

**THEMBISILE HANI LOCAL
MUNICIPALITY**



**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
OVERSIGHT REPORT ON THE
DRAFT ANNUAL REPORT FOR 2020/2021
FINANCIAL YEAR**

18/05/2022

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(i) ANNEXURES ATTACHED

- ANNEXURE A** MPAC MINUTES ON PROBING OF THE DRAFT ANNUAL REPORT
- ANNEXURE B** DRAFT ANNUAL REPORT CONSULTATION PROCESSES
- ANNEXURE C** MPAC QUESTIONNAIRE AND EXECUTIVE MAYOR'S RESPONSES
- ANNEXURE D** REPRESENTATIONS
- ANNEXURE E** MPAC OVERSIGHT PROCESS PLAN ON THE DRAFT ANNUAL REPORT 2020/2021

(ii) LIST OF ABBREVIATIONS USED

AFS	ANNUAL FINANCIAL STATEMENTS
AG	AUDITOR GENERAL
AGSA	AUDITOR GENERAL SOUTH AFRICA
AO	ACCOUNTING OFFICER
EM	EXECUTIVE MAYOR
AR	ANNUAL REPORT
COGTA	DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
IDP	INTEGRATED DEVELOPMENT PLAN
IMATU	INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MM	MUNICIPAL MANAGER
MPAC	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
MSA	MUNICIPAL STRUCTURES ACT/MUNICIPAL SYSTEMS ACT
POE	PORTFOLIO OF EVIDENCE
SAMWU	SOUTH AFRICAN MUNICIPAL WORKERS' UNION
SCOPA	STANDING COMMITTEE ON PUBLIC ACCOUNTS
SDBIP	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
THLM	THEMBISILE HANI LOCAL MUNICIPALITY
DORA	DIVISION OF REVENUE ACT
APR	ANNUAL PERFORMANCE REPORT
AR	ANNUAL REPORT
RMAFACC	RISK MANAGEMENT, ANTI-FRAUD AND ANTI-CORRUPTION COMMITTEE

1. INTRODUCTION

In accordance with the provisions of Section 79A (1) of the Municipal Structures Act, no 117 of 1998, a municipal council must establish a committee called the Municipal Public Accounts Committee.

The Municipal Public Accounts Committee (MPAC) of Thembisile Hani Municipality, similar to other committees of council comprise solely of Councillors appointed by resolution of a full Council meeting. The mayor or executive mayor, any member of the executive committee, members of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the Committee.

The current Municipal Public Accounts Committee (MPAC) of Thembisile Hani Local Municipality was established by council through council resolution TH-NDC 22/12/2021 on the 14th of December 2021.

The MPAC mandate is to assist Council to hold the executive accountable and ensure the effective and efficient use of municipal resources.

The municipal council determine the functions of the MPAC.

2. PURPOSE

The purpose of this report therefore is to table to council, the MPAC Oversight Report on the probing of Thembisile Hani Local Municipality Draft Annual Report 2020/2021 for council consideration and adoption in terms of the above mentioned MFMA provision. Further this report serves to inform the local community of Thembisile Hani Local Municipality on the work performed by MPAC in holding the executive accountable for all decisions made throughout the year of 2020/2021.

3. LEGAL FRAMEWORK

In accordance with the provisions of Section 121(1) of the Municipal Finance Management Act No. 56 of 2003, every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

Section 121(2) of the same act provides that, the purpose of an annual report is-

(a) to provide a record of the activities of the municipality or municipal entity

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

The annual report requirements are provided in Chapter 12 of the Municipal Finance Management Act (MFMA), sections 45 and 46 of the MSA and the annual Division of Revenue Act (DoRA).

Section 46(1) & (2) of the Local Government: Municipal Systems Act 32 of 2000 provides that;

- (1) a municipality must prepare for each financial year a performance report reflecting-
 - (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.

Section 129 of the Municipal Finance Management Act no. 56 of 2003 requires the council of a municipality to consider the annual report of the municipality, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127 of the MFMA, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

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

4. ACCOUNTABILITY FRAMEWORK FOR LOCAL GOVERNMENT

It is significant to have some understanding of the responsibility framework for municipalities in order to correctly comprehend the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the culpability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving for policy and budget	Mayor & Executive Committee	Community
Mayor & Executive Committee	Policy, budget, outcomes,	Municipal manager	Council
Municipal Manager	Outputs and implementation	Administration	Mayor & Executive Committee (Council)
Chief Financial Officer and Senior Manager	Outputs and Implementation	Financial management and operational functions	Municipal Manager

5. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OF THLM

As provided above, the current MPAC Thembe Hani Local Municipality compose of the following members of councillors as appointed by council through council resolution TH-NDC 22/12/2021 on the 14TH December 2021:

Members	
1. Clr. LM Tshabangu	(Chairperson)
2. Clr. SB Sindana	(Member)
3. Clr. RB Jiyane	(Member)
4. Clr. NE Radebe	(Member)
5. Clr. P Mahlangu	(Member)
6. Clr. LM Maphoso	(Member)
7. Clr. RQ Mtsweni	(Member)
8. Clr. Mita Motaung	(Member)
9. Clr. MA Mokwena	(Member)
10. Clr. ZJ Mnguni	(Member)

6. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

- a) To assist council to hold the executive and municipal entities to account, and to ensure the effective and efficient use of municipal resources.
- b) MPAC in executing its roles on oversight function it does not duplicate other committees of council.
- c) It report directly to council through the speaker of the municipality and interface with the other committees of council through the speaker, where relevant.
- d) It is entitled to request for documents or evidence from the Executive Mayor of a municipality or a municipal entity and can request support of both the internal and external auditors (advisory) where necessary.
- e) To consider and evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report, current in-year reports, and including quarterly and mid-year reports.

7. SUMMARY OF REPRESENTATIONS RECEIVED FROM THE COMMUNITY AND OTHER STAKEHOLDERS

The following table reflects the key written representations received from the respective bodies/individuals in relation to the Annual Report:

Representation Submitted by:	Key Issues Raised
Community	None
Auditor General	Attached hereto under Annexure D
Audit Committee	None
Risk Management Committee	Attached hereto under Annexure D
Public Comments	None
SAMWU	None
IMATU	None
Other Spheres of Government	None

The Municipal Public Accounts Committee has noted with concern once again that there is lack of representations in respect of the Draft Annual Report from various stakeholders and from the community at large.

MPAC therefore recommends that when the municipality publicise and distribute the Draft Annual Report for public comments, local organizations for example; SANCO, SADTU, NGO, NPO within the THLM jurisdiction be provided with the copies of the AR so that they can make comments if necessary.

8. ANNUAL REPORT CONSULTATION PROCESSES

The MPAC confirms the following Draft Annual Report processes and the Portfolio is hereto attached as ANNEXURE B:

- a) The Draft Annual Report was tabled to council in terms of Section 127(2) of the MFMA on the 31st March 2022.
- b) An official notice inviting the public to submit comments/representations in terms of Section 127(5)(a) of the MPPFA, was issued in the Sowetan newspaper (6 April 2022) and posted on municipal buildings. Further copies of the Annual Report were made available for community perusal and comments at the Municipal offices and Satellite offices viz, Tweefontien K Satellite Office, Kwamhlanga Satellite office, Kwaggafontein Library, Phumula Library, Verena Library and Reception desk (New and Old Building at THLM Head Quarters) in new and old buildings of the municipality on the 6th April 2022.
- c) After the Draft Annual Report was tabled to council in March, copies of the report were forwarded to the following provincial departments as required by Section 127(5)(b) of the MFMA:
 - I. Provincial Treasury (No comments were received)
 - II. National Treasury (No comments were received)
 - III. Provincial COGTA (No comments were received)
 - IV. Provincial Legislature (No comments were received)
 - V. Auditor General (Comments were received)

9. MPAC OVERSIGHT PROCESSES ON THE 2020/2021 DRAFT ANNUAL REPORT

- a) In order to execute its oversight responsibility on the Annual Report, MPAC has developed an Oversight Process Plan (Calendar) as outlined hereunder. The Oversight Process Plan is hereto attached as Annexure E.
- b) The Municipal Public Accounts Committee (MPAC) probed the municipality's Annual Report on the 12 – 14 April 2022 – see ANNEXURE A (minutes).
- c) During the probing of the report, MPAC benefited from a briefing by the Provincial Auditor General on the Municipality's audit outcome on the 13th April 2022 and received a presentation by the RMAFACC chairperson on the 12th – see ANNEXURE A (minutes).
- d) During the probing, the MPAC formulated a questionnaire on the Annual Report and directed the same to the office of the Executive Mayor for responses – see ANNEXURE C (MPAC Questionnaire).
- e) On the on the 5th May 2022, the MPAC considered the responses of the Executive Mayor and further to that follow-up questions were developed – see ANNEXURE A (minutes).
- f) On the 10th May 2022, the MPAC held a public hearing with the Executive Mayor – see ANNEXURE A (minutes).
- g) On the 18th May 2022, MPAC convened a meeting for consolidation and adoption of the Draft MPAC Oversight Report on the Annual Report - see ANNEXURE A (minutes).

10. PROBING METHODOLOGY

In probing of the Annual Report the committee resolved to make use of the following documents in order to ensure effective and efficient outcomes:

- a) The Municipality's Draft Annual Report for the year under review
- b) MFMA Circular 63

11. SUMMARY OBSERVATIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE DRAFT ANNUAL REPORT

1. The Municipal Public Accounts Committee (MPAC) having considered the Draft Annual Report for 2020/2021 financial year, observed that the report has been prepared in accordance with the National Treasury's MFMA Circular 63.
2. The MPAC has observed that the municipality improved from a qualified opinion with findings audit outcome in 2018-19 and 2019-20 to an **unqualified with findings audit outcome in 2020-21.**
3. The MPAC has observed that the municipality has incurred irregular expenditure amounting to R20.5 million and no reasonable steps were taken to prevent the irregular expenditure.
4. *The MPAC has observed with concern the 109 beneficiaries that are registered by the municipality as indigents for the year under review.*
5. The MPAC has observed the duplications and misallocations of issues on assessment of community needs e.g. issues raised at Phola (ward 6) were also captured under (ward 7), (high-must light at the main road of Phola Park and fixing of road via Phola Park community Hall etc.)
6. The MPAC has observed with concern that the AR states in Chapter 2, paragraph 3 (2.8 Supply Chain Management) that ***"there were also no material findings from the office of the Auditor General regarding the implementation of the policy and the SCM processes"*** whereas there were Audit Findings relating to failure to implement SCM Policy?
7. The MPAC has observed that the service delivery agreement were not published on the municipal website.
8. The MPAC has observed though the report of the Risk Management Anti-Fraud and Anti-Corruption Committee (RMAFACC) that there is lack of implementation of skills transfer plan by consultants and management to capacitate the internal municipal staff.

12. MPAC RECOMMENDATIONS TO COUNCIL

- 1. THAT** council having fully considered the Draft Annual Report of THLM for (2020/2021) and representations, adopts the oversight report and approves the annual report without reservations.
- 2. THAT** the oversight report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, no. 56 of 2003 read with Section 21A of the Municipal Systems Act, no. 32 of 2000.
- 3. THAT** the Annual Report and the Oversight Report of Thembisile Hani Local Municipality 2020/2021 be submitted to the provincial legislature within 7 days after the adoption by the municipal council, as required by Section 132(2) of the Municipal Finance Management Act, 56 of 2003.
- 4. THAT** the Executive Mayor should intensify the development of the Audit Action Plan and ensure that it is fully implemented and monitored on monthly basis
- 5. THAT** the MPAC is of a view that there is no greater awareness made by the municipality on indigent registration and therefore recommends that, greater emphasis on awareness campaign, need to be done by the municipality within the 1st quarter of 2022/2023.
- 6. THAT** enhanced due diligence be done municipality to ensure that all SCM regulations and processes are adhered to, in order to avoid unnecessary irregular expenditure – be implemented upon adoption of this report.
- 7. THAT** the report on irregular expenditure incurred (20.5m) be referred to the Municipal Disciplinary Board for further investigations - be implemented in the 1st quarter of 2022/2023
- 8. THAT** in instances where the Service Provider must offer skills transfer to municipal officials, the contract conditions must enforce the enhancement of the skills transfers to capacitate the internal staff for the benefit of the municipality – the skills transfer plan must be monitored on monthly basis
- 9. THAT** council consider the inclusion of the MPAC chairperson's picture in the 2021/2022 Municipal Annual Report going forward, considering the amendment to the Municipal Structures Act, Section 79(a).
- 10. THAT** considering that there are series of duplications and misallocations of issues on the Assessment of Community Needs, it is recommended that the entire Assessment of

Community Needs table (from Ward 1 to 32) be revised and corrected accordingly to ensure the credibility of information – before the Municipal Annual Report is made public.

11. THAT the statement in the AR Chapter 2, paragraph 3 (2.8 Supply Chain Management) that “there were also no material findings from the office of the Auditor General regarding the implementation of the policy and the SCM processes” be reviewed as the statement misleads the public.

12. THAT all municipal service delivery agreements must be publicised on the municipal website, community imbizos and other media platforms to ensure transparency, openness and accountability – be implemented after the adoption by council.



Cllr. LM TSHABANGU
(MPAC CHAIRPERSON)

DATE: 18 May 2022

ANNEXURE A

MPAC MINUTES ON PROBING OF THE ANNUAL REPORT



Minutes of the 2nd Special 2021/2022 Municipal Public Accounts Committee meeting held on the 12-14 April 2022, Bushman's Rock Country Lodge

REF.: 3/2/4/3

THEMBISILE HANI LOCAL MUNICIPALITY



MINUTES

**OF THE 2ND SPECIAL 2021/2022 MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING HELD ON THE 12 – 14 APRIL 2022 AT
BUSHMAN'S ROCK COUNTRY LODGE**



COUNCILLORS ATTENDANCE

PRESENT (12.4.2022)	PRESENT (13.4.2022)	PRESENT (14.4.2022)
1. Clr. LM Tshabangu 2. Clr. SB Sindana 3. Clr. RB Jiyane 4. Clr. NE Radebe 5. Clr. P Mahlangu 6. Clr. LM Maphoso 7. Clr. MA Mokwena 8. Clr. NM Motaung	1. Clr. LM Tshabangu 2. Clr. SB Sindana 3. Clr. RB Jiyane 4. Clr. NE Radebe 5. Clr. P Mahlangu 6. Clr. LM Maphoso 7. Clr. MA Mokwena 8. Clr. NM Motaung	1. Clr. LM Tshabangu 2. Clr. SB Sindana 3. Clr. RB Jiyane 4. Clr. NE Radebe 5. Clr. P Mahlangu 6. Clr. LM Maphoso 7. Clr. MA Mokwena 8. Clr. NM Motaung
ABSENT	ABSENT	ABSENT
1. Clr. RQ Mtsweni (LOA) 2. Clr. ZJ Mnguni	1. Clr. RQ Mtsweni (LOA) 2. Clr. ZJ Mnguni	1. Clr. RQ Mtsweni (LOA) 2. Clr. ZJ Mnguni

OFFICIALS ATTENDANCE

PRESENT (12.4.2022)	PRESENT (13.4.2022)	PRESENT (14.4.2022)
1. KO Bapela 2. HB Diphofa 3. A Malope 4. T Baloyi 5. BP Zikhali (AGSA)	1. KO Bapela 2. HB Diphofa 3. A Malope 4. T Baloyi 5. T Bolman (RMAFACC)	1. KO Bapela 2. HB Diphofa 3. A Malope 4. T Baloyi



1. OPENING AND WELCOME

The meeting was officially opened by the MPAC chairperson, Clr LM Tshabangu.

Mr. KO Bapela (Asst Manager, MPAC Researcher, Monitoring and Evaluation) read the notice to the meeting.

The chairperson welcomed everyone to the meeting and declared the meeting officially opened.

2. APPLICATIONS FOR LEAVE OF ABSENCE

- a) Clr. RQ Mtsweni

3. OFFICIAL ANNOUNCEMENTS

None

4. MOTION OF SYMPATHY AND CONGRATULATIONS

None

5. DISCLOSURE OF INTERESTS

None

6. MINUTES OF THE PREVIOUS MEETINGS

None

7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN

None

8. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TH-MPAC 18/04/2022 - TH-MPAC 20/04/2022



Non-Delegated Index Items

ITEM NO.	SUBJECT
TH-MPAC 18/04/2022	MPAC TABLING OF THE NATIONAL TREASURY'S MFMA CIRCULAR 63 FOR THE PROBING OF THLM ANNUAL REPORT FOR THE FINANCIAL YEAR 2020/2021
TH-MPAC 19/04/2022	MPAC OVERSIGHT PROCESS PLAN ON THE PROBING OF THLM ANNUAL REPORT FOR 2020/2021
TH-MPAC 20/04/2022	THEMBISILE HANI LOCAL MUNICIPALITY DRAFT ANNUAL REPORT 2020/2021



TH-MPAC 18/04/2022

**MPAC TABLING OF THE NATIONAL
TREASURY'S MFMA CIRCULAR 63 FOR
THE PROBING OF THLM ANNUAL
REPORT FOR THE FINANCIAL YEAR
2020/2021**

RESOLVED

- 1. THAT** the MPAC committee take cognisance that the municipal council has considered and adopted the National Treasury's MFMA Circular 63 on the 31 March 2022, as a guideline to be used by MPAC during the probing of the annual report for 2020/2021.
- 2. THAT** the MPAC committee condones the National Treasury's MFMA Circular 63, as adopted by council.



Minutes of the 2nd Special 2021/2022 Municipal Public Accounts Committee meeting held on the 12-14 April 2022, Bushman's Rock Country Lodge

TH-MPAC 19/04/2022

**MPAC OVERSIGHT PROCESS PLAN ON
THE PROBING OF THLM ANNUAL
REPORT FOR 2020/2021**

RESOLVED

1. **THAT** the MPAC committee take cognisance that the municipal council has considered and approved the MPAC Oversight Process Plan on the 31 March 2022, on the probing of the annual report for 2020/2021.
2. **THAT** the MPAC committee condones the MPAC Oversight Process Plan, as approved by council.



TH-MPAC 20/04/2022

**THEMBISILE HANI LOCAL
MUNICIPALITY DRAFT ANNUAL
REPORT 2020/2021**

DISCUSSION

The Draft Annual Report 2020/2021 was presented to the meeting for probing. The committee used the National Treasury's Circular 63 to probe the report. All chapters of the report were considered by the committee. The committee developed observations and questions to inquire with the Executive Mayor on matters of uncertainty.

On the 12th April 2022 the meeting received an audit briefing from the Auditor General South Africa, Mr BP Zikhali (Senior Manager).

On the 13th April 2022 the meeting received comments of the Risk Management Anti-Fraud and Anti-Corruption Committee (RMAFACC) by Mr Trevor Boltman (chairperson).

A. BRIEFING BY THE AUDITOR GENERAL

The briefing was done by Mr BP Zikhali (Senior Manager: Auditor General South Africa).

The municipality improved from a qualified opinion with findings audit outcome in 2018-19 and 2019-20 **to an unqualified with findings audit outcome in 2020-21**. The opinion indicates the financial information to be included in the annual performance report is credible and can be relied upon. However, it remains a concern the financial statements submitted for audit were not free from material misstatements. Material misstatements in respect of the following financial statement items were identified only during the audit process and were not prevented by the municipality's system of internal controls:

- Payables from exchange transactions
- Bulk purchases
- Segment reporting
- Irregular expenditure

Root causes

The key root causes that need to be addressed to further improve the audit outcome are vacancies in key units, lack of appropriate competencies by key officials and inadequate oversight over financial and performance reporting.



Unauthorised, Irregular, Fruitless and wasteful expenditure

ITEM	IRREGULAR EXPENDITURE	FRUITLESS AND WASTEFUL EXPENDITURE	UNAUTHORISED EXPENDITURE
Opening balance	R57,2m	R12,3m	NIL
Add: Incurred during the current year	R20,5m	R39.4k	NIL
Less: Amount written off	(R9.1m)	(R821k)	NIL
Closing balance	R68.6m	R11.5m	NIL

The table above shows that, THLM has not been able to prevent irregular and fruitless and wasteful expenditure. The irregular expenditure has continued to increase despite council having written off part of the expenditure.

The majority of the irregular expenditure incurred in the current year relates to incorrect use of regulation 32, construction contracts awarded to bidders who do not have the required CIDB grading, bidders who did not meet the functionality criteria not disqualified and mandatory sub-contracting condition not included in the bid specification.

Financial viability

AGSA noted with concern that the municipality's provision for bad debt amounted to R1,3 billion (2019-20: R1,2 billion) which represents 98% (2019-20: 98%) of total the debtors balance. Even though the municipality developed a revenue enhancement strategy and hired new service providers for debt collection, such initiatives did not yield tangible results compared to previous year.

The municipality is placing too much reliance on equitable share and conditional grant funding to maintain operations.

Stability of key management and key units

Lack of adequately qualified and skilled workforce contributed to the findings identified especially on expenditure, payables and supply chain management.

The council did not prioritise the AGSA's prior year recommendations of ensuring the municipality is capacitated with competent and skilled staff that are knowledgeable. Areas where council will need to ensure adequately skilled capacity include amongst others the following:

- Finance unit (Expenditure and SCM section)
- Technical services & PMU units.

During the current year under review, the municipality spent around R5,3 million (incl. VAT) on consultants used in the preparation of the financial statements and R9,1 million on consultants used for VAT review services. The municipality continues to



place reliance on these consultants without tangible evidence of the transfer of skills to the employees of the municipality over years.

Furthermore, appropriate systems and procedures to monitor, measure and evaluate performance of staff in terms of section 67(1)(d) of the MSA were not developed by council.

Status of preventative controls

The status of the following preventative controls among others was found to be inadequate as reflected in the audit outcome:

- The leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls
- Implementation of controls over daily and monthly processing and reconciling transactions i.e. processing and reconciliation of transactions relating to key accounts such as payables and expenditure
- Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information i.e. preparation of quarterly financial statements.
- Development and monitoring of the implementation of action plans to address internal control deficiencies as evidenced by the repeat findings on the reporting of pre-determined objectives.
- Inadequate processes to prevent or identify non-compliance with laws and regulations that result to irregular remains an area of concern since the submitted AFS did not reflect any new additional irregular expenditure except through the audit process

RECOMMENDATIONS OF THE AGSA TO MPAC

The MPAC should ensure that:

1. Daily and monthly processing and reconciliation of transactions and AFS preparation and review process is enhanced to avoid recurring audit issues.
2. The irregular expenditure and fruitless and wasteful expenditure balances are dealt with and cleared from the books of the municipality in line with prevailing legislation in this regard.
3. Key units needs to be capacitated to ensure the efficient running of the municipality and the realisation of the municipality's service delivery objectives
4. Enhancement of revenue collection strategies to secure financial viability of the municipality

The briefing by the Auditor General Senior Manager was concluded as such.



B. PRESENTATION BY RMAFACC (RISK MANAGEMENT, ANTI-FRAUD AND ANTI-CORRUPTION COMMITTEE) CHAIRPERSON

The chairperson of RMAFAC made a presentation by making comments on the Draft Annual Report and the Audit Report

COMMENTS ON THE ANNUAL REPORT

1. Top 5 risks of the municipality

- Inadequate revenue collection
- Inadequate fleet management
- Land invasion and encroachment
- Poor maintenance of road infrastructure
- Inadequate provision of water and sanitation services

2. Emerging Risks

- Constitutional court ruling that PPPFA regulations 2017 are unconstitutional and national treasury's decision that all procurement be stopped until clarity is received from the constitutional court
- Theft and vandalism of municipal assets resulting in increased insurance costs and other costs and delays in service delivery

3. Risk Mitigating Measures

- All employees to be provided with understanding of their role regarding risk management
- Implementing risk mitigating measures
- Regularly measure effectiveness of the risk mitigating measures that were implemented
- Revise risk mitigating measures not effective or not possible to implement

COMMENTS ON THE AUDITOR GENERAL'S REPORT

1. Improvement in audit outcomes points to improvement in control environment and improvement in level of implementation of risk mitigation measures
2. However, there is still room for improvement in preparing annual financial statements and annual performance report that are free from material misstatements to get to clean administration
3. Consultants and management to develop and implement skills transfer plan for transferring of skills to municipal finance officials
4. Regular reports on implementation of skills transfer plan
5. Regular reconciliations of debtors, creditors, inventory and bank



6. Speed up process of implementation of asset management module on financial management system
7. Interim financial statements to be prepared and reviewed to ensure that annual financial statements are free from material errors
8. Annual financial statements be prepared early enough to allow reviewers including internal audit and audit committee sufficient time to review it
9. Ensure all staff responsible for procurement understand procurement processes
10. Development and implementation of procedure manuals and checklists
11. Reviews before approval of procurement
12. Bid committee members trained

COMMENTS ON PERFORMANCE INFORMATION

1. Ensure key performance indicators comply with "smart" principle (specific, measurable, actionable, realistic, timely)
2. Ensure that all reported performance is supported with verifiable portfolio of evidence

IMPROVEMENT PLAN

1. Management to develop and implement action plan to address root causes to improve the control environment
2. The progress and effectiveness of the above action plan should be monitored on a regular basis by senior management, advisory and oversight bodies

The presentation of the RMAFACC chairperson was concluded as such



RESOLVED

1. **THAT** the MPAC take cognisance of the Draft Annual Report for 2020/2021 as presented to the committee
2. **THAT** the MPAC having considered the Draft Annual Report for 2020/2021, resolved to develop a questionnaire for the Executive Mayor to respond within 7 working day.
3. **THAT** upon receipt of the responses from the Executive Mayor, MPAC to organise a meeting for consideration of such responses.



9. DEPUTATIONS

None

10. MOTION

None

11. CLOSURE

The meeting was adjourned by the chairperson Clr. LM Tshabangu. The chairperson thanked all the members for contributing positively to the meeting. She further appreciated all officials, the AGSA and RMAFACC (in absentia) for attending the meeting.

The meeting was officially closed.


Clr. LM TSHABANGU
(MPAC CHAIRPERSON)

18 March 2022
DATE

12 April 2022








2ND SPECIAL MPAC MEETING 2021/2022

THEMBEHLÉ HANI LOCAL MUNICIPALITY

2ND SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022








Venue: BUSHMAN'S ROCK COUNTRY LODGE

Date: Tuesday, 12 April 2022

NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
1. Lillian Martha Tshabangu	MPAC Chairperson		071623 5917 0827910771
2. Simon Bangiswani Sindana	MPAC member		076 888 1497
3. Richard Bongani Jiyane	MPAC Member		079 768 8989
4. Namtungwa Elizabeth Radebe	MPAC MEMBER		081 864 9454
5. Poppie Mahlangu	MPAC MEMBER		072 654 2343


2ND SPECIAL MPAC MEETING 2021/2022

12 April 2022

NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
6. Lucky Matlhatši Maphoso	MPAC MEMBER		076 983 5023
7. Rubber Qaliwe Mtsweni	L.O.A	L.O.A	073 659 5200 / 066 052 4148
8. Ntombi Mitta Motaung	MPAC MEMBER		072 290 3386
9. Masontaga Adelaide Mokwena	MPAC MEMBER		060 807 9461
10. Zenaye Jantjie Mnguni			060 651 5278
11. K.O. Bepko	Resources		013 671 4073
12. A.S. Nkoroze	CAE		013 986 9167
13. B.P. Zibhali	A.C.S.A : S.M		071 897 0688
14. H.B. Diphoko	MPAC SECRETARY		013 986 9132 011 346 4029

2ND SPECIAL MPAC MEETING 2021/2022

12 April 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
15.	James Fogarty	CRD		0768694500
16.				
17.				
18.				
19.				
20.				
21.				
22.				



THEMBELELE HANI LOCAL MUNICIPALITY

2ND SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022










Venue: BUSHMAN'S ROCK COUNTRY LODGE

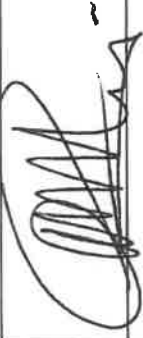
Date: Wednesday, 13 April 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
1.	Lillian Martha Tshabangu	MPAC CHAIRPERSON		071623 5917 0827910771
2.	Simon Bangiswani Sindana	MPAC MEMBER		076 888 1497
3.	Richard Bongani Jiyane	MPAC Member		079 768 8989
4.	Namntungwa Elizabeth Radebe	MPAC Member		081 864 9454
5.	Poppie Mahlangu	MPAC Member		072 654 2343

2ND SPECIAL MPAC MEETING 2021/2022

13 April 2022

NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
6. Lucky Mathhatsi Maphoso	MPAC Member		076 983 5023
7. Rubber Qaliwe Mtsweni	L.O.A MPAC Member		073 659 5200 / 066 052 4148
8. Ntombi Mitta Motaung	MPAC Member		072 290 3386
9. Masontaga Adelaide Mokwena	MPAC Member		060 807 9461
10. Zenaye Jantjie Mnguni	MPAC Member		060 651 5278
11. Tanelo Balej	CRO		076 869 4000
12. K.O. Sapela Lesau	CRO		073 671 4073
13. T. Bothman	Chair LMAACC		074 526 9235
14. H.B. Diphofe	LMAACC SECRETARY		013 986 9132 071 346 4029

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
15.	A. Malope	CAG		0139869467
16.				
17.				
18.				
19.				
20.				
21.				
22.				








THEMBEILE HANI LOCAL MUNICIPALITY

2ND SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022

Venue: BUSHMAN'S ROCK COUNTRY LODGE

Date: Thursday, 14 April 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
1.	Lillian Martha Tshabangu	MPAC Chairperson		071623 5917 0827910771
2.	Simon Bangiswani Sindana	MPAC MEMBER		076 888 1497
3.	Richard Bongani Jiyane	MPAC Member		079 768 8989
4.	Namtungwa Elizabeth Radebe	MPAC MEMBER		081 864 9454
5.	Poppie Mahlangu	MPAC Member	P. Mahlangu	072 654 2343

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
6.	Lucky Matlhatsi Maphoso	MPac Member		076 983 5023
7.	Rubber Qaliwe Mtsweni	L.O.A	L.O.A	073 659 5200 / 066 052 4148
8.	Ntombi Mitta Motaung	MPac member		072 290 3386
9.	Masontaga Adelaide Mokwena	MPac Member		060 807 9461
10.	Zenaye Jantjie Mnguni			060 651 5278
11.	Abey Malope	CAE		0139869167
12.	Baloyi Tselo	CRD		0768694000
13.	HB Diphofa	MPAC Sec Secretary		0139869132 0713464029
14.	K-O Bafeta	Researcher		0786714075



Minutes of the 3rd Special 2021/2022 Municipal Public Accounts Committee meeting held on the 5 May 2022

REF.: 3/2/4/3

THEMBISILE HANI LOCAL MUNICIPALITY



MINUTES

**OF THE 3RD SPECIAL 2021/2022 MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING HELD ON THE 5 MAY 2022 IN THE
MAYORAL BOARDROOM**



COUNCILLORS ATTENDANCE

PRESENT

1. Clr. LM Tshabangu
2. Clr. RB Jiyane
3. Clr. NE Radebe
4. Clr. P Mahlangu
5. Clr. LM Maphoso
6. Clr. MA Mokwena
7. Clr. NM Motaung
8. Clr. RQ Mtsweni
9. Clr. ZJ Mnguni

ABSENT

1. Clr. SB Sindana (LOA)

OFFICIALS PRESENT

1. KO Bapela
2. HB Diphofa



1. OPENING AND WELCOME

The meeting was officially opened by the MPAC chairperson, Clr LM Tshabangu.

Mr. KO Bapela (Asst Manager, MPAC Researcher, Monitoring and Evaluation) read the notice to the meeting.

The chairperson welcomed everyone to the meeting and declared the meeting officially opened.

2. APPLICATIONS FOR LEAVE OF ABSENCE

- a) Clr. SB Sindana

3. OFFICIAL ANNOUNCEMENTS

None

4. MOTION OF SYMPATHY AND CONGRATULATIONS

None

5. DISCLOSURE OF INTERESTS

None

6. MINUTES OF THE PREVIOUS MEETINGS

None

7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN

None

8. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TH-MPAC 21/05/2022



Non-Delegated Index Items

ITEM NO.	SUBJECT
TH-MPAC 21/05/2022	MPAC CONSIDERATION OF THE EXECUTIVE MAYOR'S RESPONSES ON THE MUNICIPALITY'S DRAFT ANNUAL REPORT FOR 2020/2021



TH-MPAC 21/05/2022

**MPAC CONSIDERATION OF THE
EXECUTIVE MAYOR'S RESPONSES
ON THE MUNICIPALITY'S DRAFT
ANNUAL REPORT FOR 2020/2021**

RESOLVED

1. **THAT** MPAC having considered the responses of the Executive Mayor, resolved to hold a public hearing with the Executive Mayor.



9. DEPUTATIONS

None

10. MOTION

None

11. CLOSURE

The meeting was officially closed.


CIP. LM TSHABANGU
(MPAC CHAIRPERSON)

18 May 2022
DATE

3RD SPECIAL MPAC MEETING 2021/2022

5 May 2022







THEMBEHLÉ HANI LOCAL MUNICIPALITY

3RD SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022








VENUE: MAYORAL BOARDROOM

Date: 5 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
1.	Lillian Martha Tshabangu	MPAC Member		071623 5917 0827910771
2.	Simon Bangiswani Sindana	MPAC Member		076 888 1497
3.	Richard Bongani Jiyane	MPAC Member		079 768 8989
4.	Namntungwa Elizabeth Radebe	MPAC Member		081 864 9454
5.	Poppie Mahlangu	MPAC Member		072 654 2343

3RD SPECIAL MPAC MEETING 2021/2022

5 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
6.	Lucky Matlhatsi Maphoso	MPAC Member		076 983 5023
7.	Rubber Qaliwe Mtsweni	MPAC Member		073 659 5200 / 066 052 4148
8.	Ntombi Mitta Motaung	MPAC Member		072 290 3386
9.	Masontaga Adelaide Mokwena	MPAC Member		060 807 9461
10.	Zenaye Jantjie Mnguni	MPAC Member		060 651 5278
11.	<i>K.O. Bopie</i>	<i>Secretary</i>		07 3671 4073
12.	<i>HB Diphega</i>	<i>MPAC SECRETARY</i>		0139 869132
13.				
14.				



Minutes of the 4th Special 2021/2022 Municipal Public Accounts Committee meeting held on the 10 May 2022

REF.: 3/2/4/3

THEMBISILE HANI LOCAL MUNICIPALITY



MINUTES

**OF THE 4TH SPECIAL 2021/2022 MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING HELD ON THE 10 MAY 2022 IN THE
MUNICIPALITY COUNCIL CHAMBER**



MPAC MEMBERS ATTENDANCE

PRESENT

1. Clr. LM Tshabangu
2. Clr. RB Jiyane
3. Clr. SB Sindana
4. Clr. NE Radebe
5. Clr. P Mahlangu
6. Clr. LM Maphoso
7. Clr. MA Mokwena
8. Clr. NM Motaung
9. Clr. RQ Mtsweni
10. Clr. ZJ Mnguni

ABSENT

None

THLM MAYORAL COMMITTEE AND OTHER COUNCILLORS PRESENT

- | | |
|-----------------------|---|
| 11. Clr. LJ Dikgale | Executive Mayor |
| 12. Cllr JE Mthimunya | MMC for Finance |
| 13. Cllr E Malekane | MMC for Corporate Services |
| 14. Cllr TE Motanyane | Council Whip |
| 15. Cllr Masotja | Chairperson for Section 79 Committee: Technical |
| 16. Cllr Nobela | Chairperson for Section 79 Committee: Social Services |
| 17. Cllr CN Mahlangu | Chairperson for Section 79 Committee: Corporate |
| 18. Cllr B Msibi | Chairperson for Section 79 Committee: Finance |
| 19. Cllr B Dlamini | Chairperson for Section 79 Committee: Planning and Economic Development |

THLM OFFICIALS PRESENT

- | | |
|-----------------|---|
| 20. ON Nkosi | Municipal Manager |
| 21. KO Bapela | Asst Manager MPAC Researcher, Monitoring and Evaluation |
| 22. HB Diphofa | MPAC/AC Secretary |
| 23. TP Mahlangu | Assistant Manager: Youth Development |
| 24. HM Kabine | Personnel Assistant for the Executive Mayor |



25. A Aphane SDS Assistant Manager
26. R Makhubele Assist Manager Assets
27. T Maphutha Technical Services
28. Klaus Masilela ICT

OTHER ORGANISATIONS PRESENT

29. Ngwato Maserumule SAMWU Secretary
30. ST Kgatla IMATU representative
31. H Mathibela IMATU representative
32. Eric Mathaida Law and Order

STAKEHOLDER DEPARTMENTS PRESENT

33. Fikile Mudau Audit Committee Chairperson
34. Prudence Ndimande SALGA
35. BP Zikhali AGSA Senior Manager
36. Thuli Mashile COGTA

CHIEFS/KINGS PRESENT

37. Johannes Masemola Manala Mbhongo TC
38. Sithole Manala Mbhongo TC
39. CK Thungwane Ndzundza Fene TC
40. BS Mahlangu Makerane TC
41. Masombuka Ndebele Kingdom
42. Tshepang Hlophe Ndebele Kingdom



1. OPENING AND WELCOME

The meeting was officially opened by the MPAC chairperson, Clr LM Tshabangu.

Mr. KO Bapela (Asst Manager, MPAC Researcher, Monitoring and Evaluation) read the notice to the meeting.

The chairperson welcomed everyone to the meeting. Special welcome was extended to the Executive Mayor and his entourage, the Chief whip, the kings and chiefs, and other stakeholders.

The chairperson declared the meeting officially opened.

2. APPLICATIONS FOR LEAVE OF ABSENCE

- a) Clr. MP Msiza (Speaker of Council)

OTHER LEAVE OF ABSENCE

- b) Mr Trevor Boltman (RMAFACC Chairperson)
- c) Chairperson of SCOPA in the province

3. OFFICIAL ANNOUNCEMENTS

None

4. MOTION OF SYMPATHY AND CONGRATULATIONS

None

5. DISCLOSURE OF INTERESTS

None

6. MINUTES OF THE PREVIOUS MEETINGS

None

7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN

None



8. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TH-MPAC 21/05/2022



Non-Delegated Index Items

ITEM NO.	SUBJECT
TH-MPAC 21/05/2022	MPAC HEARING WITH THE EXECUTIVE MAYOR ON THE PROBING OF THLM DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021



TH-MPAC 21/05/2022

**MPAC HEARING WITH THE
EXECUTIVE MAYOR ON THE
PROBING OF THLM DRAFT ANNUAL
REPORT FOR THE YEAR ENDED 30
JUNE 2021**

DISCUSSIONS

The chairperson indicated to the meeting that the committee would raise 29 questions to the Executive Mayor.

All 29 questions were raised and answered to.

Where the POE (Portfolio of Evidence) was required to support the answers provided, the Executive Mayor was able to furnish the committee with such evidence.

The committee made recommendations on some of the questions and noted some of the responses made.



RESOLVED

1. **THAT** MPAC having held the hearing with the Executive Mayor, take cognisance of the responses of the Executive Mayor thereof
2. **THAT** MPAC to hold a special meeting on the 18th May 2022, to develop and adopt the Draft Oversight Report on the annual report 2020/2021, for council consideration and adoption.



9. DEPUTATIONS

None

10. MOTION

None

11. CLOSURE

The chairperson expressed her deepest gratitude for the dedicated work done by the Executive Mayor in responding to all questions that have been asked by the MPAC.

The chairperson thanked everyone for attending the hearing. Special thanks was expressed to the kings and chiefs.

The meeting was officially closed.

CIF. LM TSHABANGU
(MPAC CHAIRPERSON)

18 May 2022
DATE

4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022



THEMBELE HANI LOCAL MUNICIPALITY









4TH SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022
VENUE: MUNICIPAL COUNCIL CHAMBER

Date: 10 May 2022

NAMES	DEPARTMENT AND DESIGNATION	TEMPERATURE	SIGNATURE	CONTACT
1. Lillian Martha Tshabangu	MPAC Member	35.5		071623 5917 0827910771
2. Simon Bangiswani Sindana	MPAC Member	34.6		076 888 1497
3. Richard Bongani Jiyane	MPAC Member	35.5		079 768 8989
4. Namtungwa Elizabeth Radebe	MPAC Member	35.6		081 864 9454
5. Poppie Mahlangu	MPAC Member	34.9		072 654 2343










4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022

NAMES	DEPARTMENT AND DESIGNATION	TEMPERATURE	SIGNATURE	CONTACT
6. Lucky Mathatsi Maphoso	MPAC Member	35.5		076 983 5023
7. Rubber Qaliwe Mtsweni	MPAC Member	35.5		073 659 5200 / 066 052 4148
8. Ntombi Mitta Motaung	MPAC Member	35.6		072 290 3386
9. Masontaga Adelaide Mokwena	MPAC Member	35.4		060 807 9461
10. Zenaye Jantjie Mnguni	MPAC Member	34.7		060 651 5278
11. MS Diphofa	MPAC secretary	34,6		013 986 9132
12. K O Benepo Researcher		34,05.		0736714075
13. KLAUS MASOLELA	ICT	36,1		013 986 9134
14.				










4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
15.	Nqandiso Masebumele <i>Renaice Masebumele</i>	Samwu Sec		082 045 9328
16.	Mancany T.P	Assistant Manager Film		013 986 7100
17.	FUMICE MALEKANE	CORPORATE SERVICES		076040 484
18.	AREMMINE KUPISI	ESGM		073 619 2816 - 3514
19.	JOHANNES MASEMOLA	MANALA MBONCO		079 703 6633 35.9
20.	Phumbwa Shasha T. C	Manala Mbongo		0822749577 35.5
21.	Samukelisiwe Sheti	SALCA		071 885 3543
22.	Fikile Mudau	AUDIT COM CHAIRPERSON		083 383 7468
23.	Ahanane Aminan	SBS ASST-MANAGER		083 88 24057






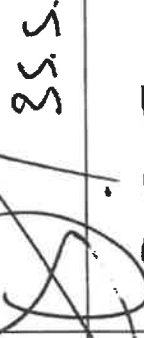



4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
24.	ISHAPISO MATHAMBA	THLM		013 986 9201
25.	Shadrack Mathambale	MP P7		053 992 7476
26.	Shokie Thagga	MP P1		071 364 1593
27.	FATH SANTHANA	M.P. RITSONG		079 263 0629
28.	PREDENCE MAMANE	SALCIA		079 050 1918
29.	C/12 MAYISOBA	THLM		071 324 6253
30.	CLUE NOBELA	THLM		072 593 4635
31.	C/12 MATHAMBA	THLM		076 867 4373
32.	ERIC MATHAMBA	Low end order		0822 574776


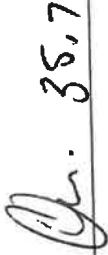





4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
33.	S.T. Nyatla	IMATU REP CORPORATE SECRET.	 34.2	072 946 022
34.	B. Msiba	Chairperson	 36.2	076 6966451
35.	B. Namini	Chairperson	 35.2	060 757 8846
36.	H. Mwachabala	IMATU 3	 35.9	079 528 4366
37.	C.K. Thugwane	Mkuruzira District	 35.9	076 479 8980
38.	O. N. Nkosi	Municipal Mandala	 35.5	082 3889771
39.	L.S. Dikgale	B.C. Culture Reader	 35.7	076 8694360
40.	B.S. Matlangu	Bukhosi Makereane.	 36.3	079 601 8026
41.	B.P. Zikhali	ACSA:SM		081 847 0683

4TH SPECIAL MPAC MEETING 2021/2022

10 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
42.	Jwan Mzombanza	Mpebele Kingdom		0792820515
43.	Hlophe Tshopang	Ndebele Kingdom		0712411681
44.	THULI NASHICE	COGTA		0827974482 - 35.7.
45.	JM KATSENE	PA/MN		096772157
46.	E. Mshimye	MIMC FINANCE		0785351287
47.	TE Motaung	Chief Whip		0829652217
48.	R MAKHUBELE	AM: ASSETS FINANCE		0721727305
49.				
50.				



Minutes of the 5th Special 2021/2022 Municipal Public Accounts Committee meeting held on the 18 May 2022

REF.: 3/2/4/3

THEMBISILE HANI LOCAL MUNICIPALITY



MINUTES

**OF THE 5TH SPECIAL 2021/2022 MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE MEETING HELD ON THE 18 MAY 2022 IN THE
MUNICIPALITY COUNCIL CHAMBER**



MPAC MEMBERS ATTENDANCE

PRESENT

1. Clr. LM Tshabangu
2. Clr. RB Jiyane
3. Clr. SB Sindana
4. Clr. NE Radebe
5. Clr. P. Mahlangu
6. Clr. LM Maphoso
7. Clr. MA Mokwena
8. Clr. ZJ Mnguni

ABSENT

1. Clr. NM Motaung
2. Clr. RQ Mtsweni

OFFICIALS PRESENT

- | | |
|--------------|---|
| 1. KO Bapela | Asst Manager MPAC Researcher, Monitoring and Evaluation |
| 2. T Baloyi | Chief Risk Officer |
| 3. KS Moripe | Ass Manager, Performance Management |

OFFICIALS ABSENT

- | | |
|---------------|--------------------------|
| 1. HB Diphofa | MPAC/AC Secretary |
|---------------|--------------------------|



1. OPENING AND WELCOME

The meeting was officially opened by the MPAC chairperson, Clr LM Tshabangu.

Mr. KO Bapela (Asst Manager, MPAC Researcher, Monitoring and Evaluation) read the notice to the meeting.

The chairperson declared the meeting officially opened.

2. APPLICATIONS FOR LEAVE OF ABSENCE

- a) Clr. NB Motaung

3. OFFICIAL ANNOUNCEMENTS

None

4. MOTION OF SYMPATHY AND CONGRATULATIONS

None

5. DISCLOSURE OF INTERESTS

None

6. MINUTES OF THE PREVIOUS MEETINGS

6.1. MPAC 1st Special 2021/2022 meeting held 9 March 2022

RESOLVED

THAT the Minutes of the 1st MPAC Special Meeting 2021/2022, held 9 March 2022 be adopted with the corrections on the attendance register to include Clr. NE Radebe and the councillor was advised to sign the attendance register as she did not sign the register in question.



6.2. MPAC 2nd Special 2021/2022 meeting held 12 – 14 April 2022

RESOLVED

THAT the Minutes of the 2nd MPAC Special Meeting 2021/2022, held 12 – 14 March 2022 be adopted

6.3. MPAC 3rd Special 2021/2022 meeting held 5 May 2022

THAT the Minutes of the 3rd MPAC Special Meeting 2021/2022, held 5 May 2022 be adopted

6.4. MPAC 4th Special 2021/2022 meeting held 10 May 2022

THAT the Minutes of the 4th MPAC Special Meeting 2021/2022, held 10 May 2022 be adopted with corrections to included Mrs KS Moripe (AS: PMS) as she has attended the meeting.

7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN

None

8. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

TH-MPAC 22/05/2022 – TH-MPAC 23/05/2022



Non-Delegated Index Items

ITEM NO.	SUBJECT
TH-MPAC 22/05/2022	DRAFT THLM MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) ANNUAL WORK PLAN FOR THE FINANCIAL YEAR 2022/2023
TH-MPAC 23/05/2022	DRAFT THLM MPAC OVERSIGHT REPORT ON THE PROBING OF THLM DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021



TH-MPAC 22/05/2022

**DRAFT THLM MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC)
ANNUAL WORK PLAN FOR THE
FINANCIAL YEAR 2022/2023**

RESOLVED

1. **THAT** the MPAC Annual Work Plan for the financial year 2022/2023 be adopted and referred to council for approval.



TH-MPAC 23/05/2022

**DRAFT THLM MPAC OVERSIGHT REPORT
ON THE PROBING OF THLM DRAFT
ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2021**

RESOLVED

1. **THAT** the MPAC Draft Oversight Report on the Annual Report for 2020/2021, is considered and adopted.
2. **THAT** council having fully considered the Draft Annual Report of the municipality for (2020/2021) and representations, adopts the oversight report and approve the annual report without reservations.



Minutes of the 5th Special 2021/2022 Municipal Public Accounts Committee meeting held on the 18 May 2022

9. DEPUTATIONS

None

10. MOTION

None

11. CLOSURE

The meeting was officially closed.

A handwritten signature in black ink, appearing to read 'LM Tshabangu', written over a horizontal line.

CIP. LM TSHABANGU
(MPAC CHAIRPERSON)

18 May 2022
DATE

4TH SPECIAL MPAC MEETING 2021/2022

18 May 2022



THEMBELESHE HANI LOCAL MUNICIPALITY

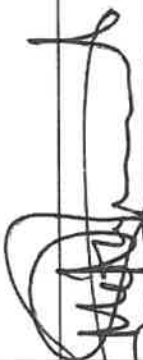





5TH SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING 2021/2022
VENUE: MUNICIPAL COUNCIL CHAMBER

Date: 18 May 2022

NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
1. Lillian Martha Tshabangu	MPAC Member		071623 5917 0827910771
2. Simon Bangiswani Sindana	MPAC Member		076 888 1497
3. Richard Bongani Jiyane	MPAC Member		079 768 8989
4. Namntungwa Elizabeth Radebe	MPAC Member		081 864 9454
5. Poppie Mahlangu	MPAC Member		072 654 2343
6. Lucky Mathhatsi Maphoso	MPAC Member		076 983 5023
7. Rubber Qaliwe Mtsweni	MPAC Member		073 659 5200 / 066 052 4148

4TH SPECIAL MPAC MEETING 2021/2022

18 May 2022

	NAMES	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT
8.	Ntombi Mitta Motaung	MPAC Member		072 290 3386
9.	Masontaga Adelaide Mokwena	MPAC Member		060 807 9461
10.	Zenaye Jantjie Mnguni	MPAC Member		060 651 5278
11.	K-O. Bepena	Researcher		0736714073.
12.	K.S. Morpe	AMS (mm)		0733938582
13.	T. Bedoyi	CRO		0768659000
14.				
15.				
16.				
17.				

ANNEXURE B

PORTFOLIO OF EVIDENCE ON THE ANNUAL REPORT PROCESSES



Thembisile Hani Local Municipality

PUBLIC NOTICE: 2020/2021 DRAFT ANNUAL REPORT

Notice is hereby given in terms of section 127 (5) (a) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 OF 2003), and in terms of section 46 of the Local Government: Municipal System Act, 2000 (Act No 32 of 2000), to notify members of the community and interested groups to submit written comments or representations on the Draft Annual Report of 2020/2021 as tabled for public comments in the Municipal Council on Monday 31 March 2022. The Draft Annual Report can be accessed and viewed during normal working hours (07H45-16H00) and on our municipal website, from the 06 April 2022 to 26 April 2022 at the places stated below.

In terms of section 21A of the said Municipal System Act, the 2020/2021 Draft Annual Report of Thembisile Hani Local Municipality is available at the Municipal head office at Kwaggafontein, Municipal satellite offices at Kwamhlanga and Tweefontein "K", Municipal public libraries at Kwaggafontein, Phumula, Verena and Municipal Website at www.thembisilehanilm.gov.za

Representations may be directed to the Municipal Manager, Thembisile Hani Local Municipality, Private Bag X4041, Empumalanga, 0458, or submitted at any Satellite unit offices.

The closing date for the submission of representations is Tuesday, 26 April 2022.

Administrative enquiries may be directed to the following official during office hours:

- The Assistant Manager: Performance Management System: Mrs Sinah Moripe at 013 986 9100

ON Nkosi
Municipal Manager

Date: 05/04/2022

Matlaba urges his Royal teammates to stay focused

On-form team won't undermine Marumo Gallants

By **Newsfile Kizama**

Royal AM defender Thabo Matlaba has urged his teammates to remain humble following an impressive run in the DStv Premiership and the Nedbank Cup.

The Durban-based side are one of the form teams as they are unbeaten in eight matches.

Ahead of their match against Marumo Gallants at Chatsworth Stadium today at 5pm, Matlaba said they can't afford to get carried away by their recent run as they look to finish second on the table.

"To be honest, we need to be humbled and not take any team for granted. Because if we take them for granted, we will lose games," Matlaba told the club media department.

"That's why we are so focused.

"The coach [John Madike] always talks us to be focused and take every game as important and serious.

"What I can promise the fans is, we will finish second on the log because we are working hard and we don't want to lose any game. Every match we play, we are going to win and we are not playing for a draw. That's why we need to

win every game."

Meanwhile, Madike, whose side comes into this fixture on the back of a 4-1 emphatic win over TS Galaxy in their last match, expects a difficult game against Gallants.

"They are a good team and for us, it is back-to-back games and it is very important to manage the players to be fresh for this match," Madike said.

"We are playing at home with no excuse. We must go and compete to try and get the points that we need.

"Away from home is not easy, so when we play at home, we must try as much as we can to win the game."

Madike added that they will have a plan to stop Gallants from having ball possession as he feels that has been one of their strengths.

"We know them. They use the ball well, so we have to match them and we will put up a good team that will be able to compete against them," he said.

“To be honest, we need to be humbled and not take any team for granted”



Thabo Matlaba of Royal AM and TS Galaxy's Given Mzimango. **DIRK KOTZE/BACKPAGEPIX**



JOHANNESBURG CITY PARKS AND ZOO TENDER NOTICE AND INVITATION TO BID

Johannesburg City Parks and Zoo, the granting, construction and security management agency for the City of Johannesburg Municipality, invites contractors from suitable legally registered companies for the following quantities and values. Compulsory bidding conditions will be held and followed by an inspection of the site where applicable to the particular bid before (bidders who fail to attend the compulsory bidding session will not be considered).

Contract No	Item Description	QBS Grade	Contract Period	Performance Rating System	Site/Construction Address	Bidding Date and Time	JEPZ Contact	Closing Date and Time
JCPZ/2021/01/0201	Digital Public Planning & Booking	N/A	36 Months	Functionality	City Parks House, 40 De Korte Street Johannesburg	20 April 2022 @ 09:00-10:00am	Letta Madlala @ 083 401 5695 lettam@cityparks.gov.za	08/05/2022 @ 12:00pm
JCPZ/2021/02/0201	Media House & Media Planning & Booking on Traditional Media Platforms	N/A	36 Months	Functionality	City Parks House, 40 De Korte Street Johannesburg	20 April 2022 @ 10:00-11:00am	Letta Madlala @ 083 401 5695 lettam@cityparks.gov.za	08/05/2022 @ 12:00pm
JCPZ/2021/03/0201	Media Planning and Booking	N/A	36 Months	Functionality	City Parks House, 40 De Korte Street Johannesburg	20 April 2022 @ 11:00-12:00pm	Letta Madlala @ 083 401 5695 lettam@cityparks.gov.za	08/05/2022 @ 12:00pm
JCPZ/2021/04/0201	Corporate Catering & Food Support	N/A	36 Months	Functionality	City Parks House, 40 De Korte Street Johannesburg	20 April 2022 @ 12:00-12:00pm	Letta Madlala @ 083 401 5695 lettam@cityparks.gov.za	08/05/2022 @ 12:00pm

- To qualify for consideration, potential service providers MUST provide and ATTEND to the following minimum qualification requirements:
- Provide Completed proof of address and/or Electoral proof of residence (only latest Municipal statement (not in arrears for more than three months) or valid lease agreement in their area of jurisdiction)
 - Provide Valid (COR) Certificate of your sector from Department of Labour (Letter of good standing)
 - Provide Valid Certificate or Proof of Membership with a regulatory body only where applicable
 - Provide Proof of registration with CSD (Central Supplier Database) at National Treasury compliant with all regulatory requirements
 - Only locally produced goods, services or works in locally manufactured goods, with a stipulated minimum (minimum for local production and content will be considered)
 - The use of correction fluid is strictly prohibited and shall lead to disqualification
 - All corrections must be initialed by the bidder; and
 - Completion of the entire tender document as issued or downloaded in compulsory

Bids: All service providers must submit their BIDDING VERIFICATION certificate from Verification Agency accredited by the South African Accreditation System (SAAS) in order to deliver performance profiles.

The physical address for submission of bid documents is: Johannesburg City Parks and Zoo Head Office, City Parks House, Ground Floor, 40 De Korte Street, Braamfontein, Johannesburg. Documents may be downloaded from www.joburg.gov.za/procurement or email: procurement@cityparks.gov.za for free from Wednesday, 06 April 2022.

A compulsory clarification meeting with representatives of the Employer will take place at the date provided above.

NOTE: Special Instruction 10 to CTVB-16 and the National Department of Health requirements, submissions of completed tenders or responses will only be allowed on the following dates to the physical address provided in the front page of the tender documents:

- 04-05-2022 (08:00 – 16:00pm)
- 05-05-2022 (08:00 – 16:00pm)
- 06-05-2022 (08:00 – 12:00pm) before the closing time

The lowest, or any tender will not necessarily be accepted and Johannesburg City Parks and Zoo reserves the right to accept any tender either in whole or in part. Telegraphic, telephonic, telex, facsimile and late bids will not be accepted. Bids may only be submitted on the bid document provided by JEPZ. It is the responsibility of the service provider to deposit the tender submission to the correct tender box at the address provided above. The bid validity will be 90 days from the closing date and may only be extended in 120 days.

Johannesburg City Parks and Zoo is committed to combatting fraud. If it is legally permitted to do so, and provided that service delivery will not be adversely influenced, contracts awarded by JEPZ may be cancelled, the service provider in question will be blacklisted on its database of service providers and reported to the appropriate authorities.

Postal address: 0839 022 887

For more information on bids and qualifications visit our website www.joburg.gov.za/procurement

Thembisile Hani Local Municipality

PUBLIC NOTICE 2022/021 (DRAFT ANNUAL REPORT)

Notice is hereby given in terms of section 97 (2) (b) of the Local Government Municipal Finance Management Act, 2003 (Act No 52 of 2003), and in terms of section 48 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000), to notify members of the community and interested groups to submit written comments or representations on the Draft Annual Report of 2021/2022 as detailed for public comment in the Municipal Council on Monday 04 March 2022. The Draft Annual Report can be accessed and viewed during normal working hours (07h45-16h00) and on our municipal website, from the 03 April 2022 to 08 April 2022 at the places indicated below.

In terms of section 51A of the said Municipal Systems Act, the 2021/2022 Draft Annual Report of Thembisile Hani Local Municipality is available at the Municipal head office at Nongwenyeni, Municipal council offices at Nongwenyeni and "Incentive" TC, Municipal public libraries at Nongwenyeni, Phomola Street and Municipal Website at www.thembisilehani.gov.za

Representations may be directed to the Municipal Manager, Thembisile Hani Local Municipality, Private Bag 24942, Inxwanya, 0488, or submitted at any State Of the Art offices.

The closing date for the submission of any representations is Tuesday, 08 April 2022.

Administrative enquiries may be directed to the following official during office hours:

- The Assistant Manager: Performance Management Systems Mrs Bheka Mokoena at 013 966 5008

ON HANI - MUNICIPAL MANAGER

Thembisile Hani Local Municipality

PUBLIC NOTICE

ADOPTION OF DRAFT IDP/BUDGET AND TARIFF STRUCTURE FOR FINANCIAL YEAR 2022/2023 AND TWO BUTTER YEARS

Thembisile Hani Local Municipality hereby notifies in terms of section 94 of the Municipal Systems Act (Act 52 of 2003) and section 32 of the Municipal Finance Management Act (Act 52 of 2003) that the Draft Annual Budget, IDP and Tariff Structure for the 2022/2023-2024/2025 financial years were adopted at a meeting of Council on the 5th March 2022.

Copies of the Draft Annual Budget and IDP are available for inspection for a period of 21 days from 7th April 2022 between 08h00 and 16h00, from the following Municipal key points:

- Municipal Head Office
- Municipal Council Office (Nongwenyeni) / Thembisile Hani

All written comments or representations in respect of the above should be directed to the office of the Municipal Manager of Private Bag 24942, Inxwanya, 0488 or submitted in person at the Municipal Head Office.

All telephonic enquiries can be directed to Mrs WJ or Moyo J at telephone number (013) 966-5100.

MRS DAN HANI - Municipal Manager

EKURHULENI METROPOLITAN MUNICIPALITY

(Alberton Customer Care Area)

PROPOSED REGISTRATION OF A SERVITUDE OF RIGHT OF WAY OVER ERF 9189 TOKOZA TOWNSHIP IN FAVOUR OF THE GENERAL PUBLIC THAT IS OWNED BY THE CITY OF EKURHULENI METROPOLITAN MUNICIPALITY.

Notice is hereby given in terms of section 70(1)(b) (ii) of the Local Government Ordinance, No 17 of 1998 that the City of Ekurhuleni Metropolitan Municipality approved the registration of a servitude of right of way in favour of the general public over Erf 9189 Tokoza Township for access purposes.

The relevant Council resolution in terms of which the proposed registration of servitude has been approved together with plans showing the servitude area, is available for inspection during office hours (Monday to Friday) from 08:00 to 16:00 at the Alberton Civic Centre.

Any persons who intend to comment or object to the proposed registration of servitude of right of way must lodge such comment or objection in writing to reach the Manager: Property & Portfolio Advisory Services, Real Estate Department, Alberton Civic Centre by no later than 30 calendar days from the date of publication of this notice.

Alberton Civic Centre, P O Box 4, ALBERTON, 1460
DR INOGEN MASHOBA, CITY MANAGER

Notice No: 11/2022

a partnership between



**THEMBISILE HANI LOCAL MUNICIPALITY
ACKNOWLEDGEMENT RECEIPT
FOR**

2020/2021 DRAFT ANNUAL REPORT, 2021/2022 REVISED SDBIP, PERFORMANCE AGREEMENTS & PLANS

	INITIALS & SURNAME	ORGANISATION/DEPARTMENT	TELEPHONE/CELL	DATE RECEIVED	SIGNATURE
1.	D.P. Molevu	Thembisile Hani Local Municipality New Building	063 6435430	06.04.2022	
2.	LT MATSHINA	Thembisile Hani Local Municipality Old Building	076 989 1306	06/04/2022	
3.	LT MKISA	Thembisile Hani Local Municipality Kwaggafontein Library	081 822 6400	06/04/2022	
4.					





**THEMBISILE HANI LOCAL MUNICIPALITY
ACKNOWLEDGEMENT RECEIPT
FOR**

2020/2021 DRAFT ANNUAL REPORT, 2021/2022 REVISED SDBIP, PERFORMANCE AGREEMENTS & PLANS

	INITIALS & SURNAME	ORGANISATION/DEPARTMENT	TELEPHONE/CELL	DATE RECEIVED	SIGNATURE
1.	P2 Maima	Thembisile Hani Local Municipality Verena Library	072 521 4848	06/04/2022	
2.	M.C.A Mochwobane	Thembisile Hani Local Municipality Phumula Library	072 381 3852	06/04/2022	
3.					



**THEMBISILE HANI LOCAL MUNICIPALITY
ACKNOWLEDGEMENT RECEIPT
FOR**

2020/2021 DRAFT ANNUAL REPORT, 2021/2022 REVISED SDBIP, PERFORMANCE AGREEMENTS & PLANS

	INITIALS & SURNAME	ORGANISATION/DEPARTMENT	TELEPHONE/CELL	DATE RECEIVED	SIGNATURE
1.	M. M. MAHLANGA	Thembisile Hani Local Municipality KwaMhlanga Satellite	082 0974552	06/04/2022	
2.	N. J. MOTHA	Thembisile Hani Local Municipality Tweefontein "K" Satellite	082 7020720	06/04/2022	
3.					



Sinah Moripe

From: Sinah Moripe
Sent: Wednesday, 06 April 2022 16:12
To: 'Nhlanhla J Simelane'
Cc: Siphso Mahlangu
Subject: 2002/2021 DRAFT ANNUAL REPORT
Attachments: PT DRAFT ANNUAL REPORT 2020-2021.pdf

Good afternoon,

Kindly find the below link for the 2020/2021 Draft Annual Report for your attention, sign the above attached acknowledgement or reply to this e-mail for acknowledgement.

For the uploading to the system of Treasury kindly note I have forwarded to Bridget as I don't have password, this one is for the compliance with AG as they request acknowledgement during audit.

<https://drive.google.com/file/d/1gU6F8ZrbGRkHJTzmKqL8EQ7uXMUKRphY/view?usp=sharing>

Hope you find the above in order.

Warm regards,



Moripe Sinah
Assistant Manager PMS
Thembisile Hani Local Municipality
Mobile: (073)393 8582
Office: (013) 986 9100/9123 | **Fax:** (013) 986 0995
Site: www.thembisilehanilm.gov.za

Sinah Moripe

From: Sinah Moripe
Sent: Wednesday, 06 April 2022 15:55
To: 'Kgothatso.Matlala@treasury.gov.za'
Cc: Bridgette Mashao; Siphohahlangu
Subject: 2020/2021 DRAFT ANNUAL REPORT
Attachments: NT DRAFT ANNUAL REPORT 2020-2021.pdf

Good afternoon,

Kindly find the below link for the 2020/2021 Draft Annual Report for your attention, sign the above attached acknowledgement or reply to this e-mail for acknowledgement.

For the uploading to the system of Treasury kindly note I have forwarded to Bridget as I don't have password, this one is for the compliance with AG as they request acknowledgement during audit.

<https://drive.google.com/file/d/1gU6F8ZrbGRkHJTzmKqL8EQ7uXMUKRphY/view?usp=sharing>

Hope you find the above in order.

Warm regards,



Moripe Sinah
Assistant Manager PMS
Thembisile Hani Local Municipality
Mobile: (073)393 8582
Office: (013) 986 9100/9123 | **Fax:** (013) 986 0995
Site: www.thembisilehanilm.gov.za

Sinah Moripe

From: Sinah Moripe
Sent: Wednesday, 06 April 2022 15:37
To: 'Bongumusa Zikhali (SM)'
Cc: 'TumiSe@agsa.co.za'; 'Silindile Khumalo'; Siphohahlangu
Subject: 2020/2021 DRAFT ANNUAL REPORT
Attachments: AG DRAFT ANNUAL REPORT 2020-2021.pdf

Good afternoon Sir,

Kindly find the below link for the 2020/2021 Draft Annual Report for your attention, also sign the above attached acknowledgement or reply to this e-mail for acknowledgement.

<https://drive.google.com/file/d/1gU6F8ZrbGRKHJTzmKqL8EQ7uXMUKRphY/view?usp=sharing>

Hope you find the above in order.

Warm regards,



Moripe Sinah
Assistant Manager PMS
Thembisile Hani Local Municipality
Mobile: (073)393 8582
Office: (013) 986 9100/9123 | **Fax:** (013) 986 0995
Site: www.thembisilehanilm.gov.za

Sinah Moripe

From: Sinah Moripe
Sent: Wednesday, 06 April 2022 15:27
To: 'SibanyoniPC@mpg.gov.za'
Cc: Siphoh Mahlangu
Subject: FW:
Attachments: COGTA DRAFT ANNUAL REPORT 2020-2021.pdf

Good afternoon,

Kindly find the below link for the Draft Annual Report 2020/2021 for the attention of the Honourable MEC, also signed the above attached acknowledgement or reply to this e-mail to acknowledge.

<https://drive.google.com/file/d/1gU6F8ZrbGRkHJTzmKqL8EQ7uXMUKRphY/view?usp=sharing>

Hope you find the above in order.

Warm regards,



Moripe Sinah
Assistant Manager PMS
Thembisile Hani Local Municipality
Mobile: (073)393 8582
Office: (013) 986 9100/9123 | **Fax:** (013) 986 0995
Site: www.thembisilehanilm.gov.za

Sinah Moripe

From: Sinah Moripe
Sent: Wednesday, 06 April 2022 15:32
To: 'phindilem@mpuleg.gov.za'
Cc: 'zephm@mpuleg.gov.za'; Siphon Mahlangu
Subject: 2020/2021 DRAFT ANNUAL REPORT
Attachments: LEGISLATURE DRAFT ANNUAL REPORT 2020-2021.pdf

Good afternoon,

Kindly find the below link for the 2020/2021 Draft Annual Report for the attention of the Honourable Speaker, also acknowledge by signing the above attached letter or reply to this e-mail for acknowledgement.

<https://drive.google.com/file/d/1eU6F8ZrbGRkHITZmKqL8EQ7uXMUKRphY/view?usp=sharing>

Hope you find the above in order.

Warm regards,



Moripe Sinah
Assistant Manager PMS
Thembisile Hani Local Municipality
Mobile: (073)393 8582
Office: (013) 986 9100/9123 | **Fax:** (013) 986 0995
Site: www.thembisilehanilm.gov.za

ANNEXURE C

MPAC FINAL QUESTIONNAIRE AND RESPONSES OF THE EXECUTIVE MAYOR

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

THEMBISILE HANI LOCAL MUNICIPALITY



MPAC FINAL QUESTIONNAIRE AND RESPONSES OF THE EXECUTIVE MAYOR

PROBING OF THE ANNUAL REPORT 2020/2021 FINANCIAL YEAR

Date of Issue: 09 May 2022

To : The Executive Mayor

From : Municipal Public Accounts Committee

Subject : Request To Respond To MPAC Questionnaire

Deadline for responses : 10 May 2022

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY			
<p>1. On page 23, under 'Telecommunication and postal services' paragraph, The MPAC has observed that in most of our areas, there are lack of street names and proper house numbering which might hinders postal street delivery system.</p> <p>Question: Can the Executive Mayor share with the committee on whether there are any corrective measures to address this challenge? If any, provide Portfolio of Evidence</p>	<p>We are agree with the observation of MPAC. Most of the municipal villages are still informal. The long term plan to address that is located within the township establishment programmes that the municipality has started to implement with the help of NDM and the department of Human Settlement.</p> <p>Which at the end of the day will have the street numbers which will be accurate and correct. POE provided.</p>	<p>Question: MPAC has observed that the POE presented is not specific to particular existing villages/areas. Can the Executive Mayor share with the committee the status of street naming and street numbering in old existing villages within the municipality, to improve postal street delivery system?</p> <p>We do have a village by village naming and the POE was circulated to MPAC members.</p>	

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>2. On page 24, under paragraph 1.3 Challenges</p> <p>The MPAC has observed that the municipality experienced 9 (nine) challenges for the year under review.</p> <p>Question: Can the Executive Mayor share with the committee progress to date on each challenge?</p>	<ul style="list-style-type: none"> • The supply of Free Basic Electricity by Eskom is reliant on the submission of beneficiaries list within the Indigent Register from the municipality and so far there is 109 beneficiaries in the current register which has been qualified by the municipality. • The municipality is currently sitting with an indigent register with a total of 109 beneficiaries which the registration process is ongoing in order to improve on the number of beneficiaries. • On the question of water borne system, the municipality has a long term plan which includes the expansion of Tweefontein K Waste Water Treatment Works as well as the construction of Luthuli Waste Water Treatment Works. Both the above initiatives are aimed at addressing the request by the community for a water borne sewer system. • With regard to bullet number 4 relating to inadequate and inconsistent supply of water, the municipality is proud to report a positive progress made with regard to reliable supply of water especially in areas such as Mathyszenloop, Boekenhouhoek, Bundu and Machipe (Bomandu) where the Bundu weir project is yielding returns from the investment made. Other areas still receive water at intervals as per the vula-vala programme however at a more 	<p>Question: The MPAC note with concern the 109 beneficiaries that are registered by the municipality as indigents. Can the Executive Mayor share with the committee the process and strategy used to identify the indigents? Provide POE of the 109 beneficiaries.</p> <p>Given the processes and the strategies used thereof which doesn't bear fruits, are you still applying the same system to identify the indigents?</p> <p>Answer: I share your concern, since COVID 19 things escalated a bit.</p> <p>The process that the municipality follow is that, we make an open invite to the community to come to register at the offices in order to become part of the indigent register at the level of household. MPAC</p>	<p>The MPAC is of a view that there is no greater awareness made by the municipality and therefore recommend that greater emphasis on awareness campaign need to be done by the municipality.</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
	<p>improved consistency. We are addressing challenges experienced on the Moloto ground water project whereby this initiative will alleviate the supply challenges experienced in that area. On a long term basis, the Loskop Dam Project has kick started whereby Nkangala District is busy finalising the procurement of service providers in order to start with the construction work which will be phased in accordance with budget availability.</p> <ul style="list-style-type: none"> On bullet 5 regarding the shortfall of 36.1 ml, the municipality on the above bullet outlined the plans that range from short, medium to long term which aims at providing additional supply to address the shortfall. <p>On bullet 6 regarding the inadequate water storage at Moloto, the municipality has constructed an additional storage reservoir at Moloto which addressed the challenge raised, bulk water supply which was highlighted on bullet 2 above remains a challenge that the municipality is working towards resolving.</p>	<p><i>committee should note that the '109' may not look much but if you follow the scientific analysis the number is fair.</i></p> <p><i>We will further advertise for the deserving households to apply.</i></p> <p><i>The POE is presented in terms of what the municipality is doing. Policy is also provided as part of evidence to the process we follow.</i></p>	

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
CHAPTER 2 GOVERNANCE			
<p>3. Under Component A: Political Governance (Pages 29 – 33)</p> <p>The MPAC has observed that on the MPAC description, it is not made mentioned that the MPAC chairperson's position is full-time, the Picture of the MPAC chairperson is not appearing and further the amendment to the Municipal Structures Act, which regulates that the MPAC chairpersons' position be full-time is not provided for in the report.</p> <p>Question: Can the Executive Mayor share with the MPAC if the above mentioned omissions are necessary or not, to be included in the report?</p>	<p>Municipal Structures Act does not mention the term of the MPAC chairperson except for the one of the Speaker and the Executive Mayor.</p> <p>In terms of the Legislative Framework and AR format on how we do the AR doesn't provide for the MPAC chairperson to be included.</p> <p>The amendment to the Municipal Structures Act was done in October 2021 and the municipal annual report was already submitted to Auditor General on the 31st of August 2021.</p> <p>The legislation will be followed to the later in addressing the issue of including the MPAC chairperson's picture in the annual report.</p>		<p>THAT council consider the inclusion of the MPAC chairperson's picture in the future Municipal Annual Reports, considering the amendment to the Municipal Structures Act, Section 79(a).</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>4. On component C (Page 40): Assessment of Community Needs.</p> <p>The MPAC has observed the duplications and misallocations of issues on assessment of community needs e.g. issues raised at Phola (ward 6) were also captured under (ward 7), (high-must light at the main road of Phola Park and fixing of road via Phola Park community hall etc.)</p>	<p>We have gone through each ward and have corrected information that is incorrectly inserted. The following are the information found to be incorrectly inserted:</p> <ol style="list-style-type: none"> 1. Ward 7: <ul style="list-style-type: none"> - Fixing of road via Phola park community hall, - Complaining about a bridge that over flows when it's raining at Jordan and - Requesting a high mast light at the main road of Phola Park All the above have been removed from ward 7 as they belongs to ward 6 2. Ward 8 Farm Water is "Farm Watervaal". 3. Ward 9 information on 2014/2015 has been deleted as is an old information. 4. Ward 10 information pertaining to ward 15 has been redirected to the correct ward. 5. Ward 18 information on " requesting water where he resides" has been deleted as it has no meaning. 6. Ward 21 information purporting to be for 2014 has been deleted as it's misplaced. 7. Ward 26 information pertaining to Luthuli and Mzimuhle (wards 9 and 10) is being relocated to those relevant wards. 		<p>MPAC Comments and Recommendations:</p> <p>That considering that there are series of duplications and misallocations of issues on the Assessment of Community Needs, it is recommended that the entire Assessment of Community Needs table (from Ward 1 to 32) be revised and corrected accordingly to ensure the credibility of information.</p>

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>5. On Component D: Corporate Governance. 2.8 Supply Chain Management (Page 58).</p> <p>The MPAC has observed that the report states in paragraph 3 that <i>“there were also no material findings from the office of the Auditor General regarding the implementation of the policy and the SCM processes.”</i></p> <p>Question: Can the Executive mayor qualify this statement given the fact that there were findings relating to failure to implement SCM Policy?</p>	<p><i>The observation is correct, we agree there were material findings by the AG considering the following:</i></p> <ul style="list-style-type: none"> Irregular expenditure raised by Auditor General are emphasis of matters in relation to Supply Chain Management policy. The finding raised in relation to the Preferential Procurement Regulations and CIDB Regulations on new grading table which amount to R 20 446 469.37 The unsuitable bidder was appointed in contravention with CIDB regulation no.17, The project total cost amount to R11 497 144.46 The second material finding relate to No mandatory subcontracting conditions included in the bid document for tender above R30 Million. The project total cost amount to R39 902 486.41 <p>The UIFW was taken to the Disciplinary Board for further investigation:</p> <p>Attached are Auditor General Findings (Comaf 35).</p>		<p>Proposed Recommendation:</p> <p><i>THAT the statement in the AR “there were also no material findings from the office of the Auditor General regarding the implementation of the policy and the SCM processes” be reviewed.</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>6. On Component D: 2.10 Websites (Page 66). The MPAC has observed that the service delivery agreement were not published on the municipal website. Question: Can the Executive Mayor explain why service delivery agreements were not published on the municipal website?</p>	<p>The municipality does not have long term service delivery agreements that are approved by council hence there is nothing to put on the website.</p>		<p>THAT all municipal service delivery agreements must be publicised on the municipal website to ensure transparency, openness and accountability.</p>
<p>7. Component D: 2.11. Public Satisfaction on Municipal Services (Page 67). The MPAC has observed that the municipality has conducted public satisfaction survey through public participation meetings to gauge public satisfaction on the services provided by the municipality. Question: Can the Executive Mayor explain</p>	<p>The report was not included in the Annual Report, however it is available and it is attached.</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>why the outcome of that survey was not written or mentioned in this report (that is; whether the public is happy or not)?</p>			

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
CHAPTER 3 SERVICE DELIVERY PERFORMANCE			
<p>8. 3.4. Waste Management - Waste Storage and Disposal (Page 92).</p> <p>The MPAC has observed that there is only one Class B permitted landfill site in Kwaggafontein that is currently under construction:</p> <p>Question: Can the Executive Mayor update the MPAC on the status quo of the Kwaggafontein project?</p>	<p>The Kwaggafontein landfill site is 99% complete, only rubble clearing and drilling of monitoring boreholes are outstanding. The operation plan is submitted to the executive and we are looking at how are gonna fund the plan, to keep the environment clean. We are almost done and are following all requirement in that regard.</p> <p>Kindly receive the attached Progress report for March 2022.</p>		<p>Pending Site Visit</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>9. 3.4. Waste Management: Waste storage and Disposal (Page 92) – The Street cleaning and clearing of illegal dumping;</p> <p>The MPAC has observed that the street cleaning and clearing of illegal services is done by the EPWP.</p> <p>Question: Can the Executive Mayor provide portfolio of evidence (POE), including names of the illegal dumping sites that were cleared by the EPWP.</p>	<p>The municipality has a program of cleaning illegal dumping site using machinery and EPWP, however the program is not implemented fully because of lack of machinery and shortage of EPWP. NB POE attached.</p> <p><i>We will also as municipality conduct an awareness to the public to change their mind-set so to the cleanliness of the municipality becomes a collective effort between the municipality and the community, therefore Community cooperation would be highly appreciated.</i></p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>10. Under Basic Service and Infrastructure Development: Project: MM11 MM048 (Page 246)</p> <p>The MPAC has observed an over expenditure on procurement of 3 vehicles for public loud hailing amounting to R136 250.00.</p> <p>Question: Can the Executive Mayor share with the MPAC as to where does the additional amount (R136 250.00) taken from and provide Portfolio of Evidence to that effect.</p>	<p>The additional amount was taken from the following segments: Procurement of loud hailing systems (MM049) and also under conducting of interviews (which was not used) on the radio (MM050).</p>	<p>Question: Please provide POE</p> <p>Answer: POE provided.</p>	

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>11. Project: MM11 (Page 248)</p> <p>The MPAC has observed that the unit has budgeted R225 000 for the issuing of 4 Quarterly External Newsletters by 30th June 2021 and could not achieve the target, on basis that there was insufficient budget.</p> <p>Question: Can the Executive Mayor share with the MPAC whether the reason provided for non-achievement (Insufficient Budget) is as a result of poor planning or not, since the initial budget of R225 000 was almost exhausted in just one target instead of the 4 planned targets?</p>	<p>Due to budgetary constraints the budget for the Quarterly newsletter was reduced to R225 000 and it was supposed to be increased during the adjustment budget, however there was no budget allocated due to budgetary constraints.</p> <p>The reason for the budget to be exhausted in one target is because 2 quarters were merged into one newsletter, which resulted in an increase in the number of pages.</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>12. Project: DTS 033 (Page 179). MPAC has observed that the project was not achieved and it was indicated on the action plan that, THLM will install all meters inside the households.</p> <p>Question: Can the Executive Mayor tell the MPAC as to when would the municipality implement the project of installing households' meters, and what is the time frame.</p>	<p>The installation of household's meters is a long term plan which will be implemented in phases due to the high number of households without meters installed. This action plan depends on the availability of budget and at the moment a timeframe has not been set.</p> <p><i>We intend to gradually install the water meters in all households as the budget allows. We will start by installing regional water meters first in every village to determine how much water is used and ensure that the villages get water services equitably.</i></p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>13. Project: (new)/Procurement of Water Tanker Trucks and DTS178: Procurement of 1 x Honey Sucker Trucks (Covid 19) – (Pages 181/191).</p> <p>The MPAC has observed that the targets were not achieved due to the unavailability of trucks from the dealership and the action plan is that, the remainder of trucks were supposed to be delivered by August 2021.</p> <p>Question: 1. Can the Executive Mayor provide with the current status quo of the project, 2. If the remaining truck/s were delivered, provide the POE to confirm that?</p>	<p>1. The project for procurement of Water tankers trucks and Honey Sucker trucks is completed</p> <p>2. All trucks were delivered on the 27 September 2021 and 1 December 2021</p> <p>Kindly see attached Delivery Note of trucks.</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>14. Projects: DTS 172/173 (pages 181/182). The MPAC has observed that the target was not achieved due to the unavailability of material on time from suppliers and the action plan provided is that; the material is delivered - the MPAC also noted the over expenditure on project DTS 172. Question: 1. Can the Executive Mayor give the progress update, with regard to these two project? 2. Can the Executive Mayor indicate on what led to the over expenditure, and where did the municipality get the funds to finance the over expenditure?</p>	<p>1. The Projects were completed in the 2021/22 FY on the 26 October 2021. The project was implemented in multi years and some work planned for outer years be done in accelerating the completion of the Bundu scheme. 2. The budget virement process was done to fund the project and funds from other projects were utilised to funds the over expenditure. Kindly see attached virement budgeting and completion certificate</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>15. Project: DTS 175 (page 184) The MPAC has observed that the target was not achieved and part of the action plan was that the target will be completed by August 2021 – the MPAC has also noted the over expenditure on the project. Question: 1. Can the Executive Mayor give the progress to date with regard to this project 2. Can the Executive Mayor give reasons on what led to the over expenditure, and 3. Where did the municipality get the funds to finance the over expenditure?</p>	<p>The Project was completed in the 2020/21FY end August 2021.</p> <p>The contractor experienced excessive hard rock on site which resulted in Variations order for additional funds.</p> <p>The budget virement process was done to fund the project and funds from other projects were utilised to funds the over expenditure.</p> <p>Kindly see attached virement budgeting and completion certificate.</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>16. Project: DTS 176 (Page 185) The MPAC has observed that the target was not achieved and the reason is that the Consultant has delayed in testing all the boreholes. Question: 1. Can the Executive Mayor indicate whether the Consultant was disciplined/penalized for failing to test all boreholes on time? If yes Provide POE, if No why? 2. Can the Executive Mayor give the progress to date with regard to this project?</p>	<p>1. The Consultant was not penalized. The Consultant was instructed to accelerate the works and complete the work before 31 August 2021 2. The project is been completed with 189 boreholes inspected and report submitted.</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>17. Project: DTS 038 (Page 186)</p> <p>The MPAC has observed that the target was not achieved and the reason is that the DWS system was not working.</p> <p>Question: Can the Executive Mayor give progress to date with regard to this project?</p>	<p>The target has been achieved and DWS has assessed the municipality on Green Drop.</p>	<p>Question: Can the Executive Mayor provide the certificate on the Green Drop, as portfolio of Evidence.</p> <p>Answer: There is a big improvement in terms of attached Green Drop Report for the municipality. We will finally work towards meeting the Green Drop requirement.</p>	<p>Noted</p>
<p>18. Projects DTS 034, DTS 146, DTS 164, DTS 163, DTS 165, DTS 166, DTS175, DTS 117, DTS 150, DTS 167, DTS170</p> <p>The MPAC has observed that the targets were achieved however there are series of over expenditure attached to these projects.</p> <p>Question: 1. Can the Executive Mayor give a report on each project, with regard to the reasons for over expenditure and 2.</p>	<ol style="list-style-type: none"> 1. The Municipality experience challenges in the implementation of the project as a result of business forum looking for business opportunities which affected the project implementation (DTS 164, DTS 163, DTS 165, DTS 166, DTS175, DTS 117, DTS 150, DTS 167, DTS170) 2. The Municipality has reprioritise the budget during adjustments budget (DTS 146, DTS 165.) <p>Kindly see attached virement budgeting and MunSoft System generated report regarding adjusted budgets</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>Specify where was the extra budget taken from?</p> <p>19. Project DTS 098 (Page 190) The MPAC has observed that the target was achieved but the spending is at zero rand. Question: Can the Executive Mayor give the reason on how did we achieve the target while the budget was not spent?</p>	<p>The Project was performed in house using internal staff thereby saving the municipality that money.</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>20. Project LED 007 (Page 267)</p> <p>The MPAC has observed that the target was not achieved due to the fact that the quorum for the Local Reference Committee Meeting was not met.</p> <p>Question: 1. Can the Executive Mayor give the reasons for lack of quorum and indicate to the MPAC on how many attempts did the municipality make to convene the meeting? 2. Can the Executive Mayor confirm that the municipality held two meetings in the 1st quarter 2021/22 to cover the shortfall.</p>	<p>1. The Quorum could not be reached because most councillors did not attend the convened meetings – <i>due to transitions of term of office.</i></p> <p>2. Two meetings could not be held in the first Quarter of 2021/22.</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>21. Project LED 036 (Page 270) MPAC has observed that the target was not achieved due to the fact that the designs and the GEO-Tech reports were completed. Question: 1. Can the Executive Mayor give the progress to date on this project? 2. Can the Executive Mayor furnish the MPAC with the GEO-Tech and Designs Reports?</p>	<p>1. The Geo-tech reports indeed are complete 2. The department now awaits availability of funds for the construction to commence – <i>upon receipt of funds the project will commence.</i> 3. The Geo-Tech and designs are hereby attached.</p>		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>22. Project LED 037 (page 270)</p> <p>The MPAC has observed that target for supporting 50 SMME's was not achieved due to insufficient funds.</p> <p>Question: Can the Executive Mayor furnish the MPAC with the report on SMME's which have benefited from this project and the criteria thereof? Provide POE; Advert, attendance register, minutes and delivery note.</p>	<p>The following items are hereby attached :</p> <ol style="list-style-type: none"> 1. Report on SMME`s which benefited, 2. The advertisement, 3. The criterion on selection procedure and 4. Delivery note 		<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>23. Project SDS 001 (Page 207) upgrading of kwaggafontein landfill site ward 25 (Phase 2)</p> <p>The MPAC has observed an overspending of budget by R41 168.47 with the actual progress at 48.5% against planned target of 60%.</p> <p>Question: Can the Executive Mayor clarify the MPAC about the reasons for overspending.</p>	<p>Kindly see the attached MunSoft System generated report regarding budget and expenditure records which does not reflect over expenditure.</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>24. Project: LED001 (Page 211) Expanded public works program.</p> <p>The MPAC has observed that the adjusted annual budget has been exhausted however the target was not achieved (307 Actual target of FTEs against the 447 Planned target of FTEs)</p> <p>Question: Can the Executive Mayor clarify the MPAC on why the budget has been exhausted whilst the target was not archived.</p>	<p>The municipality has entered into an agreement with Public works to implement EPWP on for sectors with the target 447 and received R 2 127 000 EPWP Grant for implementation. The grant was not sufficient enough to hire 447 for the period of 12 months. We only managed to employ 140 EPWP for 12 months.</p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>25. Project: SDS023 & SDS024 (Page 214) Procurement of 2 Compactor Trucks & Procurement of 2x Skip bin loader trucks.</p> <p>The MPAC has observed that the targets have been achieved however there was overspending of R500 000 and R800 000 respectively.</p> <p>Question: Can the Executive Mayor provide reasons for the over spending?</p>	<p>At the time of the procurement of the trucks there was a challenge in the industry of steel manufacturing and steel was scarce as a result the prices were higher.</p> <p><i>We were forced to adjust to supplier and demand principles to complete the project - the higher price was because of economic factors.</i></p>		<p><i>Noted</i></p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>26. Project DCS007 (Page 217) skills development levy fund</p> <p>The MPAC has observed the overspending of R421 490.96 however the target is not achieved (199 actual number of trained officials against 216 planned target)</p> <p>Question: Can the Executive Mayor provide the MPAC with the reasons for overspending?</p>	<p>The original budget for training for 2020/21 was R 1 500 000 and the difference was catered for in the adjusted.</p> <p>POE on number of escalations, which led to over expenditure is provided.</p>		<p>Noted</p>
<p>27. Project DCS035 (Page 228) - Material and Supply of Covid19</p> <p>The MPAC has observed the over expenditure of R33 944 for procurement of Perspex Prospective Screens (56 actual procurement against 55 planned target)</p> <p>Question: Can the Executive Mayor provide</p>	<p>When SCM sources the quotations for Perspex prospective screens we realised that the budget allocation was not enough for the procurement and we then do virement to cover the outstanding amount of R33 944. We had planned for 55 but due to demand by employees we end up buying 56 screens.</p>	<p>Question: Can the Executive Mayor provide POE 'Virement'?</p> <p>Answer: The final expenditure for 1 screen was R891 96 hence the over expenditure. The POE is provided.</p>	<p>Noted</p>

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>reasons for over expenditure of more than 50% for extra one screen procured?</p>			

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor	Follow-up Question & Respond	MPAC Comments and Recommendations
CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE			
<p>28. Policy on Essential Services (Page 278) The MPAC has observed that the policy was last adopted by Council on the 1st of May 2007. Question: Considering the COVID19 outbreak, can the Executive mayor benefit the MPAC if the same policy is still relevant to the municipality?</p>	<p>The policy was adopted in 2007 however the municipality uses Disaster Management Act in case of Disaster.</p>	<p>.</p>	<p>Noted</p>

Question	Responses of the Executive Mayor					Follow-up Question & Respond	MPAC Comments and Recommendations
CHAPTER 6 AUDITOR GENERAL AUDIT FINDINGS							
IRREGULAR EXPENDITURE FROM 1ST JULY 2020 -30 JUNE 2021							
<p>29. On paragraph 31. Expenditure Management (Page 298) – auditor general’s report; The MPAC has observed that no reasonable steps were taken to prevent the irregular expenditure amounting R20.5m</p> <p>Question: 1. Can the Executive Mayor provide the MPAC with a breakdown of the R20.5m Irregular Expenditure as reported and 2. For each expenditure indicate, the applicable legislations that were transgressed? 3. Share with the MPAC the consequence management steps that have been taken, in order to ensure that there is no recurrence thereof?</p>	<p>Supplier Name Thobela Attorneys</p>	<p>Expenditure incurred R 2 554 008,85</p>	<p>Legislation transgressed against Constitution 117, SCM Reg 32,19</p>	<p>Reason for Transgression Regulation 32 instead of Bidding Process</p>	<p>Services Debt Collection</p>	<p>Question: Can the Executive Mayor provide the expenditure amount for Stickson service provider.</p> <p>Answer: the Stickson expenditure has been cleared with the AG, therefore there was no actual irregular Expenditure attached to Stickson.</p>	<p>Noted</p>
<p>MWG</p>	<p>R 221 457,40</p>	<p>SCM Reg 32</p>	<p>Regulation 32 instead of Bidding Process</p>	<p>Access Control system</p>			
<p>I@ Consultin g</p>	<p>R 2 342 476,16</p>	<p>SCM Reg 32</p>	<p>Regulation 32 instead of Bidding Process</p>	<p>Maintenance & Updating of GRAP compliance</p>			
<p>Mamolat o</p>	<p>R 850 584,96</p>	<p>SCM Reg 29(1)</p>	<p>Non Attendance of CFO in BAC meeting</p>	<p>Delivery of portable water</p>			
<p>Bidvest Bank</p>	<p>R 4 560 667,00</p>	<p>SCM Reg 32</p>	<p>Appointed using Regulation 32 instead of Bidding Process</p>	<p>Rental of Fleet</p>			
<p>Kgotso Mokone</p>	<p>R 3 237 077,00</p>	<p>PPR 9(1)</p>	<p>No mandatory subcontracting conditions included in the bid document for tender above R30 Million</p>	<p>Moloto Water Infrastructure</p>			

MPAC Preliminary Questionnaire on the probing of THLM Annual Report for 2020/2021 financial year

Question	Responses of the Executive Mayor					Follow-up Question & Respond	MPAC Comments and Recommendations
	Jasino General Services	R 5 458 173,00	CIDB reg 17	CIDB - Unsuitable bidders awarded contracts	Construction of Mountain View (Simunye) Bus Route		
	Laizment General Trading	R 1 242 025,00	PPR 5(6)	Bidders who did not meet the functionality criteria were not disqualified	Galvanised Skip Blins		
	Stickson	R -	SCM Reg 28(1)(G)	Municipal rates in arrears for more than 3 months at the time of award	Construction of Entokozwniwa ter infrastructure- Phase 1		
	TOTAL	R 20 466 469,37					

3. The irregular expenditure report is already handed over to disciplinary board for investigation. The investigation is in process.

ANNEXURE D

COMMENTS/REPRESENTATIONS

Auditing to build public confidence



**AUDITOR - GENERAL
SOUTH AFRICA**

THEMBISILE HANI LOCAL MUNICIPALITY

MPAC briefing document for 2020- 21 financial audit

12 April 2022

Introduction

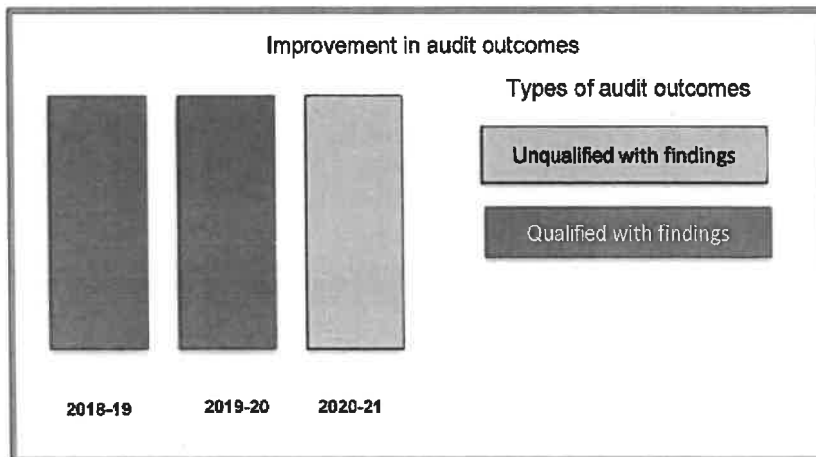
Reputation promise of the Auditor-General of South Africa

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

Purpose

The purpose of this document is to apprise the MPAC on the audit outcomes of the municipality. Our role as the AGSA is to reflect on the audit outcomes and root causes to assist the MPAC in their oversight role of assessing the municipality's performance.

Audit outcomes



The municipality improved from a qualified with findings audit outcome in 2018-19 and 2019-20 to an unqualified with findings audit outcome in 2020-21. The opinion indicates the financial information to be included in the annual performance report is credible and can be relied upon. However, it remains a concern the financial statements submitted for audit were not free from material misstatements. Material misstatements in respect of the following financial statement items were identified only during the audit process and were not prevented by the municipality's system of internal controls:

- Payables from exchange transactions
- Bulk purchases
- Segment reporting
- Irregular expenditure

The material findings identified on the annual performance report were due to planned indicators and targets not being measurable and verifiable. The source information for measuring the planned indicators was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting against the pre-determined indicator definitions. As a result, we could not audit reliability the reported achievements for the following indicators:

Key performance indicator	Planned target	Reported achievement
Number of household provided with water	82 653 households provided with water by 30 th June 2021	82 653 households provided with water
Number of HH provided with 6kl free basic water	82 653 households provided with 6kl free basic water 30 th June 2021	82 653 households provided with water

There is a slight improvement on compliance with laws and regulations as the number of material compliance findings reported in the audit report decreased from 8 findings in 2019-20 to 4 findings in 2020-21. However, some of the findings are recurring which indicates compliance is not adequately monitored. Material findings were identified in respect of the following subject matters:

Compliance subject matter	Number of material findings	
	2021	2020
Annual financial statements		
• Material misstatements identified on the financial statements		
Strategic planning and performance management		
Expenditure management		
• Reasonable steps not taken to prevent irregular expenditure		
Revenue management		
Consequence management		
Procurement and contract management		
• Some of the contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups.		
• The performance of some of the contractors or providers was not monitored on a monthly basis.		
Total	4	8

Root causes

The key root causes that need to be addressed to further improve the audit outcome are vacancies in key units, lack of appropriate competencies by key officials and inadequate oversight over financial and performance reporting.

Unauthorised, Irregular, Fruitless and wasteful expenditure

Item	Irregular expenditure	Fruitless & wasteful expenditure	Unauthorised expenditure
Opening balance	R57,2 million	R12,3 million	NIL
Add: Incurred during the current year	R20,5 million	R39,4k	NIL
Less: Amount written off	(R9,1 million)	R821k.	NIL



Closing balance	R68,6 million	R11,5 million	NIL
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The above table shows the municipality has not been able to prevent irregular and fruitless and wasteful expenditure. The irregular expenditure has continued to increase despite council having written off part of the expenditure.

The majority of the irregular expenditure incurred in the current year relates to incorrect use of regulation 32, construction contracts awarded to bidders who do not have the required CIDB grading, bidders who did not meet the functionality criteria not disqualified and mandatory sub-contracting condition not included in the bid specification.

The balances have also not been adequately dealt with including ensuring that consequences are implemented as a deterrent against non-compliance with laws and regulations.

Financial viability

It is concerning to note that the municipality's provision for bad debt amounted to R1,3 billion (2019-20: R1,2 billion) which represents 98% (2019-20: 98%) of total the debtors balance. Even though the municipality developed a revenue enhancement strategy and hired new service providers for debt collection, such initiatives did not yield tangible results compared to last year. This means council should exert more efforts next year to enforce collectability of debts due to enable the municipality to continue to be financially viable in the near future.

Significant efforts need to be exercised on this area including the mobilisation of community members by the political leadership for citizens to take ownership and accountability on the services provided by the municipality to bring about financial sustainability and continuity to service delivery.

The municipality is currently placing too much reliance on equitable share and conditional grant funding to maintain operations. Failure by the municipality to collect revenue billed will continue to place pressure on liquidity levels as the municipality balances the act of servicing its liabilities in the ordinary course of the business and deliver services to communities at the same time.

Stability of key management and key units

Although the municipality has filled the vacancies at key management level, it is still not resourced by an adequately qualified, skilled and experienced workforce at lower levels. Lack of adequately qualified and skilled workforce contributed to the findings identified especially on expenditure, payables and supply chain management. Adequate human resources where segregation of duties is promoted is necessary for implementation of the preventative controls.

Based on our observation, the senior management which include section 56 managers, are not supported by a skilled workforce that is able to perform its day-to day duties diligently and vigilantly without any major supervision. As a result, more effort is exerted from management attending to the daily operations and neglecting their oversight and strategic roles.

The council did not prioritise the AGSA's prior year recommendations of ensuring the municipality is capacitated with competent and skilled staff that are knowledgeable. Areas where council will need to ensure adequately skilled capacity include amongst others the following:

- Finance unit (Expenditure and SCM section)
- Technical services & PMU units.

Another area which council will need to prioritise to create sustainability in the operations of the municipality once the contracts of the consultants have come to an end relates to AFS preparation and VAT returns. During the current year under review, the municipality spent around R5,3 million



(incl. VAT) on consultants used in the preparation of the financial statements and R9,1 million on consultants used for VAT review services. The municipality continues to place reliance on these consultants without tangible evidence of the transfer of skills to the employees of the municipality over years.

Furthermore, appropriate systems and procedures to monitor, measure and evaluate performance of staff in terms of section 67(1)(d) of the MSA were not developed by council.

Effectiveness of the oversight mechanism

Although the internal audit unit is not fully capacitated, a budget was made available for the unit to bring in external expertise to assist with execution of the internal audit plan. The unit fully executed its plan for 2020-21 and made recommendations to management for improvement of the internal control deficiencies where necessary. The audit committee met as often as required by its charter and through internal audit reports and audit and risk committee meetings, made recommendations to management for improvement of the internal control deficiencies where necessary.

Status of preventative controls

The status of the following preventative controls among others was found to be inadequate as reflected in the audit outcome:

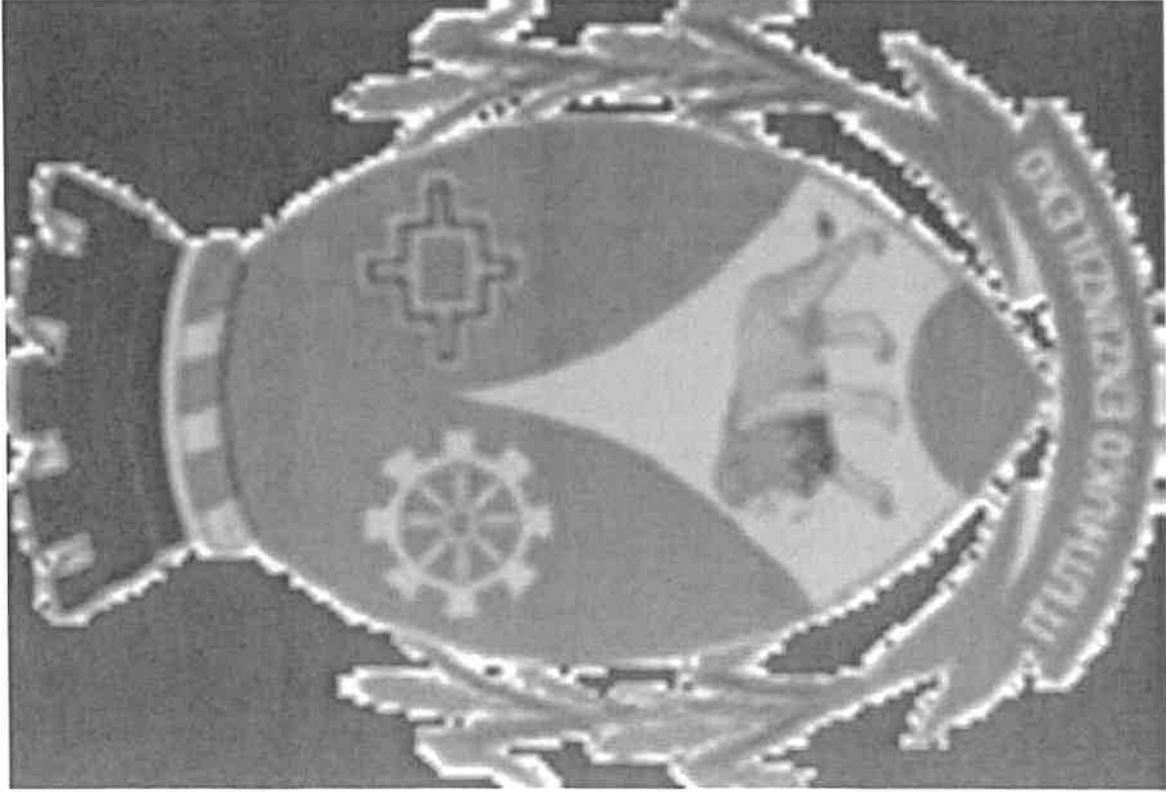
- The leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls
- Implementation of controls over daily and monthly processing and reconciling transactions i.e. processing and reconciliation of transactions relating to key accounts such as payables and expenditure
- Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information i.e. preparation of quarterly financial statements
- Development and monitoring of the implementation of action plans to address internal control deficiencies as evidenced by the repeat findings on the reporting of pre-determined objectives
- Inadequate processes to prevent or identify non-compliance with laws and regulations that result to irregular remains an area of concern since the submitted AFS did not reflect any new additional irregular expenditure except through the audit process

Recommendations

The MPAC should ensure:

- Daily and monthly processing and reconciliation of transactions and AFS preparation and review process is enhanced to avoid recurring audit issues
- The irregular expenditure and fruitless and wasteful expenditure balances are dealt with and cleared from the books of the municipality in line with prevailing legislation in this regard.
- Key units needs to be capacitated to ensure the efficient running of the municipality and the realisation of the municipality's service delivery objectives
- Enhancement of revenue collection strategies to secure financial viability of the municipality





THEMBISILE HANI LOCAL MUNICIPALITY

RMAFACC COMMENTS ON ANNUAL REPORT AND AGSA AUDIT REPORT

**PRESENTED BY MR TREVOR BOLTMAN, CHAIRPERSON OF RISK
MANAGEMENT, ANTI-FRAUD AND ANTI-CORRUPTION COMMITTEE**

DATE: 13 APRIL 2022

**PRESENTATION
OUTLINE**

**Comments on
Annual Report**

**Comments on
AGSA Audit Report**

ANNUAL REPORT

TOP 5 RISKS

- INADEQUATE REVENUE COLLECTION
- INADEQUATE FLEET MANAGEMENT
- LAND INVASION AND ENCROACHMENT
- POOR MAINTENANCE OF ROAD INFRASTRUCTURE
- INADEQUATE PROVISION OF WATER AND SANITATION SERVICES

EMERGING RISKS

- **CONSTITUTIONAL COURT RULING THAT PPPFA REGULATIONS 2017 ARE UNCONSTITUTIONAL AND NATIONAL TREASURY'S DECISION THAT ALL PROCUREMENT BE STOPPED UNTIL CLARITY IS RECEIVED FROM THE CONCOURT**

ANNUAL
REPORT

ANNUAL
REPORT

EMERGING RISKS

- THEFT AND VANDALISM
OF MUNICIPAL ASSETS
RESULTING IN
INCREASED INSURANCE
COSTS AND OTHER
COSTS AND DELAYS IN
SERVICE DELIVERY

ANNUAL REPORT

RISK MITIGATING MEASURES

- ALL EMPLOYEES TO BE PROVIDED WITH UNDERSTANDING OF THEIR ROLE REGARDING RISK MANAGEMENT
- IMPLEMENTING RISK MITIGATING MEASURES
- REGULARLY MEASURE EFFECTIVENESS OF THE RISK MITIGATING MEASURES THAT WERE IMPLEMENTED
- REVISE RISK MITIGATING MEASURES NOT EFFECTIVE OR NOT POSSIBLE TO IMPLEMENT

AUDIT REPORT

IMPROVEMENT IN AUDIT OUTCOMES
POINTS TO IMPROVEMENT IN CONTROL
ENVIRONMENT AND IMPROVEMENT IN
LEVEL OF IMPLEMENTATION OF RISK
MITIGATION MEASURES

HOWEVER, STILL ROOM FOR
IMPROVEMENT IN PREPARING ANNUAL
FINANCIAL STATEMENTS AND ANNUAL
PERFORMANCE REPORT THAT ARE FREE
FROM MATERIAL MISSTATEMENTS TO
GET TO CLEAN ADMINISTRATION

AUDIT REPORT

CONSULTANTS AND MANAGEMENT TO DEVELOP AND
IMPLEMENT SKILLS TRANSFER PLAN FOR TRANSFERRING
OF SKILLS TO MUNICIPAL FINANCE OFFICIALS

REGULAR REPORTS ON IMPLEMENTATION OF SKILLS
TRANSFER PLAN

REGULAR RECONCILIATIONS OF DEBTORS, CREDITORS,
INVENTORY AND BANK

SPEED UP PROCESS OF IMPLEMENTATION OF ASSET
MANAGEMENT MODULE ON FINANCIAL MANAGEMENT
SYSTEM

AUDIT REPORT

INTERIM FINANCIAL STATEMENTS TO
BE PREPARED AND REVIEWED TO
ENSURE THAT ANNUAL FINANCIAL
STATEMENTS ARE FREE FROM
MATERIAL ERRORS

ANNUAL FINANCIAL STATEMENTS BE
PREPARED EARLY ENOUGH TO ALLOW
REVIEWERS INCLUDING INTERNAL
AUDIT AND AUDIT COMMITTEE
SUFFICIENT TIME TO REVIEW IT

AUDIT REPORT - COMPLIA NCE

ENSURE ALL STAFF RESPONSIBLE
FOR PROCUREMENT
UNDERSTAND PROCUREMENT
PROCESSES

DEVELOPMENT AND
IMPLEMENTATION OF
PROCEDURE MANUALS AND
CHECKLISTS

**AUDIT
REPORT -
COMPLIA
NCE**

**REVIEWS BEFORE
APPROVAL OF
PROCUREMENT**

**BID COMMITTEE
MEMBERS TRAINED**

AUDIT REPORT – PERFORMANCE INFORMATION

**ENSURE KEY PERFORMANCE INDICATORS COMPLY
WITH “SMART” PRINCIPLE (SPECIFIC, MEASURABLE,
ACTIONABLE, REALISTIC, TIMELY)**

**ENSURE THAT ALL REPORTED PERFORMANCE IS
SUPPORTED WITH VERIFIABLE PORTFOLIO OF
EVIDENCE**

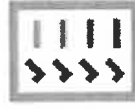
AUDIT REPORT - COMPLIANCE

CONSULTANTS AND MANAGEMENT TO DEVELOP AND IMPLEMENT SKILLS TRANSFER PLAN FOR TRANSFERRING OF SKILLS TO MUNICIPAL FINANCE OFFICIALS

INTERIM FINANCIAL STATEMENTS TO BE PREPARED AND REVIEWED TO ENSURE THAT ANNUAL FINANCIAL STATEMENTS ARE FREE FROM MATERIAL ERRORS



**MANAGEMENT DEVELOP AND IMPLEMENT
ACTION PLAN TO ADDRESS ROOT CAUSES TO
IMPROVE THE CONTROL ENVIRONMENT**



**THE PROGRESS AND EFFECTIVENESS OF THE
ABOVE ACTION PLAN SHOULD BE
MONITORED ON A REGULAR BASIS BY SENIOR
MANAGEMENT, ADVISORY AND OVERSIGHT
BODIES**



THANK YOU



ANNEXURE E

MPAC PROCESS PLAN



MPAC OVERSIGHT PROCESS PLAN ON THE THLM ANNUAL REPORT 2020/2021

1.

ACTIVITY	TO ATTEND / SUPPORT	DATE
<p>MPAC PROBING OF THE ANNUAL REPORT AND DEVELOPMENT OF A QUESTIONNAIRE</p>	<p>MPAC, Chief Risk Officer, Chief Internal Auditor and Assistant Manager PMS, Auditor General South Africa</p>	<p>Tuesday, 12 April 2022</p>
<p>Day 1:</p> <ul style="list-style-type: none"> • CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY and Development of Questions • CHAPTER 2 – GOVERNANCE and Development of Questions • CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS and Development of Questions 	<p>MPAC, Chief Risk Officer, Chief Internal Auditor, Assistant Manager PMS. Audit Committee Chair, Risk Management Committee Chair</p>	<p>Wednesday, 13 April 2022</p>
<p>Day 2:</p> <ul style="list-style-type: none"> • CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) and Development of Questions • CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE and Development of Questions <p>Day 3:</p> <p>CHAPTER 5 – FINANCIAL PERFORMANCE and Development of Questions</p> <p>AUDIT ACTION PLAN and Development of Questions</p> <p>CONSIDERATION of AUDIT COMMITTEE COMMENTS, PUBLIC COMMENTS, COUNCIL COMMENTS ON THE ANNUAL REPORT.</p> <p>ADOPTION OF THE QUESTIONNAIRE</p>	<p>MPAC, Chief Risk Officer, Chief Internal Auditor</p>	<p>Thursday, 14 April 2022</p>



MPAC OVERSIGHT PROCESS PLAN ON THE THLM ANNUAL REPORT 2020/2021

ACTIVITY	TO ATTEND/SUPPORT	DATE
2. SUBMISSION OF THE QUESTIONNAIRE TO THE OFFICE OF THE EXECUTIVE MAYOR	None	20 April 2022
3. SUBMISSION OF THE RESPONSES BY EXECUTIVE MAYOR TO MPAC OFFICE	None	29 April 2022
4. MPAC SPECIAL MEETING – DISCUSSION OF RESPONSES FROM THE EXECUTIVE MAYOR	MPAC	5 May 2022
5. SPECIAL MPAC MEETING – HEARING WITH THE EXECUTIVE MAYOR	MPAC, Executive Mayor, Chairpersons of Section 79 Committees, Nkangala District Municipality MPAC Chairperson, Auditor General, Audit Committee Chairperson, Risk Management Committee Chairperson, Ward Committees, NT, PT, SALGA, SCOPA Chairperson, Traditional Leaders, IMATU, SAMWU	10 May 2022
6. MPAC Special Meeting – Consolidation, adoption and submission of the oversight report to the office of the speaker for tabling to council.	MPAC	12 May 2022
7. Oversight Report is tabled to council	Council	26 May 2022


Mr. LM Tshabangu
(MPAC Chairperson)

