr. T. Sekonyela	Chief of Staff (Speaker)	√

*Table 27: Executive and Council Departmental Hearings Attendance*

**(b) POE of the session**



**(c) Findings and Recommendations on Executive and Council**

The Office of Executive Mayor and Council Support had twenty-seven (27) KPI's, achieved seventeen (17) and did not achieve the ten (10) . Below are findings and recommendations :-

Findings	Recommendations
i. Candle lighting and SOMA was not achieved due to COVID 19 restrictions and budget constraints	<ul style="list-style-type: none"> <li>• Double barrel KPI's must be avoided at all costs.</li> <li>• Council events must be budgeted for on time to avoid none implementation of such KPI's.</li> <li>• State of the Municipal Address must be held at an appropriate time as indicated on the Municipal Institutional Calendar.</li> </ul>
ii. Four (4) Mayoral and Speaker's IDP, PMS and Budget Imbizos not achieved	<ul style="list-style-type: none"> <li>• Double barrel accountability should be avoided at all costs e.g. The Executive Mayor must be accountable for the IDP, Budget and PMS and the Speaker must be accountable for Public Participation.</li> <li>• The Mayoral Imbizos must be budgeted for and be implemented accordingly.</li> </ul>
iii. Some of Section 80 Committee Meetings did not convene either due to quorum that did not collate or postponement	<ul style="list-style-type: none"> <li>• All Section 80 Committee Meetings must be convened as per the Institutional Calendar, any changes must be approved by the Speaker, only where necessary</li> </ul>
iv. There are Members of Council who have absented themselves from attending the Council Meeting and Committees of Council with no apology as per the Annual Report.	<ul style="list-style-type: none"> <li>• In future Rule 50 of the Standing Rules of Council and its Committees must apply to those Committee Members who do not attend the meetings</li> </ul>

*Table 28: Executive and Council Findings and Recommendations*



### 3.4.2 Department of Rural and Economic Development

The session was adequately attended both politically and administratively.

#### (a) Schedule and attendance

<b>Date : 16.02.2023</b>		
<b>Time : 10h00 -12h00</b>		
<b>Venue: Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended (✓) Not attended (X)</b>
1. Cllr. M. Dudumayo	MMC RED	✓
2. Mr. M. Mandla	DIRECTOR RED	✓

*Table 29: Rural and Economic Development Departmental Hearings Attendance*

#### (b) POE of the session





### (c) Findings and Recommendations

Findings	Recommendations
i. The Department is under- staffed	<ul style="list-style-type: none"> <li>• Expediate employment of the requisite personnel for functionality of the Department and funded posts must be prioritize now or in 2023/2024 FY</li> </ul>
ii. The Department planned to collect revenue amount of R400 000.00 from businesses but collected R353936.16, the reason being that notices could not be served due to a Moratorium issued by Department of Small Businesses as COVID 19 Pandemic Regulations were still in place.	<ul style="list-style-type: none"> <li>• The KPI should be achieved in 2022/2023 FY.</li> </ul>
iii. The IDP is in the Office of the Executive Mayor and accounted for its implementation at RED.	<ul style="list-style-type: none"> <li>• The Office of the Executive Mayor must account for the IDP implementation.</li> </ul>

*Table 30: Rural and Economic Development Findings and Recommendations*

### 3.4.3 Department of Public Safety and Traffic Management

The session was adequately attended both politically and administratively.

#### (a) Schedule and attendance

<b>Date : 16. 02.2023</b>		
<b>Time : 11h00 - 13h00</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended (√) Not attended (X)</b>
1. Cllr. M. Marasha	MMC	√
2. Mr D. Kettledas	Director	√
3. Mr. N. Ndyikitya	Chief Fire Officer	√
4. Mr. K.K. Timakwe	Chief Law Enforce	√
5. Ms. Z.J. Ndiki	Chief Traffic Services	√
6. Mr. M. Fuzile	Assistant Disaster Manager	√
7. Mr. N.M Sapepa	Community Safety	√
8. Mr. P. Ngcebetshana	Manager Transport and Projects	√

*Table 31: Public Safety and Traffic Management Departmental Hearings Attendance*

**(b) POE of the session**



**(c) Findings and recommendations**

Finding	Recommendations
<p>i. As much as Vehicle Testing Station (VTS) is opened after a long closure it is not generating any revenue due to high maintenance costs of the machine and no defined framework in mitigating threats and limiting weaknesses in its operations.</p>	<ul style="list-style-type: none"> <li>• The VTS Marketing Strategy (as a Turn Around Plan) must be in place by June 2023.</li> </ul>
<p>ii. The VTS is not functioning well as there's poor services due to machine breakdowns, staff shortage and clients opt for using the two private</p>	<ul style="list-style-type: none"> <li>• As a matter of urgency, the funded posts must be filled so as to beef up capacity at the VTS.</li> <li>• The Vehicle Testing Machine must be addressed to minimise downtime.</li> </ul>



competitors, which imposes threat to the revenue collection in the VTS .	
iii. The other two Stations are suspected to do corruption in testing vehicle and passing them even if it is not qualifying nor physically present for testing.	<ul style="list-style-type: none"> <li>The suspected corruption should be referred to the Department of Public Works for investigation and a Report be provided to the Municipal Manager by June 2023.</li> </ul>
iv. Schools and Community Fire Awareness Campains were conducted but the Department did not produce enough portfolion of evidence as required.	<ul style="list-style-type: none"> <li>In 2022/ 2023 FY the POE for the KPI must be produced so that this KPI can be achieved.</li> </ul>
v. MSCOA captures empolyee's allowances and overtime as the same thing e.g. overtime	<ul style="list-style-type: none"> <li>This descrepancy must be addressed with the National Treasury so that it can be rectified as the matter of urgency. Let Employee benefits be captured as thus and overtime be captured as overtime</li> </ul>

**Table 32: Public Safety and Traffic Management Findings and Recommendations**

### 3.4.4 Department of Community Services

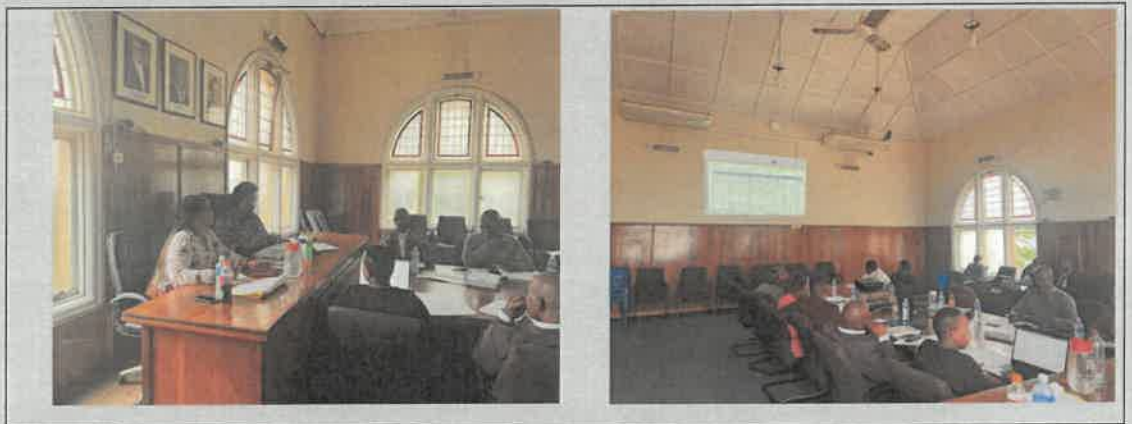
The session was adequately attended both politically and administratively.

#### (a) Schedule of attendance

<b>Date : 16.02.2023</b>		
<b>Time : 14h00 – 16h30</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended ( ✓ ) Not attended ( X )</b>
1. Cllr. S. Nyengane	MMC Community Services	✓
2. Mr. F. Guleni	Director Community Services	✓
3. Mr. G.L. Mkaba	Manager Solid Waste	✓
4. Mr. A.N. Mandlana	Manager EQM	✓
5. Mr. B. Maqeda	Senior Admin Officer	✓

*Table 33: Community Services Departmental Hearings Attendance*

#### b) POE of the session



### c) Findings and recommendations

Finding	Recommendations
i. Some KPI's on refuse removal are a duplication e.g. refuse removal at households, peri- urban points, dumping sites.	<ul style="list-style-type: none"> <li>• The Department must have one KPI on refuse removal and others can be activities.</li> </ul>
ii. As much as the refuse is collected at dumping sites, rangers look after the dumping sites, there is still dumping of refuse.	<ul style="list-style-type: none"> <li>• The Department must come up with a Turn Around Strategy of how it plans to sustain the cleanliness.</li> <li>• The Department must submit the Turnaround Strategy to the Accounting Officer by end April 2023.</li> </ul>
iii. There are some constraints in the capacity of collecting refuse removal in urban wards which are densely populated. The challenge is the number of households within tenancies that exacerbates illegal dumping, even though refuse removal is timeously collected.	<ul style="list-style-type: none"> <li>• The Department must come with an audit plan of tenancy-households in urban wards. This includes data collection of how many tenancy-households does KSDLM have in its urban wards and compiling a register per ward as a monitoring tool so as to appropriate the amount of levies that are in line with the scale, size of the refuse in that vicinity.</li> <li>• The Department must improve on communicating with Communities in cases of refuse not collected through Social Platforms and Ward Councillors.</li> </ul>
iv. Facility Management was not properly and transferred to Department of Cooperate Services and the department is unable to account for the target.	<ul style="list-style-type: none"> <li>• A proper hand over should be done in order to update the Department of Cooperate Services on on matters of revenue collection, security , assets, etc</li> <li>• Facility Management Plan must be in place by June 2023.</li> </ul>



Finding	Recommendations
v. Maintenance of cemeteries is still a challenge and only taken seriously when prominent public figures are to be laid to rest at the cemeteries.	<ul style="list-style-type: none"> <li>• For the dignity of the deceased and their families, the Department needs to take seriously the matter of maintaining cemeteries.</li> </ul>
vi. The Department is still faced with a challenge of not knowing of who is who in the cemeteries.	<ul style="list-style-type: none"> <li>• The Electronic Cemetery System is to be in place as a matter of urgency.</li> </ul>
vii. The Department had a shortfall on revenue collection, the target was to collect R2m on commercial refuse removal and disposal, only R956 124 50 was collected causing a deviation of R1 043 875 50. The reason being cited as the target was too high and as most of businesses are collecting their own refuse.	<ul style="list-style-type: none"> <li>• The Department must ensure the refuse is collected from and paid for by all businesses.</li> <li>• The Department must improve on the service so that a bigger number of businesses are serviced.</li> <li>• The Municipality must enforce the Refuse Removal and Disposal By- Law.</li> </ul>

*Table 34: Community Services Findings and Hearings*

### 3.4.5. Department of Technical Services

The session was adequately attended both politically and administratively.

#### (a) Schedule and attendance

<b>Date : 16. 02.2023</b>		
<b>Time : 15:00- 16:30</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended (√) Not attended (X)</b>
1. Cllr. Z. Nokayi	MMC (Infrastructure)	√
2. Mr. U. Mnqokoyi	Director Technical Services	√
3. Ms. S. Nondlazi	PMU Manager	√
4. Mr. L. Mbozani	Works Manager	√
5. Mr. Z. Mdoda	Manager Roads	√
6. Mr. V. Mehlwempi	Acting Manager Electricity	√

*Table 35: Technical Services Departmental Hearings Attendance*

#### (b) POE of the session



## Findings and recommendations

Findings	Recommendations
<p>i. The Municipal road network is 1900 and the Department is only able to maintain 1000km of which that is not sustainable as after heavy rain there reverse back log.</p>	<ul style="list-style-type: none"> <li>• The Municipality must consider surface roads as they are sustainable for a longer period.</li> </ul>
<p>ii. The Municipality has limited Fleet and affected by brakedowns, is expected to do quality service delivery in all thirty seven (37) wards and with the rural wards roads deteriorating very vast.</p>	<ul style="list-style-type: none"> <li>• The Municipality should ensure that the Department is resourced and provided with the minimum six (6) plants and one (1) Grader by end August 2023. It is desired that 1 plant can service 6 wards and that can expediate service delivery.</li> </ul>
<p>iii. The Department is concerned with the inability of the Municipality to retain its skilled staff members. As most of the highly skilled personnel who have gained experience are opting to move to other Municipality's as the Municipality is unable to meet the market demand. This leaves a gap in the technical capacity and functioning of the Service delivery Departments.</p>	<ul style="list-style-type: none"> <li>• The Municipality needs to develop a Staff Retention Strategy and also consider benchmarking on Posts with other Municipalities.</li> </ul>

*Table 35: Technical Services Findings and Recommendations*



### 3.4.6. Department of Budget and Treasury Office

The session was adequately attended both politically and administratively.

#### (a) Schedule of attendance

<b>Date : 17.02.2023</b>		
<b>Time : 14h00 - 15:30</b>		
<b>Venue: Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended (√) Not attended (X)</b>
1. Cllr. Z. Gana	MMC BTO	√
2. Mr. E.F Jiholo	Chief Financial Officer	√
3. Ms. X. Lunika	General Manger Budget and Revenue	√
4. Ms N. Ntozakhe	Manager Expenditure	√
5. Mr. S. Mfobo	Manger Accounting	√

*Table 37: Budget and Treasury Office Hearings Attendance*

#### (b) POE of the session



**(c) Findings and recommendations**

<b>Findings</b>	<b>Recommendations</b>
<p>i. Revenue collection was not improved by 5 % as planned BTO indicated that in 2022/ 2023 FY there is improvement in revenue collection but some Departments are not contributing as desired to increase revenue collection.</p>	<ul style="list-style-type: none"> <li>• BTO must present the Revenue Enhancement Strategy and Reports of the Revenue Collection Service Providers to the MPAC by April 2023.</li> </ul>
<p>ii. Poor financial planning of Departments KPIs is causing a challenge when Departments implement their budgets accordingly.</p>	<ul style="list-style-type: none"> <li>• In 2023/ 2024 FY all Departments must have a Financial Management Plan from a ward level to their Departmental KPIs. This will assist to to centralize , monitor and evaluate the planning of expenditure in projects and programmes that are earmarked at a ward-level (IDP) and Departmental KPIs (SDBIP)</li> </ul>

*Table 38: BTO Findings and Recommendations*

### 3.4.7. Department of Human Settlements

The session was adequately attended both politically and administratively.

#### (a) Schedule and attendance

<b>Date : 22. 02.2023</b>		
<b>Time : 10h00</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Position</b>	<b>Attended ( ✓ ) Not attended ( X )</b>
1. Cllr. N. Sibeko	MMC Human Settlements	✓
2. Ms. G.R. Tobia	Acting Director HS	✓
3. Ms. L.A. Mkwali	Chief Housing Officer	✓
4. Mr. Z. Hobongwana	Manager Building Control	✓
5. Ms. A. Umi	Housing Intern	✓

*Table 39: Human Settlements Departmental Hearings Attendance*

#### (b) POE of the session





### (c) Findings and recommendations

Findings	Recommendations
i. There is a challenge in achieving construction of RDP houses at e.g. Maydene Farm (Extension 71), New Brighton, Kei Rail, etc	<ul style="list-style-type: none"> <li>• The Department must have a Turnaround Plan on how this target will be achieved and must be presented to MPAC by end April 2023</li> <li>• MPAC intends to closely monitor the progress of the Housing projects.</li> </ul>
ii. Land Audit Report is not finished	<ul style="list-style-type: none"> <li>• The Department must finish the Land Audit Report to enable the Municipality to get a clear view of the land availability.</li> <li>• The Land Audit Report must be presented to MPAC by April 2023.</li> </ul>

*Table 40: Human Settlements Findings and Recommendations*

### 3.4.8. Department of Corporate Services

The session was adequately attended both politically and administratively.

#### (a) Schedule of attendance

<b>Date : 22. 02.2023</b>		
<b>Time : 14h00</b>		
<b>Venue : Mthatha City Hall Council Chamber</b>		
<b>Councillors &amp; Officials</b>	<b>Attended</b>	<b>Attended (√) Not attended (X)</b>
1. Cllr Z. Madyibi	MMC Corporate Services	√
2. Mr. S.M. Nodo	Director Corporate Services	√
3. Ms. T.V. Mbulalwa	Committee Officer	√
4. Mr. B. Ndlobeni	Human Resource Manager	√
5. Mr. T. Feni	Manager PS	√
6. Mr. K. Tonise	Job Evaluation Officer	√
7. Ms. N. Ncapai	Manager HRD	√
8. Mr. M. Ndyaluvane	Manager ICT	√

*Table 41: Corporate Services Departmental Hearings Attendance*

#### (b) POE of the session



### (c) Findings and recommendations

Findings	Recommendations
<p>i. The Organisational Structure, rationalisation, are not done in a transparent manner and some stakeholders are not involved e.g. Portfolio heads, Local Labour Forum, affected employees, etc. This can lead to resistance more specifically by LLF and causing unnecessary delays in its implementation and hampering badly on service delivery</p>	<ul style="list-style-type: none"> <li>• Consultation on reevaluation of the Organisational Structure, rationalisation, must be done intensified and be transparent manner with all relevant stakeholders involved to avoid resistance and delays on the implementation.</li> </ul>
<p>ii. Job Evaluation JD's was not done for all employees and not all employees have JD's, there's only one employee responsible</p>	<ul style="list-style-type: none"> <li>• Evaluation of +- 2000 Job Descriptions can in no ways be done by one employee, the Department must consider seeking assistance from Department of Provincial COGTA for reinforcement and to expedite Job Description Evaluation process.</li> </ul>
<p>iii. Employment Equity Targets are not considered when recruiting for employment more specifically at Senior Management level.</p>	<ul style="list-style-type: none"> <li>• The Department must revisit its Employment Equity Policy, revitalise Employment Equity Forums and state the targeted equity when advertising Municipal posts</li> </ul>
<p>iv. Not all Councillors were trained in 2021/2022 FY, and their training was that of short-course training, and they received non-degree certificates after workshops. This is due to the lack in staff development fund to fund university/college qualifications.</p>	<ul style="list-style-type: none"> <li>• The Department must separate budget for Councillors and Officials as development for Councillors needs to be considered in the next financial year.</li> </ul>



Findings	Recommendations
v. There is no Procedure Manual in place to monitor and report on the Municipal Halls and Public facilities.	<ul style="list-style-type: none"> <li>• A Standard Procedure Manual must be developed by end June 2023, in order to improve the monitoring and reporting on the Municipal Halls and Public facilities.</li> </ul>
vi. The Department of Community Services did not do proper hand over of Community Halls to Department of Cooperate Services	<ul style="list-style-type: none"> <li>• Department of Community Services must do proper hand over of Community Hall facilities to the Department of Co-operate Sevices</li> </ul>
vii. There are some Community Hall facilities that are rented out by the communities not all of them are generating revenue. Some are said to be generating revenue but the revenue is not taken to the Municipality.	<ul style="list-style-type: none"> <li>• Analysis of hall bookings and the revenue generated must be conducted and a report produced and submitted to MPAC by April 2023.</li> <li>• Conducting assessment of all the Community Halls must be done and the status of each must be submitted.</li> </ul>
viii. Some Community Hall keys are with the Councillors	<ul style="list-style-type: none"> <li>• In order for Councillors to be safe and not implicated in any thing to do with the Community Halls, all the keys are to be kept by the Municipality and not by the Councillors.</li> </ul>
ix. Department of Cooperate Services has not achieved the target for the individual PMS.	<ul style="list-style-type: none"> <li>• The PMS must be cascaded to all level of employees by end April 2023 in order to comply with the legislative prescripts as it is not acceptable to have employees without PMS.</li> </ul>

*Table 42: Corporate Services Findings and Recommendations*

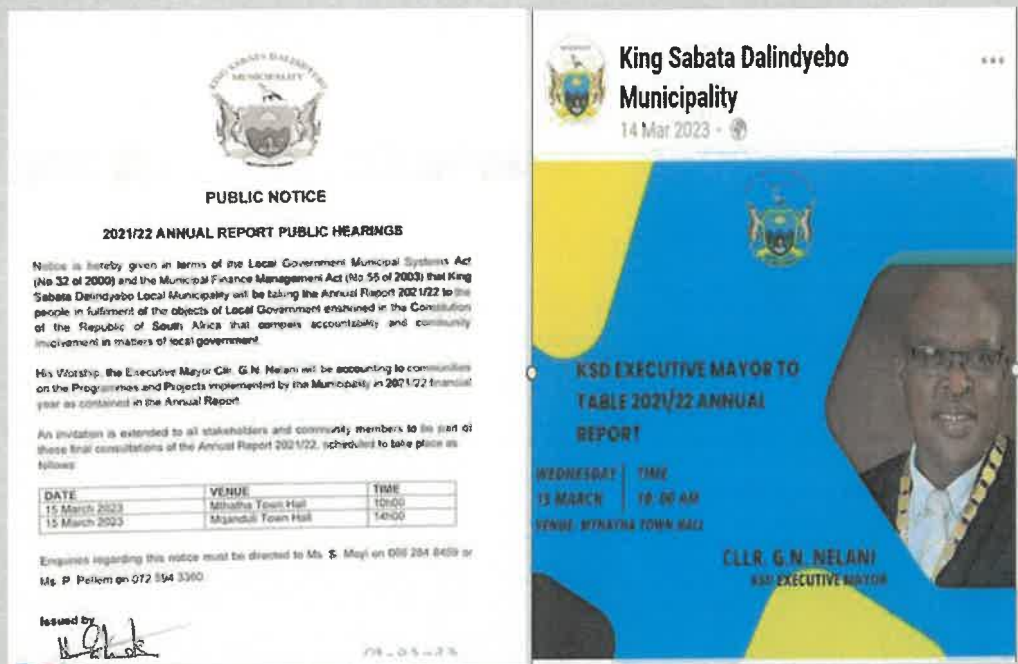
### **3.5. Project Site Visits**

There was lot of information gathered and MPAC processed the information through engaging relevant Departments for clarities where possible. Most of the projects that were not achieved in 2021/ 2022 FY are also addressed in 2022/ 2023 SDBIP. It will be MPAC's responsibility to report on such projects in 2022/ 2023 Oversight Report to measure whether they will be achieved as stated. It is worth noting that the parks cannot be easily maintained due to these heavy rains that are causing the grass to grow on a very high speed. MPAC focused on roads and housing construction projects and strategic economic development projects. There were findings noted by the Committee during the Project Site Visits. Monitoring of the projects will be done continuously as part of the MPAC Annual Workplan 2023/2024.

### 3.6. Executive Mayor’s Public Hearings on the Annual Report 2021/2022

The municipality exists because there are communities and within communities there are people who are waiting eargely for service delivery from the Municipality. Guided by the Section 129(4) of the Municipal Finance Management Act (MFMA) which provides guidance on the way Municipal Councils should consider Annual Reports and conduct Public Hearings. This provisions also directs MPAC the functioning and assist it to consider an Annual Report. The MPAC facilitates engagement and inputs of communities through the Public Hearings on matters of service delivery, advice on improvement and reduction on wastage on usage of public resources. MPAC ensured that a Notice was issues to the public for both Mthatha and Mqanduli EM’s Public Hearing on presenting Annual Report for 2020/2021 FY. MPAC confirms that public was invited at least seven (7) days before the Public Hearings in line with the Public Participation Strategy. As required by the Public Participation Strategy the Notice of Invitation was advertised on the Municipal website, Social Media Platforms, sent to Ward Councillors and Ward Committees through the Public Participation Unit.

#### (a) Notice and the Poster for the Public Hearings






**(b) POE and public inputs**

**Venue: Mthatha**

**Date : 15 March 2023**


**Time : 10:00**


POE	Inputs	Executive Mayor's / MAYCO and Management Response
	<p><b>Ms N. Fiki from Ward 1:-</b></p> <ul style="list-style-type: none"> <li>• What is the role of RED regarding Agriculture contribution to KSD community and is there any strategy in place to work with e.g. Farmer's Union and any other relevant stakeholders:</li> <li>• During IDP Roadshows and other Municipal gatherings, the Municipality should consider sharing information on the Municipal By-laws more specifically those affecting communities, e.g. increase in informal trading in the CBD is increasing and becoming uncontrollable e.g. Chatham Street, etc</li> </ul>	<ul style="list-style-type: none"> <li>• The Area is a wet District for agricultural production hence the Strategic planning 2023 pronounced on Agriculture as a priority though it is not the core functions of local government, for example ploughing of Cannabis plantation in Mqanduli is considered. There is plan to enter into an MOU with DICLA in Queenstown and WSU to improve on agriculture.</li> <li>• The KSDLM is in a drive of enhancing public awareness on the Policies and By-laws and enforcement thereof.</li> </ul>

Venue: Mthatha

Date : 15 March 2023

Time : 10:00

POE	Inputs	Executive Mayor's / MAYCO and Management Response
	<p>Mr D. Shezi from Ward 31 and (Ward Administration Clerk): -</p> <ul style="list-style-type: none"><li>• Appreciates the establishment of Risk Management Unit in KSDLM, however, the condition of the Mthatha Town Hall needs to be considered as it is a risk to people with disability and there is not OHS Champion for the Office.”</li></ul>	<ul style="list-style-type: none"><li>• The issue of Town Hall accessibility to persons living with disabilities is a great cause for concern and the relevant Department will look and the matter and put plans into place on how it can be addressed.</li><li>• Wellness Unit must make accessibility assessment of all the Municipality’s Offices.</li></ul>

<p><b>Venue: Mthatha</b>  <b>Date : 15 March 2023</b>  <b>Time : 10:00</b></p>		
<p><b>POE</b></p> 	<p><b>Inputs</b></p> <p><b>Mr T. Mtshabe O.R. Tambo Chamber of Business:-</b></p> <ul style="list-style-type: none"> <li>• Chapter 5 of the Annual Report mentions expenditure on electricity, is the Municipality buying electricity from Eskom and sell it to Mthiza whom the Communities buys from ?</li> <li>• Is this the cause of high electricity tariffs ?</li> <li>• The work done by the Municipality is appreciated on the patching of potholes in Vulindlela Heights Industrial zone.”</li> </ul>	<p><b>Executive Mayor's / MAYCO and Management Response</b></p> <ul style="list-style-type: none"> <li>• KSDLM purchases electricity from Eskom and sells to consumers through prepaid. Mthiza's Contract expired in 2004. When KSDLM electricity tariffs are increased public is consulted and are approved by NERSA.</li> <li>• The comment was appreciated.</li> </ul>



Venue: Mthatha

Date : 15 March 2023

Time : 10:00

POE		
Inputs	Executive Mayor's / MAYCO and Management Response	
<p><b>Mr M. Ngxisho – ward 28</b></p> <ul style="list-style-type: none"><li>The Bridge at Ward 28 at Blekana is incomplete and it has been 2 years now and no handing over has been done.</li></ul>	<ul style="list-style-type: none"><li>The Bridge has been done according to the Specification and is completed. The Project Steering Committee signed the Completion Certificate as they were responsible for the project on behalf of the Community.</li></ul>	



**Venue: Mithatha**

**Date : 15 March 2023**

**Time : 10:00**

**POE**

**Inputs**

**Executive Mayor's / MAYCO and Management Response**



**Ms V. Mayeza – Ward 07: -**


- Is the corruption hotline working or not ?
- Are people well trained as there's a problem with the capacity of the Electricity Call Centre who are unable to respond with professionalism to the communities and turnaround time on complaints is concerning” .

- The KSDLM Customer care is trying daily to improve on Customer Care and adhere to Policies and Batho Pele principles.
- A post for Customer Care Manager has been advertised.

Venue: Mthatha

Date : 15 March 2023

Time : 10:00

<b>POE</b>	<b>Inputs</b>	<b>Executive Mayor's / MAYCO and Management Response</b>
	<p><b>Mr M. Mdwe – ward 1:-</b></p> <ul style="list-style-type: none"><li>• The construction of Silverton Road is incomplete , the road is inaccessible and has been reported several times.</li><li>• The construction of Silverton Hall is delayed</li></ul>	<ul style="list-style-type: none"><li>• The problem of the quality of road in Silverton has been caused by battles with material (bore pits) as Department was instructed to use an approved bore pit in Waterfall. The community demanded that their roads be done prior going to Silverton of which same funds were used. Silverton has been a challenging area for projects to be completed.</li><li>• The construction of the Silverton Hall was met with legal claims which delayed the start of the Project.</li></ul>



Venue : Mqanduli MPC

Date : 15 March 2023

Time : 14:00

POE



**Inputs from Communities**

**Mr R. Langa (CDW) from Ward 36 :-**

- The Municipality must consider renewal of By-laws and enforce implementation at Mqanduli.

**Mayor's Response**

- The Public Participation Unit is in a drive on community awareness on the Municipal By-Laws that are affecting the communities and enforcement thereof.



**Ms Nondyebo from Ward 29:-**



- Appreciates the Executive Mayor's presentation, continued visibility and the content of the 2021/22 Annual Report are true.

- Commends the inputs.



Venue : Mqanduli MPC

Date : 15 March 2023

Time : 14:00

POE	Inputs from Communities	Mayor's Response
	<p><b>Mr. Jola from Ward 26:-</b></p> <ul style="list-style-type: none"><li>• The road maintenance is taking place in the Ward but the Grader is not working due to unavailability of diesel.</li></ul>	<ul style="list-style-type: none"><li>• The Community Leaders must take responsibility of Municipal assets when in their Wards, as the stealing of diesel if affecting the performance.</li></ul>
	<p><b>Mr Sithelo from Ward 22:-</b></p> <ul style="list-style-type: none"><li>• The first list of names that was made for the Wilo housing project is not the same as the list with the newly appointed Contractors and is concerning.</li></ul>	<ul style="list-style-type: none"><li>• The Municipality together with the Department of Human Settlements is addressing the matter as it was received. Though currently the performance of the new Contractor is a challenge and process of termination is underway.</li></ul>




<b>Venue : Mqanduli MPC</b> <b>Date : 15 March 2023</b> <b>Time : 14:00</b> <b>POE</b>		
	<b>Inputs from Communities</b>	<b>Mayor's Response</b>
	<b>Mr Daca (Business)</b> The issues of high levels of unemployment that is a crisis has not been addressed by the presentation and the short term employment is not assisting the young people.	<ul style="list-style-type: none"> <li>• The National and Provincial government have pronounced on the issue of job creation specifically by Private Sector. Government's plan is to provide funding for Strivate Sector that will then create job opportunities.</li> </ul>
	<b>Mr Mahili Mqanduli Community Development Forum: -</b> <ul style="list-style-type: none"> <li>• The issue of Foreigners must be looked at by government as they are implicated on the selling of drugs. The issue of agriculture needs to be reconsidered as fields are not used"</li> </ul>	<ul style="list-style-type: none"> <li>• The Communities need to take responsibility of the place taken up by foreigners as they lacked plans. It is the same community that are benefiting in these illegal foreigners and high their illegal acts of selling drugs. The Municipality with Sector Departments like SAPS and Home Affairs have camppains of addressing but Communities must led.</li> </ul>



Venue : Mqanduli MPC

Date : 15 March 2023

Time : 14:00

POE	Inputs from Communities	Mayor's Response
	<p><b>Mr Ngomfela Ward 23: -</b></p> <ul style="list-style-type: none"><li>• The issue of unemployment is affecting our communities as there are kids with post graduate degrees and are unemployed”</li></ul>	<p>The Municipality has a database for unemployed graduates, who are given opportunities for Training through Internship Programmes.</p>

*Table 43: Executive Mayor's Public Hearings Inputs from Communities and Responses*

#### 4. Overall Findings and Recommendations

The Annual Report for 2021/2022 FY was considered in line with Section 121 (3) and 4 of the MFMA. All the concerns on the report were raised with the Manager Performance Management Unit and relevant Departmental politically and administratively during the Departmental Hearings. Although there were concerns, as required by NT Guidelines (2012) MPAC fully analyzed the report and was satisfied that the required format was adopted. The following findings and recommendations were made: -

Overall Findings	Overall Recommendations
<p>i. All Departments did not achieve 100% implementation of the SDBIP. This can be attributed to the fact that there are no Operational Plans in place, no PMS in place and no quarterly assessment made by some Departments</p>	<ul style="list-style-type: none"> <li>• Each employee must have Performance Agreement, Personal Development Plan, an Operational Plan/Business Plan that will assist compile Employee PMS.</li> <li>• PMS must be conducted on quarterly, half yearly and on annual basis,</li> <li>• By 2022/2023 FY, PMS must be institutionalised e.g. having all encompassing PMS Strategy catering for both individual employees and Departmental PMS and all the Departments are expected to be fully implementing PMS at individual and Departmental levels.</li> <li>• All Performance Agreements of Management must have Risk Management KPI and be assessed on quarterly basis.</li> <li>• All Performance Agreements of Management must have implementation of Audit Action Plan (AG Resolutions) and assessed on quarterly basis.</li> </ul>
<p>ii. Consequence Management is not taken seriously and implemented accordingly were necessary e.g. non implementation of some KPI's on the SDBIP, compliance with legislation, etc</p>	<ul style="list-style-type: none"> <li>• Consequence Management must be taken seriously and implemented accordingly were necessary e.g. full implementation of the SDBIP, compliance with legislation, etc .If some KPI's are not met the outputs, impact and outcome will not be met.</li> </ul>



Overall Findings	Overall Recommendations
<p>iii. Structural Rationalisation and Institutional redesign are not done in a transparent manner.</p>	<ul style="list-style-type: none"> <li>• Structural Rationalisation and Institutional redesign must be done in a transparent manner where all role player participate. Department of Provincial COGTA can be consulted to provide advise.</li> </ul>
<p>iv. There seems to be a glaring gap on working relations between the Management and the labour unions whereas a legislated platform has been created for engagements between the employer and the employee (LLF).</p>	<ul style="list-style-type: none"> <li>• The role of the LLF is to promote interests of all workers, enhance workplace efficiency, consult with the employer and take part in decision- making.</li> <li>• The working relations between the Management and the Labour Unions must be improved through LLF for this will assist for the smooth running of the Municipality.</li> </ul>
<p>v. Employees are to have Personal Development Plans (PDP's) yet there is no trainig provided to them</p>	<ul style="list-style-type: none"> <li>• Human Resource Developmet (HRD) must have Training Strategy in place and see to it that employees are trained in line with their PDP's</li> </ul>
<p>vi. Although the Council is workshopped on Policies, By-Laws, etc there are still some gaps and limited knowledge on some of such Policies, By- Laws and Standard Procedure Manuals of the Municipality.</p>	<ul style="list-style-type: none"> <li>• The Council must set a week aside and review all the Municipalitie's Policies, By-Laws, and Standard Procudure Manuals.</li> <li>• The Departments of COGTA, Provincial Treasury, SALGA, ECSSEC can be invited to assist in this regard.</li> </ul>
<p>vii. Some policies e.g. Dress Code Policy, Human Resource Policy, Information Technology Poilcy, Staff Placement , etc have not been approved whereas they were developed a year ago.</p>	<ul style="list-style-type: none"> <li>• These policy and some that are still not approved must be tabled to Council for approval.</li> </ul>
<p>viii. The crical issues of Occupational Health and Safety are undermined by the institution i.e. the Municipal offices are in bad state and harzadous, ablusions not properly function and in bad conditions. The Munitata Building and Town Hall buildings are in a dilapidated condition and not adhering to OHS Act.</p>	<ul style="list-style-type: none"> <li>• The OHS Act is crucial for keeping every South African employee safe on performing day-to-day job activities in a conducive environment.</li> <li>• The Department of Technical Services must ensure that the building adheres to OHS Act and ensure that some offices are condusive enough for working and free of potential hazards in order to promote general welfare of employees, as a matter of urgency.</li> </ul>



Overall Findings	Overall Recommendations
	<ul style="list-style-type: none"> <li data-bbox="922 226 1544 387">• The Corporate Services Employee Wellness Unit must ensure that all the office spaces are conducive for working and free from any health hazards.</li> </ul>

*Table 44: Overall Findings and Recommendation on the 2021/ 2022 Annual Report*

## 5. Conclusion

MPAC Oversight focused on key instruments of engagement politically, administratively. Part the Oversight responsibility includes the obligation to bring key issues of governance, performance, and financial accountability to the attention of the Council, administration and the public and all further input on these matters. The Municipality exists because there are communities and there are people living in those communities.

Under general mediocrity in service delivery is mentality that is prevailing in the local government space and needs to be done away with. This severely compromises the Constitutional mandates that set to strive for eradicating social inequality, and the promotion of social justice. In turn poor service delivery impacts badly on the promotion of general welfare of the public, compromises socio-economic growth and most of all does not talk to the Manifesto of the political party of the day that is in governance. Constitutional Developmental mandate given to the Municipality is also compromised.

The Municipality needs to take seriously the SDBIP and effectively use it as its Management and implementation instrument to provide quality service delivery.

PMS has always been an issue in local government space. KSDM does have a capacity to institutionalize PMS all that needs to be done is to have a clear plan of action on PMS, from here to where. PMS should be viewed as everybody's business, form an integral part of Municipal Governance and should promote citizenry participation. Good governance implies accountability, integrity, and transparency of Local Government actions in defining and pursuing the strategic intent. All that the people want "talk to the people" and report. The Municipality is legally required to develop a PMS that will enhance the organization's efficiency and effectiveness, account for the use of resources and indicate the achievement of outcomes.

PMS must be institutionalized and used as a tool plan, implement, monitor, report and evaluate performance and all the activities of the Municipality. Section 42 of Municipal Systems Act clearly states the role of community involvement in developing PMS.



## 6. MPAC Recommendations to Council

Committee has fully considered the Annual Report 2021/2022 FY of the King Sabata Dalindyebo Municipality and the representation thereon and recommends that: -

- (i) Council **ADOPTS** the Oversight Report on the Annual Report 2021/2022 FY.
- (ii) Council **APPROVES** the Annual Report 2021/2022 FY without reservations.
- (iii) The Oversight Report on the Annual Report 2021/2022 of the King Sabatha Dalindyebo Municipality be **MADE** public in terms of Section 129(3) of the MFMA.
- (iv) The Oversight Report and the Annual Report 2021/2022 FY be **SUBMITTED** to the Provincial Legislature in terms of section 132(2) of the MFMA.
- (v) Council further **REQUESTS** the Executive Mayor to ensure that issues raised on Oversight Report receive full attention.

## References

1. Republic of South Africa. 1996. The Constitution of the Republic of South Africa of 1996. Available at: <https://www.gov.za/documents/constitution/constitution-republic-south-africa-1996-1> [Accessed 24 March 2023].
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3. Republic of South Africa. 2000. Municipal Systems Act 32 of 2000. Available at: [https://www.gov.za/sites/default/files/gcis\\_document/201409/a32-000.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/a32-000.pdf) [Accessed 24 March 2023].
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5. Republic of South Africa. 1998. Municipal Structures Act 117 of 1998. Available at: [https://www.gov.za/sites/default/files/gcis\\_document/201409/a117-980.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/a117-980.pdf) [Accessed 24 March 2023].





## ANNEXURE A



### MPAC QUESTIONS ON THE ANNUAL REPORT 2021/2022 FY

#### Format of the Annual Report

#### 1. Chapter 1

##### 1.1. Does Executive Mayor's Foreword include: -

Topics	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
• Strategic alignment to Provincial and Growth and Development Strategy	Yes
• Corrective actions taken to ensure that the strategic objectives as stipulated in the IDP were achieved	Yes
• Methods used / implemented to improve public participation and accountability	Yes
• Statement of corrective actions whereby service delivery can be improved	Yes
<b>If not, why</b>	

**1.2. Does Municipal Manager's Foreword include: -**

Topics	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Functions and Powers of the municipality in relation to Section 155/ 156 of the Constitution and Chapter 3 of the MSA</li> <li>• Entities related to the municipality and the sharing of power with these entity / ies</li> <li>• Sector departments and the sharing of functions between the municipality/ entity and sector departments</li> <li>• A statement on the previous financial year's audit opinion</li> <li>• A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No. 31804</li> <li>• Information related to be revenue trend by source including borrowings undertaken by the municipality</li> <li>• The internal management changes in relation to Section 56 / 57 managers Risk</li> <li>• Risk assessment, including the development and implementation of measures to mitigate the top five (5) risks</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
<p><b>If not, why?</b></p>	